

## PROSPECTUS DATED 15 DECEMBER 2021

### SME LION III B.V. as Issuer

*(incorporated as a private limited liability company  
under the laws of the Netherlands)*

*Legal Entity Identifier: 7245001S0ACNR4DA2R43*

*Securitisation transaction unique identifier: 3TK20IVIUJ8J3ZU0QE75N202101*

This document constitutes a prospectus (the **Prospectus**) within the meaning of Articles 3(3) of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 (the **Prospectus Regulation**). This Prospectus has been approved by the Dutch Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten*) (the **AFM**), as competent authority under the Prospectus Regulation. The AFM only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuer and the quality of the securities that are the subject of this Prospectus and investors should make their own assessment as to the suitability of investing in the Notes. **This Prospectus is valid for use only by the Issuer or others who have obtained the Issuer's consent for a period of up to 12 months after its approval by the AFM and shall expire on 14 December 2022, at the latest.** It is noted that the obligation to supplement the Prospectus in the event of significant new factors, material mistakes or material inaccuracies does not apply when the Prospectus is no longer valid. For this purpose, "valid" means valid for making offers to the public or admissions to trading on a regulated market by or with the consent of the Issuer and the obligation to supplement the Prospectus is only required within its period of validity between the time when the Prospectus is approved and the closing of the offer period for the Notes or the time when trading on a regulated market begins, whichever occurs later.

	Class A1	Class A2	Class A3	Class B	Class C
<b>Principal Amount:</b>	EUR 500,000,000	EUR 4,800,000,000	EUR 1,188,800,000	EUR 2,134,200,000	EUR 43,115,000
<b>Issue Price:</b>	100 per cent.	100 per cent.	100 per cent.	100 per cent.	100 per cent.
<b>Interest rate up to and including the First Optional Redemption Date:<sup>1</sup></b>	the higher of (i) zero and (ii) three month EURIBOR plus a margin of 0.30 per cent. per annum	the higher of (i) zero and (ii) three month EURIBOR plus a margin of 0.35 per cent. per annum	the higher of (i) zero and (ii) three month EURIBOR plus a margin of 0.40 per cent. per annum	N/A	N/A
<b>Interest rate following the First Optional Redemption Date:</b>	the higher of (i) zero and (ii) three month EURIBOR plus a margin of 0.30 per cent. per annum	the higher of (i) zero and (ii) three month EURIBOR plus a margin of 0.35 per cent. per annum	the higher of (i) zero and (ii) three month EURIBOR plus a margin of 0.40 per cent. per annum	N/A	N/A
<b>Interest accrual:</b>	Act/360	Act/360	Act/360	N/A	N/A
<b>Expected ratings (Fitch / Moody's):</b>	AAA(sf) / Aaa(sf)	AAA(sf) / Aaa(sf)	AAA(sf) / Aaa(sf)	N/A	N/A
<b>First Optional Redemption Date:</b>	Notes Payment Date falling in November 2026	Notes Payment Date falling in November 2026	Notes Payment Date falling in November 2026	Notes Payment Date falling in November 2026	Notes Payment Date falling in November 2026
<b>Final Maturity Date:</b>	31 December 2061	31 December 2061	31 December 2061	31 December 2061	31 December 2061

### ING Bank N.V. as Seller

*(incorporated as a public company with limited liability  
(naamloze vennootschap) under Dutch law)*

<sup>1</sup> Three month EURIBOR will be set on each Interest Determination Date. The first Interest Determination Date is two Business Days before the Closing Date

<b>Closing Date:</b>	The Issuer will issue the Notes in the classes set out above 17 December 2021 (or such later date as may be agreed between the Issuer and the Seller (the <b>Closing Date</b> )).
<b>Listing:</b>	Application has been made to list the Class A1 Notes, the Class A2 Notes and the Class A3 Notes on the official list and trading on the regulated market of Euronext Amsterdam. The Class B and the Class C Notes will not be listed. This Prospectus has been approved by the AFM and constitutes a prospectus for the purposes of the Prospectus Regulation.
<b>Underlying Assets:</b>	<p>The Issuer will make payments on the Notes in accordance with the relevant Priority of Payments from, among other things, payments of principal and interest received from a portfolio comprising SME loans originated by the Seller. Legal title to the resulting Receivables will be assigned to the Issuer on the Closing Date and thereafter, in respect of New Receivables, subject to certain conditions being met, on each Monthly Transfer Date during the Revolving Period. See 6.2 (<i>Description of Loans</i>) for further information.</p> <p>Investors can access static data and dynamic data on the historical prepayment, arrears, default and loss performance for a period of at least 5 years for the Receivables by means of the securitisation transaction described in this Prospectus on the website of European DataWarehouse at &lt;<a href="https://editor.eurodw.eu/home">https://editor.eurodw.eu/home</a>&gt;. This data has not been audited by any auditor.</p>
<b>Security for the Notes:</b>	The Noteholders will, together with the other Secured Creditors, benefit from security rights created in favour of the Security Trustee over, among other things, the Receivables and the Issuer Rights (see Section 4.7).
<b>Denomination:</b>	The Notes will have a minimum denomination of EUR 100,000 and integral multiples of EUR 1,000 in excess thereof up to and including EUR 199,000.
<b>Form:</b>	The Notes will initially be represented by Global Notes in global bearer form. Interests in the Global Notes will only in limited circumstances be exchangeable for Notes in definitive form.
<b>Interest:</b>	<p>The Class A Notes will carry a floating rate of interest as set out above, payable quarterly in arrear on each Notes Payment Date. The Class B Notes and the Class C Notes will not carry interest.</p> <p>See further Condition 4.</p>
<b>Redemption Provisions:</b>	<p>Payments of principal on the Notes will be made quarterly in arrear on each Notes Payment Date in the circumstances set out in, and subject to and in accordance with the Conditions.</p> <p>On the First Optional Redemption Date and each succeeding Optional Redemption Date and in certain other circumstances, the Issuer will have the option to redeem all (but not only part) of the Notes.</p> <p>If and to the extent not otherwise redeemed already, the Notes will mature on the Final Maturity Date and be redeemed on such date subject to and in accordance with Condition 6(a) (<i>Final Redemption</i>).</p> <p>See further Condition 6.</p>
<b>Subscription and Sale:</b>	All Notes will initially be purchased and retained by the Seller.
<b>Credit Rating Agencies:</b>	Each of the Credit Rating Agencies is established in the European Union and is registered under the CRA Regulation. As such each of the Credit Rating Agencies is included in the list of credit rating agencies published by ESMA on its website in accordance with the CRA Regulation at <a href="http://www.esma.europa.eu/page/list-registered-and-certified-CRAs">www.esma.europa.eu/page/list-registered-and-certified-CRAs</a> .
<b>Credit Ratings:</b>	<p>Credit ratings will be assigned to the Class A Notes. The Class B Notes and the C Notes will not be rated.</p> <p>The ratings assigned by Fitch address the likelihood of (a) timely payment of interest due to the Class A Noteholders and (b) full payment of principal to the Noteholders by a date that is not later than the Final Maturity Date. The credit rating assigned by Moody's addresses the expected loss to a Noteholder in proportion to the initial principal amount of the Class of Notes held by such Noteholder by the Final Maturity Date.</p> <p>The assignment of ratings to the Class A Notes is not a recommendation to invest in the Class A Notes. Any credit rating assigned to the Class A Notes may be reviewed, revised, suspended or withdrawn at any time. Any such review, revision, suspension or withdrawal could adversely affect the market value of the Class A1 Notes, the Class A2 Notes and/or the Class A3 Notes.</p>
<b>Eurosystem Eligibility:</b>	The Class A Notes are intended to be held in a manner which will allow Eurosystem eligibility. This means that the Class A Notes are intended upon issue to be deposited with Euroclear Netherlands. It does not necessarily mean that the Class A Notes will be recognised as Eurosystem Eligible Collateral either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.

<b>Limited recourse obligations of the Issuer</b>	The Notes will be limited recourse obligations of the Issuer alone and will not be the obligations of, or guaranteed by, or be the responsibility of, any other entity. The Issuer is a special purpose vehicle and will have limited sources of funds available. See section 1 ( <i>Risk Factors</i> ).
<b>Subordination:</b>	The Class C Notes are subordinated to the Class B Notes and the Class A Notes and the Class B Notes are subordinated to the Class A Notes, in each case in respect of payments thereon. See Section 5 ( <i>Credit Structure</i> ).
<b>EU Risk Retention Requirements:</b>	<p>The Seller will retain as ‘originator’ within the meaning of article 2(3)(a) of the EU Securitisation Regulation, on an ongoing basis, a material net economic interest of not less than five (5) per cent in the securitisation, in accordance with Article 6(1) of the EU Securitisation Regulation (which does not take into account any relevant national measures).</p> <p>As at the Closing Date, such material net economic interest will be held in accordance with paragraph 3 item a of Article 6 of the EU Securitisation Regulation by holding not less than 5% of the nominal amount of each Class of Notes. See the section entitled</p> <p><i>Regulatory &amp; Industry Compliance</i> in section 4 (<i>The Notes</i>).</p>
<b>U.S. Risk Retention Requirements:</b>	The Seller intends to rely on an exemption provided for in Section 20 of the U.S. Risk Retention Rules regarding non-U.S. transactions that meet certain requirements. Consequently, the Notes may not be purchased by any person except for persons that are not “U.S. persons” as defined in the U.S. Risk Retention Rules ( <b>Risk Retention U.S. Persons</b> ). Prospective investors should note that the definition of “U.S. person” in the U.S. Risk Retention Rules is different from the definition of “U.S. person” in Regulation S.
<b>Volcker Rule:</b>	The Issuer is of the view that it is not now and immediately following the issuance of the Notes and the application of the proceeds thereof, it will not be, a "covered fund" as defined in the regulations adopted under Section 13 of the Bank Holding Company Act of 1956, as amended, commonly known as the "Volcker Rule" (the <b>Volcker Rule</b> ). In reaching this conclusion, although other statutory or regulatory exemptions under the Investment Company Act of 1940, as amended (the <b>Investment Company Act</b> ) and under the Volcker Rule and its related regulations may be available, this conclusion is based on the determination that the Issuer may rely on the "loan securitisation exclusion" to be excluded from the definition of "covered fund" under the Volcker Rule. Any prospective investor in the Notes, including a bank or a subsidiary or other affiliate thereof, should consult its own legal advisors regarding the Volcker Rule and its effects.
<b>EU Benchmarks Regulation:</b>	Interest amounts payable under the Class A Notes are calculated by reference to three month EURIBOR. The EURIBOR rates are provided by the European Money Markets Institute ( <b>EMMI</b> ) and the interest received on the Issuer Accounts is determined by reference to €STR, which is provided by the European Central Bank ( <b>ECB</b> ). EURIBOR and €STR are interest rate benchmarks within the meaning of Regulation (EU) 2016/1011 (the <b>EU Benchmarks Regulation</b> ). As at the date of this Prospectus, EMMI, in respect of EURIBOR appears on the register of administrators and benchmarks established and maintained by the <b>ESMA</b> pursuant to Article 36 of the EU Benchmarks Regulation. As far as the Issuer is aware, the ECB, as administrator of €STR is not required to be registered by virtue of Article 2 of the EU Benchmarks Regulation, such that the ECB is not currently required to obtain authorization or registration (or, if located outside the European Union, recognition, endorsement or equivalence).
<b>Simple, Transparent and Standardised Securitisation</b>	<p>On the Closing Date, it is intended that a notification will be submitted to ESMA and DNB by the Seller, as originator, in accordance with Article 27 of the EU Securitisation Regulation, confirming that the requirements of Articles 19 to 22 of the EU Securitisation Regulation for designation as EU STS Securitisation (the <b>EU STS Requirements</b>) have been satisfied with respect to the Notes (such notification, the <b>EU STS Notification</b>).</p> <p>The EU STS Notification, once notified to ESMA, will be available for download on the ESMA STS Register website at <a href="https://www.esma.europa.eu/policy-activities/securitisation/simple-transparent-and-standardised-sts-securitisation">https://www.esma.europa.eu/policy-activities/securitisation/simple-transparent-and-standardised-sts-securitisation</a> (or its successor website) (the <b>ESMA STS Register website</b>). For the avoidance of doubt, the ESMA STS Register website and the contents thereof do not form part of this Prospectus.</p> <p>The EU STS Securitisation status of the Notes is not static and investors should verify the status on the ESMA STS Register website, which will be updated when the Notes are no longer considered to be EU STS following a decision of competent authorities or a notification by the Seller.</p> <p>In relation to the EU STS Notification, the Seller has been designated as the first point of contact for investors and competent authorities.</p>

	<p>The Seller and the Issuer have used the services of Prime Collateralised Securities (PCS) EU sas (<b>PCS</b>) (the <b>STS Verification Agent</b>), a third party authorised pursuant to Article 28 of the EU Securitisation Regulation in connection with an assessment of the compliance of the Notes with the requirements of Articles 19 to 22 of the EU Securitisation Regulation (the <b>STS Verification</b>). It is expected that the STS Verification prepared by the STS Verification Agent will be available on its website at <a href="https://www.pcsmarket.org/sts-verification-transactions/">https://www.pcsmarket.org/sts-verification-transactions/</a>. For the avoidance of doubt, the website of the STS Verification Agent and the contents of that website do not form part of this Prospectus.</p> <p>Note that under the UK Securitisation Regulation, the Notes can also qualify as UK STS until maturity, provided that the Notes remain on the ESMA STS Register and continue to meet the EU STS Requirements. See the section entitled Risk Factors – EU STS Securitisation designation impacts on regulatory treatment of the Notes for further information.</p> <p>The Arranger is not responsible for any obligation of the Seller or the Issuer for compliance with the requirements (including existing or ongoing reporting requirements) of Article 7 of the EU Securitisation Regulation or any corresponding national measures which may be relevant.</p>
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**For a discussion of the material risks associated with an investment in the Notes, see Section 1 (Risk Factors).**

The language of this Prospectus is English. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law. Unless otherwise indicated in this Prospectus or the context otherwise requires, capitalised terms used in this Prospectus have the meaning ascribed thereto in paragraph 1 of the Glossary of Defined Terms set out in this Prospectus.

The principles of interpretation set out in paragraph 1 of the Glossary of Defined Terms in this Prospectus shall apply to this Prospectus.

The date of this Prospectus is 15 December 2021.

*Arranger:*

**ING Bank N.V.**

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## **1. RISK FACTORS**

*The Issuer believes that the factors described below represent the material risks inherent in investing in the Notes, but the inability of the Issuer to pay interest on the Class A Notes, principal on the Notes or other amounts on or in connection with the Notes may occur for other reasons not known to the Issuer or not deemed to be material enough. Other risks, events, facts or circumstances not included in this Prospectus, not presently known to the Issuer, or that the Issuer currently deems to be immaterial could, individually or cumulatively, prove to be important and may have a significant negative impact on the Receivables or the Issuer's financial condition. Prospective investors should carefully read the entire Prospectus and reach their own views prior to making any investment decision. Before making an investment decision with respect to any Notes, prospective investors should consult their own stockbroker, bank manager, lawyer, accountant or other financial, legal and tax advisers and carefully review the risks entailed by an investment in the Notes and consider such an investment decision in the light of the prospective investor's own circumstances and financial condition. By sub-category the risk factors which the Issuer deems most material, are mentioned first as referred to in Article 16 (1) of the Prospectus Regulation.*

### **1.1 Risk factors regarding the Issuer**

#### ***The Issuer has limited sources of funds to meet its obligations***

The ability of the Issuer to meet its obligations in full to pay principal and, in respect of the Class A Notes, interest on the Notes will be dependent solely on (a) the receipt by it of funds under the Receivables, (b) the proceeds of the sale of any Receivables (c) in certain circumstances, drawings under the Reserve Account and (d) receipt of amounts under the Swap Agreement and (e) interest in respect of the balances standing to the credit of the Issuer Accounts. See further Section 5 (*Credit Structure*) below. The Notes will not be obligations or responsibilities of, or guaranteed by, any other entity or person.

The Issuer does not have any other resources or liquidity support features available to it to meet its obligations under the Notes. There is no assurance that the market value of the Receivables will at any time be equal to or greater than the aggregate Principal Amount Outstanding of the Notes plus, in respect of the Class A Notes, the accrued interest thereon and hence that a sale will enable the Issuer to repay the Notes in full. Consequently, the Issuer may be unable to recover fully (and/or in a timely manner) the funds necessary to fulfil its payment obligations under the Notes. If such funds are insufficient, any such insufficiency will be borne by the Noteholders and the other Secured Creditors, subject to the applicable Priority of Payments.

#### ***The obligations of the Issuer under the Notes are limited recourse***

The Noteholders shall only have recourse in respect of any claim against the Issuer in accordance with, and subject to, the relevant Priority of Payments. If at any time the Security created in respect of the Notes has been enforced and the foreclosure proceeds are, after payment of all claims ranking in priority in accordance with the Post-Enforcement Priority of Payments, insufficient to pay in full all amounts due and payable on a particular Class of Notes, then the unpaid amount shall cease to be due and payable by the Issuer and the relevant Noteholders of such Class shall have no further claim against the Issuer or the Security Trustee in respect of any such unpaid amounts (see Condition 9(c)).

#### ***Risk of licence requirement under the Act on Financial Supervision***

Under the Act on Financial Supervision (*Wet op het financieel toezicht* or *Wft*) as amended from time to time a special purpose vehicle, which services (*beheert*) and administers (*uitvoert*) loans granted to

consumers must have a licence under that Act. As some of the Loans may be granted to consumers, the Issuer must have a licence. However, an exemption from the licence requirement is available, if the special purpose vehicle outsources the servicing of the loans and the administration thereof to an entity holding a licence under the Act on Financial Supervision. The Issuer has outsourced the servicing and administration of the Loans to the Servicer. The Servicer holds a licence as a bank under the Act on Financial Supervision and the Issuer thus benefits from the exemption. However, if the appointment of the Servicer under the Servicing Agreement is terminated, the Issuer will need to outsource the servicing and administration of the Loans to another licensed entity or it needs to apply for and hold a licence itself. In the latter case, the Issuer will have to comply with the applicable requirements under the Act on Financial Supervision. If the Servicing Agreement is terminated and the Issuer has not outsourced the servicing and administration of the Loans to a licensed entity and, in such case, it will not hold a licence itself, the Issuer will have to terminate its activities and settle (*afwickelen*) its existing agreements itself. There are a number of licensed entities in the Netherlands to which the Issuer could outsource the servicing and administration activities. It remains, however, uncertain whether any of these entities will be willing to perform these activities on behalf of the Issuer. If the Issuer cannot find an authorised servicer, it may be forced to sell the Receivables – or at least those which are payable by consumers - which could result, among others, in early redemption of the Notes and repayment of principal in accordance with the Pre-Enforcement Principal Priority of Payments or the occurrence of an Event of Default and repayment of principal in accordance with the Post-Enforcement Priority of Payments and could in either case result in proceeds being insufficient to pay Noteholders.



## 1.2 Risks relating to the Underlying Assets

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

Payments on the Receivables are subject to credit, liquidity and interest rate risks. This may be due to, among other things, market interest rates and interest rate fluctuations under part of the Receivables, general economic conditions, unemployment levels, the financial standing of Borrowers and similar factors.

Loss of earnings or liquidity, illness, divorce and other similar factors may lead to an increase in delinquencies and bankruptcy filings by Borrowers and could ultimately have an adverse impact on the ability of Borrowers to repay their Loans.

The payment of principal and, in respect of the Class A Notes, interest under the Notes is dependent upon the future performance of the Receivables. Noteholders may therefore suffer losses on the amounts invested in the Notes as a function of, *inter alia*, the timing and/or number of Borrower defaults and/or Borrower delinquencies under the Receivables and/or of the relevant outstanding of such defaults and delinquencies and/or timing and recovery rates of defaulted receivables. This could lead to losses and/or liquidity constraints for Noteholders and/or maturity mismatches with obligations of a Noteholder.

### ***Loan to Foreclosure Value Ratio***

The appraisal foreclosure value (*executiewaarde*) of the Mortgaged Assets on which a mortgage right is vested is normally lower than the market value (*vrije verkoopwaarde*) of the relevant Mortgaged Assets. There can be no assurance that, on enforcement, all amounts owed by a Borrower under a Receivable can be recovered from the proceeds of the foreclosure on the relevant Mortgaged Asset or that the proceeds upon foreclosure will be at least equal to the estimated foreclosure value of such Mortgaged Asset. If there is a failure to recover such amounts, this would result in a Realised Loss which may lead to losses under the Notes.

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

Under the Dutch Civil Code, a debtor has a right of set-off if it has a claim that corresponds to its debt owed to the same counterparty and it is entitled to pay its debt as well as to enforce its claim.

The Seller has represented and warranted that the Loan Conditions provide that payments by the Borrowers should be made without deduction or set-off. Such provision is likely to be construed as a waiver by the Borrowers of their statutory set-off rights *vis-à-vis* the Seller. A waiver of the right to set-off may be challenged on the basis of the articles in the Dutch Civil Code regarding general conditions (*algemene voorwaarden*). Pursuant to article 6:233(a) of the Dutch Civil Code a provision contained in the general conditions could be nullified (*vernietigd*) if such provision is 'unreasonably onerous' (*onredelijk bezwarend*) for the counterparty of such person. Pursuant to article 6:237(g) of the Dutch Civil Code, a waiver of set-off contained in the general conditions is, subject to proof to the contrary, presumed to be unreasonably onerous if such counterparty does not act in the conduct of its profession or trade (i.e. a consumer). The Seller will represent and warrant that to the best of its knowledge each Borrower entered into the relevant Loan in the conduct of its business or profession. On that basis, the Issuer has been advised that such Borrowers should not be able to invoke the annulment of the clause containing a waiver of set-off rights ex article 6:237(g) of the Dutch Civil Code. However, a non-consumer counterparty – such as a Borrower – may still try to invoke nullification based on the generic provision of article 6:233(a) of the Dutch Civil Code. The fact that a set-off waiver is unenforceable in a legal relationship with a consumer, may then be relevant in determining whether such provision is also unreasonably onerous *vis-à-vis* a counterparty which is not a consumer (*reflex werking*). This argument is likely to be stronger for Borrowers who are small companies/enterprises. There is a risk that a court will honour such argument. Should the waiver of set-off by a Borrower not be held valid by

a court, such Borrower will have the right to invoke the statutory right of set-off subject to the requirements for such set off being met. In short, this means that the counterclaim of the Borrower is due and payable, that the Borrower is authorised to perform its payment obligation and that there is mutuality of claims.

After notification of assignment of the Receivable to the relevant Borrower, such Borrower will also have set-off rights *vis-à-vis* the Issuer, provided that (i) the counterclaim of the Borrower results from the same legal relationship (*rechtsverhouding*) as the relevant Receivable, or (ii) the counterclaim of the Borrower has been originated and has become due (*opeisbaar*) prior to notification of the assignment to the relevant Borrower, such as counterclaims resulting from a current account relationship and, depending on the circumstances, counterclaims resulting from a deposit made by the Borrower.

A balance on a current account is due at any time and, therefore, the requirement of the counterclaim having become due prior to notification of assignment will have been met.

In the case of savings deposits, it will depend on the terms of the deposit whether the balance thereof will be due at the moment of notification of the assignment.

If after the moment the Borrower receives notification of the assignment of the Receivable, amounts are debited from or credited to the current account or, as the case may be, the deposit account, the Borrower will only be able to set off its claim *vis-à-vis* the Issuer for the amount of its claim as per the moment such notification has been received after deduction of amounts which have been debited from the current account or the deposit account after such moment, notwithstanding that amounts may have been credited.

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

To further secure the obligations of the Seller in this respect, the Seller will have an obligation to provide the Trigger Collateral (as defined below) in favour of the Issuer and the Security Trustee respectively up to the Trigger Collateral Required Amount (see *Credit Structure* below). No guarantee can be given that the value of the Trigger Collateral from time to time will be sufficient to fully compensate the Issuer if the Seller does not comply with its obligations in this respect. Set-off by Borrowers could thus lead to losses under the Notes.

For the avoidance of doubt, upon transfer of legal title of the Receivables, the Seller will no longer have the right to set off any amounts owed to a Borrower against a Receivable with respect to such Borrower.

### ***Risks of Losses associated with Security Interests***

The value of the right of pledge on the Receivables as security for the Notes may be affected by, among other things, the following factors (i) not all Receivables are secured by Security Interests, (ii) some Receivables are secured by a Security Interest that ranks behind higher ranking security rights, (iii) the value of the assets subject to the Security Interests may not be sufficient to recover the Outstanding Principal Amount of the relevant Receivable(s) and the Other Claims, (iv) the amount of the Other Claims may fluctuate over time and (v) the Issuer is only entitled to receive the Issuer Share from the proceeds of the Security Interests. No assurance can be given that values of the assets subject to the Security Interests remain or will remain at the level at which they were on the date of origination of the

related Loans. All of these factors could result in losses to the Noteholders. The Seller will not be liable for any such losses incurred by the Issuer.

### **1.3 Risks relating to the Notes and the structure**

#### ***Class C Notes and Class B Notes have higher risk of incurring losses than Class A Notes***

Depending on the losses under the Mortgage Loans, the Issuer may not receive sufficient amounts to fully redeem the Notes of each Class. Losses will be allocated on each Notes Payment Date, to the Notes in reverse alphabetical order as more fully described in *Credit Structure*. The balance of the Reserve Account may be used to credit the balance on the Class A Principal Deficiency Ledger (and thus to make good recorded Realised Losses and any Additional Available Revenue Funds) and to pay interest due on the Class A Notes. Upon redemption in full of the Class A Notes and the Class B Notes the balance remaining on the Issuer Collection Account and the Reserve Account may be insufficient to redeem the Class C Notes in full which will result in a loss to the holder(s) of the Class C Notes.

In accordance with Condition 9(a), a Class B Note may be redeemed subject to a Class B Principal Shortfall, which shortfall represents losses allocated to the Class B Notes. As a consequence, a holder of a Class B Note may not receive the full Principal Amount Outstanding of such Note upon redemption.

Hence, investments in the Class C Notes and the Class B Notes are more risky than those in the Class A Notes.

#### ***Risks relating to the purchase of New Receivables***

The purchase of New Receivables on Monthly Transfer Dates during the Revolving Period may lead to a deterioration in the quality of the portfolio of Loans as at the Revolving Period End Date compared to the quality of the portfolio of Loans on the Closing Date albeit that this risk may be mitigated by the fact that the purchase of New Receivables offered by the Seller to the Issuer is subject to compliance with the Loan Criteria and the Additional Purchase Conditions. As a result of any payments and prepayments under the Loans and the purchase of New Receivables up to (and including) the Revolving Period End Date, the concentration of Borrowers in the portfolio of Loans on the Revolving Period End Date may be substantially different from the concentration that existed on the Closing Date. Noteholders should be aware that if the concentration of Borrowers in the portfolio of Loans on the Revolving Period End Date is substantially different from the concentration that existed on the Closing Date due to the purchase of New Receivables until the Revolving Period End Date, this may lead to a different (more negative) outcome of the Noteholders' risk position on the Revolving Period End Date and subsequently to losses under the Notes.

#### ***Risks relating to payments by the Swap Counterparty under the Swap Agreement***

There is a risk that, due to interest rate movements, the interest received on the Receivables and the Issuer Accounts is not sufficient to pay the Floating Rate of Interest on the Class A Notes. This risk may for example materialise if, after interest rate resets in respect of certain Receivables or as a consequence of the purchase of New Receivables, the weighted average interest rate on the Receivables falls below the interest rate payable on the Notes. Interest rate movements may be related to general monetary policy, macro economic or regulatory developments, including the consequences of applicability of the EU Benchmarks Regulation (see for further details on the latter the risk factor entitled '*Changes or uncertainty in respect of EURIBOR or other interest rate benchmarks may affect (i) the value and/or (ii) payment of interest under the Class A Notes*').

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

EURIBOR (or, an alternative base rate following a material disruption or to EURIBOR adopted in accordance with Condition 14). See further the risk factor entitled '*Changes or uncertainty in respect of EURIBOR or other interest rate benchmarks may affect (i) the value and/or (ii) payment of interest under the Class A Notes*'.

The Issuer will depend upon payments made by the Swap Counterparty to assist it in making interest payments on the Class A Notes on each Notes Payment Date on which a net payment is due from the Swap Counterparty to the Issuer under the Swap Agreement. The Swap Agreement provides that, in the event that any payment by the Issuer to the Swap Counterparty is less than the amount which the Issuer would be required to pay to the Swap Counterparty, the corresponding payment obligation of the Swap Counterparty to the Issuer shall be reduced by an amount equal to such shortfall. If the Swap Counterparty fails to pay any amounts when due under the Swap Agreement, the Available Revenue Funds may be insufficient to make the required payments on the Notes and the Noteholders may experience delays and/or reductions in the interest and principal payments due to be received by them. For further details see section 5.4 (*Hedging*).

#### ***Risks related to a termination of the Swap Agreement due to tax reasons***

The Swap Counterparty will be obliged to make payments under the Swap Agreement without any withholding or deduction of taxes unless required by law. If any such withholding or deduction is required by law, the Swap Counterparty will be required to pay such additional amount as is necessary to ensure that the net amount actually received by the Issuer will equal the full amount that the Issuer would have received had no such withholding or deduction been required. The Swap Agreement will provide, however, that if due to any change in tax law after the date of the Swap Agreement, the Swap Counterparty will, or there is a substantial likelihood that it will, be required to pay to the Issuer additional amounts for or on account of tax, the Swap Counterparty may (provided that the Security Trustee has notified the Credit Rating Agencies of such event and with the consent of the Issuer) transfer its rights and obligations to another of its offices, branches or affiliates or any other person that meets the criteria for a Swap Counterparty as set forth in the Swap Agreement to avoid the relevant tax event. The Swap Counterparty will at its own cost, if it is unable to transfer its rights and obligations under the Swap Agreement to another office, have the right to terminate the Swap Agreement. Upon such termination, the Issuer or the Swap Counterparty may be liable to make a termination payment to the other party, which could be substantial. If the Issuer will be liable to make a termination payment to the Swap Counterparty, such termination payment may result in the Issuer having insufficient funds available to fulfil its payment obligations under the Notes. This may lead to losses under the Notes. Moreover, Noteholders should be aware that if they intend to sell any of the Notes, a change of the Issuer's Swap Counterparty and/or the failure to take remedial actions by the Swap Counterparty due to tax reasons could have an adverse effect on the credit rating assigned to, and/or the value of, such Notes.

#### ***Risks related to a termination of the Swap Agreement for other reasons than tax reasons***

The Swap Agreement will be terminable by one party if, inter alia, (i) an event of default occurs in relation to the other party, (ii) it becomes unlawful for either party to perform its obligations under the Swap Agreement or (iii) an Enforcement Notice is served on the Issuer by the Security Trustee, (iv) an applicable rating event has occurred (as set out in the Swap Agreement) in relation to the Swap Counterparty, (v) any Condition or the provisions of any Transaction Document is amended without the Swap Counterparty's prior written consent in certain circumstances (as set out in the Swap Agreement) or (vi) at any time the Class A Notes are redeemed in full prior to the Final Maturity Date. Events of default in relation to the Issuer will be limited to (i) non-payment under the Swap Agreement and (ii) insolvency events.

In the event that the Swap Agreement is terminated by either party, then, depending on the total losses and costs incurred in connection with the termination of the Swap Agreement (including but not limited to loss of bargain, cost of funding and losses and costs incurred as a result of termination, liquidating,

obtaining or re-establishing any hedge or related trading position), a termination payment may be due to the Issuer or to the Swap Counterparty. Any such termination payment could be substantial. If such a payment is due by the Issuer to the Swap Counterparty (other than where it constitutes a Swap Subordinated Default Payment) it will rank in priority to payments due from the Issuer under the Notes under the Pre-Enforcement Revenue Priority of Payments, and could result in the Issuer having insufficient funds available to fulfil its payment obligations under the Notes. This may lead to losses under the Notes.

In circumstances where the Swap Agreement is terminated, endeavours will be made, but no assurance can be given as to the ability of the Issuer to enter into one or more replacement transactions, or if one or more replacement transactions are entered into, as to the credit rating(s) of the swap counterparty(s) for the replacement transaction(s). The credit rating of a replacement swap counterparty may adversely affect the credit rating(s) and/or the marketability of the Notes.

***Risks related to a downgrade or withdrawal of the Required Ratings assigned to the Swap Counterparty***

In the event that the Swap Counterparty is assigned a rating less than the Required Ratings and/or such rating is withdrawn, the Issuer may terminate the related Swap Agreement if the Swap Counterparty fails, within a set period of time, to take certain actions intended to mitigate the effects of such downgrade or withdrawal. Such actions may include the Swap Counterparty collateralising its obligations under the Swap Agreement, transferring its obligations to a replacement Swap Counterparty having the Required Ratings or procuring that an entity with the Required Ratings becomes a co-obligor with or guarantor of the Swap Counterparty. However, in the event the Swap Counterparty is downgraded there is a risk that a co-obligor, guarantor or replacement Swap Counterparty will not be found or that the amount of collateral provided will be insufficient to meet the Swap Counterparty's obligations. This may lead to the Issuer having insufficient funds available to fulfil its payment obligations under the Notes. In these circumstances, the Noteholders may experience delays and/or reductions in the interest and principal payments to be received by them, and the Notes may also be downgraded and this may lead to losses under the Notes. Moreover, Noteholders should be aware that if they intend to sell any of the Notes, a downgrade of any of the Swap Counterparty's credit ratings and/or the failure to take remedial actions could have an adverse effect on the credit rating assigned to, and/or the value of, such Notes.

See section 5.4 (*Hedging*) for further details of the provisions of the Swap Agreement related to a downgrade in the ratings of the Swap Counterparty

***Risks related to the European Market Infrastructure Regulation (EMIR)***

EMIR (as amended from time to time) may have a potential impact on the Issuer as party to the Swap Agreement, as the Issuer may become subject to a requirement to post collateral in respect of its obligations under the Swap Agreement. If the Issuer fails to comply with the rules under EMIR it may be liable for an incremental penalty payment or fine. The impact could significantly adversely affect the Issuer's ability to meet its payment obligations in respect of the Notes. For further information, reference is made to Section 4.4 (*Regulatory & Industry Compliance*).

***Maturity risk***

The ability of the Issuer to redeem all of the Notes on the Final Maturity Date in full and to pay all amounts due to the Noteholders, including after the occurrence of an Event of Default, may depend upon whether the proceeds of the Receivables are sufficient to redeem the Notes, for example through a sale of the Receivables. However, there is no guarantee that such a sale of the Receivables at such price will take place. Hence, the Noteholders may suffer a loss.

#### **1.4 Risks related to changes to the structure and Transaction Documents**

##### ***Conflict of interests between holders of different Classes of Notes may result in the interest of holders of the subordinated Class(es) of Notes being disregarded***

Circumstances may arise when the interests of the holders of different Classes of Notes could be in conflict. The Trust Deed contains provisions requiring the Security Trustee to have regard to the interests of the Noteholders as regards all powers, trust, authorities, duties and discretions of the Security Trustee (except where expressly provided otherwise). If, in the sole opinion of the Security Trustee there is a conflict between the interests of the holders of different Classes of Notes, the Security Trustee shall have regard only to the interests of the Higher Ranking Class or Classes of Notes. In addition, the Security Trustee shall have regard to the interests of the other Secured Creditors and, in case of a conflict of interest between the Secured Creditors, the Post-Enforcement Priority of Payments set forth in the Trust Deed determines which interest of which Secured Creditor prevails. Noteholders should be aware that the interests of Secured Creditors ranking higher in the Post-Enforcement Priority of Payments than the relevant Class of Notes, such as the interests of the Swap Counterparty shall prevail.

In holding some or all of the Notes of a particular Class, an investor may have a majority holding and therefore be able to pass, or hold a sufficient minority to block, Noteholder resolutions (including Extraordinary Resolutions relating to a Basic Terms Change).

A resolution adopted at a meeting of the Class A Noteholders is binding on all Noteholders and a resolution adopted by a Noteholders' meeting of a relevant Class is binding on all Noteholders of that relevant Class.

An Extraordinary Resolution passed at any meeting of the Most Senior Class shall be binding upon all Noteholders of a Class irrespective of the effect upon them, provided that in the case of an Extraordinary Resolution approving a Basic Terms Change, such Extraordinary Resolution shall not be effective unless it has been approved by Extraordinary Resolutions of Noteholders of each Class or unless and to the extent that it shall not, in the sole opinion of the Security Trustee, be materially prejudicial to the interests of Noteholders of each such Class. All resolutions, including Extraordinary Resolutions, duly adopted at a meeting are binding upon all Noteholders of the relevant Class, whether or not they are present at the meeting. Changes to the Transaction Documents and the Conditions may therefore be made without the approval of the Noteholders of a relevant Class of Notes (other than the Most Senior Class) in the event of a resolution of the Noteholders of the Most Senior Class or individual Noteholder in the event of a resolution of the relevant Class, and in each case without the Noteholder being present at the relevant meeting (see for more details and information on the required majorities and quorum, Condition 14(a)). Noteholders are therefore exposed to the risk that changes are made to the Transaction Documents and the Conditions without their knowledge or consent and/or which may have an adverse effect on them.

##### ***The Security Trustee may or, in certain circumstances, shall agree to modifications, waivers or authorisations without the Noteholders' prior consent***

Pursuant to the terms of the Trust Deed, the Security Trustee may agree without the consent of the Noteholders to certain modifications, waivers or authorisations (see also Condition 14 (*Meetings of Noteholders; Modification; Consents; Waiver; Removal of Managing Directors*)). There is no assurance that each Noteholder concurs with any such modification by the Security Trustee. Therefore Noteholders may be bound by changes to which they have not agreed.

Noteholders are therefore exposed to the risk that changes are made to the Transaction Documents without their knowledge or consent which may be against the interest of such Noteholder and this may have an adverse effect on the (value of the) Notes. Moreover, Noteholders should be aware that if they

intend to sell any of the Notes, the fact that changes may be made to the Transaction Documents without their knowledge or consent, could have an adverse effect on the value of such Notes.

***The Swap Counterparties' prior written consent is required for certain modifications, waivers or authorisations***

Pursuant to the terms of the Trust Deed the Swap Counterparty's prior written consent is required for waivers, modifications or amendments, or consents to waivers, modifications or amendments involving certain Transaction Documents, including the Trust Deed and the Conditions, if these would affect – generally speaking – the position of a Swap Counterparty. See in more detail Section 4.1 (*Terms and Conditions*), Condition 14 (*Meetings of Noteholders; Modification; Consents; Waiver; Removal of Managing Directors*). Therefore, the Swap Counterparty can prevent modifications of the relevant Transaction Documents even if the Security Trustee agrees with such modifications. The Security Trustee's consent is required for the modification of any Transaction Document by the Issuer, such as in the case of a resolution taken by the Noteholders to that effect, and such consent is also subject to the Swap Counterparties' prior written consent in the circumstances set out in Condition 14(e). Consequently, even if the Noteholders of a Class have resolved to modify a relevant Transaction Document, the Swap Counterparty can prevent such modification.

***Changes or uncertainty in respect of EURIBOR or other interest rate benchmarks may affect (i) the value and/or (ii) payment of interest under the Class A Notes***

Various interest rate benchmarks (including EURIBOR, €STR and other interest rates or other types or rates and indices which are deemed to be "benchmarks") are the subject of recent national and international regulatory guidance and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past, to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on the Class A Notes which reference EURIBOR. Prospective investors are referred to Section 4.4 (*Regulatory & Industry Compliance*) for further details.

Prospective investors should in particular be aware that:

- (a) any of these reforms or any other changes to a relevant interest rate benchmark (including EURIBOR) could affect the level of the published rate, including to cause it to be lower and/or more volatile than it would otherwise be;
- (b) if EURIBOR is discontinued or is otherwise unavailable and an amendment as described in paragraph (c) below has not been made at the relevant time, then the rate of interest on the Notes will be determined for a period by the fall-back provisions provided for under Condition 4 (Interest), although such provisions, being dependent in part upon the provision by reference banks of offered quotations for leading banks (in the Euro-zone interbank market in the case of EURIBOR), may not operate as intended (depending on market circumstances and the availability of rates information at the relevant time); and
- (c) while an amendment may be made under Condition 14 (*Meetings of Noteholders; Modification; Consents; Waiver; Removal of Managing Directors*) to change the base rate from EURIBOR to an alternative base rate under certain circumstances broadly related to EURIBOR discontinuation and subject to certain conditions being satisfied, there can be no assurance that any such amendment will be made or, if made, that it (i) will fully or effectively mitigate all relevant interest rate risks or result in an equivalent methodology for determining the interest rates on the Class A Notes or (ii) will be made prior to any date on which any of the risks described in this risk factor may become relevant.



In addition, there is no guarantee that any Note Rate Maintenance Adjustment will be determined or applied, or that the application of any such factor will either reduce or eliminate economic prejudice to Noteholders as a consequence of the replacement rate. Furthermore, the process of determination of a replacement for EURIBOR may result in the effective application of a fixed interest rate to what was previously a Note to which a floating rate of interest was applicable. The use of the Alternative Benchmark Rate may therefore result in the Notes that referenced EURIBOR to perform differently if interest payments are based on the Alternative Benchmark Rate (including potentially paying a lower interest rate) than they would do if EURIBOR were to continue to apply in its current form. Furthermore, the Conditions of the Notes may be amended by the Issuer, as necessary to facilitate the introduction of an Alternative Benchmark Rate without any requirement for consent or approval of all of the Noteholders.

Moreover, any of the above matters (including an amendment to change the base rate as described in paragraph (c) above) or any other significant change to the setting or existence of EURIBOR could affect the ability of the Issuer to meet its obligations under the Notes and/or could have a material adverse effect on the value or liquidity of, and the amount payable under, the Class A Notes. Changes in the manner of administration of EURIBOR could result in adjustment to the Conditions or other consequences in relation to the Notes. No assurance may be provided that relevant changes will not occur with respect to EURIBOR or any other relevant interest rate benchmark and/or that such benchmarks will continue to exist. Furthermore, there is a risk that the application of the Alternative Benchmark Rate will not be effective or is not in compliance with the EU Benchmarks Regulation. In such case the Issuer is likely to propose alternatives for the alternative base rate seeking consent of the Noteholders. As a result, the Issuer may not be in a position to timely pay the interest due under the Notes and therefore, the Noteholders may not receive such amounts in a timely manner.

In addition, the Issuer (or any agent appointed by the Issuer) may be considered an "administrator of benchmarks" within the meaning of the EU Benchmarks Regulation. Such administrator may be required to be authorised under the EU Benchmarks Regulation to operate in such capacity. The Issuer does not intend to apply for an authorisation as administrator of benchmarks under the EU Benchmarks Regulation. Failing the due authorisation of the Issuer or any agent appointed by it as administrator pursuant to the EU Benchmarks Regulation, there is a risk that the Issuer or such agent may not act in such capacity and that the appointment of another agent is required to be organised. Delays in the calculation of the Alternative Benchmark Rate and/or any Note Rate Maintenance Adjustment may occur in such instance.

Investors should consider these matters when making their investment decision with respect to the Notes. Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the EU Benchmarks Regulation or any of the international or national reforms and the possible application of the benchmark replacement provisions of the Notes in making any investment decision with respect to the Notes.

## 1.5 Risks regarding Counterparties

### *The Issuer has counterparty risk exposure*

Counterparties to the Issuer may not perform their obligations under the Transaction Documents, which may result in the Issuer not being able to meet its obligations under the Notes, including any payments under the Notes. This may lead to losses under the Notes, as the Issuer may have incorrect information, insufficient funds available to fulfil its obligations under the Notes or available funds may not be applied in accordance with the Transaction Documents.

### *Risks relating to reliance on the Servicer*

The Servicer will, among others, provide management services to the Issuer on a day-to-day basis in relation to the Receivables, including, without limitation, the collection of payments of principal, interest and other amounts in respect of the Receivables, all administrative actions in relation thereto and the implementation of arrears procedures. If a termination event occurs pursuant to the terms of the Servicing Agreement (e.g. as a consequence of a bankruptcy of the Servicer), the Issuer may not be able to find a substitute servicer with sufficient experience of administering SME loans who is willing and able to service the Receivables on the terms of the Servicing Agreement. The termination of the services for whatever reason could result (i) in delays or reductions in distributions on the Notes or (ii) other losses with respect to the Notes.

### *Risk that the ratings of Issuer Account Bank and Swap Counterparty change and risk of mandatory replacement of counterparties*

The Issuer Account Bank and the Swap Counterparty are required to maintain a certain minimum rating pursuant to the Transaction Documents. If the rating of such counterparty falls below such rating, remedial actions are required to be taken, which may, for example, entail posting of collateral and/or the replacement of such counterparty. If a replacement counterparty must be appointed or another remedial action must be taken, it cannot be certain that a replacement counterparty will be found which complies with the criteria or is willing to perform such role, or that such remedial action will be available. In addition, such replacement or action when taken, may lead to higher costs and expenses, as a result of which the Issuer may have insufficient funds to pay its liabilities in full. Moreover, a downgrade of their credit rating and/or the failure to take remedial actions could have an adverse effect on the credit rating assigned to, and/or the value of, the Notes.

### *Risk that the Issuer does not exercise its option to redeem the Notes on any Optional Redemption Date or for tax reasons which may result in the Notes not being redeemed prior to their legal maturity*

Notwithstanding the interest margin of the Class A Notes being increased as from the First Optional Redemption Date, no guarantee can be given that the Issuer will on the First Optional Redemption Date or any Optional Redemption Date thereafter exercise its option to redeem the Notes (other than the Class C Notes) on such Optional Redemption Date. The exercise of such right will, among other things, depend on the ability and wish of the Issuer to sell all Receivables in accordance with Condition 6(e) (*Optional redemption*). Similarly, no guarantee can be given that the Seller will on any Notes Payment Date exercise the Clean-Up Call Option or the option to have the Notes redeemed upon a Regulatory Change or the Issuer will on any Notes Payment Date exercise its option to redeem the Notes (other than the Class C Notes) for tax reasons in accordance with Condition 6(g) (*Redemption for tax reasons*). Noteholders anticipating on any of the options set forth above being exercised, and as a result thereof on redemption prior to the Final Maturity Date, should be aware that if the Issuer does not exercise its option to redeem the Notes (other than the Class C Notes) on any Optional Redemption Date or for tax reasons or the Seller does not exercise the Clean-Up Call Option, there is a risk that the Notes may not be redeemed prior to the Final Maturity Date and such redemption proceeds are therefore not available for the Noteholders to be used for other purposes prior to the Final Maturity Date.

***Risk that the Seller fails to repurchase the Receivables***

The Seller is obliged under certain limited circumstances to repurchase Receivables from the Issuer that, inter alia, are in breach of the representations and warranties made by the Seller in the Receivables Purchase Agreement. If the Seller is unable to repurchase loans or perform its ongoing obligations under the transactions described in this Prospectus, the performance of the Notes may be adversely affected and this may lead to losses under the Notes. Furthermore, the intention is that the Seller will repurchase the Receivables on the First Optional Redemption Date. The Seller is not obliged to do so and the Seller may not be able to do so. There can be no assurance that the Issuer would then be able to find a third party willing to purchase the Receivables at a price sufficient to repay the Notes in full. This could adversely impact the Noteholders and lead to losses under the Notes.

## 1.6 Seller and Servicer Risks

*The representations and warranties of the Seller and Servicer are subject to limited independent investigation and may not be accurate*

None of the Issuer or the Security Trustee has or will make any investigations or searches or other actions to (i) verify the legal characteristics and details of any of the purchased Receivables, the Loans, the Receivables, (or the Seller's rights and interest with respect thereto), the Borrowers or the solvency of any of the Borrowers as each of the Issuer and the Security Trustee, have and will rely solely on the accuracy of the representations made, and on the warranties given, by the Seller and the Servicer regarding, among other things, the purchased Receivables, the Loans (or the Seller's rights and interest with respect thereto) and the Borrowers or (ii) establish the creditworthiness of any borrower or any other party to the Transaction Documents. The Security Trustee and the Issuer will only be supplied with general aggregated information in relation to the borrowers and the underlying agreements relating to the Receivables none of which the Issuer has taken or will take steps to verify. Further, the Security Trustee will not have any right to inspect the internal records of the Seller.

## 1.7 Macro-Economic and Market Risks

### *Risk related to the effect of Covid-19 on the creditworthiness of Borrowers*

The outbreak of Covid-19 has and may have a severe impact on the Dutch, European and global economic prospects. The exact ramifications of the Covid-19 outbreak are highly uncertain and it is difficult to predict the further spread or duration of the pandemic and the economic effects thereof. Likewise it is not possible to predict how adverse the effect will be on the economy of current or any potential future measures aimed at preventing further spread of Covid-19 and at limiting damage to the real economy and financial markets, in general, but also in respect of the Seller and other counterparties of the Issuer and in particular, the Borrowers, whether direct or indirect, such as by increasing sovereign debt of certain countries which may result in increased volatility and widening credit spreads, as further explained in section 6.4 (*Dutch SME Market*). The Noteholders should be aware that they may suffer loss as a result of increased payment defaults under the Receivables.

As a result, payment holidays may be requested by Borrowers in distress due to Covid-19.

Between March 2020 and July 2020, the Seller offered a standardised solution to its SME borrowers which entailed a three-month or six-month postponement of principal instalments on their loan(s) in line with an industry-wide initiative in the Netherlands to mitigate the financial consequences of the Covid-19 pandemic. The borrowers could apply for such payment postponement at their own initiative and under certain conditions. The Seller assessed any request for payment postponements in accordance with its policy in that regard, as further explained in section 6.3 (*Origination and Servicing*). None of the Receivables forming part of the initial pool to be sold and assigned on the Closing Date had a payment postponement on the Initial Cut-off Date and as such resumed payment of principal prior to the Initial Cut-off Date. As of 31 July 2020, any borrower that is no longer able to meet its payment obligations under their Loan(s) will be assessed and treated according to the regular default and forbearance framework of the Servicer, as further explained in section 6.3 (*Origination and Servicing*).

The Covid-19 pandemic may cause Borrowers to no longer be able to meet their payment obligations under their Loan(s). Depending on how many Borrowers will face payment difficulties, arrears and (potentially) subsequent losses under the Loans may increase. This could affect the Issuer's ability to timely and fully meet its payment obligations under the Notes and could therefore lead to losses under the Notes. It is noted that there can be no assurance whether a Borrower will be able to meet its payment obligations or new postponement of principal instalments will need to be granted. This may result in payment disruptions and possibly higher losses under the Receivables. The Noteholders should be aware that this may lead to the Issuer not being able to meet (all) its payment obligations under the Notes and that the Noteholders may suffer loss under the Notes as a result of payment defaults under the Receivables if no economic recovery will take place.

### *Risk related to the ECB Asset Purchase Programme and the Pandemic Emergency Purchase Programme*

In September 2014, the ECB initiated an asset purchase programme (APP) whereby it envisages to bring inflation back to levels in line with the ECB's objective to maintain the price stability in the euro area and, also, to help enterprises across Europe to enjoy better access to credit, boost investments, create jobs and thus support the overall economic growth. The expanded APP commenced in March 2015 and encompasses the earlier announced asset-backed securities purchase programme and the covered bond purchase programme.

On 21 January 2021 it was announced by the Governing Council of the ECB that net purchases under the APP will continue at a monthly pace of EUR 20 billion. The Governing Council continues to expect monthly net asset purchases under the APP to run for as long as necessary to reinforce the accommodative impact of its policy rates, and to end shortly before it starts raising the key ECB interest

rates. The Governing Council also intends to continue reinvesting, in full, the principal payments from maturing securities purchased under the APP for an extended period of time past the date when it starts raising the key ECB interest rates, and in any case for as long as necessary to maintain favourable liquidity conditions and an ample degree of monetary accommodation.

The Governing Council also decided on 21 January 2021 to continue purchases under the pandemic emergency purchase programme (**PEPP**) with a total envelope of EUR 1,850 billion. The Governing Council will conduct net asset purchases under the PEPP until at least the end of March 2022 and, in any case, until it judges that the Covid-19 crisis phase is over. The purchases under the PEPP will be conducted to preserve favourable financing conditions over the pandemic period. If favourable financing conditions can be maintained with asset purchase flows that do not exhaust the envelope over the net purchase horizon of the PEPP, the envelope need not be used in full. Equally, the envelope can be recalibrated if required to maintain favourable financing conditions to help counter the negative pandemic shock to the path of inflation.

Finally, the Governing Council will also continue to provide ample liquidity through its refinancing operations. In particular, the third series of targeted longer-term refinancing operations (**TLTRO III**) remains an attractive source of funding for banks, supporting bank lending to firms and households.

The Governing Council adopted on 7 April 2020 (Decision (EU) 2020/506) a package of temporary collateral easing measures to facilitate the availability of eligible collateral for Eurosystem counterparties to participate in liquidity providing operations, such as TLTRO-III. The package is complementary to other measures including additional longer-term refinancing operations and the PEPP as a response to the Covid-19 emergency. The measures collectively support the provision of bank lending especially by easing the conditions at which credit claims are accepted as collateral. At the same time the Eurosystem is increasing its risk tolerance to support the provision of credit via its refinancing operations, particularly by lowering collateral valuation haircuts for all assets consistently.

On 22 April 2020 the Governing Council adopted temporary measures to further mitigate the effect on collateral availability of possible rating downgrades resulting from the economic fallout from the Covid-19 pandemic. Together these measures aim to ensure that credit institutions have sufficient assets that they can mobilise as collateral with the Eurosystem to participate in the liquidity-providing operations and to continue providing funding to the euro area economy (**Collateral Easing Measures**). The Governing Council of the ECB decided on 10 December 2020 to extend to June 2022 the duration of the set of Collateral Easing Measures adopted by the Governing Council on 7 and 22 April 2020. The extension of these measures will continue to ensure that banks can make full use of the Eurosystem's liquidity operations, most notably the recalibrated TLTROs. The Governing Council will reassess the Collateral Easing Measures before June 2022, ensuring that Eurosystem counterparties' participation in TLTRO III operations is not adversely affected.

It remains uncertain which effect this restart of the APP and the introduction of the Pandemic Emergency Purchase Programme will have on the volatility in the financial markets and the overall economy in the Eurozone and the wider European Union. In addition, the restart of the APP and/or the termination of the asset purchase programme and the launch of the Pandemic Emergency Purchase Programme and the termination of the Pandemic Emergency Purchase Programme could have an adverse effect on the secondary market value of the Notes and the liquidity in the secondary market for the Notes. The Noteholders should be aware that they may suffer loss if they intend to sell any of the Notes on the secondary market for such Notes as a result of the impact the restart of the asset purchase programme and/or a potential termination of the APP and the launch of the Pandemic Emergency Purchase Programme and the termination of the Pandemic Emergency Purchase Programme may have on the secondary market value of the Notes and the liquidity in the secondary market for the Notes.

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

There is not, at present, any active and liquid secondary market for the Notes. Although application has been made to Euronext Amsterdam for the Class A Notes to be admitted to the official list and trading on its regulated market, there can be no assurance that a secondary market for any of the Notes will develop, or, if a secondary market does develop, that it will provide the Noteholders with liquidity or that such liquidity will continue for the life of the Notes. A decrease in the liquidity of the Notes may cause, in turn, an increase in the volatility associated with the price of the Notes. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market.

Limited liquidity in the secondary market for asset-backed securities such as the Notes, has had a severe adverse effect on the market value of asset-backed securities. Limited liquidity in the secondary market may continue to have a severe adverse effect on the market value of asset-backed securities. Consequently, an investor in the Notes may not be able to sell its Notes readily. The market values of the Notes are likely to fluctuate, which fluctuations may occur for various reasons and may be difficult to determine. Any of these fluctuations may be significant and could result in significant losses to such investor. Thus, Noteholders bear the risk of limited liquidity of the secondary market for asset-backed securities and the effect thereof on the value of the Notes.

## 1.8 Legal and Regulatory Risks

### ***Risk related to payments received by the Seller prior to notification of the assignment to the Issuer***

The legal title to the Receivables resulting from the Loans to be assigned on the Closing Date, will be assigned on the Closing Date by the Seller to the Issuer. Such assignment will take place without notification of the assignment to the Borrowers (*stille cessie*) by means of a notarial deed of assignment or a private deed of assignment which will be registered with the Dutch tax authorities on the Closing Date. Furthermore, during the Revolving Period on each Monthly Transfer Date, the Seller will, subject to certain conditions having been met, be entitled to sell and assign New Receivables to the Issuer in the same manner, i.e. without notification to the relevant Borrowers.

The Receivables Purchase Agreement will provide that notification of such assignments may be made upon the occurrence of any of the Assignment Notification Events. For a description of these notification events reference is made to section 7.1 (*Purchase, Repurchase and Sale*). Under Dutch law, until notification of the before mentioned assignment to the Borrowers, the Borrowers can only validly pay to the Seller in order to fully discharge their payment obligations (*bevrijdend betalen*).

The Seller has undertaken in the Receivables Purchase Agreement to transfer or procure transfer of any (estimated) amounts received during the immediately preceding Monthly Receivables Calculation Period in respect of the Receivables to the Issuer Collection Account. However, receipt of such amounts by the Issuer is subject to such payments actually being made. Payments made by Borrowers under the Receivables to the Seller prior to notification of the relevant assignment but after the Seller is declared bankrupt, will form part of the bankruptcy estate of the Seller. In respect of these payments, the Issuer will be a creditor of the estate (*boedelschuldeiser*) of the Seller and will receive payment prior to (*unsecured*) creditors with ordinary claims, but after preferred creditors of the estate and after deduction of the general bankruptcy costs (*algemene faillissementskosten*), which may be material. Under Dutch law, in respect of payments made by Borrowers to the Seller prior to notification of the assignment and prior to bankruptcy or suspension of payments of the Seller as set out above, the Issuer will be an ordinary, non-preferred creditor, having an unsubordinated claim against the Seller.

In case of a bankruptcy of the Seller, the Issuer will notify the Borrowers whereupon the Borrowers will be obliged to pay interest and principal due under the Loans to the Issuer. The same analysis applies mutatis mutandis in respect of the Security Trustee as pledgee after the occurrence of a Pledge Notification Event. In such case the Security Trustee may notify all Borrowers of the assignment(s) and pledge.

If the Seller were to be subjected to a resolution scheme under the SRM Regulation and the Dutch rules implementing the BRRD, depending on the required loss absorption and recapitalisation requirements, the risk cannot be excluded that the ordinary, non-preferred claim of the Issuer in respect of amounts paid by the Borrowers but not yet passed on, will be subject to bail-in powers and hence to the risk of being written off or converted into shares in the capital of the Seller.

### ***Regulatory initiatives may have an adverse impact on the regulatory treatment of the Notes and / or decreased liquidity in respect of the Notes***

In Europe, the United States and elsewhere there is increased political and regulatory scrutiny of the asset-backed securities industry. This has resulted in a raft of measures for increased regulation which are currently at various stages of implementation and which may have an adverse impact on the regulatory position for certain investors in securitisation exposures and/or on the incentives for certain investors to hold asset-backed securities, and may thereby affect the liquidity of such securities. Investors in the Notes are responsible for analysing their own regulatory position. None of the Issuer, Arranger or the Seller makes any representation to any prospective investor or purchaser of the Notes



regarding the regulatory treatment of their investment on the Closing Date or at any time in the future.

Regulatory capital requirements are subject to ongoing change, and are expected to become more stringent. This is especially due to the implementation and entry into force of the changes to CRD IV included in the EU banking package adopted on 14 May 2019 (the **EU Banking Reforms**) and the finalised Basel III reforms as published on 7 December 2017 (the **Basel III Reforms**) (informally referred to as Basel IV). In addition, pursuant to the Solvency II Regulation, more stringent rules apply to European insurance companies in respect of instruments such as the Notes in order to qualify as regulatory capital that may impact certain investors. The Solvency II Regulation is currently under review on an EU level. Any changes to the prudential framework applicable to banks, insurance companies or other institutions investing in the Notes, may affect the risk-weighting of the Notes for these investors. This could affect the market value of the Notes in general and the relative value for the investors in the Notes. Potential investors should consult their own advisers as to the consequences to and effect on them of CRD IV, the EU Banking Reforms and the Basel III Reforms, and the application of the Solvency II Regulation, to their holding of any Notes. None of the Issuer, the Security Trustee or the Arranger are responsible for informing Noteholders of the effects on the changes to risk-weighting or regulatory capital which amongst others may result for investors from the adoption by their own regulator of CRD IV, the EU Banking Reforms, the Basel III Reforms or the Solvency II Regulation (whether or not implemented by them in its current form or otherwise) nor do they make any representation regarding the regulatory capital treatment of their investment.

***EU Securitisation Regulation regime applies to the Notes, and non-compliance with this regime may have an adverse impact on the regulatory treatment of Notes and/or decrease liquidity of the Notes***

On 12 December 2017, the European Parliament adopted the EU Securitisation Regulation, which lays down common rules on securitisation and which applies from 1 January 2019, from 9 April 2021, the EU Securitisation Regulation applies as amended by Regulation (EU) 2021/557. This EU Securitisation Regulation creates a single set of common rules for European "institutional investors" (as defined in the EU Securitisation Regulation) as regards (i) risk retention, (ii) due diligence, (iii) transparency and (iv) underwriting criteria for loans to be comprised in securitisation pools. Such common rules replace the existing provisions in the CRR, Solvency II Regulation and the AIFMR and introduce similar rules for UCITS management companies as regulated by the UCITS Directive and institutions for occupational retirement provisions falling within the scope of Directive (EU) 2016/2341 or an investment manager or an authorised entity appointed by an institution for occupational retirement provisions pursuant to article 32 of Directive (EU) 2016/2341. Secondly, the EU Securitisation Regulation creates a European framework for simple, transparent and standardised securitisations (**EU STS Securitisations**).

The EU Securitisation Regulation applies to the fullest extent to the Notes. The securitisation transaction described in this Prospectus is intended to qualify as an EU STS Securitisation within the meaning of article 18 of the EU Securitisation Regulation. Consequently, the securitisation transaction described in this Prospectus meets, on the date of this Prospectus, the requirements of articles 19 to 22 of the EU Securitisation Regulation and will be notified by the Seller on or prior to the Closing Date to be included in the list published by ESMA referred to in article 27(5) of the EU Securitisation Regulation. The Seller and the Issuer have used the services of PCS, a third party authorised pursuant to article 28 of the EU Securitisation Regulation, to verify whether the securitisation transaction described in this Prospectus complies with articles 19 to 22 of the EU Securitisation Regulation and the compliance with such requirements is expected to be verified by PCS on the Closing Date.

There is a risk that the securitisation transaction described in this Prospectus does not or does not continue to qualify as an EU STS Securitisation under the EU Securitisation Regulation at any point in time in the future or that the securitisation transaction is no longer comprised in the list published by ESMA referred to in article 27(5) of the EU Securitisation Regulation. Furthermore, non-compliance could result in various administrative sanctions and/or remedial measures being imposed on the Issuer

or the Seller which may be payable or reimbursable by the Issuer or the Seller. Furthermore, non-compliance could result in various administrative sanctions and/or remedial measures being imposed on the Issuer or the Seller which may be payable or reimbursable by the Issuer or the Seller. As each of the Priority of Payments do not foresee a reimbursement of the Issuer for the payment of any of such administrative sanctions and/or remedial measures, the Issuer may have insufficient funds available to it to fulfil its obligations under the Notes and this may result in the repayment of the Notes being adversely affected.

***Risks in case of reliance on verification by PCS and for not complying with due diligence requirements under the EU Securitisation Regulation***

The Seller has used the services of PCS, a third party authorised pursuant to article 28 of the EU Securitisation Regulation, to verify whether the securitisation transaction described in this Prospectus complies with articles 19 to 22 of the EU Securitisation Regulation and the compliance with such requirements is expected to be verified by PCS on the Closing Date. However, none of the Issuer, the Issuer Administrator, the Seller, the Arranger, the Managers, the Security Trustee, the Servicer or any of the other transaction parties gives any explicit or implied representation or warranty as to (i) inclusion in the list administered by ESMA within the meaning of article 27 of the EU Securitisation Regulation, (ii) that the securitisation transaction described in this Prospectus does or continues to comply with the EU Securitisation Regulation, (iii) that this securitisation transaction does or continues to be recognised or designated as 'STS' or 'simple, transparent and standardised' within the meaning of article 18 of the Securitisation Regulation after the date of this Prospectus. Investors should note that a verification by PCS does not ensure the compliance of a securitisation with the general requirements of the EU Securitisation Regulation. Verification does not remove the obligation placed on investors to assess whether a securitisation labelled as 'STS' or 'simple, transparent and standardised' has actually satisfied the criteria. Investors must not solely or mechanically rely on any STS notification or PCS' verification to this extent.

Investors should also be aware of the due diligence requirements under article 5 of the EU Securitisation Regulation that apply in respect of an investment in the Notes to institutional investors with an EU nexus (including credit institutions, authorised alternative investment fund managers, investment firms, insurance and reinsurance undertakings, institutions for occupational retirement provision and UCITS funds). Depending on the approach in the relevant EU Member State, failure to comply with one or more of the due diligence requirements may result in penalties including fines, other administrative sanctions and possibly criminal sanctions. In the case of those institutional investors subject to regulatory capital requirements, penal capital charges may also be imposed on the securitisation position (i.e., notes) acquired by the relevant institutional investor.

The EU STS status of the Notes is not static and investors should verify the current status on the ESMA STS Register website, which will be updated where the Notes are no longer considered to be EU STS following a decision of competent authorities or a notification by or on behalf of the Seller.

None of the parties involved have verified whether the securitisation transaction described in this Prospectus is compliant with the UK Securitisation Regulation. Potential investors should take note (i) that the securitisation transaction described in this Prospectus is in compliance with the EU Securitisation Regulation, and (ii) of the differences between the UK Securitisation Regulation and the EU Securitisation Regulation. Potential investors located in the United Kingdom should make their own assessment as to whether the Seller as the Reporting Entity shall (i) make available information which is substantially the same as that which it would have made available in accordance with point (e) of article 5 of the UK Securitisation Regulation and (ii) do so with such frequency and modalities as are substantially the same as those with which it would have made information available in accordance with point (e) of article 5 of the UK Securitisation Regulation if it had been so established.

***ING Bank may be subject to recovery, resolution and intervention frameworks, whereby the application of any measures thereunder could result in losses under the Notes***

The BRRD and the SRM Regulation have introduced a harmonised European framework for the recovery and resolution of banks and large investment firms (and certain affiliated entities) which are failing or likely to fail. If an institution like ING Bank N.V. would be deemed to fail or likely to fail and the other resolution conditions would also be met, the resolution authority will most likely decide to place ING Bank N.V. under resolution. It may decide to apply certain resolution tools. These resolution tools include the sale of business tool, the bridge institution tool and the asset separation tool, each of which, in summary, provides for a transfer of certain assets and/or liabilities of the institution under resolution to a third party. In addition, the BRRD and the SRM Regulation provide for the bail-in tool, which may result in the write-down or conversion into shares of capital instrument and eligible liabilities. Eligible liabilities would include, for example, the balance standing to the credit of an Issuer Account. The resolution authority may also decide to terminate or amend any agreement (including a debt instrument, such as the Notes or a derivative transaction such as the Swap Agreement) to which the Issuer is a party or replace the Issuer as a party thereto. Furthermore, subject to certain conditions, the resolution authority may suspend the exercise of certain rights of counterparties *vis-à-vis* the institution under resolution or suspend the performance of payment or delivery obligations of that institution. In addition, pursuant to Dutch law, certain counterparty rights may be excluded. There is a risk that (the enforceability of) the rights and obligations of the parties to the Transaction Documents, including, without limitation, the Seller, the Servicer, the Swap Counterparty and the Issuer Account Bank, may be affected on the basis of the application of any intervention, recovery or resolution tools or powers. This may lead to losses under the Notes.

## **1.9 Risks Relating to the Characteristics of the Notes**

### ***Risk that the Class A Notes will not be eligible as Eurosystem Eligible Collateral***

The Class A Notes are intended to be held in a manner which allows Eurosystem eligibility. The Class A Notes will upon issue be deposited with Euroclear Netherlands, but this does not necessarily mean that the Class A Notes will be recognised as Eurosystem Eligible Collateral either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria as amended from time to time. Neither the Issuer nor the Arranger gives a representation, warranty, confirmation or guarantee to any investor in the Class A Notes that the Class A Notes will, either upon issue, or at any or all times during their life, satisfy all or any requirements for Eurosystem eligibility from time to time and be recognised as Eurosystem Eligible Collateral. Any potential investors in the Class A Notes should make their own determinations and seek their own advice with respect to whether or not such Notes constitute Eurosystem Eligible Collateral. Non eligibility of the Class A Notes may affect the market value of the Class A Notes and cause liquidity issues for the holder thereof as they cannot be used as collateral for funding purposes with the ECB.

The Class B and the Class C Notes are not intended to be recognised as Eurosystem Eligible Collateral.

### ***Noteholders may not receive and may not be able to trade Definitive Note***

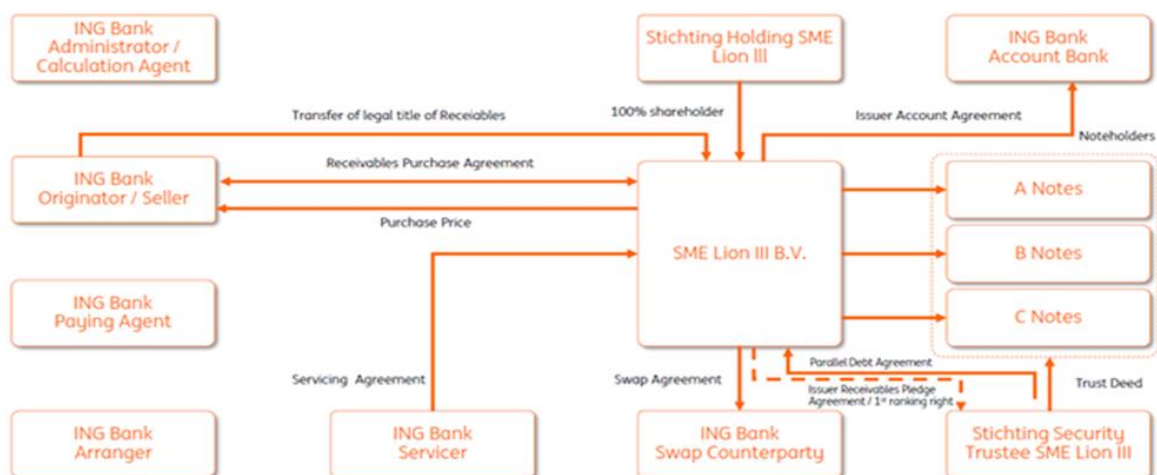
The Notes have a denomination consisting of a minimum authorised denomination of EUR 100,000 plus higher integral multiples of EUR 1,000 with a maximum denomination of EUR 199,000. Accordingly, it is possible that the Notes may be traded in amounts that are not integral multiples of €100,000. In such a case, the relevant holder who holds an amount which is less than €100,000 in its account with the relevant clearing system may not receive a Definitive Note in respect of such holding (should Definitive Notes be issued) and may need to purchase a principal amount of Notes such that its holding amounts to at least €100,000. If Definitive Notes are issued, holders should be aware that Definitive Notes which have a denomination that is not an integral multiple of €100,000 may be illiquid and difficult to trade and they may thus suffer a loss if they intend to sell any of such Notes on the secondary market.

## 2. TRANSACTION OVERVIEW

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

### 2.1 Structure Diagram

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



### 2.2 Risk Factors

There are certain risk factors which prospective Noteholders should take into account which are described in section 1 (*Risk Factors*).

## 2.3 Principal Parties

<b>Issuer:</b>	SME Lion III B.V., incorporated under Dutch law as a private company with limited liability ( <i>besloten vennootschap met beperkte aansprakelijkheid</i> ), having its corporate seat in Amsterdam, the Netherlands and registered with the Trade Register under number 83251235. The entire issued share capital of the Issuer is held by the Shareholder.
<b>Seller:</b>	ING Bank N.V., incorporated under Dutch law as a public company with limited liability ( <i>naamloze vennootschap</i> ), having its corporate seat in Amsterdam, the Netherlands and registered with the Trade Register under number 33031431. The entire issued share capital of ING Bank N.V. is held by ING Group N.V.
<b>Issuer Administrator:</b>	Intertrust Administrative Services B.V., incorporated under Dutch law as a private company with limited liability ( <i>besloten vennootschap met beperkte aansprakelijkheid</i> ) having its corporate seat in Amsterdam, the Netherlands and registered with the Trade Register under number 33210270.
<b>Servicer:</b>	ING Bank N.V.
<b>Security Trustee:</b>	Stichting Security Trustee SME Lion III, established under Dutch law as a foundation ( <i>stichting</i> ) having its corporate seat in Amsterdam, the Netherlands and registered with the Trade Register under number 83236945.
<b>Shareholder:</b>	Stichting Holding SME Lion III, established under Dutch law as a foundation ( <i>stichting</i> ) having its corporate seat in Amsterdam, the Netherlands and registered with the Trade Register under number 83236031.
<b>Directors of the Issuer and of the Shareholder:</b>	Intertrust Management B.V. incorporated under Dutch law as a private company with limited liability ( <i>besloten vennootschap met beperkte aansprakelijkheid</i> ) having its corporate seat in Amsterdam, the Netherlands and registered with the Trade Register under number 33226415, the sole director of the Issuer and of the Shareholder.
<b>Directors of the Security Trustee:</b>	Amsterdamsch Trustee's Kantoor B.V., incorporated under Dutch law as a private company with limited liability ( <i>besloten vennootschap met beperkte aansprakelijkheid</i> ) having its corporate seat in Amsterdam, the Netherlands and registered with the Trade Register under number 33001955, as the sole director of the Security Trustee.
<b>Swap Counterparty</b>	ING Bank N.V.
<b>Issuer Account Bank:</b>	ING Bank N.V.
<b>Paying Agent/Reference Agent:</b>	ING Bank N.V.

<b>Arranger:</b>	ING Bank N.V.
<b>Notes Purchaser:</b>	ING Bank N.V.
<b>Clearing Institutions:</b>	Euroclear Netherlands
<b>Listing Agent:</b>	ING Bank N.V.
<b>Rating Agencies:</b>	Each Rating Agency is established in the European Union and registered under the CRA Regulation
<b>Reporting Entity:</b>	ING Bank N.V.

## 2.4 Notes

	Class A1	Class A2	Class A3	Class B	Class C
<b>Principal Amount:</b>	EUR 500,000,000	EUR 4,800,000,000	EUR 1,188,800,000	EUR 2,134,200,000	EUR 43,115,000
<b>Issue Price:</b>	100 per cent.	100 per cent.	100 per cent.	100 per cent.	100 per cent.
<b>Interest rate up to and including the First Optional Redemption Date:<sup>2</sup></b>	the higher of (i) zero and (ii) three month EURIBOR plus a margin of 0.30 per cent. per annum	the higher of (i) zero and (ii) three month EURIBOR plus a margin of 0.35 per cent. per annum	the higher of (i) zero and (ii) three month EURIBOR plus a margin of 0.40 per cent. per annum	N/A	N/A
<b>Interest rate following the First Optional Redemption Date:</b>	the higher of (i) zero and (ii) three month EURIBOR plus a margin of 0.30 per cent. per annum	the higher of (i) zero and (ii) three month EURIBOR plus a margin of 0.35 per cent. per annum	the higher of (i) zero and (ii) three month EURIBOR plus a margin of 0.40 per cent. per annum	N/A	N/A
<b>Interest accrual:</b>	Act/360	Act/360	Act/360	N/A	N/A
<b>Expected ratings (Fitch / Moody's):</b>	AAA(sf) / Aaa(sf)	AAA(sf) / Aaa(sf)	AAA(sf) / Aaa(sf)	N/A	N/A
<b>First Optional Redemption Date:</b>	Notes Payment Date falling in November 2026	Notes Payment Date falling in November 2026	Notes Payment Date falling in November 2026	Notes Payment Date falling in November 2026	Notes Payment Date falling in November 2026
<b>Final Maturity Date:</b>	31 December 2061	31 December 2061	31 December 2061	31 December 2061	31 December 2061

**Notes:** The Notes (which expression, for the avoidance of doubt, does not refer to the beneficial interests therein whilst the Notes are evidenced by Global Notes) will be issued by the Issuer on the Closing Date.

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

- (i) the Class A1 Notes, 100 per cent.;
- (ii) the Class A2 Notes, 100 per cent.;
- (iii) the Class A3 Notes, 100 per cent.;
- (iv) the Class B Notes, 100 per cent.;
- (v) the Class C Notes, 100 per cent.

**Global Notes:** The Notes of each Class will be evidenced by a Global Note.

It is expected that the Global Notes evidencing the Class A Notes will be deposited with Euroclear Netherlands on or about the Closing Date.

**Transfer of Notes:** The Notes will be in bearer form. Interests in the Notes are transferred in accordance with Condition 1 (*Form, Denomination, Title and Transfers*).

Except in limited circumstances, the Notes will not be issued in definitive form.

<sup>2</sup> Three month EURIBOR will be set on each Interest Determination Date. The first Interest Determination Date is two Business Days before the Closing Date



**Denomination:** A minimum denomination of €100,000 and integral multiples of €1,000 in excess thereof up to and including €199,000.

**Status and Ranking:** The Notes rank *pari passu* and *pro rata* without any preference or priority among Notes of the same Class in respect of the Security proceeds and payments of principal. As to interest the Class A1 Notes, the Class A2 Notes and the Class A3 Notes rank *pari passu* and *pro rata* without any preference or priority among all Notes of such Classes in respect of the Security. See further section 4.1 (*Terms and Conditions*) below.

The right to payment of principal on the Class B Notes and the Class C Notes (which carry no interest) will be subordinated to payments of principal and interest in respect of the Class A Notes. The obligations of the Issuer in respect of the Notes will be subordinated to the obligations of the Issuer in respect of certain items ranking higher in the applicable Priority of Payments.

**Interest on the Class A Notes:** The Class A1, the Class A2 and the Class A 3 Notes rank *pari passu* in respect of interest amounts. Floating rate interest on the Class A Notes will accrue from (and including) the Closing Date by reference to successive Interest Periods and will be payable quarterly in arrear in euro in respect of their Principal Amount Outstanding on each Notes Payment Date. The Margin will remain unchanged after the First Optional Redemption Date.

Each successive Interest Period will commence on (and include) a Notes Payment Date and end on (but exclude) the next succeeding Notes Payment Date, except for the first Interest Period which will commence on (and include) the Closing Date and end on (but exclude) the Notes Payment Date falling on 28 February 2022. The interest will be calculated on the basis of the actual number of calendar days elapsed in an Interest Period divided by 360 calendar days.

Interest on the Class A Notes for the first Interest Period will accrue from (and include) the Closing Date at an annual rate equal to the linear interpolation between the EURIBOR for one month deposits in euro and the EURIBOR for three month deposits in euro – and thereafter for each successive Interest Period up to (but excluding) the First Optional Redemption Date at an annual rate equal to EURIBOR for three-month deposits in euro (determined in accordance with Condition 4 (*Interest*)) – plus a margin per annum of 0.30 per cent, 0.35 per cent, 0.40 per cent. split by the Class A1 Class 2 and Class A3 Notes, respectively. If on the First Optional Redemption Date the Class A Notes have not been redeemed, the margin will remain unchanged as from and including the First Optional Redemption Date.

The rate of interest on the Class A Notes will not be lower than zero.

Payment of interest on the Class A Notes will only be made if and to the extent the Issuer or the Security Trustee, as the case may be, has sufficient funds available to it to satisfy such payment obligation in accordance with the relevant Priority of Payments.

**No interest on Subordinated Notes:** The Class B Notes and the Class C Notes will not carry any interest.

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

**Amortisation of the Class A and B Notes:** Prior to the delivery of an Enforcement Notice, the Issuer shall, during the Revolving Period subject to certain conditions being met, on any Monthly Transfer Date, apply the then current New Receivables Available Amount, i.e. amounts relating to principal received by the Issuer under the Receivables and standing to the credit of the Issuer Collection Account at such time, towards the purchase of New Receivables to the extent offered by the Seller.

On each Notes Payment Date after the Revolving Period End Date, the Seller will apply the Available Principal Funds towards redemption, at their respective Principal Amount Outstanding, of (i) *first*, the Class A1 Notes until fully redeemed, and (ii) *second*, the Class A2 Notes until fully redeemed and (iii) *third*, the Class A 3 Notes until fully redeemed and (iv) *fourth*, subject to Condition 9(a), the Class B Notes, until fully redeemed.

**Amortisation of the Class C Notes** Unless an Enforcement Notice is delivered, payment of principal on the Class C Notes will not be made until the earlier of (i) the Notes Payment Date on which all amounts of interest (in respect of the Class A Notes) and principal on the Notes (other than the Class C Notes) will have been paid in full and (ii) the First Optional Redemption Date. On such Notes Payment Date or First Optional Redemption Date and on each Notes Payment Date thereafter, payment of principal on the Class C Notes will be made, subject to and in accordance with the Conditions and the Pre-Enforcement Revenue Priority of Payments.

**Enforcement:** Following delivery of an Enforcement Notice any amounts to be distributed by the Security Trustee under the Trust Deed to the Secured Creditors (with certain exceptions) will be applied in accordance with the Post-Enforcement Priority of Payments (see section 5 (*Credit Structure*)).

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

**Redemption following clean-up call:** The Seller has the option (but is not obliged) to repurchase and accept re-assignment of all (but not only part of) the Receivables on any Notes Payment Date on which the principal amount due on the Receivables then outstanding is less than 10% of the aggregate Outstanding Principal Amount of the Receivables on the Initial Cut-Off Date. On the Notes Payment Date following the date on which all Receivables have been sold and assigned, the Issuer shall redeem, subject to Condition 9(a), all (but

not only part) of the Notes (other than the Class C Notes) at their Principal Amount Outstanding plus, in respect of the Class A Notes, accrued but unpaid interest thereon, after payment of the amounts to be paid in priority to redemption of the Notes.

**Redemption for tax reasons:**

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

**Method of Payment:**

For as long as the Notes are evidenced by Global Notes, payments of principal and interest will be made in euro, to the Common Safekeeper or Common Depository, as applicable, for the credit of the respective accounts of the Noteholders (see further 4.2 (*Form*) in section 4 (*The Notes*)).

**Withholding tax:**

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

**FATCA Withholding:**

If an amount in respect of FATCA Withholding were to be deducted or withheld either from amounts due to the Issuer or from interest, principal or other payments made in respect of the Notes, neither the Issuer nor any paying agent nor any other person would, pursuant to the Conditions, be required to pay additional amounts as a result of the deduction or withholding. If FATCA Withholding is required, the provisions of Condition 6(f) (*Redemption following clean-up call*) may apply and the Issuer may redeem the Notes.

**Use of proceeds:**

The Issuer will apply the net proceeds from the issue of the Class A and Class B Notes to pay the Initial Purchase Price for the Receivables to be transferred to the Issuer on the Closing Date. The proceeds of the Class C Notes will be deposited on the Reserve Account.

**Security for the Notes:**

The Noteholders together with the other Secured Creditors have the indirect benefit of the security created by the Issuer in favour of the Security Trustee pursuant to Trust Deed.

The Noteholders together with the other Secured Creditors have the indirect benefit of (i) a first ranking undisclosed right of pledge granted by the Issuer to the Security Trustee in connection with the Parallel Debt over the Receivables, including all rights ancillary thereto in respect of the Loans, (ii) a first ranking disclosed right of pledge granted by the Issuer to the Security Trustee over the Issuer Rights and (iii) a first ranking disclosed right of pledge by the Issuer to the Security Trustee over the Issuer's claims in respect of the Issuer Accounts.

After delivery of an Enforcement Notice, the amounts payable to the Noteholders and the other Secured Creditors will be limited to the amounts available for such purpose to the Security Trustee which, *inter alia*, will consist of amounts recovered by the Security Trustee in respect of such rights of pledge and amounts received by the Security Trustee as creditor under the Parallel Debt. Payments by the Security Trustee to the Secured Creditors will be made in accordance with the Post-Enforcement Priority of Payments.

**Parallel Debt:**

Under the Trust Deed the Issuer will undertake to pay to the Security Trustee, under the same terms and conditions, an amount equal to the aggregate of all its undertakings, liabilities and obligations to the Secured Creditors pursuant to the relevant Transaction Documents, provided that every payment in respect of such relevant Transaction Documents for the account of or made to the Secured Creditors directly shall operate in satisfaction *pro tanto* of the corresponding payment covenant in favour of the Security Trustee (such a payment undertaking and the obligations and liabilities resulting from it being referred to as the Parallel Debt).

**Secured Creditors Agreement:**

Under the Secured Creditors Agreement, each Secured Creditor agrees and confirms that the security provided pursuant to the provisions of the Security Documents shall, indirectly, through the Security Trustee, be for the exclusive benefit of the Secured Creditors (including for the avoidance of doubt, the Noteholders). Under the Secured Creditors Agreement, each Secured Creditor moreover agrees to be bound by the relevant terms and provisions of the Trust Deed including, but not limited to, the limited recourse and non-petition provisions contained therein.

**Listing:**

Application has been made to list the Class A Notes on Euronext Amsterdam. Listing is expected to take place on or before the Closing Date. The Class B Notes and the Class C Notes will not be listed.

**Rating:**

It is a condition precedent to issuance that, upon issue, the Class A Notes be assigned AAA(sf) by Fitch and Aaa(sf) by Moody's. The Class B Notes and the Class C Notes will not be rated.

Each of the Credit Rating Agencies engaged by the Issuer to rate the Notes has agreed to perform ratings surveillance with respect to its ratings for as long as the Notes remain outstanding. Fees for such ratings surveillance by the Credit Rating Agencies will be paid by the Issuer. Although the Issuer

will pay fees for ongoing rating surveillance by the Credit Rating Agencies, the Issuer has no obligation or ability to ensure that any Credit Rating Agency performs rating surveillance. In addition, a Credit Rating Agency may cease rating surveillance if the information furnished to that Credit Rating Agency is insufficient to allow it to perform surveillance.

The identifier “sf” stands for “structured finance”. The addition of the identifier “sf” (by Fitch) of “sf” by Moody’s indicates only that the instrument is deemed to meet the regulatory definition of “structured finance” as referred to in the CRA Regulation. In no way does it modify the meaning of the rating itself.

Fitch Ratings Ireland Limited is established in the European Union and is registered under the the CRA Regulation. As such, Fitch Ratings Ireland Limited is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website (at <http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>) in accordance with the CRA Regulation. Fitch Ratings Ireland Limited is not established in the United Kingdom. Accordingly the rating(s) issued by Fitch Ratings Ireland Limited have been endorsed by Fitch Ratings Limited in accordance with Regulation (EC) No. 1060/2009 as it forms part of domestic law of the United Kingdom by virtue of the EUWA (the **UK CRA Regulation**) and have not been withdrawn. As such, the ratings issued by Fitch Ratings Ireland Limited may be used for regulatory purposes in the United Kingdom in accordance with the UK CRA Regulation.

Moody's Investor Service Deutschland GmbH is established in the European Union and is registered under the CRA Regulation. As such, Moody's Investor Service Deutschland GmbH is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website (at <http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>) in accordance with the CRA Regulation. Moody's Investor Service Deutschland GmbH is not established in the United Kingdom. Accordingly the rating(s) issued by Moody's Investor Service Deutschland GmbH have been endorsed by Moody's Investor Service Ltd. in accordance with the UK CRA Regulation and have not been withdrawn. As such, the ratings issued by Moody's Investor Service Deutschland GmbH may be used for regulatory purposes in the United Kingdom in accordance with the UK CRA Regulation.

Each Rating Agency is established in the European Union and registered under the CRA Regulation.

**Governing Law:** The Transaction Documents (which also include the Notes) and any non-contractual obligations arising out of or in relation to the Transaction Documents other than the Swap Agreement, will be governed by and construed in accordance with the laws of the Netherlands. The Swap Agreement will be governed by English law.

**Selling Restrictions:** There are selling restrictions in relation to the European Economic Area, Italy, the United Kingdom and the United States and there may also be other restrictions as required in connection with the offering and sale of the Notes. See 4.3 (*Subscription and Sale*). Persons into whose possession this

Prospectus comes are required by the Issuer and the Arranger to inform themselves about and to observe any such restriction.

## 2.5 Credit Structure

**Available Funds:** The Issuer will use receipts of principal and interest in respect of the Receivables, amounts received under the Swap Agreement and amounts standing to the credit of the Reserve Account to make payments of, *inter alia*, principal and, in respect of the Class A Notes, interest due in respect of the Notes provided that during the Revolving Period, principal collections may on Monthly Transfer Dates be applied towards the purchase of New Receivables and no amortisation of the Notes will take place. See section 2.5 (*Credit Structure*).

**Priority of Payments:** The obligations of the Issuer in respect of the Notes will be subordinated to the obligations of the Issuer in respect of certain items set forth in the applicable Priority of Payments (see section 2.5 (*Credit Structure*)). The right to payment of principal on the Class B Notes will be subordinated to, *inter alia*, payments of principal amounts and – following delivery of an Enforcement Notice – interest amounts in respect of the Class A Notes. The right to payment of principal on the Class C Notes will be subordinated to, *inter alia*, payments of principal amounts (through debiting of the Class A Principal Deficiency Ledger or following delivery of an Enforcement Notice) and interest amounts in respect of the Class A Notes and payments of principal (through debiting of the Class B Principal Deficiency Ledger or following delivery of an Enforcement Notice) on the Class B Notes and in each case may be limited as more fully described herein under section 2.5 (*Credit Structure*) and 4.1 (*Terms and Conditions*) in section 4 (*The Notes*).

**Issuer Collection Account:** The Issuer shall maintain with the Issuer Account Bank the Issuer Collection Account into which, *inter alia*, all amounts of interest and principal received under the Receivables, will be transferred by the Servicer in accordance with the Servicing Agreement.

**Reserve Account** The Issuer shall maintain with the Issuer Account Bank the Reserve Account to which the proceeds of the Class C Notes will be credited on the Closing Date. The purpose of the Reserve Account will be to enable the Issuer to meet the Issuer's payment obligations under items (a) up to and including (e) of the Pre-Enforcement Revenue Priority of Payments in the event of a shortfall of the Available Revenue Funds (excluding any amount to be drawn from the Reserve Account). If and to the extent that the Available Revenue Funds calculated on a Notes Calculation Date exceed the amounts required to meet items (a) up to and including (e) of the Pre-Enforcement Revenue Priority of Payments, such excess amount will be deposited in, or, as the case may be, used to replenish the Reserve Account by crediting such amount to the Reserve Account up to the Reserve Account Target Level on the immediately succeeding Notes Payment Date in item (f) of the Pre-Enforcement Revenue Priority of Payment.

**Issuer Account Agreement:** On the Signing Date, the Issuer, the Issuer Account Bank and the Security Trustee will enter into the Issuer Account Agreement, under which the Issuer Account Bank will agree to pay or charge a guaranteed rate of interest determined by reference to €STR (or any replacement reference rate as agreed with the Issuer Account Bank in accordance with the Issuer Account Agreement) less the relevant margin as specified in a fee letter

between the Issuer and the Issuer Account Bank, on the balance standing from time to time to the credit of the Issuer Collection Account and the Reserve Account.

**Administration Agreement:**

Under the Administration Agreement, the Issuer 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 (see further *Administration Agreement*: in section 2.5 (*Credit Structure*)).

**Swap Agreement**

On the Signing Date, the Issuer, the Security Trustee and the Swap Counterparty will enter into the Swap Agreement to hedge the risk between, inter alia, the rate of interest to be received by the Issuer on the Receivables and the rate of interest payable by the Issuer on the Class A Notes. See section 5.4 (*Hedging*).



## 2.6 Portfolio Information

The Receivables to be sold and assigned by the Seller to the Issuer will result from Loans granted to Borrowers which, pursuant to the policies of the Seller, qualify as 'small and medium sized enterprises (SME)' in the Netherlands. The Loans may be unsecured or secured by various forms of collateral over various types of assets as further described in Section 6.2 (*Description of Loans*)

### Key characteristics of the Loans

<b>Portfolio Overview After Eligibility Checks</b>	Next Payment Date:	28-Feb-22
	Reporting Date:	13-Dec-21
	Date As Of:	31-Aug-21

### Description

Closing Date	13-Dec-21
Next Coupon Payment Date	28-Feb-22
Last Replenishment Date	30-Nov-24
First Amortization Date	28-Feb-25
First Optional Redemption Date	30-Nov-26
Final Maturity Date	31-Dec-61

### Notes

ISIN	Moody's Rating		Fitch Rating		Principal Balance		Rate Of Interest
	Current	Initial	Current	Initial	Current	Initial	
Classe A1 Notes NL0015000OC6	Aaa	Aaa	AAA	AAA	500,000,000.00	500,000,000.00	3M EURIBOR+0.30%
Classe A2 Notes NL0015000OD4	Aaa	Aaa	AAA	AAA	4,800,000,000.00	4,800,000,000.00	3M EURIBOR+0.35%
Classe A3 Notes NL0015000OE2	Aaa	Aaa	AAA	AAA	1,188,800,000.00	1,188,800,000.00	3M EURIBOR+0.40%
Classe B Notes NL0015000OR4	NR	NR	NR	NR	2,134,200,000.00	2,134,200,000.00	
Classe C Notes NL0015000OQ6	NR	NR	NR	NR	43,115,000.00	43,115,000.00	
					<b>8,666,115,000.00</b>	<b>8,666,115,000.00</b>	

### Pool Summary

<i>All amounts in EURO</i>	CURRENT	INITIAL
Reporting Date	13-Dec-21	13-Dec-21
Portfolio Cut-off Date	31-Aug-21	31-Aug-21
Aggregate Outstanding Notional Amount	8,666,115,000.00	8,666,115,000.00
Of which Cash Available for Redemption of the Notes	103,743.28	103,743.28
Of which Balance Principal Deficiency Ledger	0.00	0.00
Of which Cash Available for Further Drawings	0.00	0.00
Of which Cash on Reserve Account	43,115,000.00	43,115,000.00
Of which Active Outstanding Notional Amount	8,622,896,256.72	8,622,896,256.72
Number of Reference Obligations	15,388	15,388
Number of Reference Entities	11,679	11,679
Number of Reference Entity Groups	11,264	11,264

## 2.7 Portfolio Documentation

### **Purchases of Receivables:**

Under the Receivables Purchase Agreement, the Issuer will purchase and accept the assignment of the Receivables (i) on the Closing Date and (ii) subject to the Additional Purchase Conditions being met, on any Monthly Transfer Date during the Revolving Period, New Receivables offered by the Seller.

The Issuer will be entitled to the principal proceeds from (and including) the Initial Cut-off Date in respect of the Receivables to be purchased and assigned on the Closing Date.

The Issuer will be entitled to the interest proceeds (including penalty interest) from (and including) the Closing in respect of the Receivables to be purchased and assigned on the Closing Date.

The Issuer will be entitled to the principal proceeds and the interest proceeds (including penalty interest) from (and including) the first of the month of the relevant Monthly Transfer Date in respect of New Receivables.

The assignments take place by means of silent assignments. See section 5.8 (*Legal framework as to the assignment of the Receivables*).

### **New Receivables:**

The Receivables Purchase Agreement provides that as from the Closing Date up to (and including) the Revolving Period End Date, the Issuer will on Monthly Transfer Dates apply the Available Principal Funds standing to the credit of the Issuer Collection Account to purchase and accept assignment from the Seller of any New Receivables offered by the Seller on such dates, subject to the fulfilment of certain conditions, or, on a Notes Payment Date, reserve such amount for such purpose. Such conditions include, *inter alia*, the requirement that any New Receivables meet the Loan Criteria and the Additional Purchase Conditions as set forth in the Receivables Purchase Agreement and that the Initial Purchase Price of such New Receivables shall not exceed the then New Receivables Available Amount. See section 7.1 (*Purchase, Repurchase and Sale*).

### **Mandatory repurchases:**

The Seller has undertaken to repurchase and accept re-assignment of a Receivable in certain circumstances including breach of representations and warranties. See for more detail and a further description of the calculation of the repurchase price in such case section 7.1 (*Purchase, Repurchase and Sale*).

### **Optional repurchases:**

The Seller may repurchase all but not part of the Receivables on any (i) Optional Redemption Date, on (ii) any Notes Payment Date on which the aggregate Outstanding Principal Amount of all the Receivables is not more than 10 per cent. of the aggregate Outstanding Principal Amount of all the Receivables on the Initial Cut-off Date and (iii) in case the Issuer exercises the Tax Call Option. The purchase price will be calculated as described in section 7.1 (*Purchase, Repurchase and Sale*).

### **Repurchase in case of data issues**

The Seller may, but is not obliged, request the repurchase and assignment of a Receivable if (i) the Seller cannot, for whatever reason, complete all

data fields in the reporting format in relation to such Receivable or (ii) if due to such Receivable, the Seller cannot comply with the highest reporting standards as imposed by the ECB and/or ESMA from time to time.

**Sale of Receivables to third parties:** On any Optional Redemption Date and on any Notes Payment Date following the exercise by the Issuer of the Tax Call Option, the Issuer has, subject to certain conditions, the right to sell and assign all (but not only part of) the Receivables to any party, provided that the Issuer shall first offer the Seller the option to buy and repurchase the Receivables and provided further that the Issuer will be entitled to sell and assign the Receivables to any third party if the Seller does not inform the Issuer within a period of 15 Business Days from the date the offer was notified to the Seller of its intention to buy and repurchase the Receivables. The Issuer shall be required to apply the proceeds of such sale, to the extent relating to principal, towards redemption of the Notes, other than the Class C Notes.

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

**Servicing Agreement:** Under the Servicing Agreement to be entered into on the Signing Date between the Issuer, the Servicer, the Reporting Entity, the Seller, the Issuer Administrator and the Security Trustee, the Servicer will agree to provide administration and management services in relation to the 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 Loans and the implementation of arrears procedures including, if applicable, the enforcement of the collateral securing the Receivables. (see further 6.3 (*Origination and Servicing*) in section 6 (*Portfolio Information*) and 7.5 (*Servicing Agreement*) in section 7 (*Portfolio Documentation*) and *Administration Agreement*: in section 2.5 (*Credit Structure*)).

## 2.8 General

**Management Agreements:**

The Issuer, the Shareholder and the Security Trustee will each enter into a Management Agreement with the relevant Director pursuant to which the relevant Director will undertake to act as a director of the Issuer, the Shareholder and the Security Trustee, respectively, and to perform certain services in connection therewith.

**Transparency Reporting Agreement:**

Under the Transparency Reporting Agreement, the Issuer (as SSPE), ING Bank N.V., (in its capacity as Servicer and originator under the EU Securitisation Regulation) shall, in accordance with article 7(2) of the EU Securitisation Regulation, designate amongst themselves the Seller as the Reporting Entity to fulfil the information requirements pursuant to points (a), (b), (d), (e), (f) and (g) of the first subparagraph of article 7(1) of the EU Securitisation Regulation (see further section 5.7 (*Transparency Reporting Agreement*)).

**Governing Law:**

The Notes and the Transaction Documents, other than the Swap Agreement, will be governed by and construed in accordance with Dutch law. The Swap Agreement will be governed by and construed in accordance with English law.

### **3. PRINCIPAL PARTIES**

#### **3.1 Issuer**

SME Lion III B.V. was incorporated under Dutch law as a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) on 29 June 2021. The corporate seat (*statutaire zetel*) of the Issuer is in Amsterdam, the Netherlands and its registered office is at Prins Bernhardplein 200, 1097 JB Amsterdam, the Netherlands and its telephone number is +31 20 5214 777. The Issuer is registered with the Trade Register under number 83251235. The legal entity identifier (**LEI**) of the Issuer is 7245001S0ACNR4DA2R43.

The Issuer is a special purpose vehicle, whose objectives are (a) to acquire, to purchase, to manage, to alienate and to encumber assets and to exercise any rights connected to these assets, (b) to acquire funds to finance the acquisition of the assets mentioned under (a) by way of issuing bonds or by way of entering into loan agreements, (c) to invest, including to lend, any funds held by the Issuer, (d) to limit interest rate and other financial risks, amongst others by entering into derivatives agreements such as swaps, (e) in connection with the foregoing, (i) to borrow funds against the issue of bonds or by entering into loan agreements, inter alia to repay the obligations under the securities mentioned under (b), (ii) to grant security rights and to release security rights and (iii) to enter into agreements relating to bank accounts; and (f) to perform all activities which are, in the widest sense of the word, incidental to or which may be conducive to the attainment of these objectives.

The Issuer has an issued share capital of €1.00 which is fully paid-up. All shares of the Issuer are held by the Shareholder.

#### **Statement by the Issuer Director with respect to the Issuer**

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

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

#### **The Issuer Director**

The sole managing director of the Issuer is Intertrust Management B.V. The managing directors of Intertrust Management B.V. are E.M. van Ankeren, D.H. Schornagel and T.T.B. Leenders. The managing directors of Intertrust Management B.V. have chosen domicile at the office address of Intertrust Management B.V., being Basisweg 10, 1043AP Amsterdam, the Netherlands. Intertrust Management B.V. belongs to the same group of companies as Intertrust Administrative Services B.V., which is appointed as the Issuer Administrator. Intertrust Management B.V. is also the Shareholder Director.

The objectives of Intertrust Management B.V. are (a) to represent financial, economic and administrative interests domestically and abroad, (b) to act as trust office, (c) to participate in, to finance, to collaborate with, to conduct the management of companies and other enterprises, (d) to provide advice and other services; (e) to acquire, use and/or assign industrial and intellectual property rights, as well as real property, (f) to provide security for the debts of legal entities or of other companies with which the company is affiliated, or for the debts of third parties, (g) to invest funds and (h) to undertake

all actions that are deemed to be necessary to the foregoing, or in furtherance thereof, all in the widest sense of the words.

The Issuer Director has entered into the Issuer Management Agreement with the Issuer and the Security Trustee. In the Issuer Management Agreement the Issuer Director agrees and undertakes, among other things, that it shall (i) manage the affairs of the Issuer in accordance with proper and prudent Dutch business practice and in accordance with the requirements of Dutch law and Dutch accounting practice with the same care that it exercises or would exercise in connection with the administration of similar matters held for its own account or for the account of third parties and (ii) refrain from any action detrimental to any of the Issuer's rights and obligations under the Transaction Documents.

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

There are no potential conflicts of interest between any duties of the Issuer Director to the Issuer and private interests or other duties of the Issuer Director or its managing directors except that Intertrust Management B.V., the sole managing director of both the Issuer and the Shareholder, belongs to the same group of companies as Intertrust Administrative Services B.V., the Issuer Administrator. Therefore a conflict of interests may in theory arise if the interests of the Issuer Administrator and the Issuer were to deviate, for example as to the assessment of the performance by the Issuer Administrator of its contractual obligations. In this respect it is of note that in the relevant Management Agreement entered into by each of the Directors with the entity of which it has been appointed managing director (*statutair directeur*), each of the Directors agrees and undertakes to, among other things, (i) do all that an adequate managing director (*statutair directeur*) should do and (ii) refrain from taking any action detrimental to the obligations under any of the Transaction Documents. In addition, each of the Directors agrees in the relevant Management Agreement that it shall not agree to any modification of any agreement including, but not limited to, the Transaction Documents to which the Issuer and/or the Shareholder is a party, or enter into any agreement, other than in accordance with the Trust Deed and the other Transaction Documents.

The auditor of the Issuer is KPMG Accountants N.V. The individual auditors, which are "registeraccountants" of the Issuer's current auditor, being KPMG Accountants N.V. are members of the Royal Netherlands Institute of Chartered Accountants (*Koninklijke Nederlandse Beroepsorganisatie van Accountants*). The address of KPMG Accountants N.V. is Laan van Langerhuize 1, 1186 DS Amstelveen, the Netherlands.

The financial year of the Issuer coincides with the calendar year. The first financial year will end on 31 December 2022.

The Issuer is not subject to any licence requirement under Section 2:11 of the Wft as amended, due to the fact that the Notes will be offered solely to Non-Public Lenders. The Issuer is not subject to any licence requirement under Section 2:60 of the Wft as the Seller has represented that to its best knowledge no Borrower qualifies as a 'consumer' within the meaning of the Wft. Should such representation be deemed to be incorrect in respect of a certain Borrower, the Issuer does not require

such licence as it has outsourced the servicing and administration of the Loans to the Servicer and the Servicer holds a licence under the Wft and the Issuer will thus benefit from the exemption.

### **3.2 Shareholder**

Stichting Holding SME Lion III is established under Dutch law as a foundation (*stichting*) having its official seat in Amsterdam, the Netherlands and registered with the Trade Register under number 83236031.

The objectives of the Shareholder are (i) to acquire shares in the capital of the Issuer in its own name and to hold such shares whether or not for its own account, whether or not in exchange for depositary receipts issued for such shares, (ii) to exercise the voting rights and other rights attributable to such shares, (iii) to collect dividends and other distributions due on account of such shares, (iv) to borrow monies and (v) to acquire any other form of financing in view of the acquisition of such shares and to do all that is connected or may be conducive to the foregoing, all to be interpreted in the widest sense.

The sole managing director of the Shareholder is Intertrust Management B.V. The managing directors of Intertrust Management B.V. are J.E. Hardeveld, E.M. van Ankeren, D.H. Schornagel and T.T.B. Leenders. The managing directors of Intertrust Management B.V. have chosen domicile at the office address of Intertrust Management B.V., being Basisweg 10, 1043AP Amsterdam, the Netherlands.

The Shareholder Director has entered into the Shareholder Management Agreement with the Shareholder, the Issuer and the Security Trustee pursuant to which the Director agrees and undertakes to, among other things, (i) manage the affairs of the Shareholder in accordance with proper and prudent Dutch business practice and in accordance with the requirements of Dutch law and Dutch accounting practices, and (ii) refrain from any action detrimental to the Issuer's ability to meet its obligations under any of the Transaction Documents. Pursuant to the articles of association of the Shareholder, an amendment of the articles of association of the Shareholder requires the prior written consent of the Security Trustee. Moreover, the Director shall only be authorised to dissolve the Shareholder after (i) receiving the prior written consent of the Security Trustee and (ii) the Issuer has been fully discharged for all its obligations by virtue of the relevant Transaction Documents.



### 3.3 Security Trustee

Stichting Security Trustee SME Lion III is established under Dutch law as a foundation (*stichting*) having its official seat in Amsterdam, the Netherlands and registered with the Trade Register under number 83236945. It has its corporate seat (*statutaire zetel*) in Amsterdam, the Netherlands and its registered office at Prins Bernhardplein 200, 1097 JB, the Netherlands.

The objectives of the Security Trustee are (a) to act as agent and/or trustee of the Noteholders and any other creditor of the Issuer under the relevant Transaction Documents, (b) to acquire, keep and administer security rights in its own name, and if necessary to enforce such security rights, for the benefit of the creditors of the Issuer, including the holders of the Notes to be issued by the Issuer, and to perform acts and legal acts, including the acceptance of a parallel debt obligation from, *inter alia*, the Issuer, which are conducive to the holding of the abovementioned security rights, (c) to borrow money and (d) to perform any and all acts which are related, incidental or which may be conducive to the above.

The sole managing director of the Security Trustee is Amsterdamsch Trustee's Kantoor B.V. a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under the laws of the Netherlands and having its corporate seat (*statutaire zetel*) in Amsterdam, the Netherlands. The managing directors of Amsterdamsch Trustee's Kantoor B.V. are A.J. Vink and M.W. Hogeterp.

The sole shareholder of Amsterdamsch Trustee's Kantoor B.V. is Intertrust (Netherlands) B.V., a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under Dutch law and having its official seat (*statutaire zetel*) in Amsterdam, the Netherlands, which entity is also the sole shareholder of each of the Issuer Administrator and Intertrust Management B.V., being the managing director of each of the Issuer and the Shareholder.

The Security Trustee shall not be liable for any action taken or not taken by it or for any breach of its obligations under or in connection with the Trust Deed or any other Transaction Document to which it is a party, except in the event of its wilful misconduct (*opzet*), gross negligence (*grove nalatigheid*), fraud or bad faith, and it shall not be responsible for any act or negligence of persons or institutions selected by it with due care.

The Security Trustee Director has entered into the Security Trustee Management Agreement with the Security Trustee and the Issuer. In the Security Trustee Management Agreement the Security Trustee Director undertakes, among other things, that it shall (i) manage the affairs of the Security Trustee in accordance with proper and prudent Dutch business practice and in accordance with the requirements of Dutch law and Dutch accounting practice with the same care that it exercises or would exercise in connection with the administration of similar matters held for its own account or for the account of third parties and in such manner as to not adversely affect the then current ratings assigned to the Notes and (ii) refrain from taking any action detrimental to the Security Trustee's rights and the ability to meet its obligations under or in connection with the Transaction Documents. In addition, the Security Trustee Director undertakes in the Security Trustee Management Agreement that it will not agree to any alteration of any agreement including, but not limited to, the Transaction Documents other than in accordance with the Trust Deed.

The Trust Deed provides that the Security Trustee shall not retire or be removed from its duties under the Trust Deed until all amounts payable to the Secured Creditors under the Transaction Documents have been paid in full. However, the Noteholders of the Most Senior Class shall have the power, exercisable only by an Extraordinary Resolution, to remove the Security Trustee Director as director of the Security Trustee. The Security Trustee Management Agreement with the Security Trustee Director may be terminated by the Security Trustee (or the Issuer on its behalf) upon the occurrence of certain termination events, including, but not limited to, a default by the Security Trustee Director (unless

remedied within the applicable grace period), dissolution and liquidation of the Security Trustee Director or the Security Trustee Director being declared bankrupt or granted a suspension of payments, provided that the Credit Rating Agencies are notified of such default and after consultation with the Secured Creditors, other than the Noteholders. Furthermore, the Security Trustee Management Agreement can be terminated by the (a) Security Trustee Director or (b) Security Trustee, provided that a Credit Rating Agency Confirmation in respect of each Credit Rating Agency is available in connection with such termination, upon ninety (90) days prior written notice given by the (i) Security Trustee Director to the Security Trustee or (ii) Security Trustee to the Security Trustee Director and the other parties to the Security Trustee Management Agreement. In the event of termination, the Security Trustee Director shall fully co-operate with the other parties to the Security Trustee Management Agreement and do all such acts as are necessary to appoint a new director. The Security Trustee Director shall resign upon termination of the Security Trustee Management Agreement, provided that such resignation shall only be effective as from the moment (a) a new director reasonably acceptable to the Issuer, after having consulted with the Secured Creditors (other than the Noteholders) has been appointed and (b) that a Credit Rating Agency Confirmation in respect of each Credit Rating Agency is available in respect of such appointment.

### **3.4 The Seller**

ING Bank N.V., a public company (*naamloze vennootschap*) incorporated under the laws of The Netherlands, having its corporate seat (*statutaire zetel*) in Amsterdam, The Netherlands and its registered office at Bijlmerdreef 106, 1102 CT, Amsterdam, The Netherlands and registered with the Trade Register of the Dutch Chamber of Commerce under number 33031431. The Seller is a duly licenced credit institution within the meaning of Article 4(1) of the Capital Requirements Regulation (EU) No. 575/2013.

### **3.5 Servicer**

The Issuer has appointed the Seller to act as the Servicer and to provide the Loan Services in respect of the Receivables and as such in accordance with the terms of the Servicing Agreement.

For further information on the Servicer, see section 3.4 (*The Seller*) and section 6.3 (*Origination and Servicing*).

### 3.6 Issuer Administrator

Intertrust Administrative Services B.V. will be appointed as Issuer Administrator in accordance with and under the terms of the Administration Agreement (see further under section 5.6 (Administration Agreement)). Intertrust Administrative Services B.V. is a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under Dutch law on 20 June 1963. It has its official seat (*statutaire zetel*) in Amsterdam, the Netherlands and its registered office at Basisweg 10, 1043AP Amsterdam, the Netherlands. The Issuer Administrator is registered with the Trade Register under number 33210270.

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

The managing directors of the Issuer Administrator are E.M. van Ankeren, T.T.B. Leenders and D.H. Schornagel. The sole shareholder of the Issuer Administrator is Intertrust (Netherlands) B.V., a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under Dutch law and having its official seat (*statutaire zetel*) in Amsterdam, the Netherlands, which entity is also the sole shareholder of each of the Directors.

### 3.7 Other Parties

**Issuer Account Bank:** ING Bank N.V.

**Paying Agent:** ING Bank N.V.

**Arranger:** ING Bank N.V.

**Clearing Institutions:** Euroclear Netherlands.

**Listing Agent:** ING Bank N.V.

**STS Verification Agent:** PCS Markets

**Rating Agencies:** Fitch and Moody's

**Reporting Entity:** ING Bank N.V.

## 4. THE NOTES

### 4.1 Terms and Conditions

*The following are the terms and conditions (the **Conditions**) which will be applicable to the Notes, including the Notes which are evidenced by Global Notes but only to the extent that such terms and conditions are appropriate for such Notes evidenced by Global Notes. The Conditions will be attached to the Notes. See in section 4 (The Notes).*

The issue of the € 500,000,000 Class A1 asset-backed notes 2021 due December 2061 (the **Class A1 Notes**) and € 4,800,000,000 Class A2 asset-backed notes 2021 due December 2061 (the **Class A2 Notes**) and € 1,188,800,000 Class A3 asset-backed notes 2021 due December 2061 (the **Class A3 Notes**) and the € 2,134,200,000 Class B asset-backed notes 2021 due December 2061 (the **Class B Notes**) and the € 43,115,000 Class C notes 2021 due December 2061 (the **Class C Notes** and together with the Class A1 Notes, Class A2 Notes, Class A3 Notes and the Class B Notes, the **Notes**) was authorised by a resolution of the managing director of SME Lion III B.V. (the **Issuer**) passed on 10 December 2021. The Notes have been issued under the Trust Deed between the Issuer, Stichting Holding SME Lion and Stichting Security Trustee SME Lion III (the **Security Trustee**).

Under the Paying Agency Agreement, provision is made for, among other things, the payment of principal and interest in respect of the Notes.

The statements in these Conditions include summaries of, and are subject to, the detailed provisions of (i) the Paying Agency Agreement, (ii) the Trust Deed, which will include the form of the Definitive Notes and the forms of the Global Notes, (iii) the Receivables Purchase Agreement, (iv) the Servicing Agreement, (v) the Administration Agreement, (vi) the Issuer Receivables Pledge Agreement, (vii) the Issuer Rights Pledge Agreement and (viii) the Issuer Accounts Pledge Agreement. A reference to a Transaction Document shall be construed as a reference to such Transaction Document as the same may have been, or may from time to time be, replaced, amended, restated, novated or supplemented and a reference to any party to a Transaction Document shall include references to its successors, assigns and any person deriving title under or through it.

Certain words and expressions used in these Conditions are defined in a master definitions agreement dated 15 December 2021 (the **Master Definitions Agreement**) between 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. Any reference herein to Noteholders shall mean the holders of the Notes and shall include those having a credit balance in the depots held in custody by or for Euroclear Netherlands or by an affiliated institution (*aangesloten instelling*) under the Dutch Securities Giro Transfer Act (*Wet giraal effectenverkeer*).

Copies of the Trust Deed, the Receivables Purchase Agreement, the Paying Agency Agreement, the Pledge Agreements and the Master Definitions Agreement and certain other Transaction Documents (see section 8 (*General*) below) are available for inspection, free of charge, by Noteholders and prospective Noteholders at the specified office of the Paying Agent and the present office of the Security Trustee, being at the date hereof Prins Bernhardplein 200, 1097 JB Amsterdam, the Netherlands,. The Noteholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed, the Paying Agency Agreement, the Pledge Agreements and the Master Definitions Agreement and reference to any document is considered to be a reference to such document as amended, supplemented, restated, novated or otherwise modified from time to time.

#### 1. Form, Denomination, Title and Transfers

The Notes will be in bearer form serially numbered with Coupons attached on issue in denominations EUR 100,000. Under Dutch law, the valid transfer of notes or coupons 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 such Note and of the Coupons appertaining thereto as its absolute owner for all purposes (whether or not payment under such Note or Coupon shall be overdue and notwithstanding any notice of ownership or writing thereon or any notice of previous loss or theft thereof), including payment and no person shall be liable for so treating such holder.

For as long as the Notes are represented by a Global Note and Euroclear Netherlands so permit, such Notes will be tradeable only in the minimum authorised denomination of EUR 100,000 and in integral multiples of EUR 1,000 in excess thereof up to and including EUR 199,000.

Notes in definitive form, if issued, will only be printed and issued in denominations of EUR 100,000 in each case increased with any amount in excess thereof in integral multiples of EUR 1,000 up to and including EUR 199,000. All such Notes will be serially numbered and will be issued in bearer form with, in respect of the Class A Notes (at the date of issue) Coupons and, if necessary, talons attached.

For so long as any Notes are evidenced by a Global Note, transfers and exchanges of beneficial interests in such Notes and entitlement to payments thereunder will be effected subject to and in accordance with the rules and procedures from time to time of Euroclear Netherlands.

## **2. Status, Priority and Security**

### **(a) Status**

The Notes of each Class are direct and unconditional obligations of the Issuer and rank *pari passu* and rateably without any preference or priority among Notes of the same Class (the Class A1, A2 and A3 Notes being regarded as one Class for the purposes of this Condition 2). In accordance with the provisions of Conditions 4 (*Interest*), 6 (*Redemption*) and 9 (*Subordination*) and the Trust Deed (i) the right to payment of principal on the Class B Notes will be subordinated to, *inter alia* payments of principal and interest in respect of the Class A Notes (ii) the right to payment of and principal on the Class C Notes will be subordinated to, *inter alia*, payments of principal on the Class A Notes and the Class B Notes and to the payment of interest on the Class A Notes.

### **(b) Security**

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

- (i) a first ranking undisclosed right of pledge by the Issuer to the Security Trustee over the Receivables;
- (ii) a first ranking disclosed right of pledge by the Issuer to the Security Trustee over the Issuer Rights; and
- (iii) a first ranking disclosed right of pledge by the Issuer to the Security Trustee over the Issuer's claims in respect of the Issuer Accounts.

The obligations under the Notes are secured (indirectly) by the Security. The obligations under (i) the Class A Notes will rank in priority to the Class B Notes and the Class C Notes and (ii)



the Class B Notes will rank in priority to the 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 Noteholders of a Class as a whole and not to consequences of such exercise upon individual Noteholders as regards all powers, trust, authorities, duties and discretions of the Security Trustee (except where expressly provided otherwise). If in the Security Trustee's opinion, there is a conflict between two or more Classes of Notes, the Security Trustee shall have regard only to the interests of the Higher Ranking Class of Noteholders. In this respect the order of priority is as follows: firstly, the Class A Noteholders jointly, secondly, the Class B Noteholders and thirdly, the Class C Noteholders. In addition, the Security Trustee shall have regard to the interests of the other Secured Creditors, provided that, in the case of a conflict of interest between the Secured Creditors, the relevant Priority of Payments set forth in the Trust Deed determines which interest of which Secured Creditor prevails.

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

As 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 Dutch law and accounting practice, and shall not, except (i) to the extent permitted by the relevant Transaction Documents or (ii) with the prior written consent of the Security Trustee:

- (a) carry out any business other than as described in the Prospectus and as contemplated in the relevant Transaction Documents;
- (b) incur any indebtedness in respect of borrowed money whatsoever or give any guarantee or indemnity in respect of any indebtedness, except as contemplated in the relevant Transaction Documents;
- (c) create or promise to create any mortgage, charge, pledge, lien or other security interest whatsoever over any of its assets, or use, invest, sell, transfer or otherwise dispose of or grant any options or rights to any part of its assets except as contemplated by the relevant Transaction Documents;
- (d) consolidate or merge with any other person or convey or transfer its properties or assets substantially or as an entirety to any persons;
- (e) permit the validity or effectiveness of the relevant Transaction Documents, or the priority of the security created thereby or pursuant thereto to be amended, terminated, waived, postponed or discharged, or permit any person whose obligations form part of such security rights to be released from such obligations or consent to any waiver except as contemplated in the relevant Transaction Documents;
- (f) have any employees or premises or have any subsidiary or subsidiary undertaking;
- (g) have an interest in any bank account other than the Issuer Accounts and any account opened in connection with the receipt of collateral under the Swap Agreement;
- (h) take any action which will cause its 'centre of main interest' within the meaning of the insolvency regulation to be located outside the Netherlands;
- (i) amend, supplement or otherwise modify or waive any terms of its articles of association or other constitutive documents or the Transaction Documents;

- (j) pay any dividend or make any other distribution to its shareholder(s), other than in accordance with the applicable Priority of Payments or issue any further shares; or
- (k) engage in any activity whatsoever which is not incidental to or necessary in connection with, any of the activities which the relevant Transaction Documents provide or envisage that the Issuer will engage in.

#### **4. Interest**

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

- (i) The Class B Notes and the Class C Notes bear no interest.
- (ii) The Class A Notes shall bear interest on their Principal Amount Outstanding from and including the Closing Date.
- (iii) Each Class A Note (or, in the case of the redemption of only part of a Class A Note, that part only of such Class A 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 Class A Note up to but excluding the date on which, on presentation of such Class A Note, payment in full of the relevant amount of principal is made or (if earlier) the seventh calendar day after notice is duly given by the Paying Agent to the holder thereof (in accordance with Condition 13 (Notices)) that upon presentation thereof, such payments will be made, provided that upon such presentation payment is in fact made. Whenever it is necessary to compute an amount of interest in respect of the Class A Notes for any period (including any Interest Period), such interest shall be calculated on the basis of the actual days elapsed in such period and a 360 day year.

##### **(b) *Interest Periods and Notes Payment Dates***

Interest on the Class A Notes shall be payable in euro by reference to successive Interest Periods. Each successive Interest Period will commence on (and include) a Notes Payment Date and end on (but exclude) the next succeeding Notes Payment Date, except for the first Interest Period which will commence on (and include) the Closing Date and end on (but exclude) the Notes Payment Date falling on 28 February 2022.

Interest on each of the Class A Notes shall be payable quarterly in arrear on each Notes Payment Date in EUR in respect of the Principal Amount Outstanding of each Class A Note at opening of business on the first day of such Interest Period.

##### **(c) *Interest on the Class A Notes up to but excluding the First Optional Redemption Date***

Interest on the Class A Notes for each Interest Period will accrue from the Closing Date at an annual rate equal to the sum of EURIBOR for three (3) months deposits in Euro, determined in accordance with Condition 4 (or, in respect of the first Interest Period, the rate which represents the linear interpolation of EURIBOR for one month and three months deposits in Euro, rounded, if necessary, to the 5th decimal place with 0.000005, being rounded upwards), plus a margin equal to (a) for the Class A1 Notes, 0.30 per cent. per annum, (b) for the Class A2 Notes, 0.35 per cent. per annum and (c) for the Class A3 Notes, 0.40 per cent. per annum; provided that if EURIBOR plus such margin is lower than zero, the rate of interest will be equal to zero.

##### **(d) *Interest on the Class A Notes from and including the First Optional Redemption Date***

If on the First Optional Redemption Date the Class A Notes will not have been redeemed in full, the rate of interest applicable to the Class A Notes will accrue at an annual rate equal to the sum of EURIBOR for three (3) months deposits in Euro, determined in accordance with Condition 4, rounded, if necessary, to the 5th decimal place with 0.000005, being rounded upwards), plus a margin equal to that referred to under Condition 4(c), of (a) for the Class A1 Notes, 0.30 per cent. per annum, (b) for the Class A2 Notes, 0.35 per cent. per annum and (c) for the Class A3 Notes, 0.40 per cent. per annum, provided that if EURIBOR plus such margin is lower than zero, the rate of interest will be equal to zero.

(e) *EURIBOR*

For the purposes of Conditions 4(c) and 4(d), EURIBOR will be determined as follows:

- (i) the Reference Agent will obtain for each Interest Period the rate equal to EURIBOR for three-month deposits in euros. The Reference Agent shall use the EURIBOR rate as determined and published by the European Money Markets Institute (**EMMI**) and which appears for information purposes on the Reuters Screen EURIBOR03, (or, if not available, any other display page on any screen service maintained by any registered information vendor for the display of the EURIBOR rate selected by the Reference Agent) as at or about 11:00 am (Central European Time) on the day that is two (2) Business Days preceding the first day of each Interest Period (each an **Interest Determination Date**);
- (ii) if, on the relevant Interest Determination Date, such EURIBOR rate is not determined and published by EMMI, or if it is not otherwise reasonably practicable to calculate the rate under (i) above, the Reference Agent will use its reasonable efforts to, and provided that such arrangements are in compliance with the EU Benchmarks Regulation Requirements:
  - (A) request the principal Euro-zone office of each of four (4) major banks selected by the Issuer in the Euro-zone interbank market (the **EURIBOR Reference Banks**) to provide a quotation for the rate at which three month euro deposits are offered by it in the Euro-zone interbank market at approximately 11.00 am (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) if at least two quotations are provided, determine the arithmetic mean (rounded, if necessary, to the fifth decimal place with 0.000005 being rounded upwards) of such quotations as provided;
- (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 selected by the Issuer, of which there shall be at least two in number, in the Euro-zone selected by the Reference Agent, at approximately 11.00 am (Central European Time) on the relevant Interest Determination Date for three months deposits to leading Euro-zone banks in an amount that is representative for a single transaction in that market at that time; and
- (iv) if the Reference Agent is unable to determine EURIBOR in accordance with the provisions under (ii) and (iii) above, the Issuer shall use its best efforts, to, at its discretion and provided that such arrangements are in compliance with the EU Benchmarks Regulation Requirements, determine EURIBOR in accordance with (ii) and (iii) above itself (provided it shall not determine such rate on a regular basis) or

appoint a third party to perform such determination and inform the Reference Agent in writing of EURIBOR applicable for the relevant Interest Period and each such determination or calculation shall be final and binding on all parties;

and EURIBOR for such Interest Period shall be the rate per annum equal to EURIBOR for three month euro deposits as determined in accordance with this paragraph (e), provided that if the Reference Agent and/or the Issuer is unable to determine EURIBOR in accordance with the above provisions in relation to any Interest Period, EURIBOR applicable to the Notes during such Interest Period will be equal to EURIBOR last determined in relation thereto, until EURIBOR can be determined again on a subsequent Interest Determination Date.

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

The Reference Agent will, as soon as practicable after 11.00 am (Central European Time) for the Class A Notes, on each relevant Interest Determination Date, determine the floating rate of interest for the Class A Notes (the **Floating Rate of Interest**). The Reference Agent will also calculate the amount of interest payable, subject to Condition 9(a), on each of the Class A Notes for the following Interest Period (the **Floating Rate Interest Amount**) by applying the Floating Rate of Interest to the Principal Amount Outstanding of the Class A Notes. The determination of the relevant Floating Rate of Interest and the Floating Rate Interest Amount by the Reference Agent shall (in the absence of manifest error) be final and binding on all parties.

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

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

(h) *Determination or Calculation by Security Trustee*

If the Reference Agent at any time for any reason does not determine the relevant Floating Rate of Interest or does not receive EURIBOR from the Issuer based on Condition 4(e)(iv) or fails to calculate the relevant Floating Rate Interest Amount in accordance with Condition 4(f) above, the Security Trustee shall, or a party so appointed by the Security Trustee shall on behalf of the Security Trustee acting in accordance with EU Benchmarks Regulation Requirements, 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 Condition 4(e) and 4(f) above), it shall deem fair and reasonable under the circumstances, or, as the case may be, the Security Trustee shall calculate the Floating Rate Interest Amount in accordance with Condition 4(f) above, and each such determination or calculation shall be final and binding on all parties.

(i) *Reference Agent*

The Issuer will procure that, as long as the Class A Notes remains outstanding, there will at all times be a Reference Agent. The Issuer has, subject to obtaining the prior written consent of the Security Trustee, the right to terminate the appointment of the Reference Agent by giving

at least ninety (90) days' notice in writing to that effect. Notice of any such termination will be given to the holders of the Class A Notes in accordance with Condition 13. If any person shall be unable or unwilling to continue to act as the Reference Agent or if the appointment of the Reference Agent shall be terminated, the Issuer will, with the prior written consent of the Security Trustee, appoint a successor reference agent to act in its place, provided that neither the resignation nor removal of the Reference Agent shall take effect until a successor approved in writing by the Security Trustee has been appointed.

## **5. Payment**

- (a) Payment of principal and, in case of the Class A Notes, interest in respect of the Notes will be made upon presentation of the Definitive Note and against surrender of the relevant Coupon appertaining thereto, by transfer to a euro account maintained by the payee with a bank in the Netherlands. All such payments will be subject in all cases to any applicable fiscal or other laws and regulations including FATCA Withholding.
- (b) If the relevant Notes Payment Date is not a day on which banks are open for business in the place of presentation of the relevant Definitive Note and Coupon (a Local Business Day, the holder of a Note thereof shall not be entitled to payment until the next following Local Business Day, or to any interest or other payment in respect of such delay, provided that in the case of payment by transfer to a euro account as referred to above, the Paying Agent shall not be obliged to credit such account until the Local Business Day immediately following the day on which banks are open for business in the Netherlands. The name of each of the Paying Agent and details of its office are set out on the last page of the Prospectus.
- (c) The Issuer reserves the right at any time to vary or terminate the appointment of the Paying Agent and to appoint additional or other paying agents provided that no paying agent located in the United States of America will be appointed and that the Issuer will at all times maintain a paying agent having a specified office in a jurisdiction within the European Union. Notice of any termination or appointment of a Paying Agent will be given to the Noteholders in accordance with Condition 13.

## **6. Redemption**

- (a) *Final Redemption*

Unless previously redeemed as provided below, the Issuer will redeem the Notes at their respective Principal Amount Outstanding on the Final Maturity Date subject to, with respect to the Subordinated Notes, Condition 9(a).

- (b) *Mandatory Redemption of the Class A Notes and the Class B Notes prior to delivery of an Enforcement Notice*

Unless previously redeemed in full and provided that no Enforcement Notice has been delivered in accordance with Condition 10, on each Notes Payment Date, the Issuer will be obliged to apply the Available Principal Funds as follows:

- (i) *First*, as Additional Available Revenue Funds towards making good any Class A Revenue Shortfall;
- (ii) *Second*, on any Notes Payment Date during the Revolving Period, in or towards satisfaction of – or to reserve such amounts for satisfaction of – the purchase price of any New Receivables,

- (iii) *Third*, in or towards redemption of the Class A1 Notes at their Principal Amount Outstanding on a pro rata and *pari passu* basis, until fully redeemed;
- (iv) *Fourth*, in or towards redemption of the Class A2 Notes at their Principal Amount Outstanding on a pro rata and *pari passu* basis, until fully redeemed;
- (v) *Fifth*, in or towards redemption of the Class A3 Notes at their Principal Amount Outstanding on a pro rata and *pari passu* basis, until fully redeemed;
- (vi) *Sixth*, in or towards redemption of the Class B Notes at their Principal Amount Outstanding on a pro rata and *pari passu* basis, until fully redeemed;
- (vii) *Seventh*, in or towards satisfaction of the Deferred Purchase Price to the Seller.

(c) *Principal Redemption Amount*

The principal amount redeemable in respect of any Note in respect of a Class of Notes on the relevant Notes Payment Date in accordance with Condition 6(b) (*Mandatory Redemption of the Class A Notes and the Class B Notes prior to delivery of an Enforcement Notice*), Condition 6(g) (*Redemption for tax reasons*) and Condition 6(e) (*Optional redemption*) and Condition 6(f) (*Redemption following clean-up call*) (each a **Principal Redemption Amount**), on the relevant Notes Payment Date, shall be the Available Principal Funds on the Notes Calculation Date relating to that Notes Payment Date available to redeem such Class of Notes in accordance with the Pre-Enforcement Principal Priority of Payments, divided by the number of Notes of the relevant Class subject to such redemption (rounded down to the nearest euro), provided always that the Principal Redemption Amount may never exceed the Principal Amount Outstanding of the relevant Note. Following application of the Principal Redemption Amount to redeem a Note, the Principal Amount Outstanding of such Note shall be reduced accordingly.

(d) *Determination of Principal Redemption Amount and Principal Amount Outstanding:*

- (i) On each Notes Calculation Date, the Issuer shall determine (or cause the Issuer Administrator to determine) (a) the Available Principle Funds and the Principal Redemption Amount due and (b) the Principal Amount Outstanding of the relevant Note on the first day following the relevant Notes Payment Date. Each determination by or on behalf of the Issuer of any Redemption Amount or the Principal Amount Outstanding of a Note shall in each case (in the absence of manifest error) be final and binding on all persons.
- (ii) On each Notes Calculation Date, the Issuer will cause each determination of the Principal Redemption Amount due in respect of each Class, the Available Principal Funds and Principal Amount Outstanding of Notes to be notified forthwith to the Security Trustee, the Reference Agent, the Paying Agent, Euronext Amsterdam and to the holders of Notes and, as long as the Notes are evidenced by a Global Note, Euroclear Netherlands and notice thereof shall be published in accordance with Condition 13. If no Principal Redemption Amount is due to be made on the Notes on any applicable Notes Payment Date a notice to this effect will be given to the Noteholders in accordance with Condition 13.
- (iii) If the Issuer or the Issuer Administrator on its behalf does not at any time for any reason determine the Principal Redemption Amount or the Principal Amount Outstanding of a Note, such Redemption Amount or such Principal Amount Outstanding shall be determined by the Security Trustee in accordance with this Condition 6(c) and Condition 6(b) above (but based upon the information in its possession as to the

relevant amounts and each such determination or calculation shall be deemed to have been made by the Issuer and (in the absence of manifest error) be final and binding on all persons.

(e) *Optional redemption*

The Issuer may, at its option, on giving not more than sixty (60) nor less than thirty (30) calendar days' written notice to the Security Trustee and the Noteholders in accordance with Condition 13, on Notes Payment Date falling in November 2026 (the **First Optional Redemption Date**), and on each Notes Payment Date thereafter (each an **Optional Redemption Date**) redeem, all (but not only part of) the Notes (other than the Class C Notes) at their Principal Amount Outstanding plus, if applicable, accrued but unpaid interest thereon, after payment of the amounts to be paid in priority to redemption of the Notes (other than the Class C Notes). Subject, in respect of the Subordinated Notes, to Condition 9(a).

(f) *Redemption following clean-up call*

The Seller has the right to repurchase and accept re-assignment of all (but not only part of) the Receivables on any Notes Payment Date on which the principal amount due on the Receivables then outstanding is less than 10% of the aggregate Outstanding Principal Amount of the Receivables on the Initial Cut-off Date (the **Clean-up Call Option**). On the Notes Payment Date following the exercise by the Seller of the Clean-up Call Option, the Issuer shall redeem, subject to Condition 9(a), all (but not only part of) the Notes (other than the Class C Notes) at their Principal Amount Outstanding plus, if applicable, accrued but unpaid interest thereon, after payment of the amounts to be paid in priority to redemption of the Notes.

(g) *Redemption for tax reasons*

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

The Issuer shall notify the exercise of such option by giving not more than 60 nor less than 30 calendar days' notice to the Noteholders and the Security Trustee, prior to the relevant Notes Payment Date.

(h) *Redemption of Class C Notes*

Provided that no Enforcement Notice has been served, the Issuer will be obliged, as from and including the earlier of (i) the Notes Payment Date on which all amounts of interest and principal on the Notes (other than the Class C Notes) will have been paid in full and (ii) the First Optional Redemption Date, to apply the Available Revenue Funds, if and to the extent that all payments ranking above item (i) in the Pre-Enforcement Revenue Priority of Payments set forth in the Trust Deed have been made in full, to redeem (or partially redeem) on a *pro rata* basis the Class C Notes on each Notes Payment Date until fully redeemed. Any amount so

redeemed will be deemed to be a Principal Redemption Amount for the purpose of calculating the Principal Amount Outstanding of each of the Class C Notes in accordance with Condition 6(c).

(i) *Definitions*

**Defaulted Receivables** means Receivables (i) which are in arrears for a period of at least 90 calendar days from the due date or which is deemed unlikely to be paid, as meant in article 178 of Regulation (EU) 575/2013.

**Monthly Receivables Calculation Date** means the third business day prior to each Monthly Receivables Payment Date.

**Monthly Receivables Calculation Period** means, in relation to a Monthly Receivables Payment Date, the period commencing on (and including) the first day of the calendar month immediately preceding the month in which the Monthly Receivables Calculation Date falls up and ending on (and including) the last day of such calendar month.

**Net Foreclosure Proceeds** means the aggregate amount of any foreclosure proceeds or amounts received under any guarantee or surety after deduction of costs, received in connection with a Defaulted Receivable which has been foreclosed and/or written-off.

**Notes Calculation Date** means, in relation to a Notes Calculation Period, the third Business Day prior to each Notes Payment Date.

**Notes Calculation Period** means a period of three consecutive months commencing on, and including each Notes Calculation Date up to but excluding the next succeeding Notes Calculation Date, except for the first Notes Calculation Period, which commences on and includes the Closing Date and ends on but excludes the Notes Calculation Date in 28 February 2022.

**Principal Amount Outstanding** on any Notes Calculation Date of any Note shall be the principal amount of that Note upon issue, less the aggregate amount of all Principal Redemption Amounts in respect of that Note, that have become due and payable prior to such Notes Calculation Date or will become due on the immediately succeeding Notes Payment Date, provided that for the purpose of Conditions 4, 6 and 10 of the Notes all Principal Redemption Amounts that have become due, and not been paid, shall not be so deducted.

**Realised Losses** means, on any relevant Notes Payment Date the amount of the difference between (y) the aggregate principal balance (*hoofdsom*) of all Defaulted Receivables, determined at such time immediately before such Receivables become Defaulted Receivables, in respect of which the Seller, the Servicer or the Issuer has foreclosed from the Closing Date up to and including the immediately preceding Notes Calculation Period and (z) the amount of the Net Foreclosure Proceeds whereby for the purpose of establishing the principal balance (*hoofdsom*) of the relevant Receivables in case of set-off or defence to payments asserted by Borrowers any amount by which the relevant Receivables have been extinguished (*teniet gegaan*) will be disregarded, provided the Issuer has been compensated for such amount.

**7. Taxation**

(a) *General*

All payments of, or in respect of, principal and (in respect of the Class A Notes) 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 or any other jurisdiction, 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.

(b) *FATCA Withholding*

Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 impose a certain reporting regime and due diligence requirements on foreign financial institutions and, potentially, a 30 per cent. withholding tax with respect to (i) certain payments from sources within the United States, (ii) “foreign passthru payments” made to certain non-U.S. financial institutions that do not comply with this new reporting regime, and (iii) payments to certain investors that do not provide identification information with respect to interests issued by a participating non-U.S. financial institution.

If an amount in respect of FATCA Withholding were to be deducted or withheld either from amounts due to the Issuer or from interest, principal or other payments made in respect of the Notes, neither the Issuer nor any paying agent nor any other person would, pursuant to the conditions of the Notes, be required to pay additional amounts as a result of the deduction or withholding.

**8. Prescription**

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

**9. Subordination**

(a) *Principal*

Prior to service of an Enforcement Notice, until the date on which the Principal Amount Outstanding of all Class A Notes is reduced to zero, the holders of the Class B Notes will not be entitled to any repayment of principal in respect of the Class B Notes. If on any Notes Payment Date on which the Class B Noteholders are entitled to any repayment of principal in accordance with the provisions of Condition 6, there is a balance on the Class B Principal Deficiency Ledger, then notwithstanding any other provisions of these Conditions, the principal amount payable on redemption of each Class B Note on such Notes Payment Date shall not exceed its Principal Amount Outstanding less the relevant Principal Shortfall on such date. The Class B Noteholders shall have no further claim against the Issuer for the Principal Amount Outstanding on the Class B Notes after the earlier of (i) the Final Maturity Date and (ii) the date on which the Issuer no longer holds any Receivables and there are no balances standing to the credit of the Issuer Accounts and the Issuer has no further rights under or in connection with any of the Transaction Documents.

If on any Notes Calculation Date all amounts of interest (in respect of the Class A Notes) and principal due under the Class A Notes have been paid or will be available for payment on the Notes Payment Date immediately following such Notes Calculation Date, the Reserve Account Target Level will be reduced to zero and any amount standing to the credit of the Reserve Account will on the Notes Payment Date immediately succeeding such Notes Calculation Date form part of the Available Revenue Funds. The Class C Noteholders will have no further claim against the Issuer for the Principal Amount Outstanding on the Class C Notes after the earlier

of (i) the Final Maturity Date and (ii) the date on which the Issuer no longer holds any Receivables and there are no balances standing to the credit of the Issuer Accounts.

(b) *Interest*

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

(c) *General*

If the Security in respect of the Notes has been fully enforced and the proceeds of such enforcement, after payment of all other claims ranking under the Trust Deed in priority to a Class are insufficient to pay in full all principal and, in respect of the Class A Notes, interest and other amounts whatsoever due in respect of such Class, the Noteholders of such Class shall have no further claim against the Issuer (or, for the avoidance of doubt, the Security Trustee) in respect of any such unpaid amounts.

**10. Events of Default**

The Security Trustee at its discretion may or, if so directed by an Extraordinary Resolution of the Most Senior Class (subject, in each case, to being indemnified to its satisfaction) (in each case, the **Relevant Class**) shall (but in the case of the occurrence of any of the events mentioned in subparagraph (b), 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 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, in respect of the Class A Notes, accrued interest, if any of the following (each an **Event of Default**) shall occur:

- (a) the Issuer is in default for a period of fifteen (15) calendar days or more in the payment on the due date of any amount due in respect of the Notes of the Relevant Class; or
- (b) the Issuer fails to perform any of its other obligations binding on it under the Notes of the Relevant Class, the Trust Deed, the Paying Agency Agreement or the Pledge Agreements and, except where such failure, in the reasonable opinion of the Security Trustee, is incapable of remedy, such default continues for a period of thirty (30) calendar days after written notice by the Security Trustee to the Issuer requiring the same to be remedied; or
- (c) if a conservatory attachment (*conservatoir beslag*) or an executory attachment (*executoriaal beslag*) on any major part of the Issuer's assets is made and not discharged or released within a period of thirty (30) calendar days of its first being made; or
- (d) if any order shall be made by any competent court or other authority or a resolution passed for the dissolution or winding-up of the Issuer or for the appointment of a liquidator or receiver of the Issuer in respect of all or substantially all of its assets; or
- (e) it is or will become unlawful for the Issuer to perform or comply with any of its obligations under or in respect of the Notes, the Trust Deed or the Security; or

- (f) the Issuer has taken any winding-up resolution, has been declared bankrupt (*failliet*), or has applied for general settlement or composition with creditors (*akkoord*), or suspension of payments (*surseance van betaling*) or reprieve from payment,

provided that, if more than one Class of Notes is outstanding, no Enforcement Notice may or shall be given by the Security Trustee to the Issuer in respect of any Class ranking junior to the Most Senior Class irrespective of whether an Extraordinary Resolution is passed by the holders of such Class or Classes ranking junior to the Most Senior Class, unless an Enforcement Notice in respect of the Most Senior Class has been given by the Security Trustee. In exercising its discretion as to whether or not to give an Enforcement Notice to the Issuer in respect of the Most Senior Class, the Security Trustee shall not be required to have regard to the interests of the holders of any Class of Notes ranking junior to the Most Senior Class.

The issuance of an Enforcement Notice will be reported to the Noteholders without undue delay in accordance with Condition 13.

## **11. Enforcement**

### (a) *Enforcement*

At any time after the obligations under 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 Trust Deed, the Pledge Agreements and the Notes, but it need not take any such proceedings unless (i) it shall have been directed by an Extraordinary Resolution of the holders of the Relevant Class and (ii) it shall have been indemnified to its satisfaction.

### (b) *No direct action against Issuer by Noteholders*

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

### (c) *Undertaking by Noteholders and Security Trustee*

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

### (d) *Limitation of Recourse*

The Noteholders accept and agree that the only remedy of the Security Trustee against the Issuer after any of the Notes have become due and payable pursuant to Condition 10 above is to enforce the Security. The proceeds will be applied in accordance with the Post-Enforcement Priority of Payments. If the foreclosure proceeds are insufficient, after payment of all other claims ranking in priority to a Class of Notes, to fully pay the amounts due and payable in respect of such Class, the unpaid amount shall cease to be due and payable by the Issuer and the relevant Noteholders shall have no further claim against the Issuer or the Security Trustee in respect of any such unpaid amounts.

## 12. Indemnification of the Security Trustee

The Trust Deed contains provisions for the indemnification of the Security Trustee and for its relief from responsibility.

## 13. Notices

With the exception of the publications of the Reference Agent in Condition 4 (*Interest*) and of the Issuer in Condition 6 (*Redemption*), notices to the Noteholders will, if Notes are in definitive form, be deemed to be validly given if published in at least one widely circulated newspaper in London, the United Kingdom and in the Netherlands. Any such notice shall be deemed to have been given on the first date of such publication. If publication as provided above is not practicable, a notice will be given in such other manner, and will be deemed to have been given at such date, as the Security Trustee shall approve.

So long as the Notes are admitted to the official list and trading on the regulated market of Euronext Amsterdam all notices to the Noteholders will be valid if published in a manner which complies with the rules and regulations of Euronext Amsterdam (which includes delivering a copy of such notice to Euronext Amsterdam) and any such notice shall be deemed to have been given on the first date of such publication.

## 14. Meetings of Noteholders; Modification; Consents; Waiver; Removal of Managing Directors

The Trust Deed contains provisions for convening meetings of Noteholders of any Class or one or more Classes jointly to consider matters affecting the interests, including the sanctioning by Extraordinary Resolution, of such Noteholders of the relevant Class of a change of any of these Conditions or any provisions of the relevant Transaction Documents.

The Noteholders of any Class may adopt a resolution without the formalities for convening a meeting set out in the Trust Deed being observed, including an Extraordinary Resolution and/or an Extraordinary Resolution relating to a Basic Terms Change, provided that such resolution is unanimously adopted in writing – including by email, facsimile or electronic transmission, or in the form of a message transmitted by any accepted means of communication and received or capable of being produced in writing – by all Noteholders of the relevant Class having the right to cast votes.

For the purpose of this Condition:

**Benchmark Rate Modification Noteholder** Notice means a written notice from the Issuer to notify Noteholders of a proposed Benchmark Rate Modification notifying the following: (a) the date on which it is proposed that the Benchmark Rate Modification shall take effect; (b) the period during which Noteholders who are Noteholders on the Benchmark Rate Modification Record Date (which shall be five (5) Business Days from and excluding the date of publication of the Benchmark Modification Noteholder Notice (the **Benchmark Rate Modification Record Date**)) may object to the proposed Benchmark Rate Modification (which notice period shall commence at least 40 calendar days prior to the date on which it is proposed that the Benchmark Rate Modification would take effect and continue for a period of not less than 30 calendar days) and the method by which they may object; (c) the Benchmark Rate Modification Event or Events which has or have occurred; (d) the Alternative Benchmark Rate which is proposed to be adopted pursuant to Condition 14(f)(iv) and the rationale for choosing the proposed Alternative Benchmark Rate; (e) details of any Note Rate Maintenance Adjustment provided that (A) if any applicable regulatory authority or relevant committee or other body established, sponsored or approved by any applicable regulatory authority, has published,

endorsed, approved or recognised a note rate maintenance adjustment mechanism which could be used in the context of a transition from the Applicable Benchmark Rate to the Alternative Benchmark Rate, then the Issuer shall propose that note rate maintenance adjustment mechanism as the Note Rate Maintenance Adjustment, or otherwise the Issuer shall set out in the notice to Noteholders the rationale for concluding that this is not a commercial and reasonable approach in relation to the Notes and the proposed Benchmark Rate Modification; or (B) if it has become generally accepted market practice in the publicly listed asset backed floating rate notes to use a particular note rate maintenance adjustment mechanism in the context of a transition from the Applicable Benchmark Rate to the Alternative Benchmark Rate, then the Issuer shall propose that note rate maintenance adjustment mechanism as the Note Rate Maintenance Adjustment, or otherwise the Issuer shall set out in the notice to Noteholders the rationale for concluding that this is not a commercial and reasonable approach in relation to the Notes and the proposed Benchmark Rate Modification; or (C) if neither (A) nor (B) above apply, the Issuer shall use reasonable endeavours to propose an alternative Note Rate Maintenance Adjustment as reasonably determined by the Issuer and shall set out the rationale for the proposal or otherwise the Issuer shall set out in the notice to Noteholders the rationale for concluding that this is not a commercial and reasonable approach in relation to the Notes and the proposed Benchmark Rate Modification; and (D) if any Note Rate Maintenance Adjustment is proposed, the Note Rate Maintenance Adjustment applicable to each Class of Notes other than the Most Senior Class shall be at least equal to that applicable to the Most Senior Class. In circumstances where the Issuer proposes a lower Note Rate Maintenance Adjustment on any Class of Notes other than the Most Senior Class than that which is proposed for the Most Senior Class or another Class of Notes which ranks senior to the Class of Notes to which the lower Note Rate Maintenance Adjustment is proposed to be made, the Benchmark Rate Modification will not be made unless an Extraordinary Resolution is passed in favour of such modification in accordance with this Condition 14 by the Noteholders of each Class of Notes then outstanding to which the lower Note Rate Maintenance Adjustment is proposed to be made; and (E) for the avoidance of doubt, the Note Rate Maintenance Adjustment may effect an increase or a decrease to the margin or may be set at zero; and (F) details of any modifications that the Issuer has agreed will be made to any hedging agreement to which it is a party for the purpose of aligning any such hedging agreement with the proposed Benchmark Rate Modification or, where it has not been possible to agree such modifications with hedging counterparties, why such agreement has not been possible and the effect that this may have on the transaction constituted by the Transaction Documents (in the view of the Issuer); and (G) details of (i) other amendments which the Issuer proposes to make to these Conditions or any other Transaction Document and (ii) any new, supplemental or additional documents into which the Issuer proposes to enter to facilitate the changes envisaged pursuant to this Condition 14.

**Basic Terms Change** means, in respect of Notes of one or more Class or Classes, as the case may be, a change (i) of the date of maturity of the relevant Notes, (ii) which would have the effect of postponing any day for payment of interest in respect of the relevant Notes, (iii) of the amount of principal payable in respect of the relevant Notes, (iv) of the rate of interest applicable in respect of the relevant Notes, (v) of the Pre-Enforcement Revenue Priority of Payments, the Pre-Enforcement Principal Priority of Payments or the Post-Enforcement Priority of Payments or (vi) of the quorum or majority required to pass an Extraordinary Resolution or (vii) in the definition of Basic Terms Change or (viii) of the provisions for meetings of Noteholders as set out in Schedule 1 of the Trust Deed.

**Extraordinary Resolution** means a resolution passed at a meeting duly convened and held by the Noteholders of one or more Class or Classes, as the case may be, by a majority of not less than 66.67 per cent. of the validly cast votes, except that in case of an Extraordinary Resolution approving a Basic Terms Change the majority required shall be at least 75 per cent. of the validly cast votes.

**Note Rate Maintenance Adjustment** means the adjustment (which may be positive or negative) which the Issuer proposes to make (if any) to the margin payable on each Class of Notes which are the subject of the Benchmark Rate Modification in order to, so far as reasonably and commercially practicable, preserve what would have been the expected rate of interest applicable to each such Class of Notes had no such Benchmark Rate Modification been effected.

(a) *Meeting of Noteholders*

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

(b) *Initiating meeting and quorum*

A meeting as referred to above may be convened by the Issuer or by Noteholders of any Class holding at least 10% of the 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 66.67% of the Principal Amount Outstanding of the Notes of the relevant Class, as the case may be, and at such a meeting an Extraordinary Resolution shall be adopted with not less than a two-third majority of the validly cast votes, except that the quorum required for an Extraordinary Resolution including the sanctioning of a Basic Terms Change shall be at least 75% of the Principal Amount Outstanding of the Notes of the relevant Class and the majority required shall be at least 75% of the validly cast votes in respect of that Extraordinary Resolution.

If at such meeting the aforesaid quorum is not represented, a second meeting of Noteholders will be held within 30 calendar days after the first meeting, 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 can be adopted with not less than a two-thirds majority of the validly cast votes, except that for an Extraordinary Resolution including a sanctioning of a Basic Terms Change the majority required shall be 75% of the validly cast votes, regardless of the Principal Amount Outstanding of the Notes of the relevant Class then represented.

(c) *Extraordinary Resolution*

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

- (i) to approve any proposal for any modification of any provisions of the Trust Deed, the Conditions, the Notes or any other Transaction Document or any arrangement in respect of the obligations of the Issuer under or in respect of the Notes;
- (ii) to waive any breach or authorise any proposed breach by the Issuer of its obligations under or in respect of the Trust Deed or the Notes or any act or omission which might otherwise constitute an Event of Default under the Notes;

- (iii) to authorise the Security Trustee (subject to it being indemnified and/or secured to its satisfaction) or any other person to execute all documents and do all things necessary to give effect to any Extraordinary Resolution;
- (iv) to discharge or exonerate the Security Trustee from any liability in respect of any act or omission for which it may become responsible under the Trust Deed or the Notes;
- (v) to give any other authorisation or approval which under the Trust Deed or the Notes is required to be given by Extraordinary Resolution; and
- (vi) to appoint any persons as a committee to represent the interests of Noteholders and to confer upon such committee any powers which Noteholders could themselves exercise by Extraordinary Resolution.

(d) *Limitations*

An Extraordinary Resolution passed at any meeting of the Most Senior Class shall be binding upon all Noteholders of all other Classes irrespective of its effect upon them, except that an Extraordinary Resolution to sanction a Basic Terms Change shall not take effect unless it shall have been sanctioned by an Extraordinary Resolution of each such other Class or unless and to the extent that it shall not, in the sole opinion of the Security Trustee, be materially prejudicial to the interests of any such other Class.

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

**Higher Ranking Class** means, in relation to any Class of Notes, each Class of Notes which has not been previously redeemed or written off in full and which ranks higher in priority to it in the Pre-Enforcement Revenue Priority of Payments.

(e) *Voting*

Every Voter (as defined in the Trust Deed) shall have one vote in respect of (i) each €1.00 or (ii) such other amount as the Security Trustee may in its absolute discretion stipulate in Principal Amount Outstanding of the Notes represented or held by such Voter. The Issuer and its affiliates may not vote on any Notes held by them directly or indirectly. Such Notes will not be taken into account in calculating the aggregate outstanding amount of the Notes. The Seller is entitled to vote in respect of the Notes held by it.

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

- (i) The Security Trustee may agree with the other parties to any Transaction Document, without the consent of the Noteholders, to (i) any modification of any of the provisions of the Transaction Documents which is of a formal, minor or technical nature or is made to correct a manifest error, and (ii) any other modification, and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Transaction Documents, which is in the opinion of the Security Trustee not materially prejudicial to the interests of the Noteholders and not in breach of the EU Securitisation Regulation and/or the

CRR Amendment Regulation, provided that, in respect of (ii) only a Credit Rating Agency Confirmation with respect to each Credit Rating Agency is available in connection with 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. In addition, the Security Trustee may agree, without the consent of the Noteholders, to any modification of any Transaction Document, that is required or necessary in connection therewith.

- (ii) The Security Trustee shall agree with the other parties to any Transaction Document, without the consent of the Noteholders, to any modification of the relevant Transaction Documents (including the Swap Agreement) in order to enable the Issuer and/or the Swap Counterparty to comply with any obligation which applies to it under Articles 9, 10 and 11 of Regulation (EU) 648/2012 of the European Parliament and of the Council on OTC derivatives, central counterparties and trade repositories dated 4 July 2012, as amended (including, without limitation, any associated regulatory technical standards and advice, guidance or recommendations from relevant supervisory regulators) (the **EMIR Requirements**) or any other obligation which applies to it under the EMIR Requirements and/or any new regulatory requirements, subject to receipt by the Security Trustee of a certificate of the Issuer or the Swap Counterparty certifying to the Security Trustee that the amendments requested by the Issuer or the Swap Counterparty, as the case may be, are to be made solely for the purpose of enabling the Issuer or the Swap Counterparty, as the case may be, to satisfy its requirements under EMIR, provided that the Security Trustee shall not be obliged to agree to any modification which, in the reasonable opinion of the Security Trustee, would have the effect of (A) exposing the Security Trustee to any additional liability or (B) adding to or increasing the obligations, liabilities or duties, or decreasing the protections, of the Security Trustee in respect of the Notes, the relevant Transaction Documents and/or the Conditions, (C) the transaction described in this Prospectus no longer complying with the requirements set out in the EU Securitisation Regulation and/or (in the event the transaction described in this Prospectus is designated as a "STS" securitisation) the CRR Amendment Regulation, in each case, further provided that the Security Trustee has received written confirmation from the Swap Counterparty in respect of the Swap Agreement that it has consented to such amendment.
- (iii) The Security Trustee shall agree with the other parties to any Transaction Document, without the consent of the Noteholders, to any modification of the relevant Transaction Documents in order to enable the Issuer to comply with any obligation which applies to it under Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies and Commission Delegated Regulation (EU) 2015/3 (including, without limitation, any associated regulatory technical standards and advice, guidance or recommendations from relevant supervisory regulators) (the **CRA3 Requirements**), including any requirements imposed by the EU Securitisation Regulation and/or the CRR Amendment Regulation or any other obligation which applies to it under the CRA3 Requirements, the EU Securitisation Regulation and/or the CRR Amendment Regulation and/or any new regulatory requirements, subject to receipt by the Security Trustee of a certificate of the Issuer certifying to the Security Trustee that the amendments



requested by the Issuer are to be made solely for the purpose of enabling the Issuer to satisfy its requirements under the CRA3 Requirements, the EU Securitisation Regulation and/or the CRR Amendment Regulation and/or any new regulatory requirements provided that the Security Trustee shall not be obliged to agree to any modification which, in the reasonable opinion of the Security Trustee, would have the effect of (i) exposing the Security Trustee to any additional liability or (ii) adding to or increasing the obligations, liabilities or duties, or decreasing the protections, of the Security Trustee in respect of the Notes, the relevant Transaction Documents and/or the Conditions or (iii) the transaction described in this Prospectus not complying with the requirements set out in the EU Securitisation Regulation and/or (in the event the transaction described in this Prospectus is designated as a “STS” securitisation) the CRR Amendment Regulation. Each other party to any relevant Transaction Document shall cooperate to the extent reasonably practicable with the Issuer in amending such Transaction Documents to enable the Issuer to comply with the CRA3 Requirements and/or the EU Securitisation Regulation and/or the CRR Amendment Regulation and/or new regulatory requirements.

- (iv) The Security Trustee shall agree with the other parties to any Transaction Document, without the consent of the Noteholders, to any modification to these Conditions or any of the relevant Transaction Documents (including the Swap Agreement) for the purpose of changing the benchmark rate in respect of the Class A Notes (the **Applicable Benchmark Rate**) to an alternative benchmark rate (any such rate, an **Alternative Benchmark Rate**) and making such other amendments to these Conditions or any Transaction Document as are necessary or advisable in the reasonable judgement of the Issuer to facilitate the changes envisaged pursuant to this Condition 14(d) (for the avoidance of doubt, this may include modifications to when the rate of interest applicable to the Class A Notes is calculated and/or notified to Noteholders, adjustments to the margin payable on the Class A Notes or other such consequential modifications) (a **Benchmark Rate Modification**), provided that the Issuer certifies to the Security Trustee in writing that:
  - (A) the Benchmark Rate Modification is being undertaken due to any one or more of the following events (each a **Benchmark Rate Modification Event**):
    - (I) a material disruption to the Applicable Benchmark Rate, a material change in the methodology of calculating the Applicable Benchmark Rate or the Applicable Benchmark Rate ceasing to exist or be published or the administrator of the Applicable Benchmark Rate having used a fallback methodology for calculating the Applicable Benchmark Rate for a period of at least 30 calendar days; or
    - (II) the insolvency or cessation of business of the administrator of the Applicable Benchmark Rate (in circumstances where no successor administrator has been appointed); or
    - (III) a public statement by the administrator of the Applicable Benchmark Rate that it will cease publishing the Applicable Benchmark Rate permanently or indefinitely (in circumstances where no successor administrator has been

appointed that will continue publication of the Applicable Benchmark Rate) with effect from a date no later than six months after the proposed effective date of such Benchmark Rate Modification; or

- (IV) a public statement by the supervisor of the administrator of the Applicable Benchmark Rate that the Applicable Benchmark Rate has been or will be permanently or indefinitely discontinued or there will be a material change in the methodology of calculating the Applicable Benchmark Rate) with effect from a date no later than six months after the proposed effective date of such Benchmark Rate Modification; or
  - (V) a public statement by the supervisor of the administrator of the Applicable Benchmark Rate that means the Applicable Benchmark Rate will be prohibited from being used or that its use is subject to restrictions or adverse consequences with effect from a date no later than six months after the proposed effective date of such Benchmark Rate Modification; or
  - (VI) a change in the generally accepted market practice in the publicly listed mortgage-backed or asset backed floating rate notes market to refer to a benchmark rate endorsed in a public statement by the ECB, ESMA, or any relevant committee or other body established, sponsored or approved by any of the foregoing, including the working group on euro risk-free rates, despite the continued existence of the Applicable Benchmark Rate; or
  - (VII) it having become unlawful and/or impossible and/or impracticable for the Reference Agent, the Issuer Account Bank or the Issuer to calculate any payments due to be made to any Noteholder using the Applicable Benchmark Rate; or
  - (VIII) the reasonable expectation of the Issuer that any of the events specified in sub-paragraphs (I), (II) or (VII) will occur or exist within six (6) months of the proposed effective date of such Benchmark Rate Modification; or
  - (IX) following the making of a Benchmark Rate Modification, it becomes generally accepted market practice in the publicly listed asset backed floating rate notes market to use a benchmark rate of interest which is different from the Alternative Benchmark Rate which had already been adopted by the Issuer in respect of the Notes pursuant to a Benchmark Rate Modification, in which case the Issuer is entitled to propose a further Benchmark Rate Modification pursuant to this Condition 14(f)(iv);
- (B) such Alternative Benchmark Rate is any one or more of the following:
- (I) a benchmark rate as published, endorsed, approved or recognised as a replacement to the Applicable Benchmark

Rate by the applicable regulatory authorities (which, for the avoidance of doubt, may be an alternative benchmark rate together with a specified adjustment factor which may increase or decrease the relevant alternative benchmark rate; or

- (II) a benchmark rate utilised in a material number of publicly-listed new issues of Euro denominated asset backed floating rate notes in the six months prior to the proposed effective date of such Benchmark Rate Modification; or
  - (III) a benchmark rate utilised in a publicly-listed new issue of Euro denominated asset backed floating rate notes where the originator of the relevant assets is the Seller; or
  - (IV) such other benchmark rate as the Issuer reasonably determines provided that this option may only be used if the Issuer certifies to the Security Trustee that, in its reasonable opinion, neither paragraphs (I), (II) or (III) above are applicable and/or practicable in the context of the transaction constituted Transaction Documents and sets out the rationale in the Modification Certificate (as defined below) for choosing the proposed Alternative Benchmark Rate;
- (C) it shall be a requirement of any modification pursuant to pursuant to this Condition 14(f)(iv) that:
- (I) either
    - (x) the party proposing the modification to a Transaction Document, if possible and if necessary with the cooperation of the Issuer, obtains from each of the Credit Rating Agencies written confirmation (or certifies in writing to the Issuer and the Security Trustee that the Credit Rating Agencies have been informed of the proposed Benchmark Rate Modification and none of the Credit Rating Agencies has indicated that the proposed Benchmark Rate Modification would result in a downgrade, withdrawal or suspension of the then current ratings assigned to any Class of Notes by such Credit Rating Agency and would not result in any Credit Rating Agency placing any Notes on rating watch negative (or equivalent)) that such modification would not result in a downgrade, withdrawal or suspension of the then current ratings assigned to any Class of Notes by such Credit Rating Agency and would not result in any Credit Rating Agency placing any Notes on rating watch negative (or equivalent) and, if relevant, delivers a copy of each such confirmation to the Issuer and the Security Trustee; or
    - (y) the Issuer certifies in writing to the Security Trustee in the Modification Certificate or otherwise that the

Credit Rating Agencies have been informed of the Benchmark Rate Modification and it has given the Credit Rating Agencies at least 30 Business Days' prior written notice of the proposed Benchmark Rate Modification and none of the Credit Rating Agencies has indicated that such modification would result in (x) a downgrade, withdrawal or suspension of the then current ratings assigned to any Class of the Notes by such Credit Rating Agency or (y) such Credit Rating Agency placing any Notes on rating watch negative (or equivalent);

- (II) the Issuer has given at least ten (10) Business Days' prior written notice of the proposed Benchmark Rate Modification to the Security Trustee and the Reference Agent before publishing a Benchmark Rate Modification Noteholder Notice; and
  - (III) the Issuer has provided to the Most Senior Class a Benchmark Rate Modification Noteholder Notice, at least 30 calendar days' prior to the date on which it is proposed that the Benchmark Rate Modification would take effect (such date being no less than ten (10) Business Days prior to the next Interest Determination Date), in accordance with Condition 13 (*Notices*) and by publication on Bloomberg on the "Company News" screen relating to the Notes and the Noteholders representing at least 10 per cent. of the aggregate Principal Amount Outstanding of the Most Senior Class of Notes then outstanding have not directed the Issuer/ or the Paying Agent in writing (or otherwise directed the Issuer or the Paying Agent in accordance with the then current practice of any applicable clearing system through which such Notes may be held) within such notification period that such Noteholders do not consent to the Benchmark Rate Modification.
- (v) The Security Trustee shall agree with the other parties to any Transaction Document without the consent of the Noteholders, to any modification of the relevant Transaction Documents for the purpose of complying with, or implementing or reflecting, any change in the criteria of one or more of the Credit Rating Agencies which may be applicable from time to time, provided that in relation to any such amendment:
- (A) the Issuer certifies in writing to the Security Trustee (and to the parties to the relevant Transaction Documents in respect of modifications in respect of Transaction Documents), that such modification is necessary to comply with such criteria or, as the case may be, is solely to implement and reflect such criteria; and
  - (B) in the case of any modification to a Transaction Document proposed by any of the Swap Counterparty or the Issuer Account Bank in order (x) to remain eligible to perform its role in such capacity in conformity with such criteria and/or (y) to avoid taking action which it would otherwise be required to take to enable it to continue performing such

role (including, without limitation, posting collateral or advancing funds):

- (1) the party proposing the modification to a Transaction Document, certifies in writing to the Issuer and the Security Trustee that such modification is necessary for the purposes described in paragraph (ii)(x) and/or (y) above (and in the case of a certification provided to the Issuer, the Issuer shall certify to the Security Trustee that it has received the same from such party);
  - (2) the Issuer, if possible and if necessary with the cooperation of the party proposing the modification to a Transaction Document, obtains from each of the Credit Rating Agencies written confirmation (or certifies in writing to the Security Trustee that the Credit Rating Agencies have been informed of the proposed modification and none of the Credit Rating Agencies has indicated that such modification would result in a downgrade, withdrawal or suspension of the then current ratings assigned to any Class of Notes by such Credit Rating Agency and would not result in any Credit Rating Agency placing any Notes on rating watch negative (or equivalent)) that such modification would not result in a downgrade, withdrawal or suspension of the then current ratings assigned to any Class of Notes by such Credit Rating Agency and would not result in any Credit Rating Agency placing any Notes on rating watch negative (or equivalent) and, if relevant, delivers a copy of each such confirmation to the Security Trustee; or
  - (3) the Issuer certifies in writing to the Security Trustee that the Credit Rating Agencies have been informed of the proposed modification and none of the Credit Rating Agencies has indicated within 30 Business Days after being informed thereof that such modification would result in (x) a downgrade, withdrawal or suspension of the then current ratings assigned to any Class of the Notes by such Credit Rating Agency or (y) such Credit Rating Agency placing any Notes on rating watch negative (or equivalent); and
  - (4) the Issuer proposing the modification to a Transaction Document pays all costs and expenses (including legal fees) incurred by the Issuer and the Security Trustee or any other Transaction Party which is a party to such Transaction Document in connection with such modification
- (vi) The Security Trustee shall agree with the other parties to any Transaction Document, without the consent of the Noteholders, to any modification of the relevant Transaction Documents for the purpose of (i) complying with any changes in the requirements of article 6 of the EU Securitisation Regulation or Section 15G of the Securities Exchange Act of 1934 (as amended), as added by section 941 of the Dodd-Frank Act, after the Closing Date, including as a result of the adoption of regulatory technical standards in relation to the EU Securitisation Regulation or any other risk retention legislation or regulations

or official guidance in relation thereto or (ii) complying with any risk retention requirements which may replace any of the requirements of article 6 of the EU Securitisation Regulation or Section 15G of the Securities Exchange Act of 1934 (as amended), as added by section 941 of the Dodd-Frank Act, provided that the party proposing the modification to a Transaction Document, supported by the Issuer (provided that the Issuer believes such proposal is not prejudicial to its interest and would not result in the transaction described in this Prospectus no longer satisfying the requirements set out in the EU Securitisation Regulation and/or (in the event the transaction described in this Prospectus is designated as a “STS” securitisation) the CRR Amendment Regulation) if requested by the party proposing the modification, certifies to the Security Trustee in writing that such modification is required solely for such purpose and has been drafted solely to such effect.

For the purpose of this Condition 14(f) the certificate to be provided by the Issuer, the Swap Counterparty, the Issuer Account Bank, as the case may be, pursuant to Condition 14(f)(ii), 14(f)(iii) and 14(f)(iv) is referred to as modification certificate (a **Modification Certificate**).

Any modification made pursuant to this Condition 14(f) shall be subject to the following conditions:

- (A) at least 30 calendar days’ prior written notice of any such proposed modification has been given to the Security Trustee;
- (B) the Modification Certificate in relation to such modification shall be provided to the Security Trustee both at the time the Security Trustee is notified of the proposed modification and on the date that such modification takes effect;
- (C) the consent of each Secured Creditor which is party to the relevant Transaction Document or which has a right to consent to such modification pursuant to the provisions of these Conditions has been obtained by either the Issuer or the Security Trustee;
- (D) the Issuer certifies in writing to the Security Trustee (which certification may be in the Modification Certificate) that the Issuer has provided at least 30 calendar days’ notice to the Noteholders of each class of the proposed modification in accordance with Condition 13 (*Notices*) and by publication on Bloomberg on the “Company News” screen relating to the Notes, and Noteholders representing at least 10 per cent. of the aggregate Principal Amount Outstanding of the Most Senior Class have not contacted the Issuer or Paying Agent in writing (or otherwise in accordance with the then current practice of any applicable clearing system through which such Notes may be held) within such notification period notifying the Issuer or Paying Agent that such Noteholders do not consent to the modification;
- (E) the party proposing the modification to a Transaction Document pays all costs and expenses (including legal fees) incurred by the Issuer and the Security Trustee or any other Transaction Party which is a party to such Transaction Document in connection with such modification;
- (F) such modification would not result in the transaction described in this Prospectus no longer satisfying the requirements set out in the EU Securitisation Regulation and/or (in the event the transaction described in this

Prospectus is designated as a "STS" securitisation) the CRR Amendment Regulation; and

- (G) each of the Issuer and the Security Trustee is entitled to incur reasonable costs to obtain advice from external advisers in relation to such proposed amendment.

If Noteholders representing at least 10 per cent. of the aggregate Principal Amount Outstanding of the Most Senior Class of Notes then outstanding have notified the Paying Agent or the Issuer in writing (or otherwise in accordance with the then current practice of any applicable clearing system through which such Notes may be held, a copy of which notification the Paying Agent shall as soon as reasonably practicable provide to the Issuer and the Security Trustee) within the notification period referred to above that they do not consent to a modification proposed pursuant to paragraph (iv)(C)(III) above, then such modification will not be made unless an Extraordinary Resolution of the holders of the Most Senior Class of Notes then outstanding is passed in favour of such modification in accordance with this Condition 14 (*Meetings of Noteholders; Modification; Consents; Waiver; Removal of Managing Directors*).

Notwithstanding anything to the contrary in this Condition 14(f) or any Transaction Documents, the Swap Counterparty's prior written consent is required to amend any Condition or the provisions of any relevant Transaction Document if: (i) it would cause, in the reasonable opinion of the Swap Counterparty (A) the Swap Counterparty to pay more or receive less under the Swap Agreement or (B) a decrease (from the Swap Counterparty's perspective) in the value of the Swap Agreement; (ii) it would result in any of the Issuer's obligations to the Swap Counterparty under the Swap Agreement to be further contractually subordinated, relative to the level of subordination of such obligations as of the Closing Date, to the Issuer's obligations to any other Secured Creditor; or (iii) if the Swap Counterparty were to replace itself as Swap Counterparty under the Swap Agreement it would be required to pay more or receive less in the reasonable opinion of the Swap Counterparty, in connection with such replacement, as compared to what the Swap Counterparty would have been required to pay or would have received had such amendment not been made unless either (x) the Swap Counterparty has provided its prior written consent, such consent not to be unreasonably withheld or delayed or (y) the Swap Counterparty has failed to provide its written response or to make the determinations required to be made by it under (i) above within ten (10) Business Days from the day on which the Swap Counterparty acknowledges the Issuer's relevant written request.

In addition thereto, without prejudice to the paragraph above, the Swap Counterparty's consent is required to amend any Condition or the provisions of any relevant Transaction Document if: (i) the amendment relates to the priority of payments (without Swap Counterparty consent) or, (ii) the amendment intends to structure documents in such a way that it would have a material impact on the Swap Counterparty in the reasonable opinion of the Swap Counterparty, in each case (without Swap Counterparty consent) unless either (x) the Swap Counterparty has provided its prior written consent, such consent not to be unreasonably withheld or delayed or (y) in respect to (ii) only, the Swap Counterparty has failed to provide its written response or to make the determinations required to be made by it within ten (10) Business Days from the day on which the Swap Counterparty acknowledges the Issuer's relevant written request.

Notwithstanding anything to the contrary in this Condition 14(b) or any Transaction Document:

- (i) when implementing any modification pursuant to this paragraph (*Additional Right of Modification*) of Condition 14(f) other than pursuant to Condition 14(f)(i) (save to the extent the Security Trustee considers that the proposed modification would constitute a Basic Terms Change or so required in accordance with this Condition 14(f), the Security Trustee shall not consider the interests of the Noteholders, any other Secured Creditor or any other person and shall act and rely solely and without further investigation on any certificate or evidence provided to it by the Issuer or the relevant Transaction Party, as the case may be, pursuant to this Condition 14(f) and shall not be liable to the Noteholders, any other Secured Creditor or any other person for so acting or relying, irrespective of whether any such modification is or may be materially prejudicial to the interests of any such person; and
- (ii) the Security Trustee shall not be obliged to agree to any modification which, in the sole opinion of the Security Trustee would have the effect of (i) exposing the Security Trustee to any liability against which it has not been indemnified and/or secured and/or pre-funded to its satisfaction or (ii) increasing the obligations or duties, or decreasing the rights or protection, of the Security Trustee in the Transaction Documents and/or these Conditions.

Any such modification shall be binding on all Noteholders and shall be notified by the Issuer as soon as reasonably practicable to:

- (A) so long as any of the Notes rated by a Rating Agency remains outstanding, such Credit Rating Agency;
  - (B) the Secured Creditors; and
  - (C) the Noteholders in accordance with Condition 13 (*Notices*).
- (g) *Indemnification for individual Noteholders*

In connection with the exercise of its functions (including but not limited to those referred to in this Condition) the Security Trustee shall have regard to the interests of the Class A Noteholders and the Class B Noteholders 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.

- (h) **Removal of managing director of Security Trustee**

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



**15. Replacements of Notes**

Should any Note be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Paying Agent upon payment by the claimant of the expenses incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Notes must be surrendered before replacements will be issued.

**16. Governing Law**

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

## 4.2 Form

Each Class of Notes shall be initially represented by a Temporary Global Note in bearer form, without coupons, (i) in the case of the Class A1 Notes, in the principal amount of EUR 500,000,000, (ii) in the case of the Class A2 Notes, in the principal amount of EUR 4,800,000,000, (iii) in the case of the Class A3 Notes, in the principal amount of EUR 1,188,800,000, (iv) in the case of the Class B Notes, in the principal amount of EUR 2,134,200,000, (v) in the case of the Class C Notes, in the principal amount of EUR 43,115,000.

Each Temporary Global Note will be deposited with Euroclear Netherlands on or about the Closing Date. Upon deposit of each such Temporary Global Note, Euroclear Netherlands 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-US beneficial ownership by the Noteholders has been received) not earlier than forty (40) days after the Exchange Date for interests in a Permanent Global Note in bearer form, without coupons, in the principal amount of the Notes of the relevant Class. On the exchange of each Temporary Global Note for the relevant Permanent Global Note of the relevant Permanent Global Note will remain deposited with Euroclear Netherlands.

The Class A Notes are intended to be held in a manner which will allow Eurosystem eligibility. The Class A Notes are intended upon issue to be deposited with Euroclear Netherlands which is the Dutch Central Securities Depository, but this does not necessarily mean that the Class A Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction at the Eurosystem's discretion of the Eurosystem eligibility criteria, as amended from time to time, including compliance with loan-by-loan reporting in a prescribed format and manner. It should be noted that, with effect from 1 October 2021 (but subject to certain transitional provisions), amended Eurosystem rules apply to loan-by-loan reporting, whereby loan-level reporting via an ESMA-authorized securitisation repository in compliance with Article 7 of the EU Securitisation Regulation applies. The Reporting Entity shall use its best efforts to make such loan-by-loan information available on a quarterly basis which information can be obtained at the website of the European Data Warehouse <http://eurodw.eu/> within one month after the Notes Payment Date, for as long as such requirement is effective, provided that (i) the Reporting Entity has received the relevant information from the Servicer, (ii) such information is complete and correct and (iii) such information is provided in a format which enables the Reporting Entity to use it for the purposes of loan-level reporting via an ESMA-authorized securitisation repository. The loan-level data reporting requirements of the Eurosystem collateral framework will follow the disclosure requirements and registration process for securitisation repositories specified in the EU Securitisation Regulation. The disclosure requirements of the EU Securitisation Regulation will be reflected in the eligibility requirements for the acceptance of asset-backed securities as collateral in the Eurosystem's liquidity-providing operations. Should such loan-by-loan information not comply with the European Central Bank's requirements or not be available at such time, the Class A Notes may not be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem.

The Subordinated Notes are not intended to be held in a manner which allows Eurosystem eligibility.

The Notes are held in book-entry form.

The Global Notes will be transferable by delivery (*levering*). Each Permanent Global Note will be exchangeable for Definitive Notes only in the exceptional circumstances described below. Such Notes in definitive form shall be issued in denominations of EUR 100,000 or, as the case may be, in the then Principal Amount Outstanding of the Notes on such Exchange Date.

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 Netherlands, in the minimum authorised denomination of EUR 100,000. Definitive Notes, if issued, will only be printed and issued in denominations of EUR 100,000. All such Notes will be serially numbered and will be issued in bearer form with (at the date of issue) Coupons and, if necessary, talons attached.

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

For so long as the Notes of a particular Class are represented by a Global Note, each person who is for the time being shown in the records of Euroclear Netherlands as the holder of a particular Principal Amount Outstanding of that Class of Notes will be treated by the Issuer and the Security Trustee as a holder of such Principal Amount Outstanding of that Class of Notes and the expression **Noteholder** shall be construed accordingly, but without prejudice to the entitlement of the bearer of the relevant Global Note to be paid principal thereon and interest with respect thereto in accordance with and subject to its terms. Any statement in writing issued by Euroclear Netherlands as to the persons shown in its records as being entitled to such Notes and the respective Principal Amount Outstanding of such Notes held by them shall be conclusive for all purposes. If after the Exchange Date (i) Euroclear Netherlands is closed for business for a continuous period of 14 calendar days (other than by reason of holiday, statutory or otherwise) or announces an intention to permanently cease business and no alternative clearance system satisfactory to the Security Trustee is available, or (ii) as a result of any amendment to, or change in the laws or regulations of the Netherlands (or of any political sub-division thereof) (including any guidelines issued by the tax authorities) or any other jurisdiction or of any authority therein or thereof having power to tax, or in the interpretation or administration of such laws or regulations, which becomes effective on or after the Closing Date, the Issuer or 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 (an **Exchange Event**), then the Issuer will, at its sole cost and expense, issue Definitive Notes in exchange for the whole (or the remaining part(s) outstanding) of the relevant Permanent Global Notes which represent such Notes, in each case within 30 days of the occurrence of the relevant event.

As long as the Notes are represented by a Global Note deposited with Euroclear Netherlands, a Noteholder shall have the right to request delivery (*uitlevering*) thereof only in the limited circumstances prescribed by the Dutch Securities Giro Transfer Act (*Wet giraal effectenverkeer*), provided that an Exchange Event has occurred.

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) the Notes are legal investments for it, (2) the Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge

of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of the Notes under any applicable risk-based capital or similar rules.

#### **Application Dutch Savings Certificates Act in respect of the Subordinated Notes**

Unless between individuals not acting in the conduct of a business or profession, each transaction regarding the Subordinated Notes which involves the physical delivery thereof within, from or into the Netherlands, must be effected (as required by the Dutch Savings Certificates Act (*Wet inzake Spaarbewijzen*) of 21 May 1985) through the mediation of the Issuer or an admitted institution of Euronext Amsterdam and must be recorded in a transaction note which includes the name and address of each party to the transaction, the nature of the transaction and the details and serial number of the relevant Subordinated Note.

### 4.3 Subscription and Sale

The Notes Purchaser has, pursuant to the Notes Purchase Agreement, agreed with the Issuer, subject to certain conditions, to purchase the Notes at their respective issue prices. The Issuer has agreed to indemnify and reimburse the Notes Purchaser against certain liabilities and expenses in connection with the issue of the Notes.

#### Prohibition of Sales to EEA Retail Investors

The Notes Purchaser has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the European Economic Area. For the purpose of this provision:

- (a) the expression “retail investor” means a person who is one (or more) of the following:
  - (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, **MiFID II**); or
  - (ii) a customer within the meaning of Directive 2016/97/EU (the **Insurance Distribution Directive**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
  - (iii) not a qualified investor as defined in the Prospectus Regulation; and
- (b) the expression “offer” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes.

#### Prohibition of Sales to UK Retail Investors

The Notes Purchaser has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the United Kingdom. For the purposes of this provision:

- (a) the expression "retail investor" means a person who is one (or more) of the following:
  - (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (**EUWA**); or
  - (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law of the United Kingdom by virtue of the EUWA; and
- (b) the expression an offer includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

## United Kingdom

The Notes Purchaser has represented and agreed that

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (FSMA)) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA would not, if the Issuer was not an authorised person, apply to the Issuer; and
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

## Italy

No application has been or will be made by any person to obtain an authorization from Commissione Nazionale per le Società e la Borsa (**CONSOB**) for the public offering (*offerta al pubblico*) of the Notes in the Republic of Italy. Accordingly, no Notes may be offered, sold or delivered, nor may copies of this Prospectus or of any other document relating to the Notes be distributed in the Republic of Italy, except in circumstances falling within Article 1(4) of the Prospectus Regulation.

Any offer, sale or delivery of the Notes or distribution of copies of the Prospectus or any other document relating to the Notes in the Republic of Italy under the paragraph above must:

- (a) be made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, CONSOB Regulation No. 16190 of 29 October 2007 (as amended from time to time) and Legislative Decree No. 385 of 1 September 1993, as amended (the **Banking Act**); and
- (b) comply with any other applicable laws and regulations or requirements imposed by CONSOB, the Bank of Italy (including the reporting requirements, where applicable, pursuant to Article 129 of the Banking Act and the implementing guidelines of the Bank of Italy, as amended from time to time) and/or any other Italian authority.

## United States

The Notes have not been and will not be registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act and as defined under the U.S Risk Retention Rules) except in certain transactions exempt from or not just subject to the registration requirements of the Securities Act and/or permitted under the “foreign safe harbor” exemption under the U.S. Risk Retention Rules. Terms used in this paragraph have the meaning given to them by Regulation S under the Securities Act.

The Notes Purchaser has agreed that it will not offer, sell or deliver the Notes (i) as part of its distribution at any time or (ii) otherwise until forty (40) days after the completion of the distribution as determined and certified by the Notes Purchaser within the United States or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S of the Securities Act and subject to compliance with the U.S. Risk Retention Rules and it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration to which it sells Notes during the distribution compliance period (as defined in Regulation S) a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meaning given to them by Regulation S under the Securities Act.

In addition, until forty (40) days after the commencement of the offering of the Notes, an offer or sale of the Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with available exemptions from registration under the Securities Act.

In order to comply with the safe harbor for certain foreign-related transactions set forth in the U.S. Risk Retention Rules, the Notes may not be sold or transferred to Risk Retention U.S. Persons.

## **General**

The distribution of this Prospectus and the offering and sale of the Notes in certain jurisdictions may be restricted by law; persons into whose possession this Prospectus comes are required by the Issuer to inform themselves about and to observe any such restrictions. No action has been taken by the Issuer, the Arranger or the Notes Purchaser, which would or has been intended to permit a public offering of the Notes, or possession or distribution of this Prospectus or other offering material relating to the Notes, in any country or jurisdiction where action for that purpose is required. This Prospectus or any part thereof does not constitute an offer, or an invitation to sell or a solicitation of an offer to buy the Notes in any jurisdiction to any person to whom it is unlawful to make such an offer or solicitation in such jurisdiction.

The Notes Purchaser has undertaken not to offer or sell directly or indirectly any Notes, or to distribute or publish this Prospectus or any other material relating to the Notes in or from any country or jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations.

## 4.4 Regulatory & Industry Compliance

### *EU and UK Risk Retention Requirements*

The Seller, in its capacity as the 'originator' within the meaning of article 2(3)(a) of the EU Securitisation Regulation, has (i) undertaken to the Issuer, the Security Trustee and the Arranger to retain, on an ongoing basis, an interest that qualifies as a material net economic interest of not less than 5 per cent. in the securitisation transaction in accordance with Article 6(1) of the EU Securitisation Regulation (which does not take into account any relevant national measures) and determined in accordance with Article 6 of the UK Securitisation Regulation as required for the purposes of Article 5(1)(d) of the UK Securitisation Regulation and, (ii) represented and agreed *inter alia*, that (a) it is and, for so long as it is required to hold a material net economic interest in the securitisation transaction, it, shall continue to be an "originator" within the meaning of article 2(3)(a) of the EU Securitisation Regulation and will continue to retain a material net economic interest in the securitisation transaction in such capacity, (b) it will not transfer its material net economic interest in the securitisation transaction except to the extent permitted or required under the EU Securitisation Regulation and (c) the material net economic interest in the securitisation transaction will not be subjected to any credit risk mitigation or hedging and that it will not sell, transfer or otherwise surrender all or part of the rights, benefits or obligations arising from such material net economic interest, except, in each case, to the extent permitted under the EU Securitisation Regulation.

As at the Closing Date, such material net economic interest will be held in accordance with paragraph 3 item (a) of article 6 of the EU Securitisation Regulation by holding not less than 5% of the nominal amount of each Class of Notes. When measuring the material net economic interest, the Seller shall take into account any fees that may in practice be used to reduce the effective material net economic interest. The Seller may at any time after the Closing Date enter into synthetic securitisations or similar arrangements in respect of Receivables which could qualify as hedging a retained interest to the extent permitted or required under the EU Securitisation Regulation.

As at the Closing Date the Seller will hold hundred (100) per cent. of the nominal value of the Class A Notes, the Class B Notes and the Class C Notes and the Seller will on an ongoing basis retain at least five (5) per cent. of the nominal amount of each of the Class A Notes, the Class B Notes and the Class C Notes.

The Seller has undertaken to the Issuer, the Security Trustee and the Arranger in the Notes Purchase Agreement that it will comply with the requirements set forth in article 6 and 9 of the EU Securitisation Regulation. In addition to the information set out herein and forming part of this Prospectus, the Seller has undertaken to make materially relevant information available to investors with a view to such investor complying with article 5 of the EU Securitisation Regulation.

### *U.S. risk retention requirements*

Section 941 of the Dodd-Frank Act amended the Exchange Act to generally require the "securitiser" of a "securitisation transaction" to retain at least 5 per cent. of the "credit risk" of "securitised assets", as such terms are defined for purposes of that act, and generally prohibit a securitiser from directly or indirectly eliminating or reducing its credit exposure by hedging or otherwise transferring the credit risk that the securitiser is required to retain. The U.S. Risk Retention Rules came into effect on 24 December 2015 for residential-mortgage backed securities and 24 December 2016 with respect to all other classes of asset-backed securities. The U.S. Risk Retention Rules provide that the securitiser of an asset-backed securitisation is its sponsor. The U.S. Risk Retention Rules also provide for certain exemptions from the risk retention obligation that they generally impose.

The Seller does not intend to retain at least 5 per cent. of the credit risk of the Issuer for the purposes of the U.S. Risk Retention Rules, but rather intends to rely on an exemption provided for in Section 20 of



the U.S. Risk Retention Rules regarding non-U.S. transactions. Such non-U.S. transactions must meet certain requirements, including that (1) the transaction is not required to be and is not registered under the Securities Act; (2) no more than 10 per cent. of the dollar value (or equivalent amount in the currency in which the securities are issued) of all classes of securities issued in the securitisation transaction are sold or transferred to U.S. persons (in each case, as defined in the U.S. Risk Retention Rules) or for the account or benefit of U.S. persons (as defined in the U.S. Risk Retention Rules and referred to in this Prospectus as Risk Retention U.S. Persons); (3) neither the sponsor nor the issuer is organised under U.S. law or is a branch located in the United States of a non-U.S. entity; and (4) no more than 25 per cent. of the underlying collateral was acquired from a majority-owned affiliate or branch of the sponsor or issuer organised or located in the United States.

The Seller has advised the Issuer that it has not acquired, and it does not intend to acquire more than 25 per cent. of the assets from an affiliate or branch of the Seller or the Issuer that is organised or located in the United States.

Prospective investors should note that the definition of “U.S. person” in the U.S. Risk Retention Rules is different from the definition of “U.S. person” under Regulation S. The definition of U.S. person in the U.S. Risk Retention Rules is excerpted below. Particular attention should be paid to clauses (b) and (h), which are different than comparable provisions from Regulation S.

Under the U.S. Risk Retention Rules, and subject to limited exceptions, “U.S. person” (and “Risk Retention U.S. Person” as used in this Prospectus) means any of the following:

- (a) any natural person resident in the United States;
- (b) any partnership, corporation, limited liability company, or other organisation or entity organised or incorporated under the laws of any State or of the United States;<sup>3</sup>
- (c) any estate of which any executor or administrator is a U.S. person (as defined under any other clause of this definition);
- (d) any trust of which any trustee is a U.S. person (as defined under any other clause of this definition);
- (e) any agency or branch of a foreign entity located in the United States;
- (f) any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a U.S. person (as defined under any other clause of this definition);
- (g) any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organised, incorporated, or (if an individual) resident in the United States; and
- (h) any partnership, corporation, limited liability company, or other organisation or entity if:
  - (A) organised or incorporated under the laws of any foreign jurisdiction; and
  - (B) formed by a U.S. person (as defined under any other clause of this definition) principally for the purpose of investing in securities not registered under the Securities Act.<sup>4</sup>

<sup>3</sup> The comparable provision from Regulation S is “(ii) any partnership or corporation organised or incorporated under the laws of the United States.”

<sup>4</sup> The comparable provision from Regulation S “(vii)(B) formed by a U.S. person principally for the purpose of investing in securities not registered under the Securities Act, unless it is organised or incorporated, and owned, by accredited investors (as defined in 17 CFR 230.501(a)) who are not natural persons, estates or trust

Consequently, the Notes may not be purchased by any person except for persons that are not Risk Retention U.S. Persons. Each holder of a Note or a beneficial interest acquired in the initial distribution of the Notes, by its acquisition of a Note or a beneficial interest in a Note, will be deemed to represent to the Issuer, the Seller and the Arranger that it (1) is not a Risk Retention U.S. Person, (2) is acquiring such Note or a beneficial interest therein for its own account and not with a view to distribute such Note to a U.S. person and (3) is not acquiring such Note or a beneficial interest therein as part of a scheme to evade the requirements of the U.S. Risk Retention Rules (including acquiring such Note through a non-Risk Retention U.S. Person, rather than a Risk Retention U.S. Person, as part of a scheme to evade the 10 per cent. Risk Retention U.S. Person limitation in the exemption provided for in Section 20 of the U.S. Risk Retention Rules described herein).

The Seller, the Issuer and the Arranger are relying on the deemed representations made by purchasers of the Notes and may not be able to determine the proper characterisation of potential investors for such restriction or for determining the availability of the exemption provided for in Section 20 of the U.S. Risk Retention Rules, and neither the Arranger nor any person who controls it or any director, officer, employee, agent or affiliate of the Arranger accepts any liability or responsibility whatsoever for any such determination or characterisation.

There can be no assurance that the exemption provided for in Section 20 of the U.S. Risk Retention Rules regarding non-U.S. transactions will be available. Failure on the part of the Seller to comply with the U.S. Risk Retention Rules (regardless of the reason for such failure to comply) could give rise to regulatory action against the Seller, which may adversely affect the Notes and the ability of the Seller to perform its obligations under the Transaction Documents. Furthermore, a failure by the Seller to comply with the U.S. Risk Retention Rules could negatively affect the value and secondary market liquidity of the Notes.

### **European Market Infrastructure Regulation (EMIR)**

EMIR (as amended from time to time) prescribes a number of regulatory requirements for counterparties to derivatives contracts including (i) a mandatory clearing obligation for certain classes of OTC derivatives contracts (the **Clearing Obligation**); (ii) collateral exchange, daily valuation and other risk mitigation requirements for OTC derivatives contracts not subject to clearing (the **Risk Mitigation Requirements**); and (iii) certain reporting requirements. In general, the application of such regulatory requirements (with the exception of reporting) in respect of the Swap Agreement will depend on the classification of the counterparties to such derivative transaction.

Pursuant to EMIR, counterparties can be classified as: (i) financial counterparties (**FCs**) (which includes a sub-category of small FCs (**SFCs**)), and (ii) non-financial counterparties (**NFCs**). The category of “NFC” is further split into: (i) non-financial counterparties above the “clearing threshold” (**NFC+s**), and (ii) non-financial counterparties below the “clearing threshold” (**NFC-s**). Whereas FCs and NFC+ entities may be subject to the Clearing Obligation or, to the extent that the relevant OTC derivatives contract is not subject to clearing, to the collateral exchange obligation and the daily valuation obligation under the Risk Mitigation Requirements, such obligations do not apply in respect of NFC-entities.

EMIR may, among other things, lead to more administrative burdens and higher costs for the Issuer. In addition, there is a risk that the Issuer’s position in derivatives according to EMIR exceeds the clearing threshold and/or is included in the classes of OTC derivatives that are subject to the clearing obligation and, consequently, the Swap Agreement may become subject to clearing and margining requirements. This could lead to higher costs or complications in the event that the Issuer is required to enter into a replacement swap agreement or when the Swap Agreement is amended.

The Issuer will, under the current EMIR rules, be treated as an NFC- and the Swap Counterparty would qualify as an FC meaning that the Clearing Obligation and the Risk Mitigation Requirements (including

the collateral exchange obligation) will not apply, in principle, in respect of OTC derivatives contracts entered into between them. There can be no assurance, however, that the EMIR rules will not change such that the Issuer would become subject to Clearing Obligation and the Risk Mitigation Requirements at any time.

Pursuant to Article 12(3) of EMIR any failure by a party to comply with the rules under Title II of EMIR should not make the Swap Agreement invalid or unenforceable. However, if any party fails to comply with the rules under EMIR it may be liable for a fine (or other penalty). If a fine is imposed on the Issuer, the Issuer may have insufficient funds to pay its liabilities in full.

### **Reporting and disclosure under the EU Securitisation Regulation**

For the purposes of article 7(2) of the EU Securitisation Regulation, the Seller as has been designated as the Reporting Entity for compliance with the requirements of Article 7 of the EU Securitisation Regulation and applicable national implementing measures and will, subject always to any requirement of law, either fulfil such requirements itself or shall procure that such requirements are complied with on its behalf.

- (a) The Seller as Reporting Entity (or any agent on its behalf) will:
  - (i) publish a quarterly investor report in respect of each Notes Calculation Period, as required by and in accordance with article 7(1)(e) of the EU Securitisation Regulation and the Article 7 Technical Standards by no later than one month after the Notes Payment Date;
  - (ii) publish on a quarterly basis certain loan-by-loan information in relation to the Receivables in respect of each Notes Calculation Period, as required by and in accordance with article 7(1)(a) of the EU Securitisation Regulation and the Article 7 Technical Standards by no later than one month after the Notes Payment Date; and
  - (iii) make available, by publication by the EU SR Repository or Bloomberg or Hypoport, on an ongoing basis, the liability cash flow model as referred to in article 22(3) of the EU Securitisation Regulation to Noteholders and, upon request, to potential investors in accordance with article 22(3) of the EU Securitisation Regulation and if there are any significant changes to the cash flows, will update such liability cash flow model accordingly.
- (b) The Seller as Reporting Entity (or any agent on its behalf) will publish any information required to be reported pursuant to Articles 7(1)(f) or 7(1)(g) (as applicable) of the EU Securitisation Regulation without delay and in accordance with the Article 7 Technical Standards.
- (c) The Seller as Reporting Entity confirms that:
  - (i) it has made available this Prospectus and the Transaction Documents as required by Article 7(1)(b) of the EU Securitisation Regulation (in draft form) prior to the pricing of the Notes that it will procure that final documents are provided no later than 15 days after the Closing Date;
  - (ii) the EU STS Notification required pursuant to Article 7(1)(d) of the EU Securitisation Regulation (and prepared in accordance with the EU STS Notification Technical Standards) has been made available (in draft form) prior to the pricing of the Notes and that the final EU STS Notification will be notified to ESMA and the DNB and published as described below.

- (d) The Seller as Reporting Entity:
- (i) will procure that the information referred to above is provided in a manner consistent with the requirements of Article 7 of the EU Securitisation Regulation; and
  - (ii) has undertaken to provide information to and to comply with written confirmation requests of the EU SR Repository, as required under the EU Securitisation Repository Operational Standards.

*Investors to assess compliance*

Each investor should consult with its own legal, accounting, regulatory and other advisors and/or its regulator before committing to acquire any Notes to determine whether, and to what extent, the information set out in this Prospectus and in any investor report provided in relation to the transaction is sufficient for the purpose of satisfying such requirements. Investors are required to independently assess and determine the sufficiency of such information for the purposes of complying with Article 5 of the EU Securitisation Regulation. None of the Issuer, the Seller, the Issuer Administrator, the Arranger or the Security Trustee, their respective affiliates or any other person makes any representation, warranty or guarantee that any such information is sufficient for such purposes or any other purpose or that the structure of the Notes and the transactions described herein are compliant with the Securitisation Retention Requirements and the related due diligence requirements or any other applicable legal, regulatory or other requirements and no such person shall have any liability to any prospective investor or any other person with respect to any deficiency in such information or any failure of the transactions contemplated thereby to comply with or otherwise satisfy such requirements.

Each prospective investor is required to independently assess and determine the sufficiency of the information described above for the purposes of complying with article 5 of the EU Securitisation Regulation and none of the Issuer, the Seller, the Servicer, the Issuer Administrator nor the Arranger makes any representation that the information described above is sufficient in all circumstances for such purposes.

None of the parties involved have verified whether the securitisation transaction described in this Prospectus is compliant with the UK Securitisation Regulation. Potential investors should take note (i) that the securitisation transaction described in this Prospectus is in compliance with the EU Securitisation Regulation, and (ii) of the differences between the UK Securitisation Regulation and the EU Securitisation Regulation. Potential investors located in the United Kingdom should make their own assessment as to whether the Seller as the Reporting Entity shall (i) make available information which is substantially the same as that which it would have made available in accordance with point (e) of article 5 of the UK Securitisation Regulation and (ii) do so with such frequency and modalities as are substantially the same as those with which it would have made information available in accordance with point (e) of article 5 of the UK Securitisation Regulation if it had been so established.

*STS-securitisation statements]*

Pursuant to article 18 of the EU Securitisation Regulation a number of requirements must be met if the originator and the SSPE's wish to use the designation 'STS' or 'simple, transparent and standardised' for securitisation transactions initiated by them.

The Seller has submitted an EU STS Notification to ESMA in accordance with article 27 of the EU Securitisation Regulation, pursuant to which compliance with the requirements of articles 19 to 22 of the EU Securitisation Regulation has been notified with the intention that the securitisation transaction described in this Prospectus is to be included in the list administered by ESMA within the meaning of article 27 of the EU Securitisation Regulation on the website of ESMA (<https://www.esma.europa.eu/policy-activities/securitisation/simple-transparent-and-standardised-sts->

[securitisation](#)). However, none of the Issuer, the Seller and the Issuer Administrator give any explicit or implied representation or warranty as to (i) inclusion in the list administered by ESMA within the meaning of article 27 of the EU Securitisation Regulation, (ii) that the securitisation transaction described in this Prospectus does or continues to comply with the EU Securitisation Regulation and (iii) that this securitisation transaction does or continues to be recognised or designated as ‘STS’ or ‘simple, transparent and standardised’ within the meaning of article 18 of the EU Securitisation Regulation after the date of this Prospectus.

Without prejudice to the above, the Seller and the Issuer confirm the following to the extent relating to it, which confirmations are made on the basis of the information available with respect to the EU Securitisation Regulation and related regulations and interpretations (including, without limitation, the EBA STS Guidelines Non-ABCP Securitisations and the RTS Homogeneity), and are subject to any changes made therein after the date of this Prospectus:

- (a) For the purpose of compliance with article 20(1) of the EU Securitisation Regulation, the Seller and the Issuer confirm that pursuant to the Receivables Purchase Agreement the Issuer will purchase and accept from the Seller the assignment of the Receivables by means of a registered Deed of Assignment and Pledge as a result of which legal title to the Receivables is transferred to the Issuer and such purchase and assignment will be enforceable against the Seller and third parties of the Seller, subject to any applicable bankruptcy laws or similar laws affecting the rights of creditors and as a result thereof the requirement stemming from article 20(5) of the EU Securitisation Regulation is not applicable (see also section 7.1 (*Purchase, Repurchase and Sale*)).
- (b) For the purpose of compliance with article 20(2) of the EU Securitisation Regulation, the Seller and the Issuer confirm that the Dutch Bankruptcy Act (*Faillissementswet*) does not contain severe clawback provisions as referred to in article 20(2) of the EU Securitisation Regulation and the Seller will represent on the relevant purchase date to the Issuer in the Receivables Purchase Agreement that (a) it has its seat in the Netherlands and (b) it is not subject to any intervention, resolution or recovery measures described in Regulation (EU) No 806/2014 of 15 July 2014 establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of a Single Resolution Mechanism and a Single Resolution Fund and Chapter 3a.2 of the Wft and Chapter 6 of the Wft respectively and has not been dissolved (*ontbonden*) or declared bankrupt (*failliet verklaard*) (see also section 3.4 (*The Seller*)).
- (c) For the purpose of compliance with the relevant requirements, among other provisions, stemming from articles 20(6), 20(7), 20(8), 20(10), 20(11) and 20(12) of the EU Securitisation Regulation, the Seller and the Issuer confirm that only Receivables resulting from Loans which satisfy the Loan Criteria and, if applicable, the Additional Purchase Conditions and the representations and warranties made by the Seller in the Receivables Purchase Agreement and as set out in section 7.2 (*Representations and Warranties*) will be purchased by the Issuer (see also section 7.1 (*Purchase, Repurchase and Sale*), section 7.2 (*Representations and Warranties*) and section 7.3 (*Loan Criteria*)).
- (d) For the purpose of compliance with the requirements stemming from article 20(6) of the EU Securitisation Regulation, to the effect that the Receivables are unencumbered or, reference is made to the representation and warranty set forth in section 7.2 (*Representations and Warranties*), subparagraph (b) and (c).
- (e) For the purpose of compliance with the requirements stemming from article 20(7) of the EU Securitisation Regulation, the Issuer and the Seller are of the view that the Transaction Documents do not allow for active portfolio management of the Receivables on a discretionary basis (see also section 7.1 (*Purchase, Repurchase and Sale*)).

- (f) For the purpose of compliance with the requirements stemming from article 20(8) of the EU Securitisation Regulation, the Receivables are homogeneous in terms of asset type, taking into account the cash flows, credit risk and prepayment characteristics of the Receivables within the meaning of article 20(8) of the EU Securitisation Regulation and the Loans satisfy the homogeneity conditions of Article 1(a), (b), (c) and (d) of the RTS Homogeneity (see also section 6.1 (*Stratification Tables*)). In addition, for the purpose of compliance with the relevant requirements stemming from article 20(8) of the EU Securitisation Regulation, reference is made to the representations and warranties set forth in section 7.2 (*Representations and Warranties*), subparagraphs (a) and (e) (see also Loan Criteria set forth in section 7.3 (*Loan Criteria*)), subparagraphs (1) and (4) (see also section 6.2 (*Description of Loans*)). Furthermore, for the purpose of compliance with the relevant requirement stemming from article 20(8) of the EU Securitisation Regulation, a transferable security, as defined in Article 4(1), point 44 of Directive 2014/65/EU of the European Parliament and of the Council will not meet the Loan Criteria and as a result thereof the underlying exposures to be sold and assigned to the Issuer shall not include such transferable securities (see also section 7.3 (*Loan Criteria*)).
- (g) For the purpose of compliance with article 20(9) of the EU Securitisation Regulation, a securitisation position as defined in the EU Securitisation Regulation will not meet the Loan Criteria and as a result thereof the underlying exposures to be sold and assigned to the Issuer shall not include such securitisation positions (see also section 7.3 (*Loan Criteria*)).
- (h) For the purpose of compliance with the requirements stemming from article 20(10) of the EU Securitisation Regulation, the Loans have been originated in accordance with the ordinary course of the Seller's origination business pursuant to underwriting standards that are no less stringent than those that the Seller applied at the time of origination to similar Receivables that are not securitised by means of the securitisation transaction described in this Prospectus (see also section 7.2 (*Representations and Warranties*), subparagraph (g)). In addition, for the purpose of compliance with the relevant requirements stemming from article 20(10) of the EU Securitisation Regulation, (i) the Receivables have been selected by the Seller from a larger pool of Loans that meet the Loan Criteria applying a random selection method (see also section 6.1 (*Stratification Tables*)), (ii) a summary of the underwriting standards is disclosed in this Prospectus and the Seller has undertaken in the Receivables Purchase Agreement to fully disclose to the Issuer any material change to such underwriting standards pursuant to which the Loans are originated without undue delay and the Issuer has undertaken in the Trust Deed to fully disclose such information to potential investors without undue delay upon having received such information from the Seller (see also Section 6.3 (*Origination and Servicing*)), (iii) the Seller will represent on the relevant purchase date in the Receivables Purchase Agreement that in respect of each Loan, the assessment of the Borrower's creditworthiness was done in accordance with the Seller's underwriting criteria (see also section 7.2 (*Representations and Warranties*)), subparagraph (s)) and (iv) the Seller confirms that the assessment of each Borrower's creditworthiness was carried out taking into account the following principles (a) the assessment is performed on the basis of sufficient and current information obtained from the applicant and relevant databases, (b) a new authorisation will take place in the event of any request for a significant increase of a Loan, in which amongst other things a re-assessment of the Borrower's creditworthiness and financial information will be performed (c) a thorough assessment of the Borrower's creditworthiness was made before granting the Loan, taking appropriate account of factors relevant to verifying the prospect of the Borrower meeting its obligations under the relevant Loan, (d) the procedures and information on which the assessment is based are documented and maintained, (e) any application for a Loan will only be approved where the result of the creditworthiness assessment indicates that the obligations resulting from the Loan are likely to be met in the manner required under that Loan and (e) the Seller is not able to cancel or alter the relevant Loan once concluded to the detriment of the Borrower on the grounds that the assessment of creditworthiness was incorrectly conducted;

and (v) the Seller is of the opinion that the Seller has the required expertise in originating Loans which are of a similar nature as the Loans within the meaning of article 20(10) of the EU Securitisation Regulation, as the Seller is a licenced credit institution under the CRR and a minimum of 5 years' experience in originating Loans (see also sections 3.4 (*The Seller*) and 6.3 (*Origination and Servicing*)) as the Seller is a licenced credit institution under the CRR and a minimum of five years' experience in originating Loans (see also sections 3.4 (*The Seller*) and 6.3 (*Origination and Servicing*)).

- (i) For the purpose of compliance with the relevant requirements stemming from article 20(11) of the EU Securitisation Regulation, reference is made to the representations and warranties set forth in section 7.2 (*Representations and Warranties*), subparagraphs (k) and (w) and the Loan Criteria set forth in section 7.3 (*Loan Criteria*), subparagraphs (7) and (15) and (17). The Receivables forming part of the pool purported to be sold and assigned on the Closing Date do not include any exposures to Restructured Borrowers. To the extent any exposures to Restructured Borrowers are sold and assigned on a purchase date after the Closing Date, the Seller undertakes in the Receivables Purchase Agreement that it shall comply with the disclosure requirement set forth in article 20(11)(a)(ii) of the EU Securitisation Regulation in respect of such exposures. In addition, for the purpose of compliance with the relevant requirements stemming from article 20(11) of the EU Securitisation Regulation, (i) the Receivables forming part of the pool have been selected on the Initial Cut-off Date and shall be assigned by the Seller to the Issuer no later than on the Closing Date and (ii) any New Receivables will have been selected on the relevant Cut-off Date and each such assignment therefore occurs in the Seller's view without undue delay (see also section 6.1 (*Stratification Tables*) and section 7.1 (*Purchase, Repurchase and Sale*)).
- (j) For the purpose of compliance with the requirements stemming from article 20(12) of the EU Securitisation Regulation, reference is made to the Loan Criterion set forth in section 7.3 (*Loan Criteria*), subparagraph (1).
- (k) For the purpose of compliance with the requirements stemming from article 20(13) of the EU Securitisation Regulation, the repayments to be made to the Noteholders have not been structured to depend predominantly on the sale of any collateral securing the Loans (see also section 6.2 (*Description of Loans*)).
- (l) For the purpose of compliance with the requirements stemming from article 21(1) of the EU Securitisation Regulation, the Receivables Purchase Agreement includes a representation and warranty and undertaking of the Seller (as originator under the EU Securitisation Regulation) as to its compliance with the requirements set forth in article 6 of the EU Securitisation Regulation (see also the paragraph entitled *EU and UK Risk Requirements* under this section 4.4).
- (m) For the purpose of compliance with the requirements stemming from article 21(2) of the EU Securitisation Regulation, it is confirmed that the interest-rate arising from the Transaction is appropriately mitigated by means of the Swap Agreement which mitigates the interest rate risk arising from the potential mismatch between the rates of interest to be received by the Issuer on the fixed rate Loans and EURIBOR due by the Issuer on the Class A Notes (see section 6.1 (*Stratification Tables*)). In addition, for the purpose of compliance with the relevant requirements stemming from article 21(2) of the EU Securitisation Regulation, other than the Swap Agreement, no derivative contracts are entered into by the Issuer and the underlying exposures to be sold and assigned to the Issuer shall not include derivatives (see also 5.4 (*Hedging*) and section 7.3 (*Loan Criteria*)). Furthermore, there is no currency risk as the Notes and the Receivables are both denominated in euro (see Loan Criterion (5) and Condition 4) (*Interest Periods and Notes Payment Dates*)).

- (n) For the purpose of compliance with the requirements stemming from article 21(3) of the EU Securitisation Regulation, although the Initial Portfolio comprises for 86.03% of fixed rate Loans (see section 6.1 (*Stratification Tables*)), it is confirmed that any referenced interest payments under the Loans are based on generally used market interest rates, or generally used sectoral rates reflective of the cost of funds, and do not reference complex formulae or derivatives.
- (o) For the purpose of compliance with the requirements stemming from article 21(4) of the EU Securitisation Regulation, the Seller and the Issuer confirm that upon the issuance of an Enforcement Notice, (i) no amount of cash shall be trapped in the Issuer Accounts and (ii) no automatic liquidation for market value of the Receivables is required under the Transaction Documents (see also Conditions 6 (*Redemption*), 10 (*Events of Default*) and 11 (*Enforcement*) and section 5.2 (*Priority of Payments*)). In addition, for the purpose of compliance with article 21(4) and article 21(9) of the EU Securitisation Regulation, the delivery of an Enforcement Notice by the Security Trustee will trigger a change in the priorities of payments upon Enforcement which will be reported to the Noteholders without undue delay (see also Condition 10 (*Events of Default*) and section 5.2 (*Priority of Payments*)).
- (p) Prior to the delivery of an Enforcement Notice by the Security Trustee, the Available Principal Funds will be applied by the Issuer sequentially in accordance with the Pre-Enforcement Revenue Priority of Payments and as a result thereof, the requirements stemming from article 21(5) of the EU Securitisation Regulation are not applicable (see also section 5.1 (*Available Funds*) and section 5.2 (*Priority of Payments*)).
- (q) For the purpose of compliance with the requirements stemming from article 21(6) of the EU Securitisation Regulation, the Revolving Period ends automatically upon the occurrence of an Early Amortisation Event (see also section 7.1 (*Purchase, Repurchase and Sale*)).
- (r) For the purpose of compliance with the requirements stemming from article 21(7) of the EU EU Securitisation Regulation, the contractual obligations, duties and responsibilities of the Servicer are set forth in the Servicing Agreement (including the processes and responsibilities to ensure that a substitute servicer shall be appointed upon the occurrence of a termination event under the Servicing Agreement), a summary of which is included in section 7.5 (*Servicing Agreement*), the contractual obligations, duties and responsibilities of the Issuer Administrator are set forth in the Administration Agreement, a summary of which is included in section 3.6 (*Issuer Administrator*) and 5.6 (*Administration Agreement*), the contractual obligations, duties and responsibilities of the Security Trustee are set forth in the Trust Deed, a summary of which is included in section 3.3 (*Security Trustee*) and section 4.1 (*Terms and Conditions*), the provisions that ensure the replacement of the Swap Counterparty are set forth in the Swap Agreement (see also Part 5f of Schedule to the Swap Agreement), the provisions that ensure the replacement of the Issuer Account Bank are set forth in the Issuer Account Agreement (see also section 5.5 (*Issuer Accounts*)) and the relevant rating triggers for potential replacements are set forth in the definition of Requisite Credit Rating.
- (s) The Servicer has the required expertise in servicing Loans which are of a similar nature as the Loans within the meaning of article 21(8) of the EU Securitisation Regulation, as it has a credit institution licence under the CRR and a minimum of 5 years' experience in servicing loans similar to the Loans. The Servicer is of the opinion that it has well documented and adequate policies, procedures and risk management controls relating to the servicing of Receivables since the Servicer is subject to capital and prudential regulations pursuant to the CRR (see also section 6.3 (*Origination and Servicing*)).
- (t) For the purpose of compliance with the requirements stemming from article 21(9) of the EU Securitisation Regulation, remedies and actions relating to delinquency and default of debtors,



debt restructuring, debt forgiveness, forbearance, losses, charge offs, recoveries and other asset performance remedies are set out in section 6.3 (*Origination and Servicing*) and the Servicing Agreement will refer to such wording.

- (u) For the purpose of compliance with the requirements stemming from article 21(10) of the EU Securitisation Regulation, the Trust Deed and Condition 14 (*Meetings of Noteholders; Modification; Consents; Waiver; Removal of Managing Directors*) contain provisions for convening meetings of Noteholders, the maximum timeframe for setting up a meeting or conference call, voting rights of the Noteholders, the procedures in the event of a conflict between Classes and the responsibilities of the Security Trustee in this respect (see also Condition 14 (*Meetings of Noteholders; Modification; Consents; Waiver; Removal of Managing Directors*)).
- (v) The Seller has provided to potential investors (i) the information regarding the Receivables pursuant to article 22(1) of the EU Securitisation Regulation over the past 5 years as set out in section 6.3 (*Origination and Servicing*), a draft of which was made available to such potential investors prior to the pricing of the Notes and (ii) the liability cash flow model as referred to in article 22(3) of the EU Securitisation Regulation published by the EU SR Repository prior to the pricing of the Notes and will, after the date of this Prospectus, on an ongoing basis make the liability cash flow model published by the EU SR Repository, Bloomberg and/or Hypoport available to Noteholders and, upon request, to potential investors in accordance with article 22(3) of the EU Securitisation Regulation.
- (w) For the purpose of compliance with the requirements stemming from article 22(2) of the EU Securitisation Regulation, a sample of Receivables has been externally verified by an appropriate and independent party prior to the date of this Prospectus (see also section 6.1 (*Stratification Tables*)). The Seller confirms no significant adverse findings have been found. Furthermore, a sample of the Loan Criteria against the entire loan-by-loan data tape has been verified by an appropriate and independent party and the Seller confirms that no adverse findings have been found.
- (x) For the purpose of compliance with the requirements stemming from article 22(4) of the EU Securitisation Regulation, it is noted that this requirement does not apply to this transaction, since the underlying assets are SME loans.
- (y) Each of the Seller and the Issuer undertake to make the relevant information pursuant to article 7 of the EU Securitisation Regulation, to the extent applicable, available to the Noteholders, the competent authorities referred to in article 29 of the EU Securitisation Regulation and, upon request, potential investors. Copies of the final Transaction Documents and the Prospectus shall be published on <https://edwin.eurodw.eu/edweb/> ultimately no later than 15 days after the Closing Date. For the purpose of compliance with article 7(2) of the EU Securitisation Regulation, the Seller (as originator under the EU Securitisation Regulation and the Issuer (as SSPE) have, in accordance with article 7(2) of the EU Securitisation Regulation, designated amongst themselves the Seller as the Reporting Entity to take responsibility for compliance with Article 7 of the EU Securitisation Regulation and to fulfil the information requirements pursuant to points (a), (b), (d), (f) and (g) of article 7(1) of the EU Securitisation Regulation (see also section 5.7 (*Transparency Reporting Agreement*)). As to the pre-pricing information, each of the Seller and the Issuer confirm that they have made available to potential investors before pricing the information under point (a) of article 7, paragraph 1, of the EU Securitisation Regulation upon request and the information under points (b) and (d) of article 7, paragraph 1, of the Securitisation Regulation in draft form. As to the post-closing information, the Seller as Reporting Entity will (or will procure that any agent will on its behalf) for the purposes of article 7 of the Securitisation Regulation, publish on a simultaneous basis by no later than one month after the Notes Payment Date (a) a quarterly investor report in respect of each Notes

Calculation Period, as required by and in accordance with article 7(1)(e) of the EU Securitisation Regulation, and the Article 7 Technical Standards and (b) certain loan-by-loan information in relation to the Receivables in respect of each Notes Calculation Period, as required by and in accordance with article 7(1)(a) of the EU Securitisation Regulation, and the Article 7 Technical Standards. In addition, the Reporting Entity (or any agent on its behalf) will publish or make otherwise available the reports and information referred to above as required under article 7 and article 22 of the EU Securitisation Regulation through the EU SR Repository.

- (z) The Reporting Entity shall make the information described in subparagraphs (f) and (g) of article 7(1) of the EU Securitisation Regulation available without delay.

The designation of the securitisation transaction described in this Prospectus as an STS-securitisation is not a recommendation to buy, sell or hold securities. It is not investment advice whether generally or as defined under MiFID II and it is not a credit rating whether generally or as defined under the CRA Regulation or Section 3(a) of the United States Securities Exchange Act of 1934 (as amended).

By designating the securitisation transaction described in this Prospectus as an STS-securitisation, no views are expressed about the creditworthiness of the Notes or their suitability for any existing or potential investor or as to whether there will be a ready, liquid market for the Notes. No assurance can be provided that the securitisation position described in this Prospectus does or continues to qualify as an STS-securitisation under the EU Securitisation Regulation.

#### *STS Verification*

An application has been made to PCS for the securitisation transaction described in this Prospectus to receive a report from PCS verifying compliance with the criteria stemming from Article 18, 19, 20, 21 and 22 of the EU Securitisation Regulation (the **STS Verification**). There can be no assurance that the securitisation transaction described in this Prospectus will receive the STS Verification (either before issuance or at any time thereafter) and if the securitisation transaction described in this Prospectus does receive the STS Verification, this shall not, under any circumstances, affect the liability of the originator and SSPE in respect of their legal obligations under the EU Securitisation Regulation, nor shall it affect the obligations imposed on institutional investors as set out in Article 5 of the EU Securitisation Regulation.

For the avoidance of doubt, no application has been made to PCS to assess compliance of the Notes with the criteria set forth in the CRR regarding STS-securitisations (i.e. the CRR assessment and the LCR assessment).

#### **Volcker Rule**

The enactment of the Dodd-Frank Act, which was signed into law on 21 July 2010, imposed a new regulatory framework over the U.S. financial services industry and the U.S. consumer credit markets in general. Section 619 of the Dodd-Frank Act added a new Section 13 to the Bank Holding Company Act of 1956 (the **Volcker Rule**). The Volcker Rule generally prohibits "banking entities" (broadly defined to include U.S. banks, bank holding companies and foreign banking organisations, together with their respective subsidiaries and other affiliates) from (i) engaging in proprietary trading, (ii) acquiring or retaining an ownership interest in, or sponsoring, a "covered fund" and (iii) entering into certain relationships with such funds, subject to certain exceptions and exclusions.

The Issuer is of the view that it is not now, and following the issuance of the Notes and the application of the proceeds thereof it will not be, a "covered fund" as defined in the Volcker Rule. In reaching this conclusion, although other statutory or regulatory exemptions under the Investment Company Act and under the Volcker Rule and its related regulations may be available, this conclusion is based on the

determination that the Issuer may rely on the "loan securitisation exclusion" to be excluded from the definition of "covered fund" under the Volcker Rule.

There is limited interpretive guidance regarding the Volcker Rule, and implementation of the regulatory framework for the Volcker Rule is still evolving. The Volcker Rule's prohibitions and lack of interpretive guidance could negatively impact the liquidity and value of the Notes. Any entity that is a "banking entity" as defined under the Volcker Rule and is considering an investment in the Notes should consider the potential impact of the Volcker Rule in respect of such investment and on its portfolio generally. Each prospective investor must determine for itself whether it is a banking entity subject to regulation under the Volcker Rule.

None of the Arranger, the Notes Purchaser, the Seller or their respective affiliates, corporate officers or professional advisors makes any representation, warranty or guarantee to any prospective investor regarding the application of the Volcker Rule to the Issuer or to such prospective investor's investment in the Notes, as of the date hereof or at any time in the future.

Any prospective investor in the Notes, including a bank or a subsidiary or other affiliate thereof, should consult its own legal advisors regarding the Volcker Rule and its effects.

### **CRA Regulation and UK CRA Regulation**

In general, European regulated investors are restricted under the CRA Regulation from using credit ratings for regulatory purposes in the EEA, unless such ratings are issued by a credit rating agency established in the EEA and registered under the CRA Regulation (and such registration has not been withdrawn or suspended), subject to transitional provisions that apply in certain circumstances while the registration application is pending. Such general restriction will also apply in the case of credit ratings issued by third country non-EEA credit rating agencies, unless the relevant credit ratings are endorsed by an EEA-registered credit rating agency or the relevant third country rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended).

Investors regulated in the UK are subject to similar restrictions under the UK CRA Regulation. As such, UK regulated investors are required to use for UK regulatory purposes ratings issued by a credit rating agency established in the UK and registered under the UK CRA Regulation. In the case of ratings issued by third country non-UK credit rating agencies, third country credit ratings can either be: (a) endorsed by a UK registered credit rating agency; or (b) issued by a third country credit rating agency that is certified in accordance with the UK CRA Regulation. Note this is subject, in each case, to (a) the relevant UK registration, certification or endorsement, as the case may be, not having been withdrawn or suspended, and (b) transitional provisions that apply in certain circumstances.

If the status of the rating agency rating the Notes changes for the purposes of the CRA Regulation or the UK CRA Regulation, relevant regulated investors may no longer be able to use the rating for regulatory purposes in the EEA or the UK, as applicable, and the Notes may have a different regulatory treatment, which may impact the value of the Notes and their liquidity in the secondary market.

Credit ratings included or referred to in this Prospectus have been or, as applicable, may be issued by Fitch and Moody's.

#### **4.5 Use of Proceeds**

The aggregate proceeds of the Notes to be issued on the Closing Date amount to € 8,666,115,000.

The net proceeds from the issue of the Class A and Class B Notes will be applied on the Closing Date to pay the Initial Purchase Price for the Receivables purchased by the Issuer pursuant to the Receivables Purchase Agreement.

The proceeds of the Class C Notes will be deposited on the Reserve Account.

## 4.6 Taxation in the Netherlands

### General

1. The following summary outlines the principal Netherlands tax consequences of the acquisition, holding, settlement, redemption and disposal of the Notes, but does not purport to be a comprehensive description of all Netherlands tax considerations that may be relevant. For purposes of Netherlands tax law, a holder of Notes may include an individual or entity who does not have the legal title of these Notes, but to whom nevertheless the Notes or the income thereof is attributed based on specific statutory provisions or on the basis of such individual or entity having an interest in the Notes or the income thereof. This summary is intended as general information only and each prospective investor should consult a professional tax adviser with respect to the tax consequences of the acquisition, holding, settlement, redemption and disposal of the Notes.

This summary is based on tax legislation, published case law, treaties, regulations and published policy, in each case as in force as of the date of this Prospectus, and does not take into account any developments or amendments thereof after that date whether or not such developments or amendments have retroactive effect.

This summary does not address the Netherlands corporate and individual income tax consequences for:

- (a) investment institutions (*fiscale beleggingsinstellingen*);
- (b) pension funds, exempt investment institutions (*vrijgestelde beleggingsinstellingen*) or other entities that are not subject to or, in whole or in part, exempt from Netherlands corporate income tax;
- (c) holders of Notes holding a substantial interest (*aanmerkelijk belang*) or deemed substantial interest (*fictief aanmerkelijk belang*) in the Issuer and holders of Notes of whom a certain related person holds a substantial interest in the Issuer. Generally speaking, a substantial interest in the Issuer arises if a person, alone or, where such person is an individual, together with his or her partner (statutorily defined term), directly or indirectly, holds, or is deemed to hold, (i) an interest of 5 per cent. or more of the total issued capital of the Issuer or of 5 per cent. or more of the issued capital of a certain class of shares of the Issuer, (ii) rights to acquire, directly or indirectly, such interest or (iii) certain profit sharing rights in the Issuer;
- (d) persons to whom the Notes and the income from the Notes are attributed based on the separated private assets (*afgezonderd particulier vermogen*) provisions of the Netherlands Income Tax Act 2001 (*Wet inkomstenbelasting 2001*);
- (e) individuals to whom the Notes or the income therefrom are attributable to employment activities which are taxed as employment income in the Netherlands; and
- (f) entities which are a resident of Aruba, Curacao or Sint Maarten that have an enterprise which is carried on through a permanent establishment or a permanent representative on Bonaire, Sint Eustatius or Saba and the Notes are attributable to such permanent establishment or permanent representative.

Where this summary refers to the Netherlands, such reference is restricted to the part of the Kingdom of the Netherlands that is situated in Europe and the legislation applicable in that part of the Kingdom.

## Withholding Tax

1. All payments made by the Issuer under the Notes may – except in certain very specific cases as described below – be made free of withholding or deduction for any taxes of whatsoever nature imposed, levied, withheld or assessed by the Netherlands or any political subdivision or taxing authority thereof or therein.

Dutch withholding tax may apply on certain (deemed) interest due and payable to an affiliated (gelieerde) entity of the Issuer if such entity (i) is considered to be resident of a jurisdiction that is listed in the yearly updated Dutch Regulation on low-taxing states and non-cooperative jurisdictions for tax purposes (*Regeling laagbelastende staten en niet-coöperatieve rechtsgebieden voor belastingdoeleinden*), or (ii) has a permanent establishment located in such jurisdiction to which the interest is attributable, or (iii) is entitled to the interest payable for the main purpose or one of the main purposes to avoid taxation of another person, or (iv) is not considered to be the recipient of the interest in its jurisdiction of residence because such jurisdiction treats another (lower-tier) entity as the recipient of the interest (hybrid mismatch), or (v) is not treated as resident anywhere (also a hybrid mismatch), all within the meaning of the Dutch Withholding Tax Act 2021 (*Wet bronbelasting 2021*).

## Corporate and Individual Income Tax

### Residents of the Netherlands

#### *Corporate entities*

1. If a holder of Notes is a resident of the Netherlands or deemed to be a resident of the Netherlands for Netherlands corporate income tax purposes and is fully subject to Netherlands corporate income tax or is only subject to Netherlands corporate income tax in respect of an enterprise to which the Notes are attributable, income derived from the Notes and gains realised upon the redemption, settlement or disposal of the Notes are generally taxable in the Netherlands (in 2021 at a rate of 15 per cent. for taxable profits up to and including EUR 245,000 and at a rate of 25 per cent. for the remainder).

#### *Individuals*

1. If an individual is a resident of the Netherlands or deemed to be a resident of the Netherlands for Netherlands individual income tax purposes, income derived from the Notes and gains realised upon the redemption, settlement or disposal of the Notes are taxable at the progressive rates (at up to a maximum rate of 49.50 per cent. in 2021), if:
  - (a) the individual is an entrepreneur (*ondernemer*) and has an enterprise to which the Notes are attributable or the individual has, other than as a shareholder, a co-entitlement to the net worth of an enterprise (*medegerechtigde*), to which enterprise the Notes are attributable; or
  - (b) such income or gains qualify as income from miscellaneous activities (*resultaat uit overige werkzaamheden*), which includes activities with respect to the Notes that exceed regular, active portfolio management (*meer dan normaal, actief vermogensbeheer*).

If neither condition (a) nor condition (b) above applies, an individual that holds the Notes, must determine taxable income with regard to the Notes on the basis of a deemed return on income from savings and investments (*sparen en beleggen*), rather than on the basis of income actually received or gains actually realised. This deemed return on income from savings and investments

is fixed at a percentage of the individual's yield basis (*rendementsgrondslag*) at the beginning of the calendar year (1 January), insofar as the individual's yield basis exceeds a certain threshold (*heffingvrij vermogen*). The individual's yield basis is determined as the fair market value of certain qualifying assets held by the individual less the fair market value of certain qualifying liabilities on 1 January. The fair market value of the Notes will be included as an asset in the individual's yield basis. The deemed return percentage to be applied to the yield basis increases progressively depending on the amount of the yield basis. The deemed return on savings and investments is taxed at a rate of 31 per cent.

### **Non-residents of the Netherlands**

1. If a person is neither a resident of the Netherlands nor is deemed to be a resident of the Netherlands for Netherlands corporate or individual income tax purposes, such person is not liable to Netherlands income tax in respect of income derived from the Notes and gains realised upon the settlement, redemption or disposal of the Notes, unless:

#### *Corporate entities*

1. the person is not an individual and such person (1) has an enterprise that is, in whole or in part, carried on through a permanent establishment or a permanent representative in the Netherlands to which permanent establishment or permanent representative the Notes are attributable, or (2) is (other than by way of securities) entitled to a share in the profits of an enterprise or a co-entitlement to the net worth of an enterprise, which is effectively managed in the Netherlands and to which enterprise the Notes are attributable.

This income is subject to Netherlands corporate income tax at a rate of 15 per cent. for taxable profits up to and including EUR 245,000 and 25 per cent. for the remainder (in 2021).

#### *Individuals*

1. the person is an individual and such individual (1) has an enterprise or an interest in an enterprise that is, in whole or in part, carried on through a permanent establishment or a permanent representative in the Netherlands to which permanent establishment or permanent representative the Notes are attributable, or (2) realises income or gains with respect to the Notes that qualify as income from miscellaneous activities in the Netherlands which includes activities with respect to the Notes that exceed regular, active portfolio management (*meer dan normaal, actief vermogensbeheer*), or (3) is other than by way of securities entitled to a share in the profits of an enterprise which is effectively managed in the Netherlands and to which enterprise the Notes are attributable.
  - (a) Income derived from the Notes as specified under (1) and (2) is subject to individual income tax at progressive rates up to a maximum rate of 49.50 per cent. Income derived from a share in the profits of an enterprise as specified under (3) that is not already included under (1) or (2) will be taxed on the basis of a deemed return on income from savings and investments (as described above under "*Residents of the Netherlands*"). The fair market value of the share in the profits of the enterprise (which includes the Notes) will be part of the individual's Netherlands yield basis.

## **Gift and Inheritance Tax**

Netherlands gift or inheritance taxes will not be levied on the occasion of the transfer of a Note by way of gift by, or on the death of, a holder of a Note, unless:

- (a) the holder of a Note is, or is deemed to be, resident in the Netherlands for the purpose of the relevant provisions; or
- (b) in the case of a gift of Notes by an individual who at the date of the gift was neither resident nor deemed to be resident in the Netherlands, such individual dies within 180 days after the date of the gift, while being resident or deemed to be resident in the Netherlands.

## **Value Added Tax**

In general, no value added tax will arise in respect of payments in consideration for the issue of the Notes or in respect of a cash payment made under the Notes, or in respect of a transfer of Notes.

## **Other Taxes and Duties**

No registration tax, customs duty, transfer tax, stamp duty or any other similar documentary tax or duty will be payable in the Netherlands by a holder in respect of or in connection with the subscription, issue, placement, allotment, delivery or transfer of the Notes.

## **Residence**

A holder of Notes will not be and will not be deemed to be resident in the Netherlands for Dutch tax purposes and, subject to the exceptions set out above, will not otherwise become subject to Dutch taxation, by reason only of acquiring, holding or disposing of Notes, or the execution, performance, delivery and/or enforcement of Notes.

## **Foreign Account Tax Compliance Act**

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a foreign financial institution (as defined by FATCA) may be required to withhold on certain payments it makes (foreign passthru payments) to persons that fail to meet certain certification, reporting or related requirements. The Issuer may be a foreign financial institution for these purposes. A number of jurisdictions (including the Netherlands) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (**IGAs**), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of the IGA between the Netherlands and the United States of America (the **US-Netherlands IGA**) as currently in effect, a foreign financial institution subject to the US-Netherlands IGA would generally not be required to withhold under FATCA or the US-Netherlands IGA from payments that it makes.

If an amount in respect of FATCA Withholding were to be deducted or withheld either from amounts due to the Issuer or from interest, principal or other payments made in respect of the Notes, neither the Issuer nor any paying agent nor any other person would, pursuant to the conditions of the Notes, be required to pay additional amounts as a result of the deduction or withholding.



**FATCA is particularly complex and prospective investors should consult their own tax advisers on how these rules may apply to the Issuer and to payments they may receive in connection with the Notes.**

## 4.7 Security

In the Trust Deed the Issuer will irrevocably and unconditionally undertake to pay to the Security Trustee the "**Parallel Debt**", which is an amount equal to the aggregate amount due (*verschuldigd*) by the Issuer (i) as fees, costs, expenses or other remuneration to the Directors under the Management Agreements, (ii) as fees and expenses to the Servicer under the Servicing Agreement (iii) as fees and expenses to the Issuer Administrator under the Administration Agreement, (iv) as fees and expenses to the Paying Agent and the Agent Bank under the Paying Agency Agreement, (v) to the Swap Counterparty under the Swap Agreement, (vi) to the Noteholders under the Notes, (viii) to the Seller under the Receivables Purchase Agreement and the relevant Deeds of Assignment and Pledge (ix) to the Issuer Account Bank under the Issuer Account Agreement and (x) any other party designated by the Security Trustee as a secured creditor under the Transaction Documents (the parties referred to in items (i) through (x) together the "**Secured Creditors**"). The Secured Creditors are bound by such arrangement either pursuant to the Secured Creditors Agreement or, in respect of the Noteholders, pursuant to the Terms and Conditions of the Notes.

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

If and to the extent that the Security Trustee irrevocably and unconditionally receives any amount in payment of the Parallel Debt, the Security Trustee shall distribute such amount among the Secured Creditors in accordance with the Post-Enforcement Priority of Payments. The amounts due to the Secured Creditors will, broadly, be equal to amounts recovered (*verhaald*) by the Security Trustee on the Receivables and other assets pledged to the Security Trustee under the Issuer Receivables Pledge Agreement, any and all Deeds of Assignment and Pledge and the Issuer Rights Pledge Agreement.

The Issuer will vest a right of pledge and, as the case may be, a right of pledge in advance (*bij voorbaat*), in favour of the Security Trustee on the Receivables on the Closing Date pursuant to the Issuer Receivables Pledge Agreement and the Deed of Assignment and Pledge and undertakes to grant, in respect of any New Receivables, to the extent required under Dutch law to create a right of pledge in favour of the Security Trustee, a first ranking right of pledge on and, as the case may be, to pledge in advance (*bij voorbaat*) the relevant New Receivables on the Monthly Transfer Date on which they are acquired, which will secure the payment obligations of the Issuer to the Security Trustee under the Secured Creditors Agreement and any other Transaction Documents.

The pledge on the Receivables will not be notified to the Borrowers, except upon the occurrence of certain notification events, which are similar to the Assignment Notification Events but relating to the Issuer, including the servicing of an Enforcement Notice by the Security Trustee (the "**Pledge Notification Events**"). Prior to notification of the pledge to the Borrowers, the pledge will be a "silent" right of pledge (*stil pandrecht*) within the meaning of article 3:239 of the Dutch Civil Code.

The Issuer will also create a right of pledge in favour of the Security Trustee on the Closing Date pursuant to the Issuer Rights Pledge Agreement over all rights of the Issuer under or in connection with (i) the Receivables Purchase Agreement, (ii) the Servicing Agreement, (iii) the Administration Agreement, (iv) the Issuer Account Agreement and the Issuer Accounts, (v) the Transparency Reporting Agreement and (vi) the Swap Agreement. This right of pledge will be governed by Dutch law, notified to the relevant obligors and will, therefore, be a disclosed right of pledge (*openbaar pandrecht*), but the Security Trustee will grant a power to collect to the Issuer which will be withdrawn upon the occurrence of any of the Pledge Notification Events. From the occurrence of a Pledge Notification Event and, consequently notification to the Borrowers and withdrawal of the power to collect, the Security Trustee will collect (*innen*) all amounts due to the Issuer whether by the Borrowers or any other parties to the

Transaction Documents. Pursuant to the Trust Deed, the Security Trustee will, until the delivery of an Enforcement Notice for the sole purpose of enabling the Issuer to make payments in accordance with the relevant Priority of Payments, pay or procure the payment of certain amounts to the Issuer, whilst for that sole purpose terminating (*opzeggen*) its right of pledge. The amounts payable to the Noteholders and other Secured Creditors under the Trust Deed will be limited to the amounts available for such purpose to the Security Trustee and the amounts will be paid in accordance with the Post-Enforcement Priority of Payments as set forth in the Trust Deed.

The Security Trustee has not undertaken and will not undertake any investigations, searches or other actions in respect of the Receivables and any other assets pledged pursuant to the Security Documents and will rely instead on, *inter alia*, the warranties given in relation thereto in the relevant Security Documents.

The security rights described above shall serve as security for the benefit of the Secured Creditors, including each of the Noteholders, but amounts owing under the Class A Notes will rank in priority to the Subordinated Notes and the Class B Notes will rank in priority to the Class C Notes.

## 4.8 Credit Ratings

It is a condition precedent to issuance that, the Class A Notes, on issue, be assigned an AAA(sf) credit rating by Fitch and a Aaa(sf) credit rating by Moody's. The Class B Notes and the Class C Notes will not be assigned a credit rating by any of the Credit Rating Agencies.

Moody's Investor Service Deutschland GmbH is established in the European Union and is registered under the CRA Regulation. As such, Moody's Investor Service Deutschland GmbH is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website (at <http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>) in accordance with the CRA Regulation. Moody's Investor Service Deutschland GmbH is not established in the United Kingdom. Accordingly the rating(s) issued by Moody's Investor Service Deutschland GmbH have been endorsed by Moody's Investor Service Ltd in accordance with the UK CRA Regulation and have not been withdrawn. As such, the ratings issued by Moody's Investor Service Deutschland GmbH may be used for regulatory purposes in the United Kingdom in accordance with the UK CRA Regulation.

Fitch Ratings Ireland Limited is established in the European Union and is registered under the CRA Regulation. As such, Fitch Ratings Ireland Limited is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website (at <http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>) in accordance with the CRA Regulation. Fitch Ratings Ireland Limited is not established in the United Kingdom. Accordingly the rating(s) issued by Fitch Ratings Ireland Limited have been endorsed by Fitch Ratings Limited in accordance with the UK CRA Regulation and have not been withdrawn. As such, the ratings issued by Fitch Ratings Ireland Limited, may be used for regulatory purposes in the United Kingdom in accordance with the UK CRA Regulation.

The ratings assigned by Fitch address the likelihood of (a) timely payment of interest due to the Class A Noteholders and (b) full payment of principal to the Noteholders by a date that is not later than the Final Maturity Date. The credit ratings assigned by Moody's address the expected loss to a Noteholder in proportion to the initial principal amount of the Class of Notes held by such Noteholder by the Final Maturity Date. Any decline in the credit ratings of the Class A Notes or changes in credit rating methodologies may affect the market value of the Notes. Furthermore, the credit ratings may not reflect the potential impact of all rights related to the structure, market, additional factors discussed above or below and other factors that may affect the value of the Notes.

A rating is not a recommendation to buy, sell or hold securities and may be subject to review, revision, suspension or withdrawal at any time and reflects only the views of the Credit Rating Agencies. There is no assurance that any rating will continue for any period of time or that they will not be reviewed, revised, suspended or withdrawn entirely by any of the Credit Rating Agencies as a result of changes in or unavailability of information or if, in any of the Credit Rating Agencies' judgment, circumstances so warrant. Future events which could have an adverse effect on the ratings of the Notes include events affecting the Issuer Account Bank and/or circumstances relating to the Receivables and/or the Dutch SME loan market.

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

The relevant Transaction Documents provide that, upon the occurrence of certain events or matters the Security Trustee needs to obtain a Credit Rating Agency Confirmation before it is allowed to take any action or consent to an amendment of the relevant Transaction Documents.

The Security Trustee may, for the purposes of exercising any power, authority, duty or discretion under or in relation to the Conditions or any of the relevant Transaction Documents take the provision of a Credit Rating Agency Confirmation into account in determining whether such exercise will be materially prejudicial to the interest of any Class of Notes and the other Secured Creditors. By the Issuer or the Security Trustee obtaining a Credit Rating Agency Confirmation each of the Security Trustee, the Noteholders and the other Secured Creditors will be deemed to have agreed and/or acknowledged that (i) a credit rating is an assessment of credit only and does not address other matters that may be of relevance to the Noteholders or the other Secured Creditors, (ii) neither the Security Trustee nor the Noteholders nor the other Secured Creditors have any right of recourse to or against the relevant Credit Rating Agency in respect of the relevant Credit Rating Agency Confirmation which is relied upon by the Security Trustee and (iii) reliance by the Security Trustee on a Credit Rating Agency Confirmation does not create, impose on or extend to the relevant Credit Rating Agency any actual or contingent liability to any person (including, without limitation, the Security Trustee and/or the Noteholders and/or the other Secured Creditors) or create any legal relations between the relevant Credit Rating Agency and the Security Trustee, the Noteholders, the other Secured Creditors or any other person whether by way of contract or otherwise.

In addition, Noteholders should be aware that the definition of Credit Rating Agency Confirmation also covers, among other things, the circumstances where no positive or negative confirmation or indication is forthcoming from any Credit Rating Agency provided that 30 days have passed since such Credit Rating Agency was notified of the relevant matter and that reasonable efforts were made to obtain a confirmation or an indication from such Credit Rating Agency. In such circumstance a Credit Rating Agency Confirmation will, for the purpose of the relevant Condition or Transaction Document, be deemed to have been obtained. Credit Rating Agencies are not bound to the Conditions or the Transaction Documents and may take any action in relation to the credit ratings assigned to the Notes, also in circumstances where for the purposes of the Conditions or the Transaction Document a Credit Rating Agency Confirmation is (deemed to have been) obtained.

## 5. CREDIT STRUCTURE

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

The Notes will represent obligations of the Issuer only. The Notes will not be obligations or responsibilities of, or guaranteed by, any other entity or person, acting in whatever capacity, including, without limitation, the Seller, the Servicer, the Issuer Administrator, the Arranger, the Issuer Account Bank, the Swap Counterparty, the Paying Agent, the Reference Agent, the Directors or the Security Trustee, provided that following delivery of an Enforcement Notice any amounts received or recovered by the Security Trustee under the Pledge Agreements will be distributed by the Security Trustee to, *inter alios*, the Noteholders subject to and in accordance with the Post-Enforcement Priority of Payments. Furthermore, none of such parties or any other third party acting in whatever capacity, other than the Security Trustee in respect of limited obligations under the Trust Deed, will accept any liability whatsoever to Noteholders in respect of any failure by the Issuer to pay any amounts due under the Notes.

The ability of the Issuer to meet its obligations to repay in full all principal of and to pay all interest on the Notes will be dependent on the receipt by it of funds under the Receivables, the proceeds of the sale of any Receivables, payments under the Swap Agreement, interest in respect of the balances standing to the credit of the Issuer Accounts, the availability of the Reserve Account and the Commingling Risk Amounts standing to the credit of the Issuer Collection Account. The Issuer does not have other resources available. There can be no assurance that the Issuer will have sufficient funds to fulfil its payment obligations under the Notes.

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

### 5.1 Available Funds

#### *Available Revenue Funds*

Prior to the delivery of an Enforcement Notice by the Security Trustee, the sum of the following amounts, calculated as at each Notes Calculation Date as being received by the Issuer during the Notes Calculation Period immediately preceding such Notes Calculation Date or expected to be received or drawn by the Issuer on the immediately succeeding Notes Payment Date will be applied on the immediately succeeding Notes Payment Date in accordance with the Pre-Enforcement Revenue Priority of Payments (such sum the **Available Revenue Funds**):

- (i) interest received on the Receivables, including prepayment penalties and penalty interest (*boeterente*) received;
- (ii) interest credited to the Issuer Collection Account and the Reserve Account;

- (iii) amounts to be received from the Swap Counterparty under the Swap Agreement, on the immediately succeeding Notes Payment Date, excluding, for the avoidance of doubt, any collateral transferred pursuant to the Swap Agreement and excluding any Tax Credit;
- (iv) amounts to be drawn from the Reserve Account on the immediately succeeding Notes Payment Date;
- (v) amounts received in connection with a repurchase or sale of Receivables pursuant to the Receivables Purchase Agreement or the Trust Deed, as the case may be, or any other amounts received pursuant to the Receivables Purchase Agreement to the extent such amounts do not relate to principal;
- (vi) any amounts received, recovered or collected from a Borrower in respect of a Receivable in addition to Net Foreclosure Proceeds, whether in relation to interest, principal or otherwise, as part of completion of foreclosure on the collateral securing the Receivable (the **Post-Foreclosure Proceeds**);
- (vii) Net Foreclosure Proceeds in respect of any Receivables, to the extent such proceeds do not relate to principal;
- (viii) the Set-Off Amount (if any) to be applied from the Trigger Collateral on the immediately succeeding Notes Payment Date;
- (ix) any Disruption Underpaid Amount to the extent not relating to principal;
- (x) after all amounts of interest and principal that have or may become due in respect of the Notes, other than principal on the Class C Notes, have been paid on the immediately preceding Notes Payment Date or will be available for payment on the immediately succeeding Notes Payment Date, any amount standing to the credit of the Reserve Account and any other Issuer Account, excluding any Excluded Swap Amounts;
- (xi) any Additional Available Revenue Funds;
- (xii) any part of the Commingling Risk Amount to be applied as indemnity for losses as a result of commingling risk, to the extent not relating to principal;
- (xiii) amounts received from a replacement Swap Counterparty upon entry into an agreement with such replacement Swap Counterparty replacing the Swap Agreement to the extent such amounts exceed the termination amount payable to the exiting Swap Counterparty;

**minus**

- (xiv) the applicable Annual Tax Allowance; and
- (xv) any Disruption Overpaid Amount not relating to principal.

***Available Principal Funds***

Prior to the delivery of an Enforcement Notice by the Security Trustee, the sum of the following amounts, calculated as at each Notes Calculation Date as being received or held by the Issuer during the Notes Calculation Period immediately preceding such Notes Calculation Date or expected to be received or drawn by the Issuer on the immediately succeeding Notes Payment Date (hereinafter the

**Available Principal Funds**) will be applied in accordance with the Pre-Enforcement Principal Priority of Payments:

- (i) any amount received as repayment and prepayment of principal under the Receivables (in whole or in part), from any person, whether by set-off or otherwise, but, for the avoidance of doubt, excluding Prepayment Penalties, if any;
- (ii) Net Foreclosure Proceeds in respect of any Receivables, to the extent such proceeds relate to principal;
- (iii) amounts received in connection with a repurchase or sale of Receivables pursuant to the Receivables Purchase Agreement or the Trust Deed, as the case may be, or any other amounts received pursuant to the Receivables Purchase Agreement to the extent such amounts relate to principal;
- (iv) as interest amounts allocated in accordance with the Pre-Enforcement Revenue Priority of Payments to make good any Realised Loss reflected on the Principal Deficiency Ledger on the immediately succeeding Notes Payment Date in accordance with items (g) or (h) of the Pre-Enforcement Revenue Priority of Payments;
- (v) any part of the Commingling Risk Amounts to be applied as indemnity for losses of scheduled principal on the Receivables as a result of commingling risk, to the extent relating to principal;
- (vi) any part of the Available Principal Funds calculated on the immediately preceding Notes Calculation Date which has not been applied towards redemption of the Notes on the immediately preceding Notes Payment Date (as a credit amount standing on the Issuer Account);
- (vii) any Disruption Underpaid Amount to the extent relating to principal; and
- (viii) any amounts equal to the excess (if any) of (a) the sum of the aggregate proceeds of the issue of the Class A Notes and the Class B Notes over (b) the Initial Purchase Price of the Receivables purchased on the Closing Date;

**less**

- (ix) any Disruption Overpaid Amount relating to principal; and
- (x) during the Revolving Period, amounts relating to principal received by the Issuer in respect of the Receivables as applied by the Issuer on any Monthly Transfer Date in the relevant Notes Calculation Period, towards the purchase of New Receivables.

#### **Cash Collection Arrangements and commingling risk mitigants**

Payments by the Borrowers under the Loans are due at a regular interval, interest being payable in arrears. All payments made by Borrowers will be paid into accounts of the Seller (each a **Seller Collection Account** and together, the **Seller Collection Accounts**) maintained with ING Bank (the **Seller Collection Account Provider**). These accounts are not pledged to any party. The Seller Collection Accounts will also be used for the collection of moneys paid in respect of loans other than the Loans and in respect of other moneys belonging to the Seller.

On the 28<sup>th</sup> calendar day of each month (or the next Business Day if such day is not a Business Day) (such date a **Monthly Receivables Payment Date**, the Seller will transfer all amounts of interest and principal received by the Seller in respect of the Loans and paid to the Seller Collection Accounts during



the immediately preceding Monthly Receivables Calculation Period, to the Issuer Collection Account. The Seller shall determine such amount on each Monthly Receivables Calculation Date and shall forthwith inform the Issuer of the amount so determined. The amounts of interest and principal to be transferred on such Monthly Receivables Payment Date may be set-off during the Revolving Period against the Issuer's obligation to pay the Initial Purchase Price for any New Receivables to be transferred to the Issuer on the coinciding Monthly Transfer Date such that only the difference is paid. In respect of any Monthly Receivables Payment Date coinciding with a Notes Payment Date, the Seller shall ensure that it will pay the collections (subject to the aforementioned set-off) in time to allow the Issuer make the payments due by the Issuer on such Notes Payment Date.

### **Commingling Risk Amount**

If at any time the Seller's unsecured, unsubordinated and unguaranteed debt obligations are assigned a rating of less than the Seller Collection Account Provider Requisite Credit Rating or such rating is withdrawn, the Seller will either within 60 calendar days of such downgrade (i) (a) ensure that an account for the benefit of the Issuer is opened with a party having at least the Account Provider Requisite Credit Rating, and (b) transfer to such account an amount equal to 1.9 multiplied by the average amount of the monthly principal and interest amounts (including, for the avoidance of doubt, interest penalties and prepayments) received by the Seller in the twelve calendar months immediately preceding the date of transfer of such amount to the Issuer (such amount the **Commingling Risk Amount**) or (ii) shorten the maximum period during which payments to be made with respect to amounts received on the Seller Collection Accounts relating to the Receivables will be held in the Seller Collection Accounts before being swept into the Issuer Collection Account to two Business Days or (iii) ensure that payments to be made with respect to amounts received on the Seller Collection Accounts relating to the Receivables will be guaranteed by a party having at least the Seller Collection Account Provider Requisite Credit Rating by way of an unlimited and unconditional guarantee, or (iv), only in case of a downgrade or loss of the rating given by any of the Credit Rating Agencies, find another solution in accordance with the Credit Rating Agencies' methodology at such time in order to maintain the then current ratings assigned to the Class A Notes. For the avoidance of doubt, the Commingling Risk Amount deposited as collateral, will only form part of the Available Revenue Funds or Available Principal Funds to make good any shortfall in collections as a result of corresponding interest or principal amounts having been trapped in the estate of the Seller.

Following notice to the Borrowers of the assignment after the occurrence of an Assignment Notification Event the Borrowers will be required to pay all amounts due by them under the Loans directly to the Issuer Collection Account (or such other bank account as may be designated by the Issuer or the Security Trustee).

### **Trigger Collateral**

Pursuant to the Receivables Purchase Agreement, the Seller has the obligation to indemnify the Issuer and the Security Trustee respectively for any amounts set-off by a Borrower in respect of the relevant Receivable. To secure this obligation, the Seller has an obligation to provide on each Monthly Receivables Payment Date in favour of the Issuer and the Security Trustee respectively, eligible collateral (the **Trigger Collateral**) up to the Trigger Collateral Required Amount.

The Issuer shall open, at such time when Trigger Collateral shall be provided by the Seller to the Issuer, with the Issuer Account Bank an account to which all amounts received with respect to the Trigger Collateral will be transferred (the **Trigger Collateral Account**). Interest received on the Trigger Collateral Account shall be paid to the Seller outside the Priority of Payments.

**Trigger Collateral** means any collateral provided by the Seller in cash in Euro to the Issuer.

The required amount (the **Trigger Collateral Required Amount**) shall on any Monthly Receivables Payment Date be equal to the amount of:

- (i) zero, provided that the long-term unsecured, unsubordinated and unguaranteed debt obligations of the Seller are rated at least as high as BBB by Fitch and A3 by Moody's and the short-term unsecured, unsubordinated and unguaranteed debt obligations of the Seller are rated at least as high as F1 by Fitch;
- (ii) 50 per cent. of the Potential Set-Off Amount, when the long-term unsecured, unsubordinated and unguaranteed debt obligations of the Seller are rated lower than A3 by Moody's but higher than Baa3 by Moody's;
- (iii) 100 per cent, of the Potential Set-Off Amount when the long-term unsecured, unsubordinated and unguaranteed debt obligations of the Seller are rated lower than Baa3 by Moody's and/or BBB by Fitch or any such rating is withdrawn and/or the short-term unsecured, unsubordinated and unguaranteed debt obligations of the Seller are rated lower than F2 by Fitch or such rating is withdrawn; and
- (iv) zero, if the Notes have been redeemed in full.

The Potential Set-Off Amount shall, on any Monthly Receivables Payment Date, be equal to (A) the sum of the amount credited to each current account or deposit held by the Borrowers of S-Model Receivables with the Seller on the immediately preceding Monthly Receivables Calculation Date minus an amount equal to the cover provided by the Deposit Guarantee Scheme in respect of the current account or deposits of those Borrowers under the S-Model Receivables who are protected by the Deposit Guarantee Scheme and (B) the amount due by the Seller to the Borrowers under any derivatives contract with the Borrowers on the immediately preceding Monthly Receivables Payment Date (the **Potential Set-Off Amount**).

The Trigger Collateral may be applied by the Issuer and/or the Security Trustee on any Notes Payment Date if and to the extent the Issuer has, because a Borrower of a Small Business Finance Model has invoked a right of set-off for amounts due by the Seller to it and the Seller has not reimbursed the Issuer for such amount, on the relevant Notes Payment Date, not received the full amount due but unpaid in respect of any of S-Model Receivable(s) during the Notes Calculation Period immediately preceding such Notes Payment Date (the **Set-Off Amount**).

A ledger known as the **Set-Off Amount Ledger** will be established by or on behalf of the Issuer in order to record any such Set-Off Amount. An amount equal to the Set-Off Amount will be debited to the Set-Off Amount Ledger (such debit items being recredited at item (h) of the Interest Priority of Payments to the extent the Available Revenue Funds are available for such purpose).

If the amount equal to the value of any Trigger Collateral provided to the Issuer and the Security Trustee exceeds the Trigger Collateral Required Amount on any Monthly Receivables Payment Date or any other date (the **Excess Trigger Collateral**), the Issuer and the Security Trustee respectively have an obligation to repay an amount equal to the Excess Trigger Collateral (if applicable).

## 5.2 Priority of Payments

### Priority of Payments in respect of interest (prior to Enforcement Notice)

Provided that no Enforcement Notice has been served, the Available Revenue Funds, calculated on each Notes Calculation Date, will, pursuant to the terms of the Trust Deed (and less any amounts which have been applied towards payment of amounts in the relevant Notes Calculation Period in accordance with the Trust Deed outside of any Priority of Payment), be applied by the Issuer on the immediately succeeding Notes Payment Date as follows (in each case only if and to the extent that payments of a higher order of priority have been or can be made in full) (the **Pre-Enforcement Revenue Priority of Payments**):

- (a) *first*, in or towards satisfaction, *pro rata* and *pari passu*, 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 Transaction Documents; and any amounts due and payable to third parties (but not yet paid prior to the relevant Notes Payment Date) under obligations incurred in the Issuer's business (other than under the relevant Transaction Documents), including, without limitation, in or towards satisfaction of sums due or provisions for any payment of the Issuer's liability, if any, to tax (to the extent such amounts are not paid out of the Annual Tax Allowance), other than the fees and expenses payable under item (c) below;
- (b) *second*, in or towards satisfaction, *pari passu* and *pro rata*, according to the respective amounts thereof, of (i) fees and expenses due and payable to the Issuer Administrator under the Administration Agreement and fees and expenses, due and payable to the Servicer under the Servicing Agreement if the Seller no longer acts as the Servicer and (ii) fees, expenses and any other amounts including, for the avoidance of doubt, any negative interest, due to the Issuer Account Bank under the Issuer Account Agreement and (iii) fees and expenses due and payable to the Reporting Entity under the Transparency Reporting Agreement;
- (c) *third*, in or towards satisfaction, *pari passu* and *pro rata*, according to the respective amounts thereof, of (i) fees and expenses of the Credit Rating Agencies, fees and expenses of the STS Verification Agent and any legal advisor, auditor and accountant appointed by the Issuer or the Security Trustee and (ii) fees and expenses due and payable to the Paying Agent and the Reference Agent under the Paying Agency Agreement;
- (d) *fourth*, in or towards satisfaction of amounts, if any, due and payable under the Swap Agreement including any termination payment (except for any Excluded Swap Amounts) other than a Swap Subordinated Default Payment;
- (e) *fifth*, in or towards satisfaction, *pro rata* and *pari passu*, of interest due or interest accrued but unpaid on the Class A Notes;
- (f) *sixth*, in or towards satisfaction of any amount to be deposited on the Reserve Account to replenish the Reserve Account up to the amount of the Reserve Account Target Level;
- (g) *seventh*, in or towards making good of any shortfall reflected in the Class A Principal Deficiency Ledger until the debit balance, if any, on the Class A Principal Deficiency Ledger is reduced to zero;
- (h) *eighth*, in or towards making good of any shortfall (A) reflected in the Class B Principal Deficiency Ledger until the debit balance, if any, on the Class B Principal Deficiency Ledger

is reduced to zero, and (B) reflected in the Set-Off Amount Ledger until the debit balance, if any, on the Set-Off Amount Ledger is reduced to zero;

- (i) *ninth*, from and including the First Optional Redemption Date, in or towards satisfaction of principal on the Class C Notes until the Class C Notes have been fully redeemed;
- (j) *tenth*, in or towards satisfaction in or towards satisfaction of the Swap Subordinated Default Payment due to the Swap Counterparty under the terms of the Swap Agreement;
- (k) *eleventh*, so long as the Seller acts as the Servicer, in or towards satisfaction to the Servicer of any fees and expenses, due and payable to the Servicer under the Servicing Agreement; and
- (l) *twelfth*, in or towards satisfaction of a Deferred Purchase Price Instalment to the Seller.

#### **Priority of Payments in respect of principal (prior to Enforcement Notice)**

Prior to the delivery of an Enforcement Notice by the Security Trustee, the Available Principal Funds will pursuant to the terms of the Trust Deed be applied by the Issuer on the Notes Payment Date immediately succeeding the Notes Calculation Date (in each case only if and to the extent that payments of a higher order of priority have been made in full) on a *pro rata* and *pari passu* basis among the Notes of the same Class as follows: (the **Pre-Enforcement Principal Priority of Payments**):

- (a) *First*, in or towards satisfaction making good any Class A Revenue Shortfall;
- (b) *Second*, during the Revolving Period, in or towards satisfaction of – or to reserve such amounts for satisfaction of – the purchase price of any New Receivables;
- (c) *Third*, after the Revolving Period, in or towards satisfaction of principal amounts due on the Class A1 Notes, until fully redeemed in accordance with the Conditions;
- (d) *Fourth*, after the Revolving Period, in or towards satisfaction of principal amounts due on the Class A2 Notes, until fully redeemed in accordance with the Conditions;
- (e) *Fifth*, after the Revolving Period, in or towards satisfaction of principal amounts due on the Class A3 Notes, until fully redeemed in accordance with the Conditions;
- (f) *Sixth*, after the Revolving Period, in or towards satisfaction of principal amounts due on the Class B Notes, until fully redeemed in accordance with the Conditions; and
- (g) *Seventh*, towards payment to the Seller of the Deferred Purchase Price.

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

Following delivery of an Enforcement Notice any amounts to be distributed by the Security Trustee under the Trust Deed to the Secured Creditors (including the Noteholders, will be applied in the following order of priority (and in each case only if and to the extent payments of a higher priority have been made in full) (the **Post-Enforcement Priority of Payments**):

- (a) *first*, in or towards satisfaction, *pari passu* and *pro rata*, according to the respective amounts thereof, of (i) the fees or other remuneration due and payable to the Issuer Director in connection with the Issuer Management Agreement, (ii) the fees or other remuneration due and payable to the Shareholder Director and the Security Trustee Director in connection with the relevant Management Agreements, (iii) the fees and expenses due and payable to the Issuer Administrator under the Administration Agreement and fees and expenses due and payable to

the Servicer under the Servicing Agreement if the Seller no longer acts as the Servicer, (iv) any cost, charge, liability and expenses incurred by the Security Trustee under or in connection with any of the Transaction Documents, (v) the fees and expenses and any other amounts including, for the avoidance of doubt, any negative interest, due to the Issuer Account Bank under the Issuer Account Agreement and (vi) the fees and expenses of the Paying Agent and the Agent Bank incurred under the provisions of the Paying Agency Agreement;

- (b) *second*, in or towards satisfaction of amounts, if any, due but unpaid to the Swap Counterparty under the Swap Agreement (except for any Excluded Swap Amounts) and excluding any Swap Subordinated Default Payment;
- (c) *third*, in or towards satisfaction of all amounts of interest due but unpaid on the Class A Notes;
- (d) *fourth*, in or towards satisfaction of all amounts of principal due but unpaid on the Class A Notes;
- (e) *fifth*, in or towards satisfaction of all amounts of principal due but unpaid on the Class B Notes;
- (f) *sixth*, in or towards satisfaction of all amounts of principal due but unpaid on the Class C Notes;
- (g) *seventh* in or towards satisfaction of the Swap Subordinated Default Payment due to the Swap Counterparty under the terms of the Swap Agreement;
- (h) *eighth*, so long as the Seller acts as the Servicer, in or towards satisfaction to the Servicer of any fees and expenses, due and payable to the Servicer under the Servicing Agreement;
- (i) *ninth*, in or towards satisfaction of the Deferred Purchase Price to the Seller pursuant to the Receivables Purchase Agreement.

No amount of cash shall be trapped in the Issuer Accounts beyond what is necessary to ensure the operational functioning of the Issuer or the orderly repayment of Noteholders in accordance with the Post-Enforcement Priority of Payments, unless exceptional circumstances (as to be determined by the Security Trustee) require that an amount is trapped in order to be used, in the best interests of Noteholders, for expenses in order to avoid the deterioration in the credit quality of the Loans

Any change in the priorities of payment which will materially adversely affect the repayment of the Notes shall be disclosed without undue delay to the extent required under Article 21(9) of the Securitisation Regulation.

### **Payments outside the Priority of Payments**

Any (i) Excess Swap Collateral, (ii) other Swap Collateral following a termination (to the extent applied towards an upfront payment to a replacement swap counterparty), (iii) premium payable to a replacement swap provider (to the extent it is applied directly to pay a termination payment due and payable by the Issuer to the Swap Counterparty), and (iv) Tax Credits (such amounts (i) to (iv), together being "**Excluded Swap Amounts**") shall be paid outside the relevant Priority of Payments and such amounts will not form part of the Available Revenue Funds or the Available Principal Funds (see Section 5.4 (*Hedging*)).

Prior to the delivery of an Enforcement Notice by the Security Trustee, any amount due and payable to third parties (other than pursuant to any of the Transaction Documents) under obligations incurred in the Issuer's business at a date which is not a Notes Payment Date, may be made by the Issuer on the relevant due date from the Issuer Collection Account to the extent that the funds available on the Issuer Collection Account are sufficient to make such payments.

The Receivables Purchase Agreement provides that the Seller will, during the Revolving Period, which commences on the Closing Date and ends on (and including) the Revolving Period End Date, offer any New Receivables for sale to the Issuer on each Monthly Transfer Date provided that the Additional Purchase Conditions are met. On such Monthly Transfer Date, the Available Principal Funds (including any Reserved Amounts) standing to the credit of the Issuer Collection Account may be used to satisfy the Initial Purchase Price of such New Receivables.

### 5.3 Loss Allocation

The Principal Deficiency Ledger, comprising two sub-ledgers known as the Class A Principal Deficiency Ledger and the Class B Principal Deficiency Ledger, will be established by or on behalf of the Issuer in order to record on an ongoing basis any Realised Losses and amounts applied as any Additional Available Revenue Funds.

The Realised Loss and any amounts applied as Additional Available Revenue Funds will, on the relevant Notes Calculation Date, be debited:

- (1) *first*, to the Class B Principal Deficiency Ledger until the balance standing to the debit of the Class B Principal Deficiency Ledger is equal to the aggregate Principal Amount Outstanding of the Class B Notes; and
- (2) *second*, to the Class A Principal Deficiency Ledger until the balance standing to the debit of the Class A Principal Deficiency Ledger is equal to the aggregate Principal Amount Outstanding of the Class A Notes;

On each Notes Calculation Date, the Available Revenue Funds, to the extent available for such purpose which includes, in respect of the Class A Principal Deficiency Ledger, the balance standing to the credit of the Reserve Account, shall be credited to:

- (i) *first*, to the Class A Principal Deficiency Ledger in accordance with item (g) of the Pre-Enforcement Revenue Priority of Payments until the debit balance thereof is reduced to zero;
- (ii) *second*, to the Class B Principal Deficiency Ledger in accordance with item (h) of the Pre-Enforcement Revenue Priority of Payments until the debit balance thereof is reduced to zero;

**Realised Losses** means, on any relevant Notes Payment Date the amount of the difference between (y) the aggregate principal balance (*hoofdsom*) of all Defaulted Receivables, determined at such time immediately before such Receivables become Defaulted Receivables, in respect of which the Seller, the Servicer or the Issuer has foreclosed from the Closing Date up to and including the immediately preceding Notes Calculation Period and (z) the amount of the Net Foreclosure Proceeds whereby for the purpose of establishing the principal balance (*hoofdsom*) of the relevant Receivables in case of set-off or defence to payments asserted by Borrowers any amount by which the relevant Receivables have been extinguished (*teniet gegaan*) will be disregarded, provided the Issuer has been compensated for such amount.

## 5.4 Hedging

The Loan Criteria require that all Loans bear a floating rate of interest or fixed rate of interest, subject to a reset from time to time. The interest rate payable by the Issuer with respect to the Class A Notes is calculated as a margin over EURIBOR, which margin will remain unchanged after the First Optional Redemption Date. The Class B and Class C Notes carry no interest. The interest rate on the Notes shall thus at any time be at least zero per cent. The Issuer will hedge its interest rate exposure under the Class A Notes in full by entering into the Swap Agreement with the Swap Counterparty and the Security Trustee. There is no interest rate hedging in respect of the Class B and Class C Notes.

Under the Swap Agreement, the Issuer will agree to pay on each Notes Payment Date amounts equal to:

- (a) the interest received on the Receivables in respect of the Notes Calculation Period; *plus*
- (b) the interest credited to the Issuer Collection Account; *plus*
- (c) Prepayment Penalties and any penalty interest (*boeterente*) received in respect of the Receivables during such Notes Calculation Period; *minus*
- (d) certain expenses as described under (a), (b) and (c) of the Pre-Enforcement Revenue Priority of Payments incurred in respect of the relevant Notes Calculation Period; *minus*
- (e) the Excess Spread.

In return, the Swap Counterparty will agree to pay amounts equal to interest due under the Class A Notes, calculated by reference to the Floating Rate of Interest applied to the Principal Amount Outstanding of the Class A Notes on the first day of the relevant Interest Period. If the interest amount relating to the Class A Notes payable by the Swap Counterparty is a negative amount, such interest amount is deemed to be zero and the Issuer will not be required to pay to the Swap Counterparty the absolute value of such negative interest amount relating the Class A Notes.

The notional amount under the Swap Agreement will be reduced to the extent there will be a debit balance on the Class A Principal Deficiency Ledger at the close of business on the first day of the relevant Interest Period.

Payments under the Swap Agreement will be netted.

The Swap Agreement will be documented under a 1992 ISDA Master Agreement. The transaction under the Swap Agreement will be terminable by one party if, *inter alia*, (i) an applicable event of default or termination event (as set out in the Swap Agreement) occurs in relation to the other party, (ii) it becomes unlawful for either party to perform its obligations under the Swap Agreement, (iii) an Enforcement Notice is served on the Issuer by the Security Trustee, (iv) an applicable rating event has occurred (as set out in the Swap Agreement) in relation to the Swap Counterparty, (v) any Condition or the provisions of any Transaction Document is amended without the Swap Counterparty's prior written consent in certain circumstances (as set out in the Swap Agreement) or (vi) at any time the Class A Notes are redeemed in full prior to the Final Maturity Date. Events of default under the Swap Agreement in relation to the Issuer will be limited to (i) non-payment under the Swap Agreement and (ii) certain insolvency events.

Upon the early termination of any transaction under the Swap Agreement, the Issuer or the Swap Counterparty may be liable to make a termination payment to the other party. The amount of any termination payment will be based on the market value of the Swap Agreement. The market value will be based on market quotations of the cost of entering into a transaction with the same terms and



conditions and that would have the effect of preserving the respective full payment obligations of the parties (or based upon loss in the event that no market quotation can be obtained).

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

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

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

If the Swap Counterparty ceases to have the Initial Required Ratings, the Swap Counterparty will be required within the Initial Remedy Period to take certain remedial actions (as set out in the Swap Agreement), which include providing collateral for its obligations under the Swap Agreement (pursuant to the credit support annex which forms part of the Swap Agreement on the basis of the standard ISDA documentation) or, in the case of Fitch only, the Swap Counterparty may, within 60 calendar days, at its own discretion: (i) arrange for its obligations under the Swap Agreement to be transferred to an entity having at least the Subsequent Required Ratings and which satisfies the transfer provisions of the Swap Agreement, or (ii) procure an entity having at least the Initial Required Ratings to become co-obligor or guarantor in respect of its obligations under the Swap Agreement, or (iii) take such other action as may be required to maintain or, as the case may be, restore the then current rating assigned to the Notes.

If the Swap Counterparty ceases to have the Subsequent Required Ratings, the Swap Counterparty will be required, within the Initial Remedy Period, to provide (or continue to provide) collateral for its obligations under the Swap Agreement (pursuant to the credit support annex) and, within the Subsequent Remedy Period, to (i) arrange for its obligations under the Swap Agreement to be transferred to an entity having at least the Subsequent Required Ratings and which satisfies the transfer provisions of the Swap Agreement or (ii) procure an entity having at least the Subsequent Required Ratings to become co-obligor or guarantor in respect of its obligations under the Swap Agreement. Failure to take such steps, subject to certain conditions, will give the Issuer the right to terminate the Swap Agreement.

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

## 5.5 Issuer Accounts

### *Issuer Collection Account*

The Issuer will maintain with the Issuer Account Bank the Issuer Collection Account to which, *inter alia*, all amounts received (i) in respect of the Loans and (ii) from the other parties to the Transaction (unless otherwise agreed in the relevant Transaction Documents) will be paid. The Issuer Administrator will identify all amounts paid into the Issuer Collection Account. Payments received by the Issuer in respect of the Loans will be identified as principal, interest or other revenue receipts.

Certain payments may be made from the Issuer Collection Account outside the applicable Priority of Payments on any date.

### *Reserve Account*

The Issuer will maintain with the Issuer Account Bank the Reserve Account. On the Closing Date, the proceeds of the issue of the Class C Notes will be credited to the Reserve Account.

Amounts credited to the Reserve Account will be available for drawing on any Notes Payment Date to meet items (a) up to and including (f) of the Pre-Enforcement Revenue Priority of Payments (see section *Priority of Payments in respect of interest (prior to Enforcement Notice)*) in the event the Available Revenue Funds (excluding item (v) being any amount to be drawn from the Reserve Account and (ii) and any Additional Available Revenue Funds) on such Notes Payment Date are insufficient to meet such items in full.

On any Notes Payment Date, if and to the extent that the Available Revenue Funds on the immediately preceding Notes Calculation Date exceeds the amounts required to meet items ranking higher than item (f) in the Pre-Enforcement Revenue Priority of Payments, the excess amount will be used to replenish the Reserve Account until the balance standing to the credit of the Reserve Account equals the Reserve Account Target Level.

To the extent that the balance standing to the credit of the Reserve Account on any Notes Calculation Date exceeds the Reserve Account Target Level, the Issuer shall draw such excess from the Reserve Account on the immediately succeeding Notes Payment Date and such amount shall form part of the Available Revenue Funds on that Notes Payment Date.

On the earlier of (i) the Final Maturity Date and (ii) the Notes Payment Date on which all amounts of interest and principal due in respect of the Class C Notes have been or will be paid in full, the Reserve Account Target Level will, after application of the Priorities of Payments, be reduced to zero. Any amount standing to the credit of the Reserve Account on such date will form part of the Available Revenue Funds and will be available to meet each of the items of the Pre-Enforcement Revenue Priority of Payments.

### *Swap Collateral Account*

If any collateral in the form of cash is provided by the Swap Counterparty to the Issuer, the Issuer will be required to open a separate account in which such cash provided by the Swap Counterparty will be held. If any collateral in the form of securities is provided, the Issuer will be required to open a custody account in which such securities provided by the Swap Counterparty will be held. No withdrawals may be made with respect to such accounts other than in relation to the return of Excess Swap Collateral unless, pursuant to the termination of the Swap Agreement, an amount is owed by the Swap Counterparty to the Issuer, in which case the collateral may be applied as a final payment by the Swap Counterparty which shall be applied in accordance with the Trust Deed.

Any amount remaining in such accounts upon termination of the Swap Agreement, which are not owed to the Issuer by the Swap Counterparty, shall be transferred directly to the Swap Counterparty (outside of the Pre-Enforcement Revenue Priority of Payments) on the termination date under the Swap Agreement.

If any collateral is transferred pursuant to the Swap Agreement in favour of the Issuer, the Issuer may apply such collateral in accordance with the Swap Agreement and the priority of payments as set forth in the Trust Deed, subject to the Issuer's obligation to return any Excess Swap Collateral directly to the Swap Counterparty under the Swap Agreement.

### **Credit rating of the Issuer Account Bank**

If at any time the Issuer Account Bank no longer is assigned the Account Provider Requisite Credit Rating, and/or such rating is withdrawn, the Issuer Account Bank shall (i) replace itself on substantially the same terms by an alternative bank having a rating at least equal to the Account Provider Requisite Credit Rating within a period of 60 calendar days after the occurrence of any such downgrading or withdrawal as a result of which the Issuer and/or the Issuer Administrator on its behalf will be required to transfer the balance on all such Issuer Accounts to such alternative bank, (ii) procure that a third party, having at least the Account Provider Requisite Credit Rating, guarantees the obligations of the Issuer Account Bank or (iii) (other than Fitch) find another solution which is suitable in order to maintain the then current ratings assigned to the Notes outstanding.

### **Interest on the Issuer Accounts**

The rate of interest payable by the Issuer Account Bank with respect to the Issuer Accounts will be determined by reference to €STR (or any replacement reference rate as agreed with the Issuer Account Bank in accordance with the Issuer Account Agreement) on a relevant day of the relevant Interest Period, in each case plus the spread as set forth in the ING Fee Letter or such other rate as may be agreed upon from time to time between the Issuer and the Issuer Account Bank. Should the interest rate on the Issuer Accounts drop below zero, the Issuer will be required to make payments to the Issuer Account Bank accordingly, provided that the balance standing to the credit of each Issuer Account are sufficient to make such payment.

## 5.6 Administration Agreement

### *General*

In the Administration Agreement, the Issuer Administrator will agree to provide certain administration and calculation services to the Issuer. The Issuer Administrator will, amongst others:

- (a) monitor the legal disclosure requirements of the Issuer;
- (b) as the case may be, arrange for the offering for registration with the tax authority of any Deed of Assignment and Pledge, including the Annex thereto;
- (c) keep general books of account and records including any records necessary for all Dutch taxation purposes related to the Issuer;
- (d) assist the auditors of the Issuer and provide such information to them as they may reasonably request for the purpose of carrying out their duties as auditors;
- (e) make all filings, give all notices, including without limitation, in connection with the Notes, and make all registrations and other notifications required in the day-to-day operation of the business of the Issuer or required to be given by the Issuer pursuant to the Transaction Documents;
- (f) provide accounting services, including reviewing receipts and payments, supervising and assisting in the preparation of interim statements and final accounts and supervising and assisting in the preparation of tax returns;
- (g) on behalf of the Issuer procure the compliance with Directive 2014/57/EU of the European Parliament and of the Council of 16 April 2014 on criminal sanctions for market abuse (the **Market Abuse Directive**), Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (the **Market Abuse Regulation**) and the Netherlands legislation implementing the Market Abuse Directive, including without limitation:
  - (i) maintaining a list of persons that act on behalf of or for the account of the Issuer and who, on a regular basis, have access to inside information in respect of the Issuer;
  - (ii) organising the assessment and disclosure of inside information, if any, on behalf of the Issuer; and
  - (iii) do such other acts and things necessary for such compliance, insofar as the Issuer Administrator having used its reasonable endeavours is able to do so;
- (h) perform all administrative actions in relation with the above and to take all other actions and do all other things which it would be reasonable to expect to give full effect to the above mentioned activities and services,

all the above subject to the condition that the Issuer shall at all times remain legally responsible and liable for such compliance.

For the purpose of (g)(ii) above, the Issuer Administrator shall have the right to consult with the Servicer and any legal counsel or other advisor in order to analyse whether such information can be considered 'inside information'.

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

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

## **5.7 Transparency Reporting Agreement**

Pursuant to article 7 of the EU Securitisation Regulation, the Issuer (as SSPE under the EU Securitisation Regulation) and the Seller (as originator under the EU Securitisation Regulation) are obliged to make information available to the Noteholders, competent authorities referred to in article 29 of the EU Securitisation Regulation and potential investors and to designate amongst themselves one entity to fulfil the information requirements pursuant to points (a), (b), (d), (e), (f) and (g) of the first subparagraph of article 7(1) of the EU Securitisation Regulation in relation to the securitisation transaction described in this Prospectus. Under the Transparency Reporting Agreement, the Issuer and the Seller shall, in accordance with article 7(2) of the EU Securitisation Regulation, designate and appoint the Seller as the Reporting Entity to fulfil the aforementioned information requirements. See also section 4.4 (*Regulatory & Industry Compliance– Reporting and disclosure under the EU Securitisation Regulation*).

## 5.8 Legal framework as to the assignment of the Receivables

### Assignment of the Receivables

The Receivables to be assigned on the Closing Date, will be assigned in accordance with article 3:94(3) of the Dutch Civil Code, without notification of the assignment to the Borrowers (*stille cessie*) by means of a notarial deed of assignment or private deed of assignment which will be registered with the Dutch tax authorities. Legal title will pass upon (i) the notarial deed being executed before the notary or (ii) registration of the private Deed of Assignment and Pledge. Furthermore, any New Receivables to be assigned on a Monthly Transfer Date during the Revolving Period, will be assigned in accordance with article 3:94(3) of the Dutch Civil Code as well.

The Receivables Purchase Agreement provides that the assignments will only be notified to the Borrowers upon the occurrence of any Assignment Notification Event.

Until notification of an Assignment Notification Event, Borrowers under the Loans can only validly pay to the Seller in order to fully discharge their payment obligations (*bevrijdend betalen*) in respect thereof. Upon notification to the Borrowers of the assignment of the Receivables to the Issuer, the Borrowers can only validly pay to the Issuer in order to fully discharge their payment obligations (*bevrijdend betalen*) in respect thereof.

The Seller has undertaken in the Receivables Purchase Agreement to transfer or procure the transfer of any (estimated) amounts received during the immediately preceding Monthly Receivables Calculation Period in respect of the Receivables to the Issuer Collection Account on each Monthly Receivables Payment Date. However, receipt of such amounts by the Issuer is subject to such payments actually being made. Payments made by Borrowers under the Receivables to the Seller prior to notification of the assignment but after the Seller is declared bankrupt, will form part of the bankruptcy estate of the Seller. In respect of these payments, the Issuer will be a creditor of the estate (*boedelschuldeiser*) of the Seller and will receive payment prior to (*unsecured*) creditors with ordinary claims, but after preferred creditors of the estate and after deduction of the general bankruptcy costs (*algemene faillissementskosten*), which may be material. Under Dutch law, in respect of payments made by Borrowers to the Seller prior to notification of the assignment and prior to bankruptcy or suspension of payments of the Seller as set out above, the Issuer will be an ordinary, non-preferred creditor, having a claim against the Seller.

In case of a bankruptcy of the Seller, the Issuer will notify the Borrowers whereupon the Borrowers will be obliged to pay interest and principal due under the Loans to the Issuer. The same analysis applies *mutatis mutandis* in respect of the Security Trustee as pledgee after the occurrence of a Pledge Notification Event. In such case the Security Trustee may notify all Borrowers of the assignment and pledge.

If the Seller were to be subjected to a resolution scheme under the SRM Regulation and the Dutch rules implementing the BRRD, depending on the required loss absorption and recapitalisation requirements, the risk cannot be excluded that the ordinary, non-preferred claim of the Issuer in respect of amounts paid by the Borrowers but not yet passed on, will be subject to bail-in powers and hence to the risk of being written off or converted into equity.

### Set-off

The statutory right of the Borrowers to set-off has contractually been excluded. See further the risk factor entitled *Set-off by Borrowers may affect the proceeds under the Receivables*.

## All Moneys Security Rights

Some of the Receivables are secured by Security Interests. The Security Interests do not only secure the Receivables but also other liabilities and moneys that the Borrower now or in the future may owe to the Seller under any legal relationship (**All Moneys Security Rights**).

Under Dutch law a mortgage right is an accessory right (*afhankelijk recht*) which follows by operation of law the receivable with which it is connected. Furthermore, a mortgage right is an ancillary right (*nevenrecht*) and the assignee of a receivable secured by an ancillary right will have the benefit of such right, unless the ancillary right by its nature is, or has been construed as, a purely personal right (*persoonlijk recht*) of the assignor or such transfer is prohibited by law. According to a judgment of the Supreme Court (HR 16 September 1988, NJ 1989, 10, Balkema), the answer to the question whether an All Moneys Security Right passes along with such receivable upon its assignment, depends on the intention of the grantor and the holder of the security. If the intention of the parties was to create a security right as a personal right (*persoonlijk recht*) which was granted for the benefit of that particular creditor only, the security right would not follow upon assignment of (one of) the receivables it secures. In the absence of such personal character, the security right follows the receivables as an accessory right upon assignment of the receivables. The above applies *mutatis mutandis* to the creation of a pledge. The substance of the contract, in particular the wording of the relevant security document (such as a mortgage deed), is *prima facie* evidence of such intention, although it is not inconceivable that evidence to the contrary is brought forward.

The Loan Conditions do not contain a provision stating that the Security Interests do not (partly) follow upon transfer thereof. The Issuer has been advised that on that basis and in the absence of evidence to the contrary in specific cases, the Security Interests securing the Receivables will (partly) follow the Receivables upon transfer of legal title thereof to the Issuer and that co-owned Security Interests come into existence by operation of law between the Issuer and the Seller (each a **Co-Owner**) which secure both the Receivables and any other claim the Seller may have against the Borrower.

The Dutch Civil Code provides for certain mandatory provisions applying to such co-ownership (*gemeenschap*). The co-ownership entitlements are referred to as 'shares' (*aandelen*) and are considered proprietary rights (*vermogensrechten*). The Dutch Civil Code provides for various mandatory rules applying to co-ownership (*gemeenschap*). Pursuant to the Dutch Civil Code, co-owners may make arrangements with respect to the day-to-day management of the co-owned assets. In the Receivables Purchase Agreement the Seller, the Issuer and the Security Trustee will agree that the Issuer and/or the Security Trustee, as the case may be, will manage and administer any co-held All Moneys Security Rights. It is uncertain whether the foreclosure of the All Moneys Security Rights will be considered day-to-day management, and, consequently whether, upon the Seller being declared bankrupt or being granted a suspension of payments, the consent of the Seller's bankruptcy trustee or administrator may be required for such foreclosure.

The Dutch Civil Code (article 3:166(2)) states that the shares (*aandelen*) of the co-owners (*deelgenoten*) in a jointly owned asset are equal, unless their 'legal relationship' provides otherwise. Pursuant to leading legal commentators and lower case law, such 'legal relationship' may be a contractual relationship. The Seller, the Issuer and the Security Trustee will agree in the Receivables Purchase Agreement that in case of foreclosure, the share (*aandeel*) in each co-held Security Interest of the Security Trustee and/or the Issuer will be equal to the Outstanding Principal Amount of the Receivable, increased with interest and costs. The share of the Seller will be equal to the Net Foreclosure Proceeds less the Outstanding Principal Amount of the Receivables, increased with interest and costs, if any. This provision is intended by the Issuer and the Seller to qualify as a legal relationship as meant in article 3:166(2) of the Dutch Civil Code. The Issuer has been advised that the sharing arrangement in the Receivables Purchase Agreement should, with the express reservation that there is no supreme court case law directly at point, be upheld by a Dutch court as a 'legal relationship' determining the entitlements (*aandelen*) of the Co-Owners as meant in article 3:166(2) of the Dutch Civil Code which



would be binding upon the Co-owners and their bankruptcy trustees (*curator*) or administrators (*bewindvoerder*).

To mitigate against the remote risk that the arrangement is not enforceable against a bankruptcy trustee or administrator, the Receivables Purchase Agreement will provide that in the case of a breach by the Seller of its obligations under these arrangements or if any of such agreements are dissolved, void, nullified, or ineffective for any reason in respect of the Seller (including its bankruptcy), it shall compensate the Issuer and/or the Security Trustee, as the case may be, for any and all loss, cost, claim, damage and expense whatsoever which the Issuer and/or the Security Trustee (including, without limitation, any reasonable legal and accounting fees and expenses, but, for the avoidance of doubt, excluding any indirect and consequential damage or losses (*indirecte schade en gevolgschade*)), as the case may be, incurs as a result thereof. Such compensation will be paid by the Seller as soon as possible, but in any event ultimately on the Monthly Receivables Payment Date immediately succeeding such Monthly Receivables Calculation Period. The indemnity will be expressed immediately due and payable in case the relevant Borrower defaults (*in verzuim is*) in respect of the relevant Receivable or the receivable(s) it owes to the Seller.

In the Receivables Purchase Agreement the Seller, the Issuer and/or the Security Trustee (as applicable) will agree that the Issuer and/or the Security Trustee (as applicable) will manage and administer any jointly-held Security Interests.

## **6. PORTFOLIO INFORMATION**

### **6.1 Stratification Tables**

The Receivables have been selected by the Seller from a larger pool of Loans that meet the Loan Criteria applying a random selection method. There can be no assurance that any New Receivables acquired by the Issuer after the Closing Date will have the exact same characteristics as exhibited by the Initial Portfolio (as defined below).

The key characteristics of the Initial Portfolio of Loans selected for assignment on the Closing Date as of the Initial Cut-Off Date are set out below.

The accuracy of the data included in the stratification tables in respect of the Portfolio as selected on the Initial Cut-Off Date has been verified by an appropriate and independent party.

The Initial Portfolio satisfies the homogeneous conditions of Articles 1(a), (b), (c) and (d) of the RTS Homogeneity because all Loans:

- (a) are loans provided to any type of enterprise or corporation (art 1((iii) RTS Homogeneity);
- (b) have been underwritten according to similar approaches to the assessment of credit risk associated with the Loans (and in accordance with the requirements of Article 9(1) of the EU Securitisation Regulation);
- (c) are serviced according to similar servicing procedures with respect to monitoring, collection and administration of Receivables from the Loans;
- (d) fall within the same asset category of credit facilities, including loans and leases, provided to any type of enterprise or corporation and
- (e) meet at least one of the relevant homogeneity factors in accordance with article 2(3)(a) and (b) of the RTS Homogeneity as all Borrowers are resident of, or established in, the Netherlands.

The criteria set out in (a) up to and including (e) are derived from Article 20(8) of the EU Securitisation Regulation and the RTS Homogeneity.

The Seller has engaged an appropriate and independent party to undertake an agreed-upon procedures review on the Loans comprising the Initial Portfolio as per the Initial Cut-off Date in accordance with article 22(2) of the EU Securitisation Regulation.

More than 90% of the loans in the final pool were part of the audit pool. The agreed-upon procedure review includes the review of 20 loan characteristics which include, but are not limited to presence of a loan agreement, currency, interest payment frequency, interest rate and interest margin, next interest revision date for fixed loans, principal payment frequency, principal amortisation type, original valuation amount, ranking / lien, collateral type, real estate geographical location, borrower & loan id, loan start date, outstanding amount, maturity date, industry, internal rating of the borrower, arrears amount and borrower segmentation. For the review of the Loans a confidence level of 99.00% is applied. In addition, a sample of the Loan Criteria against the entire loan-by-loan data tape is verified by an appropriate and independent party and the Seller confirms that no adverse findings have been found. The New Receivables sold by the Seller to the Issuer after the Closing Date will not have been subject to a specific agreed-upon procedures review for the securitisation transaction described in this Prospectus.

As a result of repayments and prepayments since the Initial Cut-off Date, the actual portfolio of Loans sold on the Closing Date, may differ from the Initial Portfolio and the Receivables will be sold and assigned to the Issuer without undue delay on the Closing Date.

### Key characteristics of the Initial Portfolio

The characteristics set out below relate to the Initial Portfolio as of the Initial Cut-off Date. These characteristics demonstrate the capacity to, subject to the risk factors referred to under *Risk Factors*, produce funds to pay interest on the Class A Notes and principal on the Notes, provided that each such payment shall be subject to the relevant Priority of Payments as further described under *Credit Structure*. All amounts below are expressed in euro.

As of the Initial Cut-off Date 61.95% of the Loans were covered by a mortgage.

**Table 1: Distribution by PD Bucket**

Probability of Default	Current				Initial			
	Number of Reference Entities	Number of Reference Obligations	Reference Obligation Notional Amount (EUR)	% by Notional Amount	Number of Reference Entities	Number of Reference Obligations	Reference Obligation Notional Amount (EUR)	% by Notional Amount
0.0000%-0.0146%	2	3	18,454,079.59	0.21%	2	3	18,454,079.59	0.21%
0.0146%-0.0252%	3	7	13,540,441.36	0.16%	3	7	13,540,441.36	0.16%
0.0252%-0.0357%	7	13	86,543,070.49	1.00%	7	13	86,543,070.49	1.00%
0.0357%-0.0461%	0	0	0.00	0.00%	0	0	0.00	0.00%
0.0461%-0.0565%	0	0	0.00	0.00%	0	0	0.00	0.00%
0.0565%-0.0755%	9	16	81,854,437.85	0.95%	9	16	81,854,437.85	0.95%
0.0755%-0.1131%	0	0	0.00	0.00%	0	0	0.00	0.00%
0.1131%-0.1721%	140	161	52,165,612.54	0.60%	140	161	52,165,612.54	0.60%
0.1721%-0.2554%	73	79	27,228,121.93	0.32%	73	79	27,228,121.93	0.32%
0.2554%-0.3694%	1,923	2,582	1,379,415,198.41	16.00%	1,923	2,582	1,379,415,198.41	16.00%
0.3694%-0.5795%	174	255	356,582,573.72	4.14%	174	255	356,582,573.72	4.14%
0.5795%-0.9991%	2,897	3,898	2,550,002,288.62	29.57%	2,897	3,898	2,550,002,288.62	29.57%
0.9991%-1.7713%	5,076	6,529	2,834,728,598.14	32.87%	5,076	6,529	2,834,728,598.14	32.87%
1.7713%-3.2293%	961	1,246	618,844,962.63	7.18%	961	1,246	618,844,962.63	7.18%
3.2293%-6.0547%	265	394	389,788,971.19	4.52%	265	394	389,788,971.19	4.52%
6.0547%-11.6740%	149	205	213,747,900.25	2.48%	149	205	213,747,900.25	2.48%
11.6740%-20.2013%	0	0	0.00	0.00%	0	0	0.00	0.00%
20.2013%-29.5804%	0	0	0.00	0.00%	0	0	0.00	0.00%
22.7282%-29.5804%	0	0	0.00	0.00%	0	0	0.00	0.00%
29.5804%-100.0000%	0	0	0.00	0.00%	0	0	0.00	0.00%
Rating out of use	0	0	0.00	0.00%	0	0	0.00	0.00%
<b>TOTAL</b>	<b>11,679</b>	<b>15,388</b>	<b>8,622,896,256.72</b>	<b>100.00%</b>	<b>11,679</b>	<b>15,388</b>	<b>8,622,896,256.72</b>	<b>100.00%</b>

**Table 2: Distribution by LGD Bucket**

Loss Given Default	Current			Initial		
	Number of Reference Obligations	Reference Obligation Notional Amount (EUR)	% by Notional Amount	Number of Reference Obligations	Reference Obligation Notional Amount (EUR)	% by Notional Amount
0.01% - 10.00%	8,623	5,634,953,063.43	65.35%	8,623	5,634,953,063.43	65.35%
10.01% - 20.00%	2,942	1,467,354,441.55	17.02%	2,942	1,467,354,441.55	17.02%
20.01% - 30.00%	821	404,303,959.38	4.69%	821	404,303,959.38	4.69%
30.01% - 40.00%	2,268	564,613,354.63	6.55%	2,268	564,613,354.63	6.55%
40.01% - 50.00%	734	551,671,437.73	6.40%	734	551,671,437.73	6.40%
<b>TOTAL</b>	<b>15,388</b>	<b>8,622,896,256.72</b>	<b>100.00%</b>	<b>15,388</b>	<b>8,622,896,256.72</b>	<b>100.00%</b>

**Table 3: Distribution by ING Customer Rating Model**

ING Rating Model	Current				Initial			
	Number of Reference Entities	Number of Reference Obligations	Reference Obligation Notional Amount (EUR)	% by Notional Amount	Number of Reference Entities	Number of Reference Obligations	Reference Obligation Notional Amount (EUR)	% by Notional Amount
KH	2,280	3,775	3,891,427,058.55	45.13%	2,280	3,775	3,891,427,058.55	45.13%
KI	1,044	1,566	1,542,257,295.71	17.89%	1,044	1,566	1,542,257,295.71	17.89%
SH	7,279	8,678	1,537,687,295.96	17.83%	7,279	8,678	1,537,687,295.96	17.83%
GL	117	305	1,227,985,567.67	14.24%	117	305	1,227,985,567.67	14.24%
SI	911	1,003	337,899,563.11	3.92%	911	1,003	337,899,563.11	3.92%
KQ	39	51	80,514,514.72	0.93%	39	51	80,514,514.72	0.93%
SQ	9	10	5,124,961.00	0.06%	9	10	5,124,961.00	0.06%
<b>TOTAL</b>	<b>11,679</b>	<b>15,388</b>	<b>8,622,896,256.72</b>	<b>100.00%</b>	<b>11,679</b>	<b>15,388</b>	<b>8,622,896,256.72</b>	<b>100.00%</b>

**Table 4: Distribution by Customer Segment**

Customer Segment	Current				Initial			
	Number of Reference Entities	Number of Reference Obligations	Reference Obligation Notional Amount (EUR)	% by Notional Amount	Number of Reference Entities	Number of Reference Obligations	Reference Obligation Notional Amount (EUR)	% by Notional Amount
Mid-Sized Corporates (retail)	1,232	2,183	3,916,649,055.03	45.42%	1,232	2,183	3,916,649,055.03	45.42%
Small Business Finance	6,541	8,278	3,292,446,465.31	38.18%	6,541	8,278	3,292,446,465.31	38.18%
Small and Medium Enterprises	3,906	4,927	1,413,800,736.38	16.40%	3,906	4,927	1,413,800,736.38	16.40%
<b>TOTAL</b>	<b>11,679</b>	<b>15,388</b>	<b>8,622,896,256.72</b>	<b>100.00%</b>	<b>11,679</b>	<b>15,388</b>	<b>8,622,896,256.72</b>	<b>100.00%</b>

**Table 5: Distribution by Country**

Country Name	Country	Current				Initial			
		Number of Reference Entities	Number of Reference Obligations	Reference Obligation Notional Amount (EUR)	% by Notional Amount	Number of Reference Entities	Number of Reference Obligations	Reference Obligation Notional Amount (EUR)	% by Notional Amount
Netherlands	NL	11,679	15,388	8,622,896,256.72	100.00%	11,679	15,388	8,622,896,256.72	100.00%
<b>TOTAL</b>		<b>11,679</b>	<b>15,388</b>	<b>8,622,896,256.72</b>	<b>100.00%</b>	<b>11,679</b>	<b>15,388</b>	<b>8,622,896,256.72</b>	<b>100.00%</b>

**Table 6: Distribution by Customer Type**

Customer Type	Current				Initial			
	Number of Reference Entities	Number of Reference Obligations	Reference Obligation Notional Amount (EUR)	% by Notional Amount	Number of Reference Entities	Number of Reference Obligations	Reference Obligation Notional Amount (EUR)	% by Notional Amount
Corporates	11,650	15,328	8,327,487,658.99	96.57%	11,650	15,328	8,327,487,658.99	96.57%
Governments	29	60	295,408,597.73	3.43%	29	60	295,408,597.73	3.43%
<b>TOTAL</b>	<b>11,679</b>	<b>15,388</b>	<b>8,622,896,256.72</b>	<b>100.00%</b>	<b>11,679</b>	<b>15,388</b>	<b>8,622,896,256.72</b>	<b>100.00%</b>

**Table 7: Distribution by Product Type**

Product Type	Current			Initial		
	Number of Reference Obligations	Reference Obligation Notional Amount	% by Notional Amount	Number of Reference Obligations	Reference Obligation Notional Amount	% by Notional Amount
Annuitätenlening	174	25,091,322.82	0.29%	174	25,091,322.82	0.29%
EURIBOR Optimaal Lening	565	868,818,958.36	10.08%	565	868,818,958.36	10.08%
Euroflexlening	670	306,138,989.96	3.55%	670	306,138,989.96	3.55%
Middellang Krediet	136	30,698,046.76	0.36%	136	30,698,046.76	0.36%
Middellang Krediet Roll Over	6	27,567,136.22	0.32%	6	27,567,136.22	0.32%
Rentevastlening	13,837	7,364,581,802.60	85.41%	13,837	7,364,581,802.60	85.41%
<b>TOTAL</b>	<b>15,388</b>	<b>8,622,896,256.72</b>	<b>100.00%</b>	<b>15,388</b>	<b>8,622,896,256.72</b>	<b>100.00%</b>

**Table 8a: Distribution by Industry Category**

NAICS Code	Industry Category	Current				Initial			
		Number of Reference Entities	Number of Reference Obligations	Reference Obligation Notional Amount	% by Notional Amount	Number of Reference Entities	Number of Reference Obligations	Reference Obligation Notional Amount	% by Notional Amount
03	Chemicals, Health & Pharmaceuticals	521	811	1,313,302,032.59	15.23%	521	811	1,313,302,032.59	15.23%
15	Services	1,691	2,154	1,098,309,147.14	12.74%	1,691	2,154	1,098,309,147.14	12.74%
22	Real Estate	827	1,096	512,513,686.46	5.94%	827	1,096	512,513,686.46	5.94%
07	Food, Beverages & Personal Care	2,042	2,913	1,670,134,145.42	19.37%	2,042	2,913	1,670,134,145.42	19.37%
18	Transportation & Logistics	545	848	653,152,688.78	7.57%	545	848	653,152,688.78	7.57%
02	General Industries	1,227	1,574	839,253,715.24	9.73%	1,227	1,574	839,253,715.24	9.73%
21	Builders & Contractors	1,766	2,148	913,892,384.43	10.60%	1,766	2,148	913,892,384.43	10.60%
14	Retail	1,300	1,638	566,513,304.95	6.57%	1,300	1,638	566,513,304.95	6.57%
26	Non-Bank Financial Institutions	300	391	191,294,858.15	2.22%	300	391	191,294,858.15	2.22%
01	Automotive	708	904	334,036,056.36	3.87%	708	904	334,036,056.36	3.87%
11	Natural Resources	118	145	122,062,721.23	1.42%	118	145	122,062,721.23	1.42%
10	Media	364	429	165,981,323.21	1.92%	364	429	165,981,323.21	1.92%
04	Civic, Religious & Social Organizations	44	58	23,867,826.35	0.28%	44	58	23,867,826.35	0.28%
16	Technology	185	218	118,369,968.66	1.37%	185	218	118,369,968.66	1.37%
24	Lower Public Administration	7	12	43,039,292.83	0.50%	7	12	43,039,292.83	0.50%
17	Telecom	25	38	52,381,627.19	0.61%	25	38	52,381,627.19	0.61%
20	Utilities	9	11	4,791,477.73	0.06%	9	11	4,791,477.73	0.06%
<b>TOTAL</b>		<b>11,679</b>	<b>15,388</b>	<b>8,622,896,256.72</b>	<b>100.00%</b>	<b>11,679</b>	<b>15,388</b>	<b>8,622,896,256.72</b>	<b>100.00%</b>

**Table 8b: Distribution by NACE Industry Category**

NACE Code	Industry Category	Current				Initial			
		Number of Reference Entities	Number of Reference Obligations	Reference Obligation Notional Amount	% by Notional Amount	Number of Reference Entities	Number of Reference Obligations	Reference Obligation Notional Amount	% by Notional Amount
G	Wholesale and Retail Trade: Repair of	3,164	4,014	1,869,826,093.91	21.68%	3,164	4,014	1,869,826,093.91	21.68%
A	Agriculture, Forestry and Fishing	963	1,560	1,170,091,205.51	13.57%	963	1,560	1,170,091,205.51	13.57%
Q	Human Health and Social Work Activities	394	651	1,166,718,008.73	13.53%	394	651	1,166,718,008.73	13.53%
C	Manufacturing	1,272	1,677	892,852,972.33	10.35%	1,272	1,677	892,852,972.33	10.35%
H	Transportation and Storage	512	797	628,501,094.82	7.29%	512	797	628,501,094.82	7.29%
F	Construction	1,291	1,538	555,288,499.25	6.44%	1,291	1,538	555,288,499.25	6.44%
M	Professional, Scientific and Technical A	916	1,112	501,477,219.96	5.82%	916	1,112	501,477,219.96	5.82%
L	Real Estate Activities	797	1,060	491,652,011.82	5.70%	797	1,060	491,652,011.82	5.70%
I	Accommodation and Food Service Activities	681	868	285,388,466.44	3.31%	681	868	285,388,466.44	3.31%
N	Administrative and Support Service Activities	384	470	235,452,425.54	2.73%	384	470	235,452,425.54	2.73%
K	Financial and Insurance Activities	336	432	200,017,347.79	2.32%	336	432	200,017,347.79	2.32%
J	Information and Communication	207	255	188,718,179.45	2.19%	207	255	188,718,179.45	2.19%
P	Education	88	111	156,091,468.77	1.81%	88	111	156,091,468.77	1.81%
R	Arts, Entertainment and Recreation	267	346	97,151,635.93	1.13%	267	346	97,151,635.93	1.13%
S	Other Service Activities	361	421	92,301,475.53	1.07%	361	421	92,301,475.53	1.07%
O	Public Administration and Defence: Co	4	9	42,692,091.91	0.50%	4	9	42,692,091.91	0.50%
E	Water Supply: Sewerage, Waste Manag	29	50	40,718,067.16	0.47%	29	50	40,718,067.16	0.47%
B	Mining and Quarrying	6	9	4,398,347.49	0.05%	6	9	4,398,347.49	0.05%
D	Electricity, Gas, Steam and Air Conditioning	7	8	3,559,644.38	0.04%	7	8	3,559,644.38	0.04%
<b>TOTAL</b>		<b>11,679</b>	<b>15,388</b>	<b>8,622,896,256.72</b>	<b>100.00%</b>	<b>11,679</b>	<b>15,388</b>	<b>8,622,896,256.72</b>	<b>100.00%</b>

**Table 9: Distribution by Currency**

Currency	Current			Initial		
	Number of Reference Obligations	Reference Obligation Notional Amount (EUR)	% by Notional Amount	Number of Reference Obligations	Reference Obligation Notional Amount (EUR)	% by Notional Amount
EUR	15,388	8,622,896,256.72	100.00%	15,388	8,622,896,256.72	100.00%
<b>TOTAL</b>	<b>15,388</b>	<b>8,622,896,256.72</b>	<b>100.00%</b>	<b>15,388</b>	<b>8,622,896,256.72</b>	<b>100.00%</b>

**Table 10: Distribution by Customer Province**

Province Name	<i>Current</i>				<i>Initial</i>			
	Number of Reference Entities	Number of Reference Obligations	Reference Obligation Notional Amount (EUR)	% by Notional Amount	Number of Reference Entities	Number of Reference Obligations	Reference Obligation Notional Amount (EUR)	% by Notional Amount
Zuid-Holland	2,440	3,135	1,758,205,990.80	20.39%	2,440	3,135	1,758,205,990.80	20.39%
Gelderland	1,694	2,215	1,317,670,528.46	15.28%	1,694	2,215	1,317,670,528.46	15.28%
Noord-Brabant	1,474	1,930	1,296,221,266.12	15.03%	1,474	1,930	1,296,221,266.12	15.03%
Noord-Holland	1,889	2,491	1,227,809,274.32	14.24%	1,889	2,491	1,227,809,274.32	14.24%
Utrecht	843	1,140	602,446,375.82	6.99%	843	1,140	602,446,375.82	6.99%
Overijssel	760	1,027	598,979,083.42	6.95%	760	1,027	598,979,083.42	6.95%
Limburg	636	804	431,670,999.18	5.01%	636	804	431,670,999.18	5.01%
Groningen	471	644	379,095,276.41	4.40%	471	644	379,095,276.41	4.40%
Flevoland	340	467	290,914,324.95	3.37%	340	467	290,914,324.95	3.37%
Drenthe	394	524	252,888,040.36	2.93%	394	524	252,888,040.36	2.93%
Friesland	400	556	252,411,010.26	2.93%	400	556	252,411,010.26	2.93%
Zeeland	338	455	214,584,086.62	2.49%	338	455	214,584,086.62	2.49%
<b>TOTAL</b>	<b>11,679</b>	<b>15,388</b>	<b>8,622,896,256.72</b>	<b>100.00%</b>	<b>11,679</b>	<b>15,388</b>	<b>8,622,896,256.72</b>	<b>100.00%</b>

**Table 11: Distribution by Maturity**

Year	Current			Initial		
	Number of Reference Obligations	Reference Obligation Notional Amount (EUR)	% by Notional Amount	Number of Reference Obligations	Reference Obligation Notional Amount (EUR)	% by Notional Amount
2021	249	41,872,682.52	0.49%	249	41,872,682.52	0.49%
2022	970	240,008,414.12	2.78%	970	240,008,414.12	2.78%
2023	1,064	403,470,762.50	4.68%	1,064	403,470,762.50	4.68%
2024	1,126	501,173,057.69	5.81%	1,126	501,173,057.69	5.81%
2025	1,354	666,322,627.64	7.73%	1,354	666,322,627.64	7.73%
2026	1,399	900,369,521.42	10.44%	1,399	900,369,521.42	10.44%
2027	1,335	716,357,254.70	8.31%	1,335	716,357,254.70	8.31%
2028	1,808	1,330,526,440.86	15.43%	1,808	1,330,526,440.86	15.43%
2029	2,055	1,449,056,462.09	16.80%	2,055	1,449,056,462.09	16.80%
2030	1,451	936,173,399.65	10.86%	1,451	936,173,399.65	10.86%
2031	942	591,721,384.84	6.86%	942	591,721,384.84	6.86%
2032	449	118,976,110.46	1.38%	449	118,976,110.46	1.38%
2033	335	117,242,015.47	1.36%	335	117,242,015.47	1.36%
2034	212	65,886,225.12	0.76%	212	65,886,225.12	0.76%
2035	209	59,448,899.76	0.69%	209	59,448,899.76	0.69%
2036	152	52,371,866.52	0.61%	152	52,371,866.52	0.61%
2037	110	53,178,975.60	0.62%	110	53,178,975.60	0.62%
2038	42	40,104,979.86	0.47%	42	40,104,979.86	0.47%
2039	15	10,979,227.77	0.13%	15	10,979,227.77	0.13%
2040	17	45,800,482.78	0.53%	17	45,800,482.78	0.53%
2041	18	55,054,378.99	0.64%	18	55,054,378.99	0.64%
2042	23	127,217,221.46	1.48%	23	127,217,221.46	1.48%
2043	14	21,655,625.43	0.25%	14	21,655,625.43	0.25%
2044	9	16,915,774.00	0.20%	9	16,915,774.00	0.20%
2045	5	13,488,375.00	0.16%	5	13,488,375.00	0.16%
2046	9	16,860,028.55	0.20%	9	16,860,028.55	0.20%
2047	9	24,397,163.31	0.28%	9	24,397,163.31	0.28%
2048	2	2,441,700.00	0.03%	2	2,441,700.00	0.03%
2049	4	3,758,266.39	0.04%	4	3,758,266.39	0.04%
2050	1	66,932.22	0.00%	1	66,932.22	0.00%
<b>TOTAL</b>	<b>15,388</b>	<b>8,622,896,256.72</b>	<b>100.00%</b>	<b>15,388</b>	<b>8,622,896,256.72</b>	<b>100.00%</b>

**Table 12: Distribution by Interest Rate Type**

Interest Rate Type	Current			Initial		
	Number of Reference Obligations	Reference Obligation Notional Amount (EUR)	% by Notional Amount	Number of Reference Obligations	Reference Obligation Notional Amount (EUR)	% by Notional Amount
Euribor 1m	238	177,851,766.72	2.06%	238	177,851,766.72	2.06%
Euribor 3m	1,090	988,769,368.51	11.47%	1,090	988,769,368.51	11.47%
Euribor 6m	16	35,068,351.75	0.41%	16	35,068,351.75	0.41%
Euribor 12m	14	3,297,310.24	0.04%	14	3,297,310.24	0.04%
Fix	14,030	7,417,909,459.50	86.03%	14,030	7,417,909,459.50	86.03%
<b>TOTAL</b>	<b>15,388</b>	<b>8,622,896,256.72</b>	<b>100.00%</b>	<b>15,388</b>	<b>8,622,896,256.72</b>	<b>100.00%</b>



**Table 13: Distribution by Interest Rate Term**

Interest Rate Term	Current			Initial		
	Number of Reference Obligations	Reference Obligation Notional Amount (EUR)	% by Notional Amount	Number of Reference Obligations	Reference Obligation Notional Amount (EUR)	% by Notional Amount
1 Month	240	178,003,016.72	2.06%	240	178,003,016.72	2.06%
2-3 Months	1,107	1,000,192,945.45	11.60%	1,107	1,000,192,945.45	11.60%
4-6 Months	65	54,303,230.99	0.63%	65	54,303,230.99	0.63%
7-9 Months	22	1,093,935.39	0.01%	22	1,093,935.39	0.01%
10-12 Months	245	67,607,867.03	0.78%	245	67,607,867.03	0.78%
>1-3 Years	2,380	677,075,367.72	7.85%	2,380	677,075,367.72	7.85%
>3-5 Years	5,386	2,619,637,342.59	30.38%	5,386	2,619,637,342.59	30.38%
>5-7 Years	1,018	715,640,275.99	8.30%	1,018	715,640,275.99	8.30%
>7-10 Years	4,763	3,028,945,180.03	35.13%	4,763	3,028,945,180.03	35.13%
>10 Years	162	280,397,094.81	3.25%	162	280,397,094.81	3.25%
<b>TOTAL</b>	<b>15,388</b>	<b>8,622,896,256.72</b>	<b>100.00%</b>	<b>15,388</b>	<b>8,622,896,256.72</b>	<b>100.00%</b>

**Table 14: Distribution by Interest Rate**

Interest Rate	Current			Initial		
	Number of Reference Obligations	Reference Obligation Notional Amount (EUR)	% by Notional Amount	Number of Reference Obligations	Reference Obligation Notional Amount (EUR)	% by Notional Amount
0.01% - 1.00%	258	439,667,774.15	5.10%	258	439,667,774.15	5.10%
1.01% - 2.00%	2,708	3,209,575,593.57	37.22%	2,708	3,209,575,593.57	37.22%
2.01% - 3.00%	7,101	3,657,603,592.37	42.42%	7,101	3,657,603,592.37	42.42%
3.01% - 3.25%	1,159	395,307,658.67	4.58%	1,159	395,307,658.67	4.58%
3.26% - 3.50%	1,030	317,553,085.71	3.68%	1,030	317,553,085.71	3.68%
3.51% - 3.75%	732	214,610,971.03	2.49%	732	214,610,971.03	2.49%
3.76% - 4.00%	607	143,115,156.95	1.66%	607	143,115,156.95	1.66%
4.01% - 4.25%	362	63,725,866.45	0.74%	362	63,725,866.45	0.74%
4.26% - 4.50%	306	49,687,989.93	0.58%	306	49,687,989.93	0.58%
4.51% - 4.75%	216	35,018,952.73	0.41%	216	35,018,952.73	0.41%
4.76% - 5.00%	250	35,853,087.11	0.42%	250	35,853,087.11	0.42%
5.01% - 5.25%	142	20,024,198.79	0.23%	142	20,024,198.79	0.23%
5.26% - 5.50%	126	12,291,879.39	0.14%	126	12,291,879.39	0.14%
5.51% - 5.75%	107	9,389,356.01	0.11%	107	9,389,356.01	0.11%
5.76% - 6.00%	72	6,314,328.07	0.07%	72	6,314,328.07	0.07%
6.01% - 6.25%	49	2,600,536.33	0.03%	49	2,600,536.33	0.03%
6.26% - 6.50%	56	1,224,058.20	0.01%	56	1,224,058.20	0.01%
6.51% - 6.75%	40	5,763,731.81	0.07%	40	5,763,731.81	0.07%
6.76% - 7.00%	18	745,718.93	0.01%	18	745,718.93	0.01%
7.01% - 7.25%	10	530,714.27	0.01%	10	530,714.27	0.01%
7.26% - 7.50%	13	594,900.03	0.01%	13	594,900.03	0.01%
7.51% - >	26	1,697,106.22	0.02%	26	1,697,106.22	0.02%
<b>TOTAL</b>	<b>15,388</b>	<b>8,622,896,256.72</b>	<b>100.00%</b>	<b>15,388</b>	<b>8,622,896,256.72</b>	<b>100.00%</b>

**Table 15: Distribution by Interest Rate Review Date**

Interest Rate Type	Interest Rate Year	Interest Rate	Current			Initial		
			Number of Reference Obligations	Reference Obligation Notional Amount (EUR)	% by Notional Amount	Number of Reference Obligations	Reference Obligation Notional Amount (EUR)	% by Notional Amount
Fixed	2021	0	821	236,572,687.43	2.74%	821	236,572,687.43	2.74%
Fixed	2022	0	2,384	825,679,396.05	9.58%	2,384	825,679,396.05	9.58%
Fixed	2023	0	2,584	1,121,188,313.54	13.00%	2,584	1,121,188,313.54	13.00%
Fixed	2024	0	2,212	1,076,375,331.21	12.48%	2,212	1,076,375,331.21	12.48%
Fixed	2025	0	1,433	774,691,913.21	8.98%	1,433	774,691,913.21	8.98%
Fixed	2026	0	1,193	795,610,826.45	9.23%	1,193	795,610,826.45	9.23%
Fixed	2027	0	745	476,736,902.73	5.53%	745	476,736,902.73	5.53%
Fixed	2028	0	858	721,325,990.11	8.37%	858	721,325,990.11	8.37%
Fixed	2029	0	927	734,688,827.85	8.52%	927	734,688,827.85	8.52%
Fixed	2030	0	576	436,235,801.64	5.06%	576	436,235,801.64	5.06%
Fixed	2031	0	296	218,760,364.28	2.54%	296	218,760,364.28	2.54%
Fixed	2032	0	1	43,105.00	0.00%	1	43,105.00	0.00%
Floating	0	0	1,358	1,204,986,797.22	13.97%	1,358	1,204,986,797.22	13.97%
<b>TOTAL</b>			<b>15,388</b>	<b>8,622,896,256.72</b>	<b>100.00%</b>	<b>15,388</b>	<b>8,622,896,256.72</b>	<b>100.00%</b>

**Table 16: Distribution by Interest Payment Frequency**

Frequency	Current			Initial		
	Number of Reference Obligations	Reference Obligation Notional Amount (EUR)	% by Notional Amount	Number of Reference Obligations	Reference Obligation Notional Amount (EUR)	% by Notional Amount
Monthly	14,707	7,355,749,111.40	85.30%	14,707	7,355,749,111.40	85.30%
Bi-Monthly	2	7,700,000.00	0.09%	2	7,700,000.00	0.09%
Quarterly	669	1,198,693,611.98	13.90%	669	1,198,693,611.98	13.90%
Semi-Annually	4	46,093,333.32	0.53%	4	46,093,333.32	0.53%
Annually	6	14,660,200.02	0.17%	6	14,660,200.02	0.17%
<b>TOTAL</b>	<b>15,388</b>	<b>8,622,896,256.72</b>	<b>100.00%</b>	<b>15,388</b>	<b>8,622,896,256.72</b>	<b>100.00%</b>

**Table 17: Distribution by Principal Payment Type**

Principal Payment Type	Current			Initial		
	Number of Reference Obligations	Reference Obligation Notional Amount (EUR)	% by Notional Amount	Number of Reference Obligations	Reference Obligation Notional Amount (EUR)	% by Notional Amount
Annuity	174	25,091,322.82	0.29%	174	25,091,322.82	0.29%
Bullet	1,315	513,797,017.84	5.96%	1,315	513,797,017.84	5.96%
Linear	6,461	2,545,490,869.25	29.52%	6,461	2,545,490,869.25	29.52%
Partial Bullet	7,438	5,538,517,046.81	64.23%	7,438	5,538,517,046.81	64.23%
<b>TOTAL</b>	<b>15,388</b>	<b>8,622,896,256.72</b>	<b>100.00%</b>	<b>15,388</b>	<b>8,622,896,256.72</b>	<b>100.00%</b>

**Table 18: Distribution by Principal Payment Frequency**

Frequency	Current			Initial		
	Number of Reference Obligations	Reference Obligation Notional Amount (EUR)	% by Notional Amount	Number of Reference Obligations	Reference Obligation Notional Amount (EUR)	% by Notional Amount
Monthly	9,606	4,123,904,965.00	47.83%	9,606	4,123,904,965.00	47.83%
Quarterly	4,407	3,891,261,083.63	45.13%	4,407	3,891,261,083.63	45.13%
Semi-Annually	12	44,171,716.47	0.51%	12	44,171,716.47	0.51%
Annually	48	49,761,473.78	0.58%	48	49,761,473.78	0.58%
Bullet	1,315	513,797,017.84	5.96%	1,315	513,797,017.84	5.96%
<b>TOTAL</b>	<b>15,388</b>	<b>8,622,896,256.72</b>	<b>100.00%</b>	<b>15,388</b>	<b>8,622,896,256.72</b>	<b>100.00%</b>

**Table 19: Distribution by Start Date**

Year	Month	Current			Initial		
		Number of Reference Obligations	Reference Obligation Notional Amount (EUR)	% by Notional Amount	Number of Reference Obligations	Reference Obligation Notional Amount (EUR)	% by Notional Amount
1998		93	24,350,491.52	0.28%	93	24,350,491.52	0.28%
1999		47	9,154,080.01	0.11%	47	9,154,080.01	0.11%
2000		53	6,515,807.12	0.08%	53	6,515,807.12	0.08%
2001		76	29,664,500.81	0.34%	76	29,664,500.81	0.34%
2002		132	29,827,555.72	0.35%	132	29,827,555.72	0.35%
2003		168	41,338,380.76	0.48%	168	41,338,380.76	0.48%
2004		224	48,223,282.63	0.56%	224	48,223,282.63	0.56%
2005		347	81,328,843.79	0.94%	347	81,328,843.79	0.94%
2006		608	169,185,391.64	1.96%	608	169,185,391.64	1.96%
2007		684	184,777,199.64	2.14%	684	184,777,199.64	2.14%
2008		603	212,939,714.60	2.47%	603	212,939,714.60	2.47%
2009		361	119,497,718.89	1.39%	361	119,497,718.89	1.39%
2010		339	101,994,663.86	1.18%	339	101,994,663.86	1.18%
2011		397	230,226,517.57	2.67%	397	230,226,517.57	2.67%
2012		404	186,636,606.50	2.16%	404	186,636,606.50	2.16%
2013		284	158,393,945.97	1.84%	284	158,393,945.97	1.84%
2014		312	203,238,551.53	2.36%	312	203,238,551.53	2.36%
2015		1,276	454,432,014.93	5.27%	1,276	454,432,014.93	5.27%
2016		1,091	497,545,530.66	5.77%	1,091	497,545,530.66	5.77%
2017		1,410	826,515,676.35	9.59%	1,410	826,515,676.35	9.59%
2018		2,064	1,496,620,705.43	17.36%	2,064	1,496,620,705.43	17.36%
2019		2,242	1,536,943,174.95	17.82%	2,242	1,536,943,174.95	17.82%
2020		1,401	1,141,685,594.70	13.24%	1,401	1,141,685,594.70	13.24%
2021	1	100	67,321,755.03	0.78%	100	67,321,755.03	0.78%
2021	2	97	81,720,119.60	0.95%	97	81,720,119.60	0.95%
2021	3	118	120,493,484.26	1.40%	118	120,493,484.26	1.40%
2021	4	133	190,686,156.85	2.21%	133	190,686,156.85	2.21%
2021	5	128	99,853,354.83	1.16%	128	99,853,354.83	1.16%
2021	6	110	153,564,961.57	1.78%	110	153,564,961.57	1.78%
2021	7	74	107,695,975.00	1.25%	74	107,695,975.00	1.25%
2021	8	12	10,524,500.00	0.12%	12	10,524,500.00	0.12%
<b>TOTAL</b>		<b>15,388</b>	<b>8,622,896,256.72</b>	<b>100.00%</b>	<b>15,388</b>	<b>8,622,896,256.72</b>	<b>100.00%</b>

**Table 20: Distribution by Remaining Tenor**

Remaining Tenor	<i>Current</i>			<i>Initial</i>		
	Number of Reference Obligations	Reference Obligation Notional Amount (EUR)	% by Notional Amount	Number of Reference Obligations	Reference Obligation Notional Amount (EUR)	% by Notional Amount
< 01	918	191,419,976.04	2.22%	918	191,419,976.04	2.22%
01 - 02	1,039	336,256,758.60	3.90%	1,039	336,256,758.60	3.90%
02 - 03	1,082	481,802,190.22	5.59%	1,082	481,802,190.22	5.59%
03 - 04	1,303	640,369,840.03	7.43%	1,303	640,369,840.03	7.43%
04 - 05	1,424	885,781,699.13	10.27%	1,424	885,781,699.13	10.27%
05 - 06	1,279	687,118,504.99	7.97%	1,279	687,118,504.99	7.97%
06 - 07	1,666	1,123,940,561.29	13.03%	1,666	1,123,940,561.29	13.03%
07 - 08	2,005	1,487,810,956.29	17.25%	2,005	1,487,810,956.29	17.25%
08 - 09	1,686	1,137,536,142.16	13.19%	1,686	1,137,536,142.16	13.19%
09 - 10	1,178	736,502,752.59	8.54%	1,178	736,502,752.59	8.54%
10 - 11	485	151,187,623.38	1.75%	485	151,187,623.38	1.75%
11 - 12	384	129,931,764.39	1.51%	384	129,931,764.39	1.51%
12 - 13	244	69,087,568.60	0.80%	244	69,087,568.60	0.80%
13 - 14	191	64,366,749.85	0.75%	191	64,366,749.85	0.75%
14 - 15	183	55,896,432.64	0.65%	183	55,896,432.64	0.65%
15 - 16	123	56,782,543.73	0.66%	123	56,782,543.73	0.66%
16 - 17	65	40,822,828.09	0.47%	65	40,822,828.09	0.47%
17 - 18	17	16,798,443.20	0.19%	17	16,798,443.20	0.19%
18 - 19	18	24,440,622.87	0.28%	18	24,440,622.87	0.28%
19 - 20	18	43,964,407.21	0.51%	18	43,964,407.21	0.51%
20 - 21	25	156,893,026.52	1.82%	25	156,893,026.52	1.82%
21 - 22	15	26,203,225.43	0.30%	15	26,203,225.43	0.30%
22 - 23	4	4,631,275.00	0.05%	4	4,631,275.00	0.05%
23 - 24	9	16,194,899.00	0.19%	9	16,194,899.00	0.19%
24 - 25	8	24,782,474.55	0.29%	8	24,782,474.55	0.29%
25 - 26	8	24,195,460.25	0.28%	8	24,195,460.25	0.28%
26 - 27	5	3,664,832.06	0.04%	5	3,664,832.06	0.04%
27 - 28	4	3,772,766.39	0.04%	4	3,772,766.39	0.04%
28 - 29	1	673,000.00	0.01%	1	673,000.00	0.01%
29 - 30	1	66,932.22	0.00%	1	66,932.22	0.00%
<b>TOTAL</b>	<b>15,388</b>	<b>8,622,896,256.72</b>	<b>100.00%</b>	<b>15,388</b>	<b>8,622,896,256.72</b>	<b>100.00%</b>

**Table 21: Distribution by Seasoning**

Seasoning	Current			Initial		
	Number of Reference Obligations	Reference Obligation Notional Amount (EUR)	% by Notional Amount	Number of Reference Obligations	Reference Obligation Notional Amount (EUR)	% by Notional Amount
< 0.5	564	676,603,064.51	7.85%	564	676,603,064.51	7.85%
0.5 - 01	701	527,009,148.39	6.11%	701	527,009,148.39	6.11%
01 - 02	1,624	1,284,182,629.27	14.89%	1,624	1,284,182,629.27	14.89%
02 - 03	2,287	1,570,117,818.48	18.21%	2,287	1,570,117,818.48	18.21%
03 - 04	1,855	1,302,624,754.45	15.11%	1,855	1,302,624,754.45	15.11%
04 - 05	1,258	700,037,317.66	8.12%	1,258	700,037,317.66	8.12%
05 - 06	964	386,679,470.25	4.48%	964	386,679,470.25	4.48%
06 - 07	1,126	416,862,567.20	4.83%	1,126	416,862,567.20	4.83%
07 - 08	289	193,765,287.35	2.25%	289	193,765,287.35	2.25%
08 - 09	282	134,085,659.75	1.55%	282	134,085,659.75	1.55%
09 - 10	470	230,029,139.19	2.67%	470	230,029,139.19	2.67%
10 - more	3,968	1,200,899,400.22	13.93%	3,968	1,200,899,400.22	13.93%
<b>TOTAL</b>	<b>15,388</b>	<b>8,622,896,256.72</b>	<b>100.00%</b>	<b>15,388</b>	<b>8,622,896,256.72</b>	<b>100.00%</b>

**Table 22: Fully Drawn flag distribution**

Fully Drawn?	Current				Initial			
	Number of Reference Obligations	Reference Obligation Notional Amount (EUR)	% by Notional Amount	Amount to be Drawn	Number of Reference Obligations	Reference Obligation Notional Amount (EUR)	% by Notional Amount	Amount to be Drawn
Y	15,388	8,622,896,256.72	100.00%	0.00	15,388	8,622,896,256.72	100.00%	0.00
<b>TOTAL</b>	<b>15,388</b>	<b>8,622,896,256.72</b>	<b>100.00%</b>	<b>0.00</b>	<b>15,388</b>	<b>8,622,896,256.72</b>	<b>100.00%</b>	<b>0.00</b>

**Table 23: Distribution by Original Tenor**

Original Tenor	Current			Initial		
	Number of Reference Obligations	Reference Obligation Notional Amount (EUR)	% by Notional Amount	Number of Reference Obligations	Reference Obligation Notional Amount (EUR)	% by Notional Amount
1	5	7,475,700.00	0.09%	5	7,475,700.00	0.09%
2	25	13,365,307.42	0.15%	25	13,365,307.42	0.15%
3	104	55,440,274.35	0.64%	104	55,440,274.35	0.64%
4	154	64,618,120.39	0.75%	154	64,618,120.39	0.75%
5	961	410,411,067.97	4.76%	961	410,411,067.97	4.76%
6-10	5,460	3,601,166,162.53	41.76%	5,460	3,601,166,162.53	41.76%
11-15	4,369	2,983,974,907.78	34.61%	4,369	2,983,974,907.78	34.61%
16-20	1,088	322,663,685.75	3.74%	1,088	322,663,685.75	3.74%
21-25	1,695	550,422,285.55	6.38%	1,695	550,422,285.55	6.38%
26-30	1,348	364,880,548.00	4.23%	1,348	364,880,548.00	4.23%
31-35	112	140,816,105.92	1.63%	112	140,816,105.92	1.63%
36-40	39	67,119,144.95	0.78%	39	67,119,144.95	0.78%
41-45	27	40,476,013.89	0.47%	27	40,476,013.89	0.47%
>50	1	66,932.22	0.00%	1	66,932.22	0.00%
<b>TOTAL</b>	<b>15,388</b>	<b>8,622,896,256.72</b>	<b>100.00%</b>	<b>15,388</b>	<b>8,622,896,256.72</b>	<b>100.00%</b>

**Table 24a: Distribution by Collateral Type**

	Number of Reference Obligations	Reference Obligation Notional Amount (EUR)	Notional Amount Covered (EUR)	Cover Amount	Weighted Loan To Cover Value
<i>Initial</i>	15,388	8,622,896,256.72	5,342,208,710.11	7,458,159,456.78	71.63%
			<b>61.95%</b>		
<i>Current</i>	15,388	8,622,896,256.72	5,342,208,710.11	7,458,159,456.78	71.63%
			<b>61.95%</b>		

**Table 24b: Distribution by LTV Bucket**

Loan To Value	<i>Current</i>			<i>Initial</i>		
	Number of Reference Obligations	Reference Obligation Notional Amount (EUR)	% by Notional Amount	Number of Reference Obligations	Reference Obligation Notional Amount (EUR)	% by Notional Amount
<= 10.00%	156	9,006,606.31	0.10%	156	9,006,606.31	0.10%
10.01%-20.00%	276	32,847,611.83	0.38%	276	32,847,611.83	0.38%
20.01%-30.00%	480	100,591,664.37	1.17%	480	100,591,664.37	1.17%
30.01%-40.00%	638	172,820,636.90	2.00%	638	172,820,636.90	2.00%
40.01%-50.00%	973	346,415,563.61	4.02%	973	346,415,563.61	4.02%
50.01%-60.00%	1,119	490,300,621.88	5.69%	1,119	490,300,621.88	5.69%
60.01%-70.00%	1,371	679,124,877.58	7.88%	1,371	679,124,877.58	7.88%
70.01%-80.00%	1,426	819,700,791.27	9.51%	1,426	819,700,791.27	9.51%
80.01%-90.00%	1,446	920,872,971.15	10.68%	1,446	920,872,971.15	10.68%
90.01%-100.00%	1,119	600,877,353.50	6.97%	1,119	600,877,353.50	6.97%
100.01%-110.00%	316	176,719,031.93	2.05%	316	176,719,031.93	2.05%
110.01%-120.00%	211	137,435,023.22	1.59%	211	137,435,023.22	1.59%
120.01%-130.00%	140	108,956,453.98	1.26%	140	108,956,453.98	1.26%
130.01%-140.00%	102	72,636,370.76	0.84%	102	72,636,370.76	0.84%
140.01%-150.00%	64	38,749,555.58	0.45%	64	38,749,555.58	0.45%
150.00% >=	718	635,153,576.24	7.37%	718	635,153,576.24	7.37%
No Collateral	4,833	3,280,687,546.61	38.05%	4,833	3,280,687,546.61	38.05%
<b>TOTAL</b>	<b>15,388</b>	<b>8,622,896,256.72</b>	<b>100.00%</b>	<b>15,388</b>	<b>8,622,896,256.72</b>	<b>100.00%</b>

**Table 25: Top Borrower distribution**

<b>Ranking</b>	<b>Number of Reference Obligations</b>	<b>Reference Obligation Notional Amount (EUR)</b>	<b>% by Notional Amount</b>	<b>Running Sum of percentage</b>
1	6	66,976,666.61	0.78%	0.78%
2	4	65,804,791.86	0.76%	1.54%
3	6	55,325,023.88	0.64%	2.18%
4	8	53,712,346.64	0.62%	2.80%
5	1	38,350,000.00	0.44%	3.25%
6	6	36,455,000.00	0.42%	3.67%
7	3	33,187,500.00	0.38%	4.06%
8	2	32,718,021.50	0.38%	4.44%
9	6	28,318,943.19	0.33%	4.76%
10	6	27,713,569.58	0.32%	5.09%
11	19	26,384,162.36	0.31%	5.39%
12	2	26,232,166.52	0.30%	5.70%
13	1	25,400,000.00	0.29%	5.99%
14	2	24,798,936.63	0.29%	6.28%
15	3	23,413,406.56	0.27%	6.55%
16	2	22,750,000.00	0.26%	6.81%
17	1	20,150,000.00	0.23%	7.05%
18	2	20,000,000.00	0.23%	7.28%
19	1	19,800,000.00	0.23%	7.51%
20	5	19,412,494.13	0.23%	7.73%
21	5	19,064,488.41	0.22%	7.96%
22	2	19,000,000.00	0.22%	8.18%
23	3	18,200,000.00	0.21%	8.39%
24	2	17,873,320.49	0.21%	8.59%
25	2	17,402,605.80	0.20%	8.80%
26	1	17,031,250.00	0.20%	8.99%
27	1	16,666,666.80	0.19%	9.19%
28	2	16,178,000.00	0.19%	9.37%
29	2	16,000,000.00	0.19%	9.56%
30	2	15,499,998.00	0.18%	9.74%
31	3	15,375,000.00	0.18%	9.92%
32	1	15,095,333.47	0.18%	10.09%
33	5	15,045,000.00	0.17%	10.27%
34	2	14,874,136.22	0.17%	10.44%
35	3	14,465,842.00	0.17%	10.61%
36	7	14,116,766.83	0.16%	10.77%
37	1	13,940,000.00	0.16%	10.93%
38	3	13,683,326.00	0.16%	11.09%
39	2	13,600,000.00	0.16%	11.25%
40	8	13,288,436.29	0.15%	11.40%
<b>TOTAL</b>	<b>143</b>	<b>983,303,199.77</b>	<b>11.40%</b>	<b>11.40%</b>

**Table 26a: Performance Summary**

Performance Status	#	Balance At Default	Cust OS At default	Tot Cover At Default	Realised Loss	Recovery
<b>Under Work out</b>						
	0			0.00	0.00	0.00
<b>Total Currently In Default</b>	0			0.00	0.00	0.00
<b>Cured</b>						
	0			0.00	0.00	0.00
	0			0.00	0.00	0.00
	0			0.00	0.00	0.00
<b>Total Reperforming</b>	0			0.00	0.00	0.00
<b>Recovered</b>						
	0			0.00	0.00	0.00
	0			0.00	0.00	0.00
Total Worked Out	0			0.00	0.00	0.00
<b>TOTAL DEFAULTS</b>	<b>0</b>					

**Cure Rate:** = SubTot. Balance At default Cured / Tot. Balance At default (Excl. Defaults In WO < 6M)  
**Recovery Rate:** **0.00%** = Recovery / SubTot. Balance At default Recovered  
**Cure and Recovery Rate:** = (SubTot. Balance At default Cured + Recovery) / Tot. Balance At default (Excl. Defaults In WO < 6M)

**Table 26b: Performance Changes**

Performance Status	#	Balance At Default	Cust OS at Default	Cover At Default	Realised Loss	Recovery
<b>Cured</b>						
Reperforming	0	0.00	0.00	0.00	0.00	0.00
Reperforming (Restructuring)	0	0.00	0.00	0.00	0.00	0.00
Reperforming (Repaid)	0	0.00	0.00	0.00	0.00	0.00
<b>SubTotal</b>	0			0.00	0.00	0.00
<b>SubTotal</b>	0				0.00	0.00
<b>Recovered</b>						
Liquidated Without Loss	0	0.00	0.00	0.00	0.00	0.00
Liquidated With Loss	0	0.00	0.00	0.00	0.00	0.00
<b>SubTotal</b>	0			0.00	0.00	0.00
<b>TOTAL</b>	0				<b>0.00</b>	<b>0.00</b>

### Data on static and dynamic historical default and loss performance of Receivables

Investors can access static data and dynamic data on the historical prepayment, arrears, default and loss performance for a period of at least 5 years for the Receivables by means of the securitisation transaction described in this Prospectus on the website of European DataWarehouse at <https://editor.eurowd.eu/home>. This data has not been audited by any auditor.



## 6.2 Description of Loans

The Loans are governed by Dutch law and have been granted to Dutch small and medium size enterprises as further set out in section 6.3 (*Origination and Servicing under ING Bank's Risk Management Process*).

The Loans (or any Loan Parts thereof) from which the Receivables arose which are sold to and purchased by the Issuer pursuant to the Receivables Purchase Agreement, may consist of any of the following types of redemption:

- (a) a term loan with an amortisation schedule providing for the repayment of fixed, equal amounts of principal at regular intervals until maturity (**Linear Repayments**);
- (b) a term loan with a fixed final maturity on which all principal outstanding becomes repayable (**Bullet Repayment**);
- (c) a term loan with an amortisation schedule providing for the repayment of fixed, equal amounts of principal at regular intervals and for the repayment of all remaining outstanding principal at maturity (**Balloon / Partial-Bullet Repayment**); or
- (d) a term loan with an amortization schedule for the repayment of fixed amounts of principal at regular intervals, which amounts are determined such that the sum of principal and interest payments are equal, until maturity (**Annuity Repayment**);

The Loans have characteristics that demonstrate the capacity to produce funds to service any payments due and payable under the Class A Notes and the Class B Notes and the interest payments on the Class A Notes and principal payments to the Class A and Class B Noteholders are not predominantly dependent on the sale of the Mortgaged Assets securing the Loans (the Class C Notes are not asset backed and will be repaid after the Class A have been repaid in full, from the Reserve Account).

### Loan Interest Rates

The Loans carry floating interest rates or fixed interest rates, subject to resets or optionalities for the Borrowers, subject to certain conditions being met, to switch. The Loans carrying floating interest rates are EURIBOR based Loans.

### 6.3 Origination and Servicing

This section describes the generic origination and servicing procedures applied by the Seller for Loans originated by it.

#### Origination and Servicing

ING Bank N.V. (**ING Bank**) is part of ING Groep N.V. (**ING Group**) providing services to, amongst others, Dutch retail clients. Credits are granted to SME companies with acceptable risk profiles and with high earnings potential for ING Bank. ING Bank's Think Forward strategy is translated into a clear purpose for Business Lending with focus on easy and customised journeys, being to "Empowering businesses to stay ahead with easy, smart and personal business lending services".

For credit products, a minimum risk-adjusted return on capital is required. Credit is extended and managed in accordance with ING Bank's Corporate Credit Risk Policy.

The majority of the outstanding exposure is covered by financing policy papers in which the risk factors and appetite for a specific sector are specified. The financing policy papers describe a sector's business and business developments, the preferred financing structure and the key target relationships. The financing policy papers are published on ING Group's intranet and can be accessed by both risk management employees and relationship management employees in retail and commercial banking.

#### ING Bank's Risk Management Process

ING Bank's risk management process is characterised by a clear distinction between commercial responsibilities and risk management responsibilities. The split is established by functional organisational lines that originate at board level. Furthermore, risk management for transaction approval is organised on central (in the Netherlands) level in two Sector teams (Transaction > 5 million euro) and a Portfolio team (Transactions < 5 million euro).

In the Dutch SME sector, ING Bank extends loans to smaller clients categorised as:

- *Mid Corporates & Institutions (Groot Zakelijk)* clients having an annual account turnover above Euro 20 million, gross income above EUR 75,000, and – in case the borrower forms part of a group - with the Seller's aggregate exposure to the Borrower or, if applicable, Borrower Group above EUR 5 million; and
- *Small & Medium Enterprises (SME) (Zakelijk)* clients having an annual account turnover below Euro 20 Million and gross income below EUR 75,000, and – in case the borrower forms part of a group - with the Seller's aggregate exposure to the Borrower or, if applicable, Borrower Group below EUR 5 million.

#### SME Loans selected for inclusion in the Portfolio

The Loans selected for including in the pool of Loans of which the Receivables are to be assigned to the Issuer meet the following criteria:

- (1) The loans in the Mid Corporate & Institution & SME (*Zakelijk*) segments serviced under K\* Model (**SME Model**), with the following criteria:
  - turnover of the Borrower or, if applicable, Borrower Group is between EUR 50 million and EUR 100 million'; or

- turnover of the Borrower or, if applicable, Borrower Group is between EUR 5 million and EUR 50 million, with aggregate exposure of the Seller to the Borrower or, if applicable, Borrower Group above EUR 1 million.
- (2) The loans in the SME (*Zakelijk*) segment serviced under S\* Model (**Small Business Finance Model**), with the following criterion:
- turnover of the Borrower or, if applicable, Borrower Group is below EUR 20 Million', with aggregate exposure of the Seller to the Borrower, or if applicable Borrower Group below EUR 1 million.
- (3) The loans towards Local Government and Government Related Entities Rating Model serviced under G\* Model (**Government Related Entities Model**).

### Credit Applications and Reviews

All credit proposals (credit applications or reviews) have to be approved in accordance with a system of credit approval authority levels based on an entity's internal credit risk rating and ING Bank's total exposure.

There are 3 application processes within ING Bank for the Dutch SME sector:

- Instant Lending – customers can fulfil their requests online until the final offer. The decision is supported by a decision tool (**KAMRAP**) based on ING's Risk Policy. The goal is to set up a fully automated process to fulfil customers' requests.
- Easy Lending – customers can fulfil their requests online until the final offer. Decision is manually made based on ING Bank's Risk Policy
- Customised Lending – customers are served under Relationship Model with face-to-face interactions. Decision is made via credit approval package

All credits have to be approved using at least the "four eyes principle". The criteria for the KAMRAP approval are:

- (i) a credit limit below EUR 250,000; and
- (ii) an "investment grade" rating category or ING Bank rating of 17.

Credit proposals above EUR250,000 have to be decided according to the Signatory Approval Process (**SAP**). There are in total 4 applicable mandates:

- **KAMRAP**: for clients with an outstanding below EUR 250,000 and a max rating 17, approval is based on a model that uses clients financial statement for calculation of approval (two pair of eyes are required).
- **C3**: One Customer Loyalty member/ Relationship manager with appointed C3 mandate for an advisory and a decision by a Risk officer with a minimum of C3 mandate (two pair of eyes are required).
- **C2**: One Customer Loyalty Member/ Relationship manager with an advisory, one Risk officer with an advisory, one decision from a manager of the segment with a minimum of an appointed C2 mandate (four pair of eyes are required).

- C1: One Customer Loyalty Member/ Relationship manager with an advisory, one Risk officer with an advisory, one decision from a manager of the segment with a minimum of an appointed C1 mandate (four pair of eyes are required).

All risk managers have a proven track record within the organisation and have significant experience in evaluating and deciding on transactions from both a commercial point of view as well as a credit risk point of view.

Credits have to be reviewed on an annual basis. However, if required by risk management or as a consequence of early warning signals, the review has to be done more frequently. The review process does not substantially differ from credit applications. Proactive monitoring on individual credit exposures and sector developments is amongst the responsibilities of the risk manager. Risk management is able to approve excess credit limits to accommodate a client's short term credit need (for example direct debit and/or temporarily working capital needs). Credits in the SME segment are monthly re-rated via the SBF batch rating process. Reviews need to be performed when a credit does not meet the risk appetite anymore.

The credit application package for both SME and Mid Corporate clients has a pre-defined content whereby the information provided must comply with an integrated risk/return approach. Typical credit application packages include, amongst others, financial information on the obligor, previous decisions (on the client), collateral information, business description and a descriptive risk assessment.

The executive summary relating to a typical credit application package recapitulates the following items:

- Type of borrower (e.g. key activities, position in industry, key business drivers and quality of management);
- The aim of the credit application and credit need;
- ING Bank's business rationale and the future relationship with the client;
- Financial analysis (e.g. past, current and forecasted cash flows, leverage and debt service coverage and their key drivers and stability);
- Financing policy compliance and assessment of business risks of the client;
- Structure of the transaction including alternative repayment sources;
- Collateral;
- Pricing versus perceived risks.

### **Collateral**

Any collateral in a transaction is an important item in the credit decision, but credit is not extended based on collateral alone. The importance of collateral is greater for smaller entities than it is for larger ones. While not all loans are collateralised, any received collateral typically consists of one or more of the following types:

- Mortgages (i.e., liens on specified residential or commercial real estate, airplanes and ships);

- Pledges over movable assets (such as stock, inventory, machinery, cars or trucks) and rights (such as deposits, securities, receivables, or claims from, for example, life insurance policies) through assignments or transfers for collateral purposes;
- Guarantees (from private individuals, legal entities, and/or governments).

Within SME segment, collateral is standardised in respect of loans with an aggregate total exposure of up to EUR 1 million per Borrower or, if applicable, Borrower Group. Any Borrower or, if applicable Borrower Group exposure of above EUR 1 million requires mandatory explanation. For Mid Corporate clients, more tailor-made pledges are possible.

The actualisation of collateral value is handled by CLT Actualisation with the following procedures:

<b>Mortgages</b>	> € 3 million	Every 3 years a full valuation by external Appraiser (via Valuation Support Desk of Real Estate Finance for Quality Assurance of valuation)  In the other two years a yearly Indexation based on IPD index <sup>1</sup>  Every quarter a Quality Assurance process is executed by the Valuation Support desk
	€ 1-3 million	Indexation based on valuation
	<€ 1 million	Indexation based on valuation or Waardering onroerende zaken (WOZ) <sup>2</sup>
	Special object	Based on book value included in annual figures (Church, Hospital, etc)
	Restructuring	After transfer to Restructuring annual valuation required
<b>Other collateral (pledges)</b>	>€ 1 million (SME rated)	Actualisation based on annual figures (Financial Statements)

## Collection of Payments and Arrear Management

### *Collection of Payments*

Borrower is obliged to maintain an account with ING Bank. All interest payments, premiums, costs and repayments are collected by direct debit from this current account.

### *Approved overdrawn*

Approved overdrawn positions are meant to cover only very temporary credit needs and should be eliminated within 90 days of the date of the drawdown. Overdrawn positions should not be permitted if, at the time of the request it is apparent that the borrower cannot, for whatever reason, repay the excess within this period.

In the event an overdrawn position is granted to a borrower, it is normal legal prudence to have the conditions (including date of repayment) documented and signed by the borrower.

## *Arrear*

An account is in arrear whenever the customer's payment obligations (including interest due, settlement of bills of exchange, etc.) are not met on time. Direct Debits of repayments and interest are automatically booked, regardless the utilisation. When an amount is due on a term loan, it will automatically increase the overdraft of the client via direct debit (forced).

Depending on the number of days in arrear, risk rating of the customer is downgraded.

For Small & Medium Enterprises (SME) (- Zakelijk) clients:

- When an account is within 30 days in arrear, it is serviced by the Collections department. In case a modification is required the customer is handed over to the Super Circle Business Lending.
- When an account is over or equal to 30 days in arrear, it is handled by Super Circle Business Lending.

For Mid Corporates & Institutions (*Groot Zakelijk*) clients, all arrears are handled by Client Service Teams.

Arrears are part of the triggers in the Early Warning Signal Models to facilitate timely actions.

Automatically letters will be sent to the customer and Sales Force and Mid Office will call the customer to stimulate additional payments.

When an accounts is over 30 days in arrear, the rating for SME's will be downgraded to 17 as a result.

When an account is over 90 days in arrear and is in breach on both the absolute and relative days past due (**DND**) thresholds, the account is in default and the rating will become 20 or higher. Customers are then transferred to Recovery or external collection agency Vesting Finance (**VF**).

Absolute threshold: Retail clients: > 100 Euro / Non-retail clients: > 500 Euro.

Relative threshold: > 1% of the total outstanding on-balance amount of the client.

In the monitoring processes of arrears and EWS, an UTP assessment is done to assess the indicators of triggers applicable, and whether the client is default or not. When the UTP assessment results in a default of the customer, the file will be transferred to the applicable restructuring / recovery department.

## **Internal Credit Risk Rating System**

ING Group uses a set of internal risk ratings throughout all its different international units, including ING Bank. The assigned internal risk rating represents ING Bank's assessment of the expected default probability of a given borrower not taking collateral into account. It is the result of an evaluation of several financial inputs using statistically based scorecard analyses.

Although totally independent, the ING internal risk rating (**ING Internal Risk Rating**) is a primary element of the loan approval process since it is used as an element for decision making. In addition, it is a cornerstone of the loan monitoring process. The ING Internal Risk Rating not only affects the outcome of the credit decision, but it also determines the level of decision-making authority required to take the decision (as described in the above table). It also has an impact on the characteristics of the monitoring procedures applied to the ongoing exposure.

Currently the ING Internal Risk Rating scale consists of 22 risk ratings that fall into 3 larger classes of risk:

- i. "Investment Grade": 01 to 10;
- ii. "Non-investment Grade": 11 to 17;
- iii. "Substandard/ Default Loan Grade": 18 to 22.

### **Credit restructuring process**

If a potentially serious credit quality deterioration is detected in one of the above described processes, or if risk management observes developments related to either the borrower itself or the sector it operates in, (which developments could affect the borrower in the future whilst its current credit profile does not yet reflect these), the risk manager may decide to place the credit exposure on a watch-list or may decide the file should be managed by the restructuring department. If an exposure is placed on the watch-list it is intensively monitored quarterly, based on a plan of action agreed upon with the borrower. As soon as a file is transferred to the Restructuring department, that department takes over the strategic responsibility of the relationship with the client.

The restructuring department is divided in three main activities. "Restructuring" manages a file with the aim to improve the client's credit standing and ING Bank's position so that normal relationship management and risk management can take over again. A file in "Restructuring" has an ING Internal Risk Rating of 18, 19 or 20. If the restructuring department decides that a file should be terminated (and ING Bank repaid) the file is transferred to the recovery department. In the "Recovery" department any collateral is liquidated by third parties. A file in the "Recovery" department carries an ING Internal Risk Rating of 21 or 22. Recovery activities for clients with an aggregate exposure of less than EUR 250,000 (where applicable in respect of the Borrower Group) with grounds for cancellation are outsourced to VF. VF is also responsible for long term debt monitoring of residual claims of ING Bank. If there is still any exposure left following the work-out in "Recovery", the file can be sent to VF for the collection of (part) the remaining balance. Loans may be written-off as well when there is no feasible recovery left.

The restructuring groups are established at both region level and at head office level. The responsible unit for a file is determined case by case by the size of the relevant exposure, the complexity of the case and the present workload. Restructuring files relating to Borrower Group exposures of up to EUR 20 million and recovery activities for files relating to Borrower Group exposures between EUR 150,000 and EUR 20 million are managed by Regional Restructuring Unit (**RRU NL**). Global Credit Restructuring (**GCR**) is responsible for all Corporate Clients files as well as Mid Corporate Clients with an (aggregate) exposure of more than EUR 20 million and Industries with high reputational risk.

### *Forbearance*

A forbearance measure is a concession towards an obligor facing or about to face financial difficulties in meeting its financial commitments.

For performing loans (Rating 1 to 19), loans that involve a forbearance measure are modified or refinanced with a minimum probation period of 24 months. For non-performing loans (Rating 20 to 22), loans are either modified or refinanced with on top of the performing probation period, a default period of minimal 1 year.

The exit criteria for forbearance after the applicable probation period are;

- The loan is considered performing (Rating 1 to 19).

- No other exposure of the debtor is more than 30-day past due.
- Regular payments of significant portion of principal or interest have been made during at least half of the probation period.

### **Payment holidays as a response to Covid-19**

Covid-19 and its economic turbulence had and has significant impact on ING Bank's business lending customers. ING Bank provided temporary financial relief for SME clients that requested help by:

- (a) six-month payment holidays for principal repayments on loans;
- (b) postponement of scheduled reductions of credit facilities including lease facilities;

In order to qualify for these measures, the obligor had to demonstrate that his current liquidity status was directly negatively affected by the coronavirus outbreak. Obligors were assessed on their pre-Covid-19 credit status and whether they were healthy pre-Covid-19. If not, they would not qualify for these measures.

The granting of payment holidays to SME businesses in the Netherlands was agreed in a coordinated effort between all Dutch banks (via the Dutch Association of Banks (*Nederlandse Vereniging van Banken*)) as per 17 March 2020. Payment holidays were part of an industry-wide moratorium in the Netherlands, meaning that the loans were not treated as defaulted loans. As of 31 July 2020 this moratorium is no longer in place and a payment holiday request is handled in the normal modifications process, assessing UTP at each request.

In addition to temporary financial relief, ING Bank operationalised the granting of additional financing by means of government guaranteed facilities. Specific for Covid-19 the government initiated the BMKB-C, BMKB BL-C, KKC and GO-C facilities.

### **Risk control unit**

ORM Bank 'Interne Controle' (**ORMB IC**) is a risk control and monitoring department at ING Domestic Bank Netherlands. ORMB IC acts as a second line risk department in ING Bank's three Lines of Defence (**LoD**) governance model. In general, the objective of the second LoD is to assess if the first LoD (the business) adheres to the risk appetite, policies, standards and regulations, to assess if management control activities (design and operating) are functioning appropriately and to provide information to management on risks and controls. As a 2nd LoD risk function, ORMB IC independently assesses the 1st LoD level of maturity in risk control by monitoring and performing test activities. All activities are performed on behalf of the other risk departments within the 2nd line of defence. Among these are Credit Risk Management, Operational Risk Management and Compliance Risk Management.

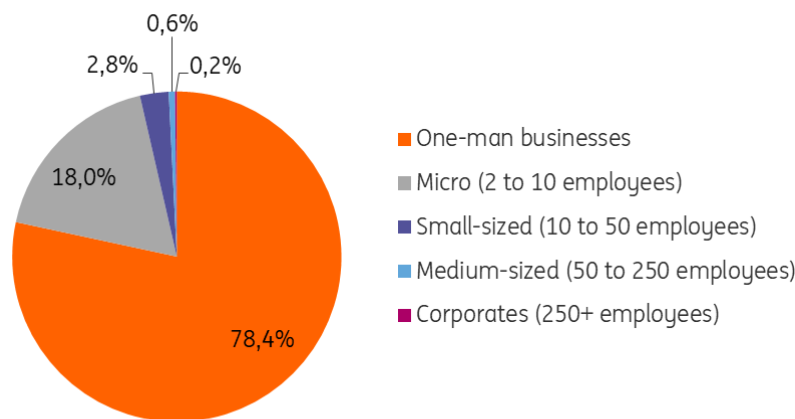


## 6.4 Dutch SME Market

According to the data of the Dutch Central Bureau for Statistics, the Netherlands held about 1,919,000 enterprises as per 2021. At least 99 % are small and medium sized companies. The majority, 78 %, are one-man businesses/self-employed professionals, 11 % of the SMEs are partnerships and 20 % are limited companies.

The Dutch small and medium enterprise (SME) segment contributes for 65 % to the Dutch GDP (business economy only, excluding public and financial services, culture, healthcare and agricultural). SMEs are, with a share of 71 % in total employment, the largest employer.

Small and medium sized companies thus play an essential role in economic growth and the creation of employment. ING Bank traditionally had a firm position amongst the three dominating banking institutions in this market. Next to these institutions there are a number of niche players targeting specific market segments. Foreign (non-Dutch) financial institutions do not play any significant role in the Dutch SME market.



Bron: ING

## Economic Forecast

The Dutch economy is forecast to grow by 3.2% in 2021, after a record decline in 2020 of -3.7%, which was similar to the decline in 2009.

GDP fell about 10% in the first half of 2020, when the Netherlands went in to a lockdown unprepared. While the Netherlands went into an arguably stricter lockdown in mid-December than in March 2020, with retail stores forced to close, the economic consequences have been much less profound. Dutch GDP hardly changed in the fourth quarter of 2020, shrinking only 0.1% quarter-on-quarter towards 97% of its pre-Covid peak. This mild decline can be explained by a number of factors: 1) Businesses adjusting their models 2) Consumers are more used to buying online, substituting service consumption for the purchase of goods. 3) There was less uncertainty: vaccines have provided light at the end of the tunnel and fiscal support instruments were already in place. 4) Manufacturing was holding up well, with stronger foreign demand than in spring 2020. The Netherlands is benefiting from world trade, which has already fully rebounded. While service exports are still weak, Dutch goods exports are already substantially higher than the pre-Covid peak despite negative Brexit effects at the start of 2021

Due to weak investment and consumer spending relate to the second lockdown, 2021 seems to have started with a quarter of negative growth. But this mostly seems short lived. Consumer spending improved upon loosing of several restrictions for retail in February, March and April. The year started

well for exports and manufacturing, but despite high demand it might have some temporary hiccups due to supply chain disruptions and an occasional strike. Foreign demand remains improving though, not the least because the US economy gets a large fiscal stimulus. As social distancing measures are gradually phased out further, the rebound should gain further traction during the course of 2021 and should be quicker than in the aftermath of the global financial crisis.

Public support for business, jobs and incomes are still in place until mid-2021 and has gradually been made more generous than previously planned. Backed up by so much public support and decent outlooks, the way for the economy remains up for the quarters ahead. The speed still largely depends on what the virus and mitigation (vaccines and testing) allow, which implies that uncertainty is still elevated. For now, the lockdown may be adjusted week by week and it is assumed that restrictions are winded down gradually. As of 28 April, significant steps have been taken such as the abolition of the curfew, allowance of shopping in non-essential retail without appointment and the opening of terraces. This and the large amounts of cumulated savings are especially boding well for consumption in the quarters ahead.

By the end of 2021, GDP is projected to have returned its pre-Covid peak. 2022 will be a return to normality rather than a catch up towards the precrisis path of GDP. While a quick rebound seems possible, unemployment and insolvencies should still rise as public support fades and some businesses turn out to be unviable. Public support is keeping current bankruptcy rates at artificial lows. Yet, only at 1 October 2021 firms will start paying back tax debts and they may take 36 months to do so, which will limit some liquidity problems.

### **Labour market**

Quickly after the start of the Covid crisis, the unemployment rate started to rise from 2.9% in March 2020 to 4.6% in August 2020, meaning 153 thousand more people were jobless. Especially flexible workers lost jobs, of which the majority was below 25 years old. Since Summer 2020, employment started to rebound, resulting in a fall of unemployment to 3.5% in March 2021. As temporary public support measures will fade, the unemployment rate is forecast to rise somewhat again end of 2021 towards 4.5%, as some firms appear insolvent.

### **Bankruptcies**

In 2019, pre-covid-19, the number of bankruptcies was at 3800 at the lowest level in years. In 2020, the number of bankruptcies even decreased with 16%, to 3200 bankruptcies, mainly supported by the generous financial support measures from the government. The forecast for 2021 is that the number of bankruptcies will eventually increase. To what extent will be largely determined by the phasing out of the government support.

### **Consumer spending power**

Since the labour market was very tight before the Covid crisis started, collective wage agreements contained high wage increases of on average 2.9% in 2020. This combined with low inflation (1.1% HICP), higher tax credits and generous temporary Covid employment and income support measures by the government led to a high median change in purchasing power of 2.4%. Lockdowns however prevented a lot of (especially service) consumption, leading to a fall in private consumption of 6.4%.

With inflation set to rise to 1.9% in 2021 on the back of higher energy prices and contractual wage increases decelerating to 2.0%, income developments of household will be less benign than in 2020. More tax relief contributes to the median change in purchasing power to still be positive (0.7%). Especially during the first lockdown, strong income development combined with restrictions to consumption possibilities resulted in (unintended) savings at record highs. While the majority of this vast amount of saving is most likely concentrated among high income households and will therefore

not all be spent entirely when social distancing measures are reduced, private consumption is forecasts to rebound quickly and much quicker than during the Global Financial Crisis of 2008.

## **Investments**

Investments have increased in 2013 versus the levels of 2012. The expectations are that investment levels will see a small growth in 2014 of 0.6%. Investment fell in 2020 by 3.6%. Especially investment in transport equipment (-20.4%) and machinery & equipment (-4.7%) dropped, while investment in ICT-equipment surged (10.0%).

Favourable financial conditions and the positive trend in business confidence on the back of a fading impact of the virus on the economy are incorporated in a forecast of 1.9% investment growth in 2021.

## **Dutch housing market**

Despite the strong year for the Dutch housing market in 2020, uncertainties remain exceptionally high due to the COVID-19 crisis. Interest rate decreases, increased activity by investors and persistent confidence in the housing market explain why prices in 2020 on average increased by 7.8% (2019: 6.9%). The number of existing homes sold increased to 236 thousand (2019: 219 thousand).

House price increases accelerated in the 1st quarter of 2021. The exemption from the 2% transfer tax for first-time buyers on the housing market (below the age of 35 years old) -implemented in January- plays an important role here. The impulse this provides to the housing will fade out later in the year.

ING still takes a mild cooling down of the Dutch housing market at the end of 2021 as base case. The economic impact of the COVID-19 crisis and phasing out of government support in the 2nd half of the year will also affect the housing market. Unlike in 2020, the crisis will also affect employees with fixed contracts, who will more often postpone their home purchasing plans. A gradual increase in interest rates together with a more moderate wage increase than in 2020 will on average mean that affordability declines. Together with lower housing market confidence levels, this will lower the demand for housing. In the base case the average house price is forecast to increase to 8.5% in 2021, mostly driven by vast price increases in the 1st half of 2021. House prices will move towards stabilisation at the end of 2021, followed by a mild price decrease. Compared to 2020, home sales are forecast to decline with -10%.

## **Sector outlook**

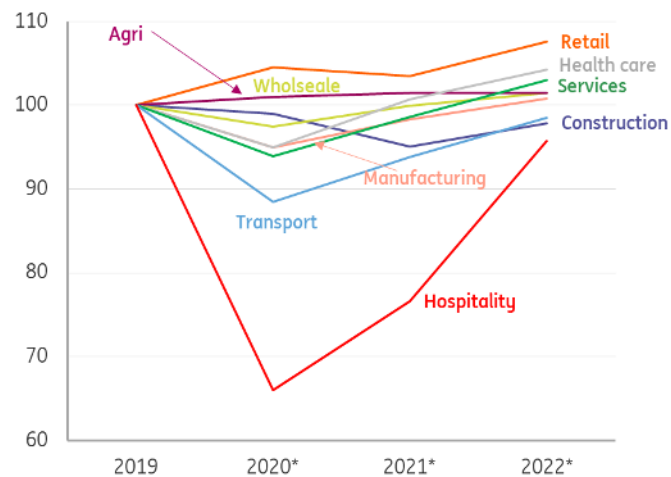
*2022: 2019 levels will be reached in many sectors*

The speed of recovery in many sectors mainly depends on how successful the corona measures and the development of the virus will be (e.g. accurate high-speed tests, vaccination programs and the development of new virus variants). In our base case, we expect that most sectors will reach pre-pandemic volume levels in 2022.

In the hospitality sector, we foresee a volume growth rebound of 16% in 2021 and 25% in 2022. This means that after a 45% decline in 2020 the hospitality sector will not fully recover to a pre-corona level in 2022. Additionally, the return of foreign tourists will be uncertain and dependent on the development of the virus and the progress speed of the vaccinations programs in the Netherlands and beyond.

## 2022: Continuing growth in many sectors

Volume production (index 2019=100)



Source: ING Sector Research, \* Forecast

### *Recovery of industrial production and services*

Service providers, such as civil-law notaries, accountants and consultants, are less affected by the corona crisis than hospitality. While demand for some services has been lower, much work can be done from home. The demand for temporary workers is picking up again. Companies will often hire temporary workers first when they start growing again and uncertainty about the pandemic still high.

Industrial production will show modest growth in 2021 and 2022. Exports are picking up although there are some current supply chain problems but they will probably be solved.

### *Decrease of construction output in 2021*

We expect that in 2021 the construction sector will face a decrease in production. Demand for new houses is still booming but a limited number of issued building permits restraints the production. Demand for new offices will weaken as working from home is, to some extent, here to stay. Furthermore, municipalities have received fewer tourist taxes and parking fees during the lockdowns and will therefore spend less on local infrastructure. For 2022 we expect a slight recovery of the construction volume.

## 7. PORTFOLIO DOCUMENTATION

### 7.1 Purchase, Repurchase and Sale

On the Closing Date the Seller will assign legal title to the Receivables to the Issuer. Furthermore, during the Revolving Period, New Receivables may be sold and assigned to the Issuer by the Seller on a Monthly Transfer Date. Each of the assignments will be enforceable against the Seller and complies with the requirements as set out under article 20(1), 20(2) and 20(3) of the Securitisation Regulation upon registration of the relevant deed of assignment and pledge prior to 0.00 hrs on the day of bankruptcy of the Seller.

Notification of the assignments will only be made to Borrowers under Loans upon the occurrence of any of the Assignment Notification Events (see paragraph *Assignment Notification Events* below). Until such notification the relevant Borrowers will only be entitled to validly pay (*bevrjndend betalen*) to the Seller.

The Seller and the Issuer have agreed, in accordance with the terms of the Receivables Purchase Agreement, that (A) with respect to the Receivables to be assigned on the Closing Date the Issuer will be entitled to (i) all principal proceeds in respect of such Receivables from and including the Initial Cut-Off Date and (ii) all interest proceeds in respect of such Receivables from and including the closing Date and (B) with respect to the New Receivables to be assigned on a relevant Notes Payment Date, the Issuer will be entitled to all principal proceeds and interest proceeds in respect of such New Receivables from and including the relevant Monthly Transfer Date.

#### Purchase Price

The purchase price for the Receivables will consist of the Initial Purchase Price and the Deferred Purchase Price. The Initial Purchase Price in respect of the Receivables purchased on the Closing Date will be equal to € 8,622,896,256.72, which shall be payable on the Closing Date. The Initial Purchase Price in respect of the New Receivables assigned to the Issuer on a Monthly Transfer Date during the Revolving Period shall be equal to the nominal amount of such receivables on the relevant Cut-off Date. The Initial Purchase Price for the Receivables purchased on the Closing Date will be paid by the Issuer by applying the net proceeds received from the issue of the Notes. The Initial Purchase Price for the New Receivables will be paid from the Available Principal Funds (including any Reserved Amounts) standing to the balance of the Issuer Collection Account and by means of set-off against the Seller's obligation to transfer collections received in respect of the Receivables to the Issuer on the Monthly Receivables Payment Date coinciding with the relevant Monthly Transfer Date as determined on the Monthly Receivables Calculation Date.

The Deferred Purchase Price for the Receivables purchased by the Issuer pursuant to the Receivables Purchase Agreement will be equal to the sum of all Deferred Purchase Price Instalments and each such Deferred Purchase Price Instalment on any Notes Payment Date will be equal to (i) prior to an Enforcement Notice any amount remaining after all payments as set forth in the Pre-Enforcement Revenue Priority of Payments under items (a) up to and including (g) and (ii) after an Enforcement Notice, the amount remaining after payments as set forth in the Post-Enforcement Priority of Payments under items (a) up to and including (g) thereof have been made on such date (see further section 5 (*Credit Structure*)).

The sale and purchase of the Receivables is conditional upon, *inter alia*, the issue of the Notes. Hence, the Seller can be deemed to have an interest in the issue of the Notes.

## Purchase of New Receivables on Monthly Transfer Dates

The Receivables Purchase Agreement provides that as from the Closing Date up to (and including) the Revolving Period End Date, the Issuer shall apply the Available Principal Funds up to an amount not exceeding the relevant New Receivables Available Amount to purchase and accept assignment from the Seller of any New Receivables, if and to the extent offered by the Seller. The Initial Purchase Price payable by the Issuer in respect of the purchase and assignment of any New Receivables shall be equal to the aggregate Outstanding Principal Amount of such New Receivables at the relevant Cut-off Date.

The purchase by the Issuer of any New Receivables will be subject to the Additional Purchase Conditions having been met.

## Assignment Notification Events

The Receivables Purchase Agreement provides that if any of the following events occurs:

- (a) the Seller fails to make payment on the due date of any amount due and payable by it under the Receivables Purchase Agreement or under any Transaction 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 by the Security Trustee to the Seller; or
- (b) the Seller fails duly to perform or to comply with any of its obligations under the Receivables Purchase Agreement or under any of the Transaction Documents to which it is a party and such failure, if capable of being remedied, is not remedied within 10 Business Days after notice thereof has been given by the Issuer or the Security Trustee to the Seller; or
- (c) any representation, warranty or statement made or deemed to be made by the Seller in the Receivables Purchase Agreement, other than those relating to the Loans and the Receivables, or under any of the Transaction Documents to which the Seller is a party or in any notice or other document, certificate or statement delivered by it pursuant thereto, proves to have been, and continues to be after the expiration of any applicable grace period, untrue or incorrect in any material respect; or
- (d) the Seller has taken any corporate action or any steps have been taken or legal proceedings have been instituted against it for bankruptcy (*faillissement*) or for any analogous insolvency proceedings under applicable law 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 has taken any corporate action or any steps have been taken or legal proceedings instituted or threatened against it for its dissolution (*ontbinding*) and liquidation (*vereffening*) or legal demerger (*juridische splitsing*) or its assets are placed under administration; or
- (f) at any time it becomes unlawful for the Seller to perform all or a material part of its obligations under any of the Transaction Documents in such a manner that this would have a material adverse effect on its ability to perform such obligations; or
- (g) the Seller has given materially incorrect information or has not given material information which was essential for the Issuer and the Security Trustee in connection with the entering into of the Receivables Purchase Agreement and/or any of the Transaction Documents; or
- (h) a Pledge Notification Event,

then, (x) the Seller shall notify the Issuer and the Security Trustee thereof and (y) unless (i) in the event of the occurrence of an Assignment Notification Event referred to under (a), such failure, if capable of

being remedied is so remedied to the satisfaction of the Issuer and the Security Trustee within a period of ten (10) Business Days after notice thereof, or (ii) in the event of the occurrence of any other Assignment Notification Event, the Security Trustee instructs otherwise, provided that each Credit Rating Agency has provided a Credit Rating Agency Confirmation in respect of such instruction, the Seller undertakes to forthwith notify the relevant Borrowers and any other related party indicated by the Issuer and/or the Security Trustee of the assignment of the Receivables.

### **Mandatory Repurchase**

If at any time any of the representations and warranties relating to the Loans and the Receivables proves to have been untrue or incorrect, the Seller shall within 14 calendar days of receipt of written notice thereof from the Issuer in any Monthly Receivables Calculation Period 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 calendar days, the Seller shall on the Notes Payment Date immediately following the expiration of such period or, if the relevant breach is not capable of remedy, on the Notes Payment Date immediately following receipt by the Seller of written notice of such breach from the Issuer or the Security Trustee, repurchase and accept, at the Seller's expense, re-assignment of the relevant Receivable for a price equal to its Outstanding Principal Amount together with interest and reasonable costs relating thereto (including any costs incurred by the Issuer in effecting and completing such purchase and assignment) accrued but unpaid up to but excluding the date of repurchase and re-assignment of the relevant Receivable.

The Seller shall also undertake to repurchase and accept re-assignment of a Receivable against a purchase price equal to its Outstanding Principal Amount together with accrued interest on the Notes Payment Date immediately following the date on which an amendment of the terms of the relevant Loan becomes effective if (A) as a result thereof the relevant Loan does no longer meet (i) certain of the Loan Criteria and the representations and warranties of the Receivables Purchase Agreement and (ii) the conditions relating to the amendment of Loans as set forth in the Servicing Agreement or (B) such amendment constitutes a Non-Permitted Amendment. However, the Seller shall not be required to repurchase such Receivable if the relevant amendment is made as part of the enforcement procedures to be complied with upon a default by the Borrower under the relevant Loan or is otherwise made as part of a restructuring or renegotiation of the relevant Loan due to a deterioration of the credit quality of the Borrower of such Loan and does not entail an extension of the term of the relevant Loan beyond 2051.

### **Optional purchase right in case of data issues**

The Seller may, but is not obliged, request the repurchase and assignment of a Receivable if (i) the Seller cannot, for whatever reason, complete all data fields in the reporting format in relation to such Receivable or (ii) if due to such Receivable, the Seller cannot comply with the highest reporting standards as imposed by the ECB and/or ESMA from time to time. The purchase price payable by the Seller will be equal to the Outstanding Principal Amount in respect of the Receivable repurchased, increased with interest and costs.

### **Clean-up Call Option**

On each Notes Payment Date following the Notes Calculation Date, the Seller has the right, but not the obligation, to exercise the Clean-up Call Option. Upon exercise of the Clean-Up Call Option, the Seller will repurchase and accept re-assignment of all (but not only part of) the Receivables on any Notes Payment Date on which the principal amount due on the Receivables then outstanding is less than 10 per cent. of the aggregate Outstanding Principal Amount of the Receivables on the Initial Cut-off Date. The purchase price will be at least equal to an amount sufficient to redeem the Notes (other than the Class C Notes), subject to and in accordance with the Conditions and the Pre-Enforcement Principal Priority of Payments, at their Principal Amount Outstanding plus accrued but unpaid interest thereon.

## **Optional Redemption**

If the Issuer exercises its right to redeem the Notes (other than the Class C Notes) on any Optional Redemption Date, it has the right to sell the Receivables provided that the Seller has a pre-emption right pursuant to which the Issuer shall first offer such Receivables for sale to the Seller. The Seller shall within a period of 15 Business Days inform the Issuer whether it, or a subsidiary of the Seller, wishes to repurchase the Receivables. After such 15 Business Day period, the Issuer may offer such Receivables for sale to any third party. The purchase price of such Receivables will be calculated in the same manner as described in Clean-up Call Option above.

## **Tax Call Option**

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

The purchase price to be received by the Issuer in respect of the Receivables sold shall be at least equal to an amount sufficient to redeem the Notes (other than the Class C Notes), subject to and in accordance with the Conditions.

## **No active portfolio management on a discretionary basis or discretionary repurchase rights of the Seller**

The Portfolio is not subject to any active portfolio management on a discretionary basis and the Seller does not have any discretionary rights to repurchase all or part of the Receivables owned by the Issuer. A retransfer of the Receivables by the Issuer shall only occur in certain pre-defined circumstances such as a breach of a representation by the Seller and upon (a) the exercise of the Tax Call Option by the Issuer, (b) the exercise of the Clean-Up Call Option by the Seller or (c) at the discretion of the Issuer, the occurrence of the Optional Redemption Date. The Transaction Documents do not allow for the active selection of the Loans or Receivables on a discretionary basis including management of the pool for speculative purposes aiming to achieve better performance or increased investor yield.

## **Set-off by Borrowers**

The Receivables Purchase Agreement provides that if a Borrower invokes a right of set-off for amounts due to it by the Seller against the relevant Receivable and, as a consequence thereof, the Issuer and/or Security Trustee does not receive in any Monthly Receivables Calculation Period the amount which it is entitled to receive in respect of such Receivable, the Seller will pay as soon as possible, but in any event ultimately on the Monthly Receivables Payment Date immediately succeeding such Monthly Receivables Calculation Period to the Issuer and/or Security Trustee an amount equal to the difference between the amount which the Issuer would have received in respect of the relevant Receivable if no set-off had taken place and the amount actually received by the Issuer and/or Security Trustee in respect of such Receivable.

## **Jointly-held Security Interests**

In the Receivables Purchase Agreement the Seller, the Issuer and/or the Security Trustee (as applicable) will agree that the Issuer and/or the Security Trustee (as applicable) will manage and administer any



jointly-held security interests. Furthermore, the Seller, the Issuer and/or the Security Trustee (as applicable) will agree that, in case of foreclosure the share (*aandeel*) in each jointly-held security interest of the Security Trustee and/or the Issuer will be equal to the Outstanding Principal Amount in respect of the Receivables, increased with interest and costs, if any, and the share of the Seller will be equal to the Net Foreclosure Proceeds less the Outstanding Principal Amount in respect of the Receivables, increased with interest and costs, if any. Moreover, it will be agreed in the Receivables Purchase Agreement 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 Issuer and/or the Security Trustee (as applicable) for any and all loss, cost, claim, damage and expense whatsoever which the Issuer and/or the Security Trustee (as applicable) incurs as a result thereof during any Monthly Receivables Calculation Period. Such compensation will be paid by the Seller as soon as possible, but in any event ultimately on the Monthly Receivables Payment Date immediately succeeding such Monthly Receivables Calculation Period (see also section 1 (*Risk Factors*)).

## 7.2 Representations and Warranties

The Seller will represent and warrant to the Issuer on (i) the Signing Date and the Closing Date with respect to the Loans and the Receivables and (ii) on the relevant date of completion of the sale and assignment of New Receivables to be sold and assigned by it to the Issuer, *inter alia*, that:

- (a) each of the Receivables is duly and validly existing and is not subject to demands by Borrowers for annulment or dissolution as a result of circumstances which have occurred prior to or on the Closing Date;
- (b) the Seller has full right and title to the Receivables and power to assign the Receivables and the Receivables are capable of being assigned and the terms and conditions applicable to each Loan and the Loan Conditions do not impose any restriction on the assignment and/or pledge of the Receivables;
- (c) the Receivables are free and clear of any encumbrances and attachments and no option rights to acquire the Receivables have been granted in favour of any third party with regard to the Receivables and, to the best of its knowledge, no Receivable is in a condition that can be foreseen to adversely affect the enforceability of the assignment of that Receivable to the Issuer pursuant to the Receivables Purchase Agreement;
- (d) each Receivable and the Security Interests, if any, are governed by Dutch law;
- (e) each Receivable and the Security Interests, if any, constitute legal, valid, binding and enforceable obligations of the relevant Borrower *vis-à-vis* the Seller and is not subject to annulment (*vernietiging*), subject, as to enforceability, to any applicable bankruptcy laws or similar laws affecting the rights of creditors generally;
- (f) if and to the extent that a Receivable is secured by a Security Interest, the relevant Security Interests granted to secure the Receivables constitute valid mortgage rights (*hypotheekrechten*) or sureties (*borgtochten*) or rights of pledge (*pandrechten*) or other security rights (*zekerheidsrechten*) respectively on the assets which are subject to the relevant Security Interests and, to the extent relating to the mortgage rights, have been entered into the appropriate public register (*Dienst van het Kadaster en de Openbare Registers*);
- (g) each Loan was (i) originated by the Seller as original lender, (ii) granted in the ordinary course of the Seller's business pursuant to underwriting standards that are no less stringent than those that the Seller applied at the time of origination to similar SME loans that are not securitised and (iii) was originated by the Seller in all material respects in accordance with the Seller's

standard underwriting criteria and procedures as at the time of origination (which procedures do not materially differ from procedures of a reasonable lender of Dutch loans as the Loans to Borrowers as the Borrowers acting as a reasonable creditor in protection of its own interests) and has in all material respects been granted in accordance with all applicable legal requirements;

- (h) each Loan was originated, underwritten and funded solely by the Seller;
- (i) each of the Receivables meets the Loan Criteria and, in respect of a New Receivable, the Additional Purchase Conditions;
- (j) to the best of its knowledge and after having made reasonable enquiries at origination in its ordinary course of business, each of the Borrowers, when entering into a Loan, acted in the conduct of its/his profession or trade;
- (k) on the (relevant) Cut-off Date no amounts due and payable under any of the Loans, were in arrears;
- (l) each of the Loans has been granted and each of the Security Interests has been vested, subject to the general terms and conditions and materially in the forms of mortgage deeds and pledge agreements as applied by the Seller at such time;
- (m) to the Seller's best knowledge, the Borrowers are not in any material breach of any provision of their Loans;
- (n) the Loan Conditions provide that all payments by the Borrowers in respect of their Loans should be made without deduction or set-off;
- (o) the mortgage deeds and the pledge agreements relating to the Security Interests, as the case may be, and the Loan Conditions in respect of the Loans do not contain any provision to the effect that upon assignment or pledge of the Receivable, the relevant Security Interest securing such Receivable, does not follow the Receivable upon assignment or pledge thereof; and
- (p) to the best of its knowledge and after having made reasonable enquiries at origination in its ordinary course of business, at the time of origination of the Loans, (i) the Borrowers acted in its professional capacity or for business purposes (*in beroep of bedrijf*) and (ii) the Loan Conditions have been (a) validly entered into between such Borrowers and the Seller and (b) provided to such Borrowers prior to or at the time of entering into the relevant Loan;
- (q) no Loan has been entered into as a consequence of any conduct constituting fraud of the Seller and, to the best of the Seller's knowledge, no Loan has been entered into fraudulently by the relevant Borrower;
- (r) the Loan Conditions applicable to the Receivables contain obligations that are contractually binding and enforceable with full recourse to the Borrower (and, where applicable, any guarantor of such Borrower), subject, as to enforceability, to any applicable bankruptcy laws or similar laws affecting the rights of creditors generally;
- (s) the assessment of the Borrower's creditworthiness is done in accordance with the Seller's underwriting criteria and meets the requirements set out in paragraphs 1 to 4, point (a) of paragraph 5, and paragraph 6 of Article 18 of Directive 2014/17/EU or of Article 8 of Directive 2008/48/EC or, where applicable, equivalent requirements in third countries;

- (t) as at the relevant Cut-Off Date, to the best of the Seller's knowledge, the Seller does not classify a Borrower pursuant to and in accordance with its internal policies as a borrower (i) that is unlikely to pay its credit obligations to the Seller or (ii) having a credit assessment or credit score indicating that the risk that such borrower is unlikely to pay its credit obligations to the Seller is significantly higher than for receivables originated by the Seller that are not sold and assigned pursuant to the Receivables Purchase Agreement;
- (u) it, to the best of its knowledge, is not aware of any Borrower being subject to bankruptcy (*faillissement*) or suspension of payments (*surseance van betaling*) in respect of Receivables to be purchased on the Closing Date;
- (v) to the best of the Seller's knowledge, it is not aware of any Borrower in respect of whom a court had granted his creditors a final non-appealable right of enforcement or material damages as a result of a missed payment within three years prior to the date of origination of the relevant Loan;
- (w) at the relevant Cut-Off Date, the Receivable is not in default within the meaning of article 178(1) of the CRR and the relevant Borrower is not a credit-impaired obligor or guarantor who, to the best of the Seller's knowledge, (i) has been declared insolvent, has been subjected to a suspension of payments (*surseance van betaling*) or had a court grant his creditors a final non-appealable right of enforcement or material damages as a result of a missed payment within three years prior to the date of origination or has undergone a debt-restructuring process with regard to his non-performing exposures within three years prior to the Closing Date, (ii) has a negative BKR registration upon origination, (iii) has a credit assessment or a credit score indicating that the risk of contractually agreed payments not be made is significantly higher than for comparable receivables originated by the Seller which are not sold and assigned to the Issuer under the Receivables Purchase Agreement and/or (iv) is classified pursuant to and in accordance with its internal policies as a borrower that is unlikely to pay its credit obligations to the Seller; and
- (x) none of the Borrowers is a financial institution.

### 7.3 Loan Criteria

Each of the Loans in the Initial Portfolio to be assigned to the Issuer, will meet the following criteria on the Closing Date and each New Receivable will meet the following criteria on the relevant Monthly Transfer Date (the **Loan Criteria**) :

- (1) each Receivable is resulting from a term loan with a fixed final maturity and with an amortisation schedule providing for the repayment of principal according to any of the following repayment profiles:
  - (a) a term loan with an amortisation schedule providing for the repayment of fixed, equal amounts of principal at regular intervals until maturity (**Linear Repayment**);
  - (b) a term loan with a fixed final maturity on which all principal outstanding becomes repayable (**Bullet Repayment**);
  - (c) a term loan with an amortisation schedule providing for the repayment of fixed, equal amounts of principal at regular intervals and for the repayment of all remaining outstanding principal at maturity (**Balloon Repayment / Partial-Bullet**); or
  - (d) term loan with an amortization schedule for the repayment of fixed amounts of principal at regular intervals, which amounts are determined such that the sum of principal and interest payments are equal, until maturity (**Annuity Repayment**);
- (2) in respect of each Receivable, a minimum of at least one payment has been made;
- (3) the interest rate on the Loan on the relevant Cut-off Date is fixed rate or floating rate, subject to an interest reset from time to time;
- (4) interest payments on the Loans are scheduled to be made bi-monthly, monthly, quarterly, semi-annually or annually in arrear;
- (5) each Loan is denominated in euro and has a positive outstanding principal amount;
- (6) each Loan has been originated after 1997 and the legal final maturity of each Loan does not extend beyond 2051;
- (7) on the relevant Cut-off Date no amounts due under a Loan were overdue and unpaid;
- (8) each Borrower is a private enterprise (*particulier bedrijf*), government related company (*overheidsbedrijf*), a medical institution, an association, a foundation or a professional practitioner (*vrije beroepsoefenaar*);
- (9) each Borrower is resident of, or in case of a legal entity, established in, the Netherlands;
- (10) the aggregate Outstanding Principal Amount of the Receivables from a Borrower Group does not exceed 1 per cent. of the Initial Portfolio;
- (11) the aggregated Outstanding Principal Amount of a Loan does not exceed € 80,000,000;
- (12) no borrower can be included which has an ING Risk Rating of 17-22 measured at the applicable rating model at initiation of the transaction (being the SME Model, the Small Business Finance Model and the Governmental Related Entities Model) the one-year default probability

attributed to each Borrower did not exceed 11.6740 per cent. which corresponds with an ING Risk Rating of 16;

- (13) none of the Borrowers is an employee of the Seller or a group entity of the Seller (within the meaning of article 2:24(b) of the Dutch Civil Code);
- (14) none of the Loans were marketed and underwritten on the premise that the Borrower or where applicable intermediaries, were aware that the information provided might not be verified by the Seller;
- (15) no amounts due under any Receivables were unpaid by a Restructured Borrower since one year prior to the relevant Cut-off Date;
- (16) each Receivable is categorised by ING as "mid-size corporates (retail)", "small and medium enterprises" or "small business finance" or, in each case, any similar categorisation by ING from time to time;
- (17) none of the Receivables purported to be assigned to the Issuer were, as at the relevant Cut-off Date and on the date of assignment to the Issuer, subject to payment holidays, forbearance or debt restructuring; and
- (18) the relevant Receivable is not a Defaulted Receivable.

In addition to the above, it is noted that from the Loan Criteria it can be derived that:

- (a) no Loan constitutes a transferable security, as defined in Article 4(1), point 44 of Directive 2014/65/EU of the European Parliament and of the Council;
- (b) no Loan includes any derivatives for purposes of Article 21(2) of the EU Securitisation Regulation; and
- (c) no Loan constitutes a securitisation position for purposes of Article 20(9) of the EU Securitisation Regulation.

## 7.4 Replenishment Conditions

### Purchase of New Receivables

#### *New Receivables*

During the Revolving Period, the Seller may offer to the Issuer New Receivables for assignment on Monthly Transfer Dates. The purchase by the Issuer of any New Receivables on any Monthly Transfer Date during the Revolving Period will be subject to a number of conditions (the **Additional Purchase Conditions**), which include that on the relevant Monthly Transfer Date::

- (a) the Seller will represent and warrant to the Issuer and the Security Trustee the matters set out in the clauses providing for the representations and warranties relating to the Loans, the Receivables and the Seller in the Receivables Purchase Agreement with respect to the New Receivables sold by it to the Issuer;
- (b) no Assignment Notification Event has occurred in respect of the Seller and no Pledge Notification Event has occurred and, in each case, is continuing;
- (c) the relevant New Loans meet the Loan Criteria on the relevant Monthly Transfer Date;
- (d) the Available Principal Funds (including Reserved Amounts) standing to the balance of the Issuer Collection Account are – together with any collections to be received from the Seller by the Issuer on such Monthly Transfer Date - sufficient to pay (to the extent applicable by means of set-off against its entitlement to receive such collections in accordance with the Receivables Purchase Agreement) the Initial Purchase Price for the relevant New Receivables;
- (e) all reports required to be delivered pursuant to the Servicing Agreement have been delivered;
- (f) if the Portfolio is in compliance with the Portfolio Criteria prior to the assignment of such New Receivables, the Portfolio remains in compliance with the Portfolio Criteria after giving effect to such assignment of New Receivables (together with any other assignment of New Receivables made on the same Monthly Transfer Date);
- (g) if the Portfolio is not in compliance with one or more of the Portfolio Criteria immediately prior to the assignment of such New Receivables, such assignment of such New Receivables will reduce the level of noncompliance of this criteria (whereby the Issuer shall use its best efforts to bring back the noncompliance of this criteria to the initial level);
- (h) each relevant New Loan will have been fully released / drawn.
- (i) if the Portfolio is not in compliance with criteria (l) of the Portfolio Criteria immediately prior to the assignment of such New Receivables, the aggregate then current Outstanding Principal Amount of the relevant New Loans purported to be assigned shall have a Weighted Average One-Year Default Probability based on the current Master Scale of less than 2.0%;
- (j) if the Portfolio is not in compliance with criteria (k) of the Portfolio Criteria immediately prior to the assignment of such New Receivables, the aggregate Outstanding Principal Amount of the relevant New Loans in respect of which the Receivables are to be assigned on such Monthly Transfer Date of which Borrowers have an ING Internal Risk Rating of 16, does not exceed 3.00 per cent. of the aggregate then current Outstanding Principal Amount of all New Loans in respect of which the New Receivables are to be assigned on such date;

- (k) there has been no failure by the Seller to repurchase any Receivable which it is required to repurchase pursuant to the Receivables Purchase Agreement;
- (l) no new borrower can be included which is rated with the Governmental Related Entities Model.

If (i) a New Receivable does not meet all of the Additional Purchase Conditions on the relevant Monthly Transfer Date or (ii) the New Loan is granted in or after the last calendar month prior to the end of the Revolving Period, the Issuer shall in no event be obliged to purchase such New Receivables.

When the Issuer purchases and accepts assignment of any New Receivable, it will at the same time create an undisclosed right of pledge on such Receivable in favour of the Security Trustee.

### **Early Amortisation Event**

Upon the occurrence of an Early Amortisation Event, the Revolving Period terminates automatically and no further New Receivables may be purchased by the Issuer.

### **Portfolio Criteria**

- (a) the weighted average remaining tenor of the entire Portfolio is no longer than 8 years;
- (b) the Weighted Average Life of the Portfolio is equal to or lower than 5.0 years
- (c) the Weighted Average Seasoning of the aggregate then current Outstanding Principal Amount of all Loans must be greater than 2 years;
- (d) the aggregate then current Outstanding Principal Amount of all Loans secured by a Mortgage (either for the full amount or in part) must be greater than 50 per cent. of the aggregate Outstanding Principal Amount of the Portfolio;
- (e) the aggregate then current Outstanding Principal Amount of all Loans which originate from a particular metropolitan area shall not exceed 15 per cent. of the aggregate Outstanding Principal Amount of the Portfolio;
- (f) the aggregate then current Outstanding Principal Amount of all Loans with a Bullet Repayment shall not exceed 7 per cent. of the aggregate Outstanding Principal Amount of the Portfolio;
- (g) the aggregate then current Outstanding Principal Amount of all Loans with an annual, semi-annual or bullet repayment shall not exceed 8.5 per cent. of the aggregate Outstanding Principal Amount of the Portfolio;
- (h) the aggregate current Outstanding Principal Amount of the Loans of the top 1 Borrower Group shall not represent more than 1 per cent. of the then current Outstanding Principal Amount of the aggregate Outstanding Principal Amount of the Portfolio;
- (i) the aggregate current Outstanding Principal Amount of the Loans of the top 10 Borrower Group shall not represent more than 7 per cent. of the then current Outstanding Principal Amount of the aggregate Outstanding Principal Amount of the Portfolio;
- (j) the aggregate current Outstanding Principal Amount of the Loans of the top 25 Borrower Group shall not represent more than 10 per cent. of the then current Outstanding Principal Amount of the aggregate Outstanding Principal Amount of the Portfolio;

- (k) the aggregate then current Outstanding Principal Amount of the Loans of all Borrowers with an ING Internal Risk Rating of 16 does not exceed 3 per cent. of the then current Outstanding Principal Amount of all Loans;
- (l) the Weighted Average One-Year Default Probability based on the current Master Scale of the aggregate then current Outstanding Principal Amount of all performing Loans shall not exceed 2.0 per cent.;
- (m) the aggregate then current Outstanding Principal Amount of all Loans granted to Borrowers that are small and medium-sized enterprises, classified as “Customer Type” Corporates, is at least 80 per cent. of the aggregate Outstanding Principal Amount of the Portfolio;
- (n) the aggregate then current Outstanding Principal Amount of the Loans of all Borrowers in the industry category “Food, Beverages & Personal Care” according to the NAICS codes, is equal to or lower than 20 per cent. of the aggregate Outstanding Principal Amount of the Portfolio;
- (o) the aggregate then current Outstanding Principal Amount of the Loans of all Borrowers in the industry category “Chemicals, Health & Pharmaceuticals” according to the NAICS codes, is equal to or lower than 16 per cent. of the aggregate Outstanding Principal Amount of the Portfolio;
- (p) the aggregate then current Outstanding Principal Amount of the Loans of all Borrowers from a particular industry category, according to the NAICS codes, other than the industry categories specifically referred to in Portfolio Criteria above is equal to or lower than 15 per cent. of the aggregate Outstanding Principal Amount of the Portfolio;
- (q) the weighted average interest rate of all Loans of the then current Outstanding Principal Amount is at least 1.5 per cent. of the aggregate Outstanding Principal Amount of the Portfolio;
- (r) at least 70 per cent, of the Outstanding Principal Amount relates to the Loans that qualify as ‘SME’ within the meaning of Article 501 of the CRR;
- (s) the aggregate then current Outstanding Principal Amount of the Loans of all Borrowers rated with the Governmental Related Entities Model is equal to or lower than 15 per cent. of the aggregate Outstanding Principal Amount of the Portfolio.

**Master Scale** means any of the three ING credit risk rating (**ING’s Internal Risk Rating**) scales, including rating grades for performing loans from 1 to 19 and for non-performing loans from 20 to 22 whereby each rating grade is assigned a Probability of Default (**PD**) value which refers to the probability that a company in the particular rating grade will default within the next 12 months.

**Weighted Average Life Of The Portfolio** means the ratio calculated by:

- (a) summing the products obtained by multiplying:
  - (i) the Current Balance of each Loan; by
  - (ii) the number of months between the Cut-off Date in respect of such Loan and the maturity date of such Loan;
- (b) dividing such sum by the aggregate sum of the Current Balance of each Loan;
- (c) dividing such amount by 12 to obtain the weighted average life in years.



**Weighted Average One-Year Default Probability** means the ratio calculated by:

- (a) summing the products obtained by multiplying the Current Balance of each Loan by the one-year default probability as computed on the basis of the current Master Scale;
- (b) dividing such sum by the sum of the aggregate then current Outstanding Principal Amount of all Loans; and
- (c) rounding the result up to the nearest two decimal places.

**Weighted Average Seasoning** means the ratio calculated by:

- (a) summing the products obtained by multiplying:
  - (i) the Current Balance of each Loan; by
  - (ii) the number of months between the Cut-off Date (Limit Start Date) in respect of such Loan and the Cut-Off Date of the Reporting Date of such Loan;
- (b) dividing such sum by the aggregate sum of the Current Balance of each Loan;
- (c) dividing such amount by 12 to obtain the weighted average life in years.

## 7.5 Servicing Agreement

In the Servicing Agreement the Servicer will agree to provide administration and management services to the Issuer on a day-to-day basis in relation to the Loans and the Receivables, including, without limitation, the collection of payments of principal, interest and other amounts in respect of the Receivables, all administrative actions in relation thereto and the implementation of arrears procedures including the enforcement of Mortgages (see further 6.3 (Origination and Servicing)).

The Servicer will be obliged to manage the Loans and the Receivables with the same level of skill, care and diligence as the Loans in its own portfolio.

The Servicer will, on behalf of the Reporting Entity, fulfil the information requirements set out in points (a), (b), (d), (e), (f) and (g) of the first subparagraph of Article 7(1) of the EU Securitisation Regulation, which includes making available this Prospectus and the Transaction Documents through the EU SR Repository. Additionally, the Servicer will fulfil certain cash management services, these being among others:

- (a) on behalf of the Issuer claim payment to which the Issuer is entitled under the Transaction Documents and the Notes if the conditions for payment thereunder are met;
- (b) notify the Noteholders, on behalf of the Issuer, of any material amendment to Transaction Documents without delay, subject to Dutch and European Union law governing the protection of confidentiality of information and the processing of personal data, unless such confidential information is anonymised or aggregated;
- (c) to the extent required, publish, on behalf of the Issuer, any quarterly investor reports as required by and in accordance with the EU Securitisation Regulation and the Article 7 Technical Standards; and
- (d) to the extent required, publish on a quarterly basis certain loan-by-loan information as required by and in accordance with the EU Securitisation Regulation and the Article 7 Technical Standards,

all the above subject to the condition that the Issuer shall at all times remain legally responsible and liable for such compliance.

The Servicer acts in accordance with its internal policies, which include amongst others, remedies and actions relating to delinquency and default of debtors, debt restructuring, debt forgiveness, forbearance, payment holidays, losses, charge offs, recoveries and other asset performance remedies as referred to in article 21(9) of the EU Securitisation Regulation.

The Servicing Agreement may be terminated by the Issuer and the Security Trustee, acting jointly, upon the occurrence of certain termination events, including but not limited to, a failure by the Servicer to comply with its obligations (unless remedied within the applicable grace period), dissolution or liquidation of the Servicer, the Servicer being declared bankrupt, subjected to any intervention, recovery and resolution measures, including but not limited to measures, that may be taken pursuant to the BRRD as implemented in Dutch law, the Wft, and the SRM Regulation or if the Servicer no longer holds a licence under the Wft. In addition the Servicing Agreement may be terminated by the Servicer upon the expiry of not less than six (6) months' notice, subject to (i) written approval of the Issuer and the Security Trustee, which approval may not be unreasonably withheld and (ii) each Credit Rating Agency having provided a Credit Rating Agency Confirmation in respect of the termination. A termination of the Servicing Agreement by either the Issuer and the Security Trustee or the Servicer will only become effective if a substitute servicer is appointed.

Upon the occurrence of a termination event as set forth above the Security Trustee and the Issuer shall use their best efforts to promptly appoint a substitute servicer and such substitute servicer shall enter into an agreement with the Issuer and the Security Trustee substantially on the terms of the Servicing Agreement, provided that such substitute servicer shall have the benefit of a servicing fee at a level to be then determined. Any such substitute servicer must have experience of handling Loans and mortgage rights over residential property in the Netherlands and hold a licence under the Wft in order to perform any of the obligations under the Servicing Agreement or any substitute agreement. The Issuer shall, promptly following the execution of such agreement, pledge its interest in such agreement in favour of the Security Trustee on the terms of the Issuer Rights Pledge Agreement, *mutatis mutandis*, to the satisfaction of the Security Trustee.

The Servicer does not have any liability whatsoever to the Noteholders in respect of any failure by the Issuer to pay any amounts due under the Notes. The Notes will be solely the obligations and responsibilities of the Issuer and not of any other entity or person involved in the transaction, including, without limitation, the Servicer, except for certain limited obligations of the Security Trustee under the Trust Deed.

### **Disruptions in reporting**

If a Disruption has occurred, the Servicer will use all reasonable endeavours to make all determinations, necessary in order for the Servicer to continue to perform its services under the Servicing Agreement. In accordance with the Servicing Agreement, the Servicer will use the three most recent monthly collections as calculated by the Servicer to calculate the aggregate of any collections (whether relating to principal, interest or other) received in respect of the Receivables for the three relevant Monthly Receivables Calculation Periods.

#### *Disruption Overpaid Amount*

Any Disruption Overpaid Amount to the extent it would have formed part of the Available Revenue Funds will be deducted from the Available Revenue Funds and will be withheld from the payments to be made on the next following Notes Payment Date on which the Disruption is no longer occurring. Any Disruption Overpaid Amount to the extent it would have formed part of the Available Principal Funds will be deducted from the Available Principal Funds and will be withheld from the payments to be made on the next following Notes Payment Date.

#### *Disruption Underpaid Amount*

Any Disruption Underpaid Amount to the extent it would have formed part of the Available Revenue Funds will be added to the Available Revenue Funds and will be paid on the next following Notes Payment Date on which the Disruption is no longer occurring. Any Disruption Underpaid Amount to the extent it would have formed part of the Available Principal Funds will be added to the Available Principal Funds and will be paid on the next following Notes Payment Date.

Any (i) calculations properly done in accordance with the Trust Deed and in accordance with the Servicing Agreement, and (ii) payments made and payments not made under any of the Notes and Transaction Documents in accordance with such calculations and (iii) reconciliation calculations and reconciliation payments made or payments not made as a result of such reconciliation calculations, each in accordance with the Servicing Agreement, shall be deemed to be done, made or not made in accordance with the provisions of the Transaction Documents and will in themselves not lead to an event of default or any other default or termination event under any of the Transaction Documents or breach of any triggers included therein (including but not limited to Assignment Notification Events and Pledge Notification Events

## 8. GENERAL

This document constitutes a prospectus (the **Prospectus**) within the meaning of Articles 3(3) of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 (the **Prospectus Regulation**). This Prospectus has been approved by the Dutch Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten*) (the **AFM**), as competent authority under the Prospectus Regulation. The AFM only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuer and the quality of the securities that are the subject of this Prospectus and investors should make their own assessment as to the suitability of investing in the Notes. **This Prospectus is valid for use only by the Issuer or others who have obtained the Issuer's consent for a period of up to 12 months after its approval by the AFM and shall expire on 14 December 2022, at the latest.** It is noted that the obligation to supplement the Prospectus in the event of significant new factors, material mistakes or material inaccuracies does not apply when the Prospectus is no longer valid. For this purpose, "valid" means valid for making offers to the public or admissions to trading on a regulated market by or with the consent of the Issuer and the obligation to supplement the Prospectus is only required within its period of validity between the time when the Prospectus is approved and the closing of the offer period for the Notes or the time when trading on a regulated market begins, whichever occurs later.

- (a) The issue of the Notes has been authorised by a resolution of the managing director of the Issuer passed on 10 December 2021.
- (b) The Notes have been accepted for clearance through Euroclear Netherlands. The table below lists the Common Codes and the ISINs for the Notes.

Class	Common Code	ISIN
Class A1 Notes	242302338	NL0015000OC6
Class A2 Notes	242302443	NL0015000OD4
Class A3 Notes	242302583	NL0015000OE2
Class B Notes	242306503	NL0015000OR4
Class C Notes	242313607	NL0015000OQ6

- (c) The address of Euroclear Netherlands is Herengracht 459-469, 1017 BS Amsterdam, the Netherlands.
- (d) Application has been made to list the Class A Notes, amounting to an aggregate principal amount of € 6,488,800,000 on Euronext Amsterdam. The estimated total costs involved with such admission amount to approximately € 54,000.
- (e) Copies of the following documents shall be made available and may be inspected by the Noteholders at the specified offices of the Security Trustee and the Paying Agent during normal business hours, as long as any Notes are outstanding:
  - (i) this Prospectus;
  - (ii) the deed of incorporation including the articles of association of the Issuer;
  - (iii) the Receivables Purchase Agreement (including the form of Deed of Assignment and Pledge);
  - (iv) the Paying Agency Agreement;

- (v) the Trust Deed;
- (vi) the Secured Creditors Agreement;
- (vii) the Issuer Receivables Pledge Agreement;
- (viii) the Issuer Rights Pledge Agreement;
- (ix) the Servicing Agreement;
- (x) the Administration Agreement;
- (xi) the Issuer Account Agreement;
- (xii) the Swap Agreement;
- (xiii) the Transparency Reporting Agreement;
- (xiv) the Master Definitions Agreement; and
- (xv) the deed of incorporation including the articles of association of the Security Trustee.

The documents listed above (other than the Prospectus) have not been scrutinised or approved by the competent authority.

- (f) Copies of the final Transaction Documents, the EU STS Notification within the meaning of article 27 of the EU Securitisation Regulation and the Prospectus shall be published on <https://edwin.eurodw.eu/edweb/> no later than 15 days after the Closing Date.
- (g) No statutory or non-statutory accounts in respect of any financial year of the Issuer have been prepared. As long as the Class A Notes are listed on Euronext Amsterdam, the most recently published audited annual accounts of the Issuer from time to time will be available at the specified offices of the Security Trustee.
- (h) There has been no material adverse change in the financial position or prospects of the Issuer since its incorporation on 29 June 2021.
- (i) There are no legal, arbitration or governmental proceedings and neither the Issuer nor the Shareholder is aware of any such proceedings which may have, or have had, significant effects on the Issuer's or, as the case may be, the Shareholder's financial position or profitability nor, so far as the Issuer and/or the Shareholder is/are aware, are any such proceedings pending or threatened against the Issuer or the Shareholder, respectively, in the previous twelve months.
- (j) The deed of incorporation (including the articles of association) of the Issuer dated 29 June 2021 are incorporated herein by reference.
- (k) A free copy of the Issuer's deed of incorporation including the articles of association is available at the office of the Issuer located at Prins Bernhardplein 200, 1097 JB Amsterdam, the Netherlands and can be obtained at:  
  
[https://cm.intertrustgroup.com/atc/assets/docs/SME%20Lion%20III%20B.V.%20-%20afschrift%20OPR%20NED\\_ENG%20\(29\\_6\\_21\).pdf](https://cm.intertrustgroup.com/atc/assets/docs/SME%20Lion%20III%20B.V.%20-%20afschrift%20OPR%20NED_ENG%20(29_6_21).pdf)
- (l) No content available via the website addresses contained in this Prospectus forms part of this Prospectus. This information has not been scrutinised or approved by the competent authority.

- (m) The estimated aggregate upfront costs of the transaction amount to approximately 0.0% of the proceeds of the Notes. There are no costs deducted by the Issuer from any investment made by any Noteholder in respect of the subscription or purchase of the Notes.
- (n) As long as the Class A, B and C Notes are outstanding, each of the Seller and the Issuer undertake to make the relevant information pursuant to article 7 of the EU Securitisation Regulation, to the extent applicable, available to the Noteholders, the competent authorities referred to in article 29 of the EU Securitisation Regulation and, upon request, potential investors. As to the pre-pricing information, each of the Seller and the Issuer confirm that they have made available to potential investors before pricing the information under point (a) of article 7, paragraph 1, of the EU Securitisation Regulation upon request and the information under points (b) and (d) of article 7, paragraph 1, of the EU Securitisation Regulation in draft form. As to the post-closing information, the Seller as Reporting Entity will (or will procure that any agent will on its behalf) for the purposes of article 7 of the EU Securitisation Regulation from the Signing Date, publish on a simultaneous basis by no later than one month after the Notes Payment Date (a) a quarterly investor report in respect of each Notes Calculation Period, as required by and in accordance with article 7(1)(e) of the EU Securitisation Regulation, and the Article 7 Technical Standards and (b) certain loan-by-loan information in relation to the Receivables in respect of each Notes Calculation Period, as required by and in accordance with article 7(1)(a) of the EU Securitisation Regulation and the Article 7 Technical Standards. In addition, the Reporting Entity (or any agent on its behalf) will publish or make otherwise available the reports and information referred to above as required under article 7 and article 22 of the EU Securitisation Regulation through the EU SR Repository.
- (o) Any change in any Priority of Payments which will materially adversely affect the repayment of the securitisation position or any other significant event, including but not limited to: (i) a material breach of the obligations laid down in the Transaction Documents, including any remedy, waiver or consent subsequently provided in relation to such a breach, (ii) a change in the structural features that can materially impact the performance of the securitisation, (iii) a change in the risk characteristics of the securitisation or of the Loans that can materially impact the performance of the securitisation, (iv) in the case of “STS” securitisations, where the securitisation ceases to meet the EU STS Requirements or where competent authorities have taken remedial or administrative actions or (v) any material amendment to transaction documents shall be reported to Noteholders without delay, subject to Dutch and EU law governing the protection of confidentiality of information and the processing of personal data in order to avoid potential breaches of such law as well as any confidentiality obligation relating to customer, original lender or debtor information, unless such confidential information is anonymised or aggregated.
- (p) Each of the Servicer and the Issuer Administrator, undertake under the Servicing Agreement and the Administration Agreement, respectively, to the Reporting Entity that it will (on behalf of the Reporting Entity) make the information available to the Noteholders, to competent authorities, as referred to in Article 29 of the EU Securitisation Regulation and, upon request, to potential Noteholders, that the Reporting Entity is required to make available pursuant to and in compliance with the reporting requirements under the EU Securitisation Regulation. Subject to prior notification of the Noteholders and the Credit Rating Agencies, the Servicer and the Issuer Administrator shall be entitled to amend the Monthly Report and the investor reports in every respect to comply with the reporting requirements under the Securitisation Regulation. For the avoidance of doubt, the Servicer and the Issuer Administrator shall even be entitled to replace the Monthly Reports and the investor reports in full to comply with the reporting requirements under the EU Securitisation Regulation.

- (q) This Prospectus constitutes a prospectus for the purpose of the Prospectus Regulation. A free copy of this Prospectus is and remains available during the life of the Notes at the offices of the Issuer and the Paying Agent or can be obtained at <http://cm.intertrustgroup.com>. The deed of incorporation including the articles of association can be found at the website referred to under item ((k)) above. This Prospectus shall be read and construed on the basis that such document is incorporated in, and forms part of, this Prospectus.
- (r) Any information contained in or accessible through any website addresses contained in this Prospectus, does not form part of this Prospectus, unless specifically stated in this Prospectus. Such information has not been scrutinised or approved by the competent authority.
- (s) The Loans have been subject to a third-party review according to agreed-upon procedures of a random sample of Loans, of which the results were communicated to the Issuer on 29 November 2021. Furthermore, a sample of the Loan Criteria against the entire loan-by-loan data tape has been verified by an appropriate and independent party and the Seller confirms that no adverse findings have been found. Finally, the New Receivables sold by the Seller to the Issuer after the Closing Date will not be subject to an agreed-upon procedures review.
- (t) In this Prospectus, references to websites are inactive textual references and are included for information purposes only. The contents of any such website shall not form part of, or be deemed to be incorporated into, this Prospectus.
- (u) The annual audited financial statements of the Issuer will be made available free of charge from the specified office of the Issuer. The auditors of the Issuer are KPMG Accountants N.V. and the accountants at KPMG Accountants N.V. are registered accountants (*registeraccountants*) and are a member of the Netherlands Institute for Registered Accountants (*NBA*).
- (v) **Prohibition of Sales To EEA Retail Investors** – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (**EEA**). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (**MiFID II**); or (ii) a customer within the meaning of Directive 2016/97/EU (**Insurance distribution Directive**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended or superseded, the **Prospectus Directive**). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the **PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPS Regulation.
- (w) **Prohibition of Sales to UK Retail Investors** – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the united kingdom (**UK**). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (**EUWA**); or (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law of the United Kingdom by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the **UK PRIIPS Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or

selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPS Regulation.

- (x) **MiFID II Product Governance/Professional Investors and ECPs only target market** – solely for the product approval process of each Manufacturer's product approval process, the target market assessment in respect of the notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a **distributor**) should take into consideration the manufacturer's target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer's target market assessment) and determining appropriate distribution channels.

### **Responsibility Statements and important information**

The Issuer is responsible for the information contained in this Prospectus. To the best of its knowledge the information contained in this Prospectus is in accordance with the facts and makes no omission likely to affect its import. Any information from third parties contained and specified as such in this Prospectus has been accurately reproduced and as far as the Issuer is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. The Issuer accepts responsibility accordingly.

In addition to the Issuer, the Seller is also responsible for the information contained in the following sections of this Prospectus: *Seller* and *Servicer* in section *Principal Parties, Regulatory & Industry Compliance* in section *The Notes*, the entire section *Portfolio Information* and all the confirmations and undertakings relating to retention and disclosure requirements under the EU Securitisation Retention Requirements. To the best of the Seller's knowledge the information contained in the abovementioned sections is in accordance with the facts and makes no omission likely to affect its import. Any information from third parties contained and specified as such in these sections has been accurately reproduced and as far as the Seller is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. The Seller accepts responsibility accordingly.

To the fullest extent permitted by law, the Security Trustee does not make any representation, express or implied, or accepts any responsibility for the contents of this Prospectus as to the accuracy, completeness or sufficiency of the information set-out herein or for any statement or information contained in or consistent with this Prospectus or for any other statement in connection with the Issuer, the Seller or the offering of the Notes. The Security Trustee disclaims all and any liability whether arising in tort or contract or otherwise which it might have in respect of this Prospectus or any such statement or information.

### **Eurosystem Eligibility**

The Class A Notes are intended to be held in a manner which will allow Eurosystem eligibility. This means that the Class A Notes are intended upon issue to be deposited with Euroclear Netherlands which is the Dutch Central Securities Depository that fulfils the minimum standard established by the European Central Bank as common safekeeper. It does not necessarily mean that the Class A Notes will be recognised as Eurosystem Eligible Collateral either upon issue or at any or all times during their life. Such recognition will depend, inter alia, upon satisfaction of the Eurosystem eligibility criteria, as amended from time to time, including compliance with loan-by-loan reporting in a prescribed format and manner. It should be noted that, with effect from 1 October 2021 (but subject to certain transitional provisions), amended Eurosystem rules apply to loan-by-loan reporting whereby loan-level reporting



via an ESMA-authorised securitisation repository in compliance with Article 7 of the EU Securitisation Regulation applies. For further details on compliance with Article 7, see section 4.4 (*Regulatory & Industry Compliance*) and Section 5.7 (*Transparency Reporting Agreement*) below. The Class B Notes and the Class C Notes are not intended to be recognised as Eurosystem Eligible Collateral.

### **Important information**

No person has been authorised to give any information or to make any representation not contained in or not consistent with this Prospectus or any other information supplied in connection with the offering of the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the Seller or the Arranger (nor any of their respective affiliates).

The distribution of this document and the offering of the Notes in certain jurisdictions may be restricted by law.

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

Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer and its own independent investigation of the Receivables. Neither this Prospectus nor any other information supplied in connection with the issue of the Notes constitutes an offer or invitation by or on behalf of the Issuer or the Arranger (nor any of their respective affiliates) to any person to subscribe for or to purchase any Notes. Neither the delivery of this Prospectus at any time nor any sale made in connection with the offering of the Notes shall imply that the information contained herein is correct at any time subsequent to the date of this Prospectus. Neither the Issuer nor the Seller shall be obliged to update this Prospectus after the date on which the Notes are issued or admitted to trading. If at any time the Issuer shall be required to prepare a supplemental prospectus pursuant to the Prospectus Regulation, the Issuer will prepare and make available an appropriate amendment or supplement to this Prospectus which shall constitute a supplemental prospectus as required by the AFM under the Prospectus Regulation.

ING Bank N.V. as Arranger makes expressly clear that it does not undertake to review the financial conditions or affairs of the Issuer during the life of the Notes. Investors should review, among other things, the most recent financial statements of the Issuer when deciding whether or not to purchase, hold or sell any Notes during the life of the Notes. The Notes have not been and will not be registered under the Securities Act. The Notes may not be offered, sold or delivered within the United States or to U.S. persons as defined in Regulation S, except in certain transactions permitted by U.S. tax regulations and the Securities Act (see Section 4.3 (*Subscription and Sale*)).

The Notes have not been and will not be registered under the Securities Act and will include Notes in bearer form that are subject to United States tax law requirements. The Notes may not be offered, sold or delivered within the United States or to (a) U.S. persons as defined in Regulation S under the Securities Act, or (b) U.S. persons as defined in the U.S. Risk Retention Rules or for the account of or benefit of such persons, except in certain transactions permitted by or exempted from the Securities Act, U.S. tax regulations and in accordance with an exemption from the U.S. Risk Retention Rules (and in the latter case, only with the prior written consent of the Issuer and the Seller)(see *Subscription and Sale* below). Each purchaser of Notes, including beneficial interests therein, will be deemed to, and in certain circumstances will be required to, represent and agree that (1) it either (i) is not a Risk Retention U.S. Person or (ii) has obtained a U.S. Risk Retention Waiver from the Seller, (2) it is acquiring such

Note or a beneficial interest therein for its own account and not with a view to distribute such Note; and (3) it is not acquiring such Note or a beneficial interest therein as part of a scheme to evade the requirements of the U.S. Risk Retention Rules. The Notes have not been approved or disapproved by the U.S. Securities and Exchange Commission, any state securities commission or any other regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of this offering on accuracy or adequacy of this Prospectus. Any representation to the contrary is unlawful.

The issuance of the Notes was not designed to comply with the U.S. Risk Retention Rules other than the exemption under Section 20 of the U.S. Risk Retention Rules and no other steps have been taken by the Issuer, the Seller, the Arranger, or any of their Affiliates or any other party to accomplish such compliance.

Neither the delivery of this Prospectus at any time nor any sale made in connection with the offering of the Notes shall imply that the information contained herein is correct at any time subsequent to the date of this Prospectus. The Issuer does not have the obligation to update this Prospectus, except when required by the listing and issuing rules of Euronext Amsterdam or any other regulation. The Arranger, the Security Trustee, the Seller and their respective affiliates expressly do not undertake to review the financial condition or affairs of the Issuer, the Seller, the Servicer or any other party during the life of the Notes, nor to advise any investor or potential investor in the Notes of any information coming to the attention of any of the Arranger, the Security Trustee, the Seller or any of their respective affiliates.

### **Forward-looking statements**

This Prospectus contains statements which constitute forward-looking statements. Such statements appear in a number of places in this Prospectus, including, but not limited to, statements made in the sections *Risk Factors*, *Description of Loans in Portfolio Information*, *Servicer in Principal Parties*, *Issuer Administrator in Principal Parties* and *The Seller in Principal Parties*. These forward-looking statements can be identified by the use of forward-looking terminology, such as the words “estimates”, “goals”, “targets”, “predicts”, “forecasts”, “aims”, “believes”, “expects”, “may”, “will”, “continues”, “intends”, “plans”, “should”, “could” or “anticipates”, or similar terms. These statements involve known and unknown risks, uncertainties and other important factors that could cause the actual results and performance of the Notes, the Seller or the Dutch Loan industry to differ materially from any future results or performance expressed or implied in the forward-looking statements. These risks, uncertainties and other factors include, among others: general economic and business conditions in and outside the Netherlands; currency exchange and interest rate fluctuations; government, statutory, regulatory or administrative initiatives affecting the Seller; changes in business strategy, lending practices or customer relationships; and other factors that may be referred to in this Prospectus. Moreover, historical information and past financial performance should not be considered a reliable indicator of future performance and prospective purchasers of the Notes are cautioned that any such statements are not guarantees of performance and involve risks and uncertainties, many of which are beyond the control of the Issuer. The material risks, uncertainties and other factors are discussed under the caption *Risk Factors*, and you are encouraged to consider those factors carefully prior to making an investment decision. None of the Arranger, the Security Trustee nor any of their respective affiliates have attempted to verify any such statements, nor do they make any representations, express or implied, with respect thereto. Without prejudice to any requirements under applicable laws and regulations, the Issuer expressly disclaims any obligation or undertaking to disseminate after the date of this Prospectus any updates or revisions to any forward-looking statements contained herein to reflect any change in expectations thereof or any change in events, conditions or circumstances on which any such forward-looking statement is based.

**Incorporation by reference**

This Prospectus is to be read in conjunction with the deed of incorporation (including the articles of association) dated 29 June 2021. This Prospectus shall be read and construed on the basis that such document is incorporated in, and forms part of, this Prospectus.

## 9. GLOSSARY OF DEFINED TERMS

### 1. DEFINITIONS

Except where the context otherwise requires, the following defined terms used in this Prospectus have the meaning set out below:

<p><b>€STR</b> means the euro short-term rate;</p>
<p><b>Account Provider Requisite Credit Rating</b> means the rating of:</p> <p>(a) 'F1' (short-term deposit rating) or 'A' (long-term deposit rating) by Fitch, or if no deposit rating is assigned, 'F1' (short-term issuer default rating) or 'A' (long-term issuer default rating) by Fitch;</p> <p>(b) 'A2' (long-term rating) or 'Prime-1' (short-term rating) by Moody's;</p>
<p><b>Additional Available Revenue Funds</b> shall mean with respect to any Notes Payment Date, such part of Available Principal Funds as calculated at the Notes Calculations Date immediately preceding such Notes Payment Date up to an amount equal to any Class A Revenue Shortfall Amount as calculated on such Notes Calculation Date;</p>
<p><b>Additional Purchase Conditions</b> has the meaning ascribed thereto in paragraph 7.4 in section (<i>Portfolio Documentation</i>);</p>
<p><b>Administration Agreement</b> means the administration agreement between the Issuer, the Issuer Administrator, the Reporting Entity, the Servicer and the Security Trustee dated the Signing Date;</p>
<p><b>AFM</b> means the Dutch Authority for the Financial Markets (<i>Stichting Autoriteit Financiële Markten</i>);</p>
<p><b>AIFMD</b> means the Directive No 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers and amending Directives 2003/41/EC and 2009/65/EC and Regulations (EC) No 1060/2009 and (EU) No 1095/2010;</p>
<p><b>Alternative Benchmark Rate</b> has the meaning ascribed thereto in Condition 14(f)(iv);</p>
<p><b>All Moneys Security Rights</b> means the Security Interests which do not only secure the Receivables but also other liabilities and moneys that the Borrower now or in the future may owe to the Seller under any legal relationship;</p>
<p><b>Annual Tax Allowance</b> means an amount equal to the prevailing Dutch corporate income tax rate in each given year of the higher of (A) €2,500 and (B) 10% of the amount due and payable per annum by the Issuer to its Director (representing taxable income for corporate income tax purposes in the Netherlands which will be paid as dividend to the Shareholder</p>
<p><b>Appraisal Report</b> means a valuation by a qualified Dutch appraiser used by the Seller to determine the value of a property;</p>
<p><b>Article 7 ITS</b> means Commission Implementing Regulation (EU) 2020/1225 including any relevant guidance and policy statements in relation thereto published by the EBA, the ESMA, the EIOPA (or their successor) or by the European Commission;</p>

**Article 7 RTS** means Commission Delegated Regulation (EU) 2020/1224 including any relevant guidance and policy statements in relation thereto published by the EBA, the ESMA, the EIOPA (or their successor) or by the European Commission;

**Article 7 Technical Standards** mean the Article 7 RTS and the Article 7 ITS;

**Article 7 ITS** means Commission Implementing Regulation (EU) 2020/1225 including any relevant guidance and policy statements in relation thereto published by the EBA, the ESMA, the EIOPA (or their successor) or by the European Commission;

**Article 7 RTS** means Commission Delegated Regulation (EU) 2020/1224 including any relevant guidance and policy statements in relation thereto published by the EBA, the ESMA, the EIOPA (or their successor) or by the European Commission;

**Arranger** means ING Bank

**Assignment Notification Event** means any of the events specified as such under Purchase, Repurchase and Sale in section Portfolio Documentation;

**Available Principal Funds** has the meaning ascribed thereto under Available Funds in section Credit Structure of this Prospectus;

**Available Revenue Funds** has the meaning ascribed thereto under Available Funds in section Credit Structure of this Prospectus;

**Basel II** means the capital accord under the title “Basel II: International Convergence of Capital Measurement and Capital Standards Revised Framework” published on 26 June 2004 by the Basel Committee on Banking Supervision;

**Basel III** means the capital accord amending Basel II under the title “Basel III: a global regulatory framework for more resilient banks and banking systems” published in December 2010 by the Basel Committee on Banking Supervision;

**Basel Committee** means the Basel Committee on Banking Supervision;

**Basic Terms Change** has the meaning set forth as such in Condition 14(a);

**Benchmark Rate Modification** has the meaning set forth in Condition 14(f)(iv);

**Benchmark Rate Modification Event** has the meaning set forth in Condition 14(f)(iv);

**Borrower** means the debtor or debtors, including any jointly and severally liable co-debtor or co-debtors, to a Loan;

**Borrower Group** means two or more parties that are connected because one of them, directly or indirectly, has legal control over the other(s) where the definition of ‘control’ means the accounting definition of the relationship between a parent undertaking and a subsidiary as set out in Article 4(1)(37) of Regulation (EU) No 575/2013 and as referred to as ‘*LOO*’ or ‘*Legal One Obligor*’ within ING Bank N.V.;

**Borrower Pledge** means a right of pledge (*pandrecht*) securing the Receivable;

**BRRD** means Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms and amending Council Directive 82/891/EEC, and Directives 2001/24/EC, 2002/47/EC, 2004/25/EC, 2005/56/EC, 2007/36/EC, 2011/35/EU, 2012/30/EU and 2013/36/EU, and Regulations (EU) No 1093/2010 and (EU) No 648/2012, of the European Parliament and of the Council;

**Business Day** means (i) when used in the definition of Notes Payment Date, a TARGET 2 Settlement Day and a day on which banks are open for business in Amsterdam and Brussels and (ii) in any other case, a day on which banks are generally open for business in Amsterdam and Brussels;

**Class** means any of the Class A Notes, Class B Notes and Class C Notes;

**Class A Notes** means the Class A1 Notes, the Class A2 Notes and the Class A3 Notes collectively;

**Class A1 Notes** means the € 500,000,000 class A1 asset-backed notes 2021 due December 2061;

**Class A2 Notes** means the € 4,800,000,000 class A2 asset-backed notes 2021 due December 2061;

**Class A3 Notes** means the € 1,188,800,000 class A3 asset-backed notes 2021 due December 2061;

**Class A Revenue Shortfall Amount** means any shortfall in the Available Revenue Funds prior to application of any Additional Available Revenue Funds after application of the Reserve Fund to satisfy the payment obligations set forth in items (a) up to and including (e) of the Pre-Enforcement Revenue Priority of Payments on a Notes Payment Date;

**Class B Notes** means the € 2,134,200,000 class B asset-backed notes 2021 due December 2061;

**Class C Notes** means the € 43,115,000 class C asset-backed notes 2021 due December 2061;

**Clean-Up Call Option** means the right of the Seller to repurchase and accept re-assignment of all (but not only part of) the Receivables on any Notes Payment Date on which the principal amount due on the Receivables then outstanding is less than 10% of the aggregate Outstanding Principal Amount of the Receivables on the Initial Cut-off Date, provided that in each case, the Issuer has sufficient funds to redeem, subject to Condition 9(a), the Notes at their Principal Amount Outstanding plus, in respect of the Class A Notes, accrued but unpaid interest thereon, after payment of the amounts to be paid in priority to redemption of the Notes;

**Closing Date** means 17 December 2021 or such later date as may be agreed between the Issuer and the Notes Purchaser;

**Code** means the U.S. Internal Revenue Code of 1986;

**Commingling Risk Amount** means the amount equal to 1.9 multiplied by the average monthly amount of principal and interest (including, for the avoidance of doubt, interest penalties and prepayments) received by the Seller in the twelve calendar months immediately preceding the date of transfer of such amount to the Issuer;

**Conditions** means the terms and conditions of the Notes set out in Schedule 4 to the Trust Deed as from time to time modified in accordance with the Trust Deed and, with respect to any Notes represented by a Global Note, as modified by the provisions of the relevant Global Note;

**Covid-19** means the outbreak and escalating diffusion of the coronavirus, Covid-19;

**Coupons** means the coupons appertaining to the Class A Notes;

**CPR** means constant prepayment rate, which is the monthly observed prepayments in the transaction annualised;

**CRA3** means Delegated Regulation (EU) 2015/3;

**CRA Regulation** means Regulation (EC) No 1060/2009 of 16 September 2009 on credit rating agencies, as amended by Regulation (EU) No. 513/2011 of the European Parliament and of the Council of 11 May 2011 and as amended by Regulation EU No 462/2013 of 21 May 2013;

**CRD IV** means Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC;

**Credit Rating Agency** means any credit rating agency (including any successor to its rating business) who, at the request of the Seller, assigns, and for as long as it assigns, one or more ratings to the Notes, from time to time, which as at the Closing Date includes Fitch and Moody's ;

**Credit Rating Agency Confirmation** means, with respect to a matter which requires Credit Rating Agency Confirmation under the relevant Transaction Documents and which has been notified to each Credit Rating Agency with a request to provide a confirmation, receipt by the Security Trustee, in form and substance satisfactory to the Security Trustee, of:

- (a) a confirmation from each Credit Rating Agency that its then current ratings of the Notes will not be adversely affected by or withdrawn as a result of the relevant matter (a **confirmation**);
- (b) if no confirmation is forthcoming from any Credit Rating Agency, a written indication, by whatever means of communication, from such Credit Rating Agency that it does not have any (or any further) comments in respect of the relevant matter (an **indication**); or
- (c) if no confirmation and no indication is forthcoming from any Credit Rating Agency and such Credit Rating Agency has not communicated that the then current ratings of the Notes will be adversely affected by or withdrawn as a result of the relevant matter or that it has comments in respect of the relevant matter:
  - (i) a written communication, by whatever means, from such Credit Rating Agency that it has completed its review of the relevant matter and that in the circumstances (x) it does not consider a confirmation required or (y) it is not in line with its policies to provide a confirmation; or

- (ii) if such Credit Rating Agency has not communicated that it requires more time or information to analyse the relevant matter, evidence that thirty (30) days have passed since such Credit Rating Agency was notified of the relevant matter and that reasonable efforts were made to obtain a confirmation or an indication from such Credit Rating Agency;

**CRR** means Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012, as amended from time to time, and includes any regulatory technical standards, implementing technical standards and guidance issued by the European Banking Authority or any successor body, from time to time;

**CRR Amendment Regulation** means Regulation (EU) 2017/2401 of the European Parliament and of the Council of 12 December 2017 amending Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms;

**CRR Assessment** means the assessment made by PCS in relation to compliance with the criteria set forth in the CRR regarding STS-securitisations;

**Cut-off Date** means, in respect of the Receivables to be assigned on the Closing Date, the Initial Cut-off Date and in respect of any New Receivables, the first day of the month in which the same are sold and assigned to the Issuer;

**Deed of Assignment and Pledge** means a deed of assignment and pledge in the form set out in the Receivables Purchase Agreement;

**Defaulted Ratio** means on any Notes Calculation Date:

(a) the aggregate Outstanding Principal Amount of all Defaulted Receivables, divided by

(b) the aggregate Outstanding Principal Amount of all Receivables,

each as calculated on such Notes Calculation Date;

**Defaulted Receivable** means any Receivable which is considered defaulted or unlikely to pay in accordance with article 178 of the CRR;

**Deferred Purchase Price** means part of the purchase price for the Receivables equal to the sum of all Deferred Purchase Price Instalments;

**Deferred Purchase Price Instalment** means, after application of the relevant available amounts in accordance with the relevant Priority of Payments, any amount remaining after all items ranking higher than the item relating to the Deferred Purchase Price have been satisfied;

**Definitive Note** means a definitive note in bearer form in respect of any Class of Notes;

**Delinquent Receivable** means any Receivable in respect of which amounts are due and payable which have remained unpaid for a consecutive period exceeding 90 days;

**Deposit Guarantee Scheme** the deposit guarantee scheme rules applicable in the Netherlands implementing Directive 2014/49/EU providing for deposit protection;



**Directors** means (a) Intertrust Management B.V. as the sole director of each of the Issuer and the Shareholder and (b) Amsterdamsch Trustee's Kantoor B.V. as the sole director of the Security Trustee collectively or any substitute or successor appointed from time to time;

**Disclosure Technical Standards** means ESMA's Opinion regarding amendments to ESMA's draft technical standards on disclosure requirements under the Securitisation Regulation, published on 31 January 2019 under number ESMA33-128-600;

a **Disruption** occurs if the three monthly collections as calculated by the Servicer relating to a Notes Calculation Period are not received ultimately three Business Days prior to the relevant Notes Calculation Date by the Servicer in accordance with the Administration Agreement;

**Disruption Overpaid Amount** means any amount overpaid on the Notes on a Notes Payment Date as a consequence of insufficient information being available to calculate the exact amount due on the Notes following a Disruption;

**Disruption Underpaid Amount** means any amount underpaid on the Notes on a Notes Payment Date as a consequence of insufficient information being available to calculate the exact amount due on the Notes following a Disruption;

**DNB** means the Dutch central bank (*De Nederlandsche Bank N.V.*);

**Draft RTS Risk Retention** means the EBA Final Draft Regulatory Technical Standards specifying the requirements for originators, sponsors and original lenders relating to risk retention pursuant to Article 6(7) of Regulation (EU) 2017/2402 dated 31 July 2018 with number EBA/RTS/2018/01;

**DSA** means the Dutch Securitisation Association;

**Dutch Civil Code** means the *Burgerlijk Wetboek*;

**Early Amortisation Event** means the occurrence of any of the following events during the Revolving Period:

- (a) the long-term IDR (or credit view equivalent to a rating) of the Seller has been downgraded below BBB by Fitch or Baa2 by Moody's;
- (b) the Seller has taken any corporate action or any steps have been taken or legal proceedings have been instituted against it for bankruptcy (*faillissement*) or for any analogous insolvency proceedings under applicable law or for the appointment of a receiver or a similar officer of it or of any or all of its assets;
- (c) an Event of Default having occurred;
- (d) a Portfolio Trigger Event having occurred;
- (e) the third successive Notes Payment Date on which the Reserved Amount is higher than €600,000,000;
- (f) the appointment of the Servicer is terminated other than a voluntary termination by the Servicer in accordance with the terms and conditions of the Servicing Agreement; and

(g) the non-compliance of a given portfolio criterion for a period of more than twelve months.
<b>EBA</b> means the European Banking Authority;
<b>EBA STS Guidelines Non-ABCP Securitisations</b> means EBA's Final Report Guidelines on the STS criteria for non-ABCP securitisation (EBA/GL/2018/09) of 12 December 2018;
<b>ECB</b> means the European Central Bank;
<b>EEA</b> means the European Economic Area;
<b>EIOPA</b> means the European Insurance and Occupational Pensions Authority;
<b>Eligible Guarantee</b> means an unconditional and irrevocable guarantee that is provided by a guarantor as principal debtor rather than surety and is directly enforceable by the Issuer, where (I) such guarantee provides that if a guaranteed obligation cannot be performed without an action being taken by the Swap Counterparty, the guarantor shall use its best endeavours to procure that the Swap Counterparty takes such action, (II)(A) the guarantor and the Issuer are resident for tax purposes in the same jurisdiction, (B) a law firm has given a legal opinion confirming that none of the guarantor's payments to the Issuer under such guarantee will be subject to deduction or withholding for tax, (C) such guarantee provides that, in the event that any of such guarantor's payments to the Issuer are subject to deduction or withholding for tax, such guarantor is required to pay such additional amount as is necessary to ensure that the net amount actually received by the Issuer (free and clear of any tax) will equal the full amount the Issuer would have received had no such deduction or withholding been required or (D) in the event that any payment (the "Primary Payment") under such guarantee is made net of deduction or withholding for tax, the Swap Counterparty is required, under this Agreement, to make such additional payment (the "Additional Payment") as is necessary to ensure that the net amount actually received by the Issuer from the guarantor (free and clear of any tax) in respect of the Primary Payment and the Additional Payment will equal the full amount the Issuer would have received had no such deduction or withholding been required (assuming that the guarantor will be required to make a payment under such guarantee in respect of the Additional Payment) and (III) the guarantor waives any right of set-off in respect of payments under such guarantee
<b>EMIR</b> means Regulation (EU) No. 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories, as amended from time to time;
<b>Enforcement Notice</b> means the notice delivered by the Security Trustee to the Issuer pursuant to Condition 10 ( <i>Events of Default</i> );
<b>ESMA</b> means the European Securities and Markets Authority;
<b>EU</b> means the European Union;
<b>EU Benchmarks Regulation</b> means Regulation (EU) 2016/2011 on indices used as benchmarks, applicable as of 1 January 2018 as amended from time to time;
<b>EU Benchmarks Regulation Requirements</b> means the requirements imposed on the administrator or user of a benchmark pursuant to the EU Benchmarks Regulation, which includes a requirement for the administrators of a benchmark to be licensed by or to be

registered with the competent authority as a condition to be permitted to administer the benchmark;

**EU Securitisation Regulation** means Regulation (EU) 2017/2402 of the European Parliament and of the Council as amended by Regulation (EU) 2021/557, together with any applicable regulatory and/or implementing technical standards or delegated regulations made under the EU Securitisation Regulation (including any applicable transitional provisions) and/or any relevant guidance and policy statements relating to the application of the EU Securitisation Regulation published by the EBA, the ESMA, the EIOPA (or their successor), collectively, the European Supervisory Authorities or ESAs, including any applicable guidance and policy statements issued by the Joint Committee of ESAs and/or the European Commission;

**EU Securitisation Repository Operational Standards** means Commission Delegated Regulation (EU) 2020/1229 (the 2020/1229 RTS) including any relevant guidance and policy statements relating to the application of the 2020/1229 RTS published by the ESMA (or its successor);

**EU SR Repository** means European Datawarehouse GmbH or any substitute or successor securitisation repository registered under Article 10 of the EU Securitisation Regulation and appointed by the Reporting Entity for the securitisation transaction as described in this Prospectus;

**EU STS Notification** means a notification to ESMA by the Seller in accordance with Article 27 that the EU STS Requirements have been satisfied with respect to the Notes;

**EU STS Notification Technical Standards** mean Commission Delegated Regulation (EU) 2020/1226 and Commission Implementing Regulation (EU) 2020/1227;

**EU STS Requirements** means the requirements of Articles 19 to 22 of the EU Securitisation Regulation;

**EU STS Securitisation** means a simple, transparent and standardised securitisation established and structured in accordance with the requirements of the EU Securitisation Regulation;

**EUR, euro or €** means the lawful currency of the member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community (signed in Rome on 25 March 1957), as amended from time to time

**EURIBOR** means Euro Interbank Offered Rate;

**Euroclear Netherlands** means *Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V.* or its successor or successors as central depository as referred to in the Dutch Securities Giro Transfer Act (*Wet giraal effectenverkeer*);

**Euronext Amsterdam** means Euronext in Amsterdam;

**Eurosystem** means the rules of the monetary authority of the euro area;

**Eurosystem Eligible Collateral** means collateral recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem;

**EUWA** means the European Union (Withdrawal) Act 2018 (as amended by the European Union (Withdrawal Agreement) Act 2020), as amended, varied, superseded or substituted from time to time;

**Events of Default** means any of the events as set forth in Condition 10 (*Events of Default*);

**Excess Spread** means, in respect of a Calculation Period (as defined in the Swap Agreement), an amount equal to the product of (i) 0.5% and (ii) an amount equal to the difference between (A) the sum of (x) the aggregate Principal Amount Outstanding of the Class A Notes and (y) the Principal Amount Outstanding of the Class B Notes and (B) any aggregate balance on the Principal Deficiency Ledgers, in each case, determined as of the first day of the relevant Calculation Period;

**Excess Swap Collateral** means an amount equal to the value of any collateral transferred to the Issuer by the Swap Counterparty under the Swap Agreement that is in excess of the Swap Counterparty's liability to the Issuer thereunder (i) as at the termination date of the transaction entered into under such Swap Agreement other than an 'Early Termination Date' (as defined in the Swap Agreement) designated as the result of an 'Event of Default' or 'Additional Termination Event' (each as defined in the Swap Agreement); or (ii) as at any other date of valuation in accordance with the terms of the Swap Agreement.

**Exchange Date** means the date, not earlier than 40 days after the issue date of the Notes on which interests in the Temporary Global Notes will be exchangeable for interests in the Permanent Global Notes;

**Exchange Event** means any of the following events after the Exchange Date (i) Euroclear Netherlands is closed for business for a continuous period of 14 calendar days (other than by reason of holiday, statutory or otherwise) or announces an intention to permanently cease business and no alternative clearance system satisfactory to the Security Trustee is available, or (ii) as a result of any amendment to, or change in the laws or regulations of the Netherlands (or of any political sub-division thereof) (including any guidelines issued by the tax authorities) or any other jurisdiction or of any authority therein or thereof having power to tax, or in the interpretation or administration of such laws or regulations, which becomes effective on or after the Closing Date, the Issuer or 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;

**Excluded Swap Amount** means (i) Excess Swap Collateral, (ii) other Swap Collateral following a termination (to the extent applied towards an upfront payment to a replacement Swap Counterparty), (iii) Replacement Swap Premium (to the extent it is applied directly to pay a termination payment due and payable by the Issuer to the Swap Counterparty), and (iv) Tax Credits

**Extraordinary Resolution** has the meaning ascribed to it in Clause 5.4 of Schedule 1 to the Trust Deed;

**FATCA Withholding** means any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the Code or otherwise imposed pursuant to Sections 1471 through 1474 of the Code (or regulations thereunder or official interpretations thereof) or an intergovernmental agreement between the United States and another jurisdiction facilitating the implementation thereof (or any law implementing such an intergovernmental agreement);

**Final Maturity Date** means in respect of any Class of Notes, the Notes Payment Date falling on 31 December 2061;

**First Optional Redemption Date** means the Notes Payment Date falling in November 2026;

**Fitch** means Fitch Ratings Ireland Limited, and includes any successor to its rating business;

**Foreclosure Value** means the foreclosure value of the Mortgaged Asset;

**Global Note** means a global note relating to a Class in bearer form without interest coupons or principal receipts attached;

**Government Related Entities** means the Local Government and Government Related Entities Rating Model serviced under G\* Model;

**Higher Ranking Class** means, in relation to any Class of Notes, each Class of Notes which has not been previously redeemed or written off in full and which ranks higher in priority to each Class of Notes which has or has not been previously redeemed or written off in full in the Post-Enforcement Priority of Payments;

**ING Internal Risk Rating** means an independent risk rating applied by the Seller in its loan approval and loan monitoring processes and which on the Closing Date consists of 22 risk ratings that fall into 3 larger classes of risk:

- (i) "Investment Grade": 01 to 10;
- (ii) "Non-Investment Grade": 11 to 17;
- (iii) "Substandard/ Default Loan Grade": 18 to 22;

**Initial Cut-off Date** means 31 August 2021;

**Initial Portfolio** means the initial portfolio selected by the Seller from which the Receivables will be selected for assignment to the Issuer on the Closing Date;

**Initial Purchase Price** means (i) in respect of any Receivable to be assigned on the Closing Date, 100% of its Outstanding Principal Amount on the Initial Cut-off Date or (ii) in case of a New Receivable, its Outstanding Principal Amount on the first day of the month wherein the New Receivable is purchased;

**Initial Remedy Period** means (i) in respect of Moody's, 30 local business days and (ii) in respect of Fitch, 14 calendar days;

**Initial Required Ratings** means, in respect of the Swap Counterparty, (i) in respect of Moody's, a long-term counterparty risk assessment of 'A3(cr)' or, if a counterparty risk assessment is not available, a long-term, unsecured and unsubordinated debt rating of 'A3', and (ii) in respect of Fitch, a long-term issuer default rating (or derivatives counterparty rating, if assigned) of 'A' or a short-term issuer default rating of 'F1';

**Interest Determination Date** means, with respect to each Interest Period, the day that is two (2) Business Days preceding the first day of such Interest Period;

**Interest Period** means, in respect of the Class A Notes, the period from (and including) the Closing Date to (but excluding) the Notes Payment Date falling on 28 February 2022 and each successive period from (and including) a Notes Payment Date to (but excluding) the next succeeding Notes Payment Date;

**ISDA** means the International Swaps and Derivatives Association, Inc.;

**Issue Price** means 100% for the Class A Notes and 100% for the Class B Notes and 100% of the Class C Notes;

**Issuer** means SME Lion III B.V., a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated and existing under Dutch law and established in Amsterdam;

**Issuer Account Agreement** means the issuer account agreement between the Issuer, the Security Trustee and the Issuer Account Bank dated the Signing Date;

**Issuer Account Bank** means ING Bank N.V.;

**Issuer Accounts** means any of the Issuer Collection Account and the Reserve Account;

**Issuer Accounts Pledge Agreement** means the issuer accounts pledge agreement dated the Signing Date between, inter alia, the Issuer and the Security Trustee;

**Issuer Administrator** means Intertrust Administrative Services B.V. or any substitute or successor appointed from time to time;

**Issuer Collection Account** means the bank account of the Issuer designated as such in the Issuer Account Agreement;

**Issuer Management Agreement** means the issuer management agreement between the Issuer, Intertrust Management B.V., the Security Trustee and the Seller in respect of the Issuer dated the Signing Date;

**Issuer Receivables Pledge Agreement** means the issuer Receivables pledge agreement entered into by the Issuer (as pledgor) and the Security Trustee (as pledgee) dated the Signing Date;

**Issuer Rights** means any and all rights of the Issuer under and in connection with (i) the Receivables Purchase Agreement, (ii) the Servicing Agreement, (iii) the Administration Agreement, (iv) the Issuer Account Agreement and the Issuer Accounts, (v) the Transparency Reporting Agreement and (vi) the Swap Agreement;

**Issuer Rights Pledge Agreement** means the pledge agreement between, among others, the Issuer, the Security Trustee, the Seller and the Servicer dated the Signing Date pursuant to which a right of pledge is created in favour of the Security Trustee over the Issuer Rights;

**LCR Assessment** means the assessment made by PCS in relation to compliance with the criteria set forth in the LCR Delegated Regulation, as amended by Commission Delegated Regulation (EU) 2018/1620 of 13 July 2018;

**LCR Delegated Regulation** means Commission Delegated Regulation (EU) 2015/61 of 10 October 2014 to supplement Regulation (EU) No 575/2013 of the European Parliament and the Council with regard to liquidity coverage requirement for Credit Institutions;

**LEI** means legal entity identifier;

**Listing Agent** means ING Bank N.V.;

**Loans** means loans granted by the Seller to small- and medium enterprises in the Netherlands as referred to in the list of loans attached to the Receivables Purchase Agreement and, after any purchase and assignment of any New Receivables has taken place in accordance with the Receivables Purchase Agreement, the relevant New Loans, to the extent the related Receivables have not been not re-assigned or otherwise disposed of by the Issuer, which loans fall within the 'SME Model', the 'Small Business Finance Model' and/or 'Government Related Entities Model' as applied by the Seller;

**Loan Conditions** means, in relation to a Loan, the terms and conditions applicable to the Loan, as set forth in the relevant agreement or deed and/or in any loan document, offer document or any other document and/or in any applicable general terms and conditions for the Loans as from time to time in effect ;

**Loan Criteria** means the criteria relating to the Loans set forth as such under Loan Criteria in *Purchase, Repurchase and Sale* in section *Portfolio Documentation*;

**Loan Parts** means one or more of the loan parts (*leningdelen*) of which a Loan consists;

**Loan Services** means the services to be performed by the Servicer in respect of the Loans, under the Servicing Agreement;

**Local Business Day** means, in relation to a presentation of a Note, a day on which banks are open for business in the place of presentation of the relevant Note;

**Management Agreement** means any of (i) the Issuer Management Agreement, (ii) the Shareholder Management Agreement and (iii) the Security Trustee Management Agreement;

**Master Definitions Agreement** means the master definitions agreement between, amongst others, the Seller, the Issuer and the Security Trustee dated the Signing Date;

**Master Scale** means any of the three ING credit risk rating (**ING's Internal Risk Rating**) scales, including rating grades for performing loans from 1 to 19 and for non-performing loans from 20 to 22 whereby each rating grade is assigned a Probability of Default (**PD**) value which refers to the probability that a company in the particular rating grade will default within the next 12 months;

**Member State** means a member state of the EEA;

**Modification Certificate** has the meaning ascribed thereto under Condition 14(b);

**Monthly Report** means the monthly information report and the monthly investor report;

**Monthly Receivables Calculation Date** means the 3rd business day prior to each Monthly Receivables Payment Date;

**Monthly Receivables Calculation Period** means, in relation to a Monthly Receivables Payment Date, the period commencing on (and including) the first day of the calendar month which is one month prior to the month in which the Monthly Receivables Calculation Date falls up and ending on (and including) the last day of such calendar month; except for the first Monthly Receivables Calculation Period, which commences on (and includes) the Initial Cut-off Date and ends on (and includes) the last day of January 2022;

**Monthly Transfer Date** means the 28<sup>th</sup> calendar day of each month (or, if such day is not a Business Day, the next succeeding Business Day);

**Monthly Receivables Payment Date** means the 28<sup>th</sup> calendar day of each month (or if such day is not a Business Day, the next succeeding Business Day);

**Moody's** means Moody's Investor Service Deutschland GmbH;

**Mortgage** means a mortgage right (*hypotheekrecht*) securing the Receivables;

**Mortgage Deed** means the mortgage deed pursuant to which a Borrower created a mortgage right (*hypotheekrecht*) securing the relevant Receivable;

**Mortgaged Asset** means (i) a real property (*onroerende zaak*), (ii) an apartment right (*appartementsrecht*) or (iii) a long lease (*erfpachtsrecht*) situated in the Netherlands on which a Mortgage is vested;

**Most Senior Class** means the Class A Notes or if there are no Class A Notes outstanding, the Class B Notes or if there are no Class B Notes outstanding, the Class C Notes;

**Net Foreclosure Proceeds** means the aggregate amount of any foreclosure proceeds or amounts received under any guarantee or surety after deduction of costs, received in connection with a Defaulted Receivable which has been foreclosed and/or written-off;

**New Loan** means a Loan relating to a New Receivable;

**New Receivables** means a Receivable purchased by and assigned to the Issuer during the Revolving Period to the extent not re-assigned or otherwise disposed of by the Issuer;

**New Receivables Available Amount** means, on any Monthly Transfer Date an amount equal to the Available Principal Funds (including any Reserved Amount) standing to the credit of the Issuer Collection Account;

**Non-Permitted Amendment** means an amendment of the terms of a Loan which takes effect after the Revolving Period End Date which would cause (i) a change in the type of redemption, not being Bullet Repayment, applicable to a Receivable to Bullet Repayment and/or (b) an extension of the maturity date of a Receivable except for extensions of the maturity date granted under Covid-19 related forbearance measures to which Borrowers are entitled pursuant to law or as otherwise applied across the Dutch banking sector for SME borrowers;

**Non-Public Lender** means (i) in the period prior to the publication of any interpretation of "public" by the relevant authority/ies: (x) an entity that provides repayable funds to the Issuer for a minimum amount of EUR 100,000 (or its equivalent in another currency) and (y) to the extent the amount of EUR 100,000 (or its equivalent in another currency) does not result in such entity not qualifying as forming part of the public, such other amount or such criterion as a result of which such entity shall qualify as not forming part of the public and (ii) following



the publication of any interpretation of "public" by the relevant authority/ies: such amount or such criterion as a result of which such entity shall qualify as not forming part of the public;

**Note Rate Maintenance Adjustment** has the meaning set forth as such in Condition 14;

**Noteholders** means the persons who for the time being are the holders of the Notes;

**Notes** means any Class A Notes and/or the Class B Notes and/or Class C Notes collectively;

**Notes Calculation Date** means, in relation to a Notes Calculation Period, the third Business Day prior to each Notes Payment Date.

**Notes Calculation Period** means the three successive Monthly Receivables Calculation Periods immediately preceding such Notes Calculation Date except for the first Notes Calculation Period which will commence on the Initial Cut-off Date and ends on and includes the last day of January 2022;

**Notes Payment Date** means the 28th day of February, May, August and November (or, if such day is not a Business Day, the next succeeding Business Day) in each year;

**Notes Purchaser** means ING Bank N.V.;

**Notes Purchase Agreement** means the notes purchase agreement relating to the Notes entered into by the Issuer, the Security Trustee and ING Bank N.V. in its capacity as Seller and Notes Purchaser;

**Optional Redemption Date** means any Notes Payment Date from (and including) the First Optional Redemption Date up to (and excluding) the Final Maturity Date;

**OTC** means over-the-counter;

**Other Claims** means any claims held by the Seller in the case of a jointly-held bank security right by the Issuer and the Seller after the bank's security right has (partially) followed a Receivable upon its assignment and consequently secures both the Receivables held by the Issuer (or the Security Trustee, as pledgee) and any claims held by the Seller;

**Outstanding Principal Amount** means, at any moment in time, (i) the outstanding principal amount of a Receivable at such time and (ii), after full (p)repayment and/or the occurrence of a Realised Loss post-enforcement in respect of such Receivable has been debited to the Principal Deficiency Ledger, zero;

**Parallel Debt** has the meaning ascribed thereto under Security in section 4 (*The Notes*);

**Paying Agency Agreement** means the paying agency agreement between the Issuer, the Paying Agent and the Security Trustee dated the Signing Date;

**Paying Agent** means ING Bank N.V.;

**Permanent Global Note** means a permanent global note in respect of a Class of Notes;

**Pledge Agreements** means the Issuer Receivables Pledge Agreement, the Issuer Rights Pledge Agreement and the Issuer Accounts Pledge Agreement;

**Pledge Notification Event** means any of the events specified in Clause 7 of the Issuer Receivables Pledge Agreement;

**Portfolio** means (i) on the date of this prospectus, the portfolio selected by the Seller and approved by the Issuer and the Security Trustee, consisting of certain Loans, of which the Receivables are sold to and purchased by the Issuer on the Signing Date pursuant to the Receivables Purchase Agreement or (ii) on any date during the life of the Notes, all Receivables owned by the Issuer on such date;

**Portfolio Trigger Event** means, in respect of a Notes Payment Date, the occurrence of any of the following events:

(a) the Realised Loss Ratio exceeds 1.0 per cent.; or

(b) the Defaulted Ratio calculated in relation to a Notes Payment Date exceeds 3 per cent. of the Outstanding Principal Amount of the Receivables per the Closing Date;

**Post-Enforcement Priority of Payments** means the priority of payments set out as such in *Priority of Payments* in section Credit Structure;

**Potential Set-off Amount** means on any Monthly Receivables Payment Date, (A) the sum of the amount credited to each current account or deposit held by the Borrowers of S-Model Receivables with the Seller on the immediately preceding Monthly Receivables Calculation Date minus an amount equal to the cover provided by the Deposit Guarantee Scheme in respect of the current account or deposits of those Borrowers under the S-Model Receivables who are protected by the Deposit Guarantee Scheme and (B) the amount due by the Seller to the Borrowers under any derivatives contract with the Borrowers on the immediately preceding Monthly Receivables Payment Date;

**Pre-Enforcement Principal Priority of Payments** has the meaning ascribed thereto under *Priority of Payments* in section Credit Structure;

**Pre-Enforcement Revenue Priority of Payments** has the meaning ascribed thereto under *Priority of Payments* in section Credit Structure;

**Post-Foreclosure Proceeds** has the meaning ascribed thereto in Section 5.1 (*Available Funds*) of this Prospectus;

**Prepayment Penalties** means any prepayment penalties (*boeterente*) to be paid by a Borrower under a Loan as a result of the Receivable being repaid (in whole or in part) prior to the maturity date of such Loan other than (i) on a date whereon the interest rate is reset or (ii) as otherwise permitted pursuant to the Loan Conditions;

**Principal Amount Outstanding** has the meaning ascribed thereto in Condition 6(g);

**Principal Deficiency** means the debit balance, if any, of the relevant Principal Deficiency Ledger;

**Principal Deficiency Ledger** means the Class A deficiency ledger and the Class B deficiency ledger established in order to record (i) any Realised Loss and (ii) any principal amount equal to the Additional Available Revenue Funds applied in accordance with the Pre-Enforcement Principal Priority of Payment;

**Principal Redemption Amount** has the meaning set forth as such in Condition 6(b) (*Redemption*);

**Principal Shortfall** means an amount equal to (i) the balance of the Principal Deficiency Ledger of the relevant Class, divided by (ii) the number of Notes of the relevant Class of Notes on the relevant Notes Payment Date;

**Priority of Payments** means any of the Pre-Enforcement Principal Priority of Payments, the Pre-Enforcement Revenue Priority of Payments and the Post-Enforcement Priority of Payments

**Prospectus** means this prospectus;

**Prospectus Regulation** means Regulation (EU) 2017/1129;

**Rate Determination Agent** means a party that will determine the Alternative Benchmark Rate, including the application of any Adjustment Spread;

**Realised Loss** has the meaning ascribed thereto under *Loss Allocation* in section 5 (*Credit Structure*);

**Realised Loss Ratio** means (a) the aggregate Realised Losses in respect of all Notes Calculation Periods following the Closing Date as calculated on such Notes Calculation Date, divided by (b) the aggregate Outstanding Principal Amount of all Receivables as calculated on the Closing Date.

**Receivable** means any and all rights of the Seller (and after assignment of such rights to the Issuer, of the Issuer) against the Borrower under or in connection with a Loan, including any and all claims of the Seller (or the Issuer after assignment) on the Borrower as a result of the Loan being terminated, dissolved or declared null and void;

**Receivables Purchase Agreement** means the Receivables purchase agreement entered into between the Seller, the Issuer and the Security Trustee, dated the Signing Date;

**Reference Agent** means ING Bank N.V.;

**Regulation S** means Regulation S of the Securities Act;

**Relevant Class** has the meaning set forth as such in Condition 10;

**Relevant Member State** means a Member State which has implemented the Prospectus Regulation;

**Reporting Entity** means ING Bank N.V.;

**Required Ratings** means, in respect of the Swap Counterparty, the Initial Required Ratings and the Subsequent Required Ratings;

**Reserve Account** means the bank account of the Issuer, designated as such in the Issuer Account Agreement;

**Reserve Account Target Level** means an amount equal to (i) 0.5 per cent. of the Outstanding Principal Amount of the Receivables at the Closing Date (non-amortising) or (ii) zero upon redemption in full of the Class A Notes and the Class B Notes;

**Reserve Fund** means, on any date, the balance of the Reserve Account on such date.

**Reserved Amount** means during the Revolving Period, any part of the Available Principal Funds not applied towards the purchase of New Receivables, which is deposited in the Issuer Collection Account and reserved to be used by the Issuer towards the purchase of New Receivables on the next succeeding Notes Payment Date;

**Restructured Borrower** means any Borrower who has undergone a forbearance measure in accordance with the Seller's internal policies three years prior to the relevant Cut-Off Date in respect of Receivables that will be purchased on the Closing Date or, as applicable, three years prior to the relevant Cut-off Date relating to the relevant Monthly Payment Date on which such New Receivable is assigned;

**Revolving Period** means the period from the Closing Date until and including the Revolving Period End Date;

**Revolving Period End Date** means the earlier of (A) the Notes Payment Date falling in November 2024 and including 30 November 2024 (whereby such date is the last day on which New Receivables may be assigned) and (B) the date on which an Early Amortisation Event occurs (whereby on such date no more New Receivables may be assigned);

**RTS Homogeneity** means the Commission Delegated Regulation (EU) of 28.5.2019 supplementing Regulation (EU) 2017/2402 of the European Parliament and of the Council with regard to regulatory technical standards on the homogeneity of the underlying exposures in securitisation, which is in final draft adopted by the European Commission and entered into force on 26 November 2019;

**S-Model Receivables** means a Receivable arising from a Loan falling within the Small Business Finance Model;

**Secured Creditors** means (i) the Noteholders, (ii) the Directors, (iii) the Issuer Administrator, (iv) the Servicer, (v) the Paying Agent, (vi) the Swap Counterparty (vii) the Issuer Account Bank, (viii) the Seller and (ix) the Reporting Entity collectively;

**Secured Creditors Agreement** means the secured creditors agreement to be entered into on the Signing Date between the Issuer and each Secured Creditor (excluding the Noteholders);

**Securities Act** means the United States Securities Act of 1933 (as amended);

**Securitisation Retention Requirements** means the requirements set out in Article 6 of the EU Securitisation Regulation;

**Security** means any and all security interest created pursuant to the Security Documents;

**Security Documents** means the Pledge Agreements and the Trust Deed;

**Security Interest** means, in respect of a Receivable any security interest (*zekerheidsrecht*) securing, *inter alia*, the relevant Receivable;

**Security Trustee** means Stichting Security Trustee SME Lion III, a foundation (*stichting*) organised under Dutch law and established in Amsterdam;

**Security Trustee Management Agreement** means the security trustee management agreement between the Security Trustee, Amsterdamsch Trustee's Kantoor B.V. and the Issuer dated the Signing Date;

**Seller** means ING Bank N.V., a public company with limited liability (*naamloze vennootschap*) incorporated and existing under Dutch law;

**Seller Collection Accounts** means the bank accounts maintained by the Seller to which payments made by the relevant Borrowers under or in connection with the Loans will be paid

**Seller Collection Account Provider Requisite Credit Rating** means the rating of:

- (a) 'F2' (short-term issuer default rating) or 'BBB' (long-term issuer default rating) by Fitch; and
- (b) 'A2(cr)' (long term counterparty risk assessment) or 'Prime-1(cr)' (short term counterparty risk assessment) by Moody's;

**Servicer** means ING Bank N.V.;

**Servicing Agreement** means the servicing agreement between the Servicer, the Issuer, the Reporting Entity, the Issuer Administrator and the Security Trustee dated the Signing Date;

**Set-off Amount** means, in respect of any S-Model Receivable on any Notes Payment Date, an amount equal to the full amount due but unpaid in respect of such S-Model Receivable during the Notes Calculation Period immediately preceding such Notes Payment Date if and to the extent the Issuer, as a result of the fact that a Borrower of a Small Business Finance Model has invoked a right of set-off for amounts due by the Seller to it and the Seller has not reimbursed the Issuer for such amount on the relevant Notes Payment Date, has not received such amount during the Notes Calculation Period immediately preceding such Notes Payment Date;

**SFI** means structured finance instrument within the meaning of Commission Delegated Regulation (EU) 2015/3 of 30 September 2014;

**Shareholder** means Stichting Holding SME Lion III, a foundation (*stichting*) organised under Dutch law and established in Amsterdam;

**Shareholder Management Agreement** means the shareholder management agreement between the Shareholder, Intertrust Management B.V., the Seller and the Security Trustee dated the Signing Date;

**Signing Date** means 15 December 2021 or such later date as may be agreed between the Issuer, the Seller and the Notes Purchaser;

**Small Business Finance Model** means the loans in the SME (*Zakelijk*) segment serviced under S\* Model with a turnover of the Borrower or, if applicable, Borrower Group is below EUR 20 Million', with aggregate exposure of the Seller to the Borrower, or if applicable Borrower Group below EUR 1 million;

**"SME"** means small or medium sized enterprise;

**SME Model** means the loans in the Mid Corporate & Institution & SME (*Zakelijk*) segments serviced under K\* Model with (i) a turnover of the Borrower or, if applicable, Borrower Group between EUR 50 million and EUR 100 million' or (ii) a turnover of the Borrower or, if applicable, Borrower Group between EUR 5 million and EUR 50 million, with aggregate exposure of the Seller to the Borrower or, if applicable, Borrower Group above EUR 1 million;

**Solvency II Regulation** means Commission Delegated Regulation (EU) 2015/35 of 10 October 2014 supplementing Directive 2009/138/EC of the European Parliament and of the Council of 25 November 2009 on the taking-up and pursuit of the business of insurance and reinsurance;

**SRM Regulation** means Regulation (EU) No 806/2014 of the European Parliament and of the Council of 15 July 2014 establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of a Single Resolution Mechanism and a Single Resolution Fund and amending Regulation (EU) No 1093/2010;

**SSPE** means securitisation special purpose entity within the meaning of article 2(2) of the Securitisation Regulation;

**STS Verification** means a report from PCS which verifies compliance of the securitisation transaction described in this Prospectus with the criteria stemming from articles 18, 19, 20, 21 and 22 of the Securitisation Regulation;

**STS Verification Agent** means Prime Collateralised Securities (PCS) EU sas;

**Subordinated Notes** means the Class B Notes and the Class C Notes collectively;

**Subsequent Remedy Period** Subsequent Remedy Period means (i) in respect of Moody's, 30 calendar days and (ii) in respect of Fitch, 60 calendar days;

**Subsequent Required Ratings** means (i) in respect of Moody's, a long-term counterparty risk assessment of 'Baa1(cr)' or, if a counterparty risk assessment is not available, a long-term, unsecured and unsubordinated debt rating of 'Baa1', and (ii) in respect of Fitch, a long-term issuer default rating (or derivatives counterparty rating, if assigned) of 'BBB-' or a short-term issuer default rating of 'F3';

**Swap Agreement** means a 1992 ISDA Master Agreement, the schedule thereto, any credit support annexes or other credit support documents related thereto and each swap transaction confirmation thereunder, entered into between the Issuer and the Swap Counterparty on or prior to the Closing Date;

**Swap Collateral** means, at any time, any asset (including cash and/or securities) which is paid or transferred by the Swap Counterparty to the Issuer as collateral to secure the performance by the Swap Counterparty of its obligations under the Swap Agreement together with any income or distributions received in respect of such asset and any equivalent of such asset into which such asset is transformed;

**Swap Counterparty** means ING Bank N.V.;

**Swap Subordinated Default Payment** means any termination payment due or payable by the Issuer to the Swap Counterparty as a result of the occurrence of an Event of Default (as defined in the Swap Agreement) where the Swap Counterparty is the defaulting party;

**TARGET 2** means the Trans-European Automated Real-Time Gross Settlement Express Transfer 2 System;

**TARGET 2 Settlement Day** means any day on which TARGET 2 is open for the settlement of payments in euro;

**Tax Call Option** means the option of the Issuer, to redeem all (but not only some) of the Notes, in accordance with Condition 6(g) (*Redemption for tax reasons*)

**Tax Credit** means the cash benefit of any tax credit, allowance, set-off or repayment from the tax authorities of any jurisdiction obtained by the Issuer relating to any deduction or withholding giving rise to a payment made by the Swap Counterparty in accordance with the Swap Agreement, the cash benefit in respect of which shall be paid directly (i.e. outside of any Priority of Payments) by the Issuer to the Swap Counterparty pursuant to the terms of the Swap Agreement;

**Temporary Global Note** means a temporary global note in respect of a Class of Notes;

**Trade Register** means the trade register (*Handelsregister*) of the Chamber of Commerce in the Netherlands;

**Transaction Documents** means the (a) Receivables Purchase Agreement, (b) any Deed of Assignment and Pledge, (c) Servicing Agreement, (d) Issuer Receivables Pledge Agreement, (e) Issuer Rights Pledge Agreement, (f) Trust Deed, (g) Notes Purchase Agreement (h) Paying Agency Agreement, (i) Notes, (j) Issuer Account Agreement, (k) Management Agreements, (l) Administration Agreement, (m) Secured Creditors Agreement, (n) Master Definitions Agreement, (o) Transparency Reporting Agreement, (p) Swap Agreement and any further documents relating to the transaction envisaged in the above mentioned documents, including, without limitation, this Prospectus;

**Transparency Reporting Agreement** means the transparency reporting agreement by and between the Reporting Entity, the Servicer, the Issuer and the Security Trustee dated the Signing Date;

**Trigger Collateral** means any collateral provided by the Seller in cash in Euro to the Issuer;

**Trigger Collateral Account** means a bank account with the Issuer Account Bank or such other account in the name of the Issuer approved by the Security Trustee to which all amounts received from the Seller in respect of Trigger Collateral will be transferred;

**Trigger Collateral Required Amount** means on any Monthly Receivables Payment Date, an amount equal to:

- zero, provided that the long-term unsecured, unsubordinated and unguaranteed debt obligations of the Seller are rated at least as high as BBB by Fitch and A3 by Moody's and the short-term unsecured, unsubordinated and unguaranteed debt obligations of the Seller are rated at least as high as F2 by Fitch;
- 50 per cent. of the Potential Set-Off Amount, when the long-term secured, unsubordinated and unguaranteed debt obligations of the Seller are rated lower than A3 by Moody's but higher than Baa3 by Moody's;

- 100 per cent. of the Potential Set-Off Amount when the long-term unsecured, unsubordinated and unguaranteed debt obligations of the Seller are rated lower than Baa3 by Moody's and/or BBB by Fitch or any such rating is withdrawn and/or the short-term unsecured, unsubordinated and unguaranteed debt obligations of the Seller are rated lower than F2 by Fitch or such rating is withdrawn; and
- zero, if the Notes have been redeemed in full;

**Trust Deed** means the trust deed entered into by, amongst others, the Issuer and the Security Trustee dated the Closing Date;

**UCITS Directive** means Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities;

**UK** means the United Kingdom;

**UK Benchmarks Regulation** means Regulation (EU) 2016/1011 as it forms part of domestic law of the United Kingdom by virtue of the EUWA;

**UK CRA Regulation** means Regulation (EC) No. 1060/2009 as it forms part of domestic law of the United Kingdom by virtue of the EUWA;

**UK PRIIPs Regulation** means Regulation (EU) No 1286/2014 as it forms part of domestic law of the United Kingdom by virtue of the EUWA;

**UK Securitisation Regulation** means Regulation (EU) 2017/2402 as it forms part of domestic law of the United Kingdom by virtue of the EUWA;

**U.S. Risk Retention Rules** means Section 15G of the Exchange Act and any applicable implementing regulations;

**Weighted Average Life Of The Portfolio** means the ratio calculated by:

- (a) summing the products obtained by multiplying:
  - (i) the Current Balance of each Loan; by
  - (ii) the number of months between the Cut-off Date in respect of such Loan and the maturity date of such Loan;
- (b) dividing such sum by the aggregate sum of the Current Balance of each Loan;
- (c) dividing such amount by 12 to obtain the weighted average life in years.

**Weighted Average One-Year Default Probability** means the ratio calculated by:

- (a) summing the products obtained by multiplying the Current Balance of each Loan by the one-year default probability as computed on the basis of the current Master Scale;
- (b) dividing such sum by the sum of the aggregate then current Outstanding Principal Amount of all Loans; and



(c) rounding the result up to the nearest two decimal places.

**Weighted Average Seasoning** means the ratio calculated by:

(a) summing the products obtained by multiplying:

(i) the Current Balance of each Loan; by

(ii) the number of months between the Cut-off Date (Limit Start Date) in respect of such Loan and the Cut-Off Date of the Reporting Date of such Loan;

(b) dividing such sum by the aggregate sum of the Current Balance of each Loan;

(c) dividing such amount by 12 to obtain the weighted average life in years.

**Wft** means the Dutch Financial Supervision Act (*Wet op het financieel toezicht*) and its subordinate and implementing decrees and regulations as amended from time to time.

## INTERPRETATION

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

1.2 Any reference in this Prospectus to:

**beneficial interests** shall mean beneficial interests in the Notes evidenced by the Global Notes;

a **Class** of Notes shall be construed as a reference to the Class A Notes (or as applicable, the Class A1, the Class A2 and/or the Class A3 Notes), the Class B Notes or the Class C Notes, as applicable;

a **Class A, Class B or Class C** Noteholder, Principal Deficiency, Principal Deficiency Ledger or Redemption Amount shall be construed as a reference to a Noteholder of, or a Principal Deficiency, the Principal Deficiency Ledger or a redemption pertaining to, as applicable, the relevant Class of Notes;

a **day** shall mean a calendar day;

**holder** means the registered holder of a Note and related expressions shall (where appropriate) be construed accordingly;

**including** or **include** shall be construed as a reference to **including without limitation** or **include without limitation**, respectively;

**indebtedness** shall be construed so as to include any obligation (whether incurred as principal or as surety) for the payment or repayment of money, whether present or future, actual or contingent;

a **law** shall be construed as any law (including common or customary law), statute, constitution, decree, judgement, treaty, regulation, directive, bye-law, order or any other legislative measure of any government, supranational, local government, statutory or regulatory body or court and

shall be construed as a reference to such law, statute or treaty as the same may have been, or may from time to time be, amended;

a **month** means a period beginning in one calendar month and ending in the next calendar month on the day numerically corresponding to the day of the calendar month on which it commences or, where there is no date in the next calendar month numerically corresponding as aforesaid, the last day of such calendar month, and **months** and **monthly** shall be construed accordingly;

the **Notes**, the **Conditions**, any relevant **Transaction Document** or any other agreement or document shall be construed as a reference to the Notes, the Conditions, such relevant Transaction Document or, as the case may be, such other agreement or document as the same may have been, or may from time to time be, amended, restated, varied, novated, supplemented or replaced;

**outstanding** shall mean all the Notes other than (a) those Notes which have been redeemed in accordance with the Conditions; (b) those Notes in respect of which the date for redemption in accordance with the Conditions has occurred and the redemption monies (including all interest payable in respect thereof) have been duly paid to the Paying Agent in the manner provided in Clause 8 of the Paying Agency Agreement (and, where appropriate, notice to that effect has been given to the Noteholders) and remain available for payment; and (c) those Notes which have become void under Condition 8 (*Prescription*);

a **person** shall be construed as a reference to any person, firm, company, corporation, government, state or agency of a state or any association or partnership (whether or not having separate legal personality) of two or more of the foregoing or any successor or successors of such party;

a reference to **preliminary suspension of payments, suspension of payments or moratorium of payments** shall, where applicable, be deemed to include a reference to the suspension of payments (*voorlopige surseance van betaling*) as meant in the Dutch Bankruptcy Act (*faillissementswet*) or any intervention, recovery and resolution measures, including but not limited to measures, that may be taken pursuant to the BRRD or the Solvency II Regulation, as implemented in Dutch law, the Wft, the Whav and the SRM Regulation; and, in respect of a private individual, any debt restructuring scheme (*schuldsanering natuurlijke personen*);

**principal** shall be construed as the English translation of “hoofdsom” or, if the context so requires, “pro resto hoofdsom” and, where applicable, shall include premium;

**repay, redeem and pay** shall each include both of the others and **repaid, repayable and repayment, redeemed, redeemable and redemption and paid, payable and payment** shall be construed accordingly;

a **statute or treaty** shall be construed as a reference to such statute or treaty as the same may have been, or may from time to time be, amended or, in the case of a statute, re-enacted;

a **successor** of any party shall be construed so as to include an assignee, transferee or successor in title of such party and any person who under the laws of the jurisdiction of incorporation or domicile of such party has assumed the rights and obligations of such party or otherwise replaced such party (by way of novation or otherwise), under or in connection with a relevant Transaction Document or to which, under such laws, such rights and obligations have been transferred; and

any **Transaction Party** or **party** or a party to any relevant Transaction Document (however referred to or defined) shall be construed so as to include its successors and any subsequent successors in accordance with their respective interests.

- 1.3 In this Prospectus, save where the context otherwise requires, words importing the singular number include the plural and vice versa.
- 1.4 Headings used in this Prospectus are for ease of reference only and do not affect the interpretation of this Prospectus.
- 1.5 Any reference to an agreement or contract must be read as a reference to such agreement or contract as supplemented, amended, novated and restated from time to time.

**REGISTERED OFFICES**

**ISSUER**

SME Lion III B.V.  
Prins Bernhardplein 200  
1097 JB Amsterdam  
The Netherlands

**SELLER, REPORTING ENTITY, SERVICER and NOTES PURCHASER**

ING Bank N.V.  
Bijlmerdreef 106  
1102CT Amsterdam  
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**SECURITY TRUSTEE**

Stichting Security Trustee SME Lion III  
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**LEGAL and TAX ADVISERS**

*to the Seller and the Issuer*

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**SWAP COUNTERPARTY and ISSUER ACCOUNT BANK**

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