Bass Master Issuer N.V. Series 0-2008-I

RMBS/Prime/Belgium

Closing Date
15/10/2009

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Definitive Ratings

Series	Rating	Amount (million)	% of Notes***	Legal Final Maturity	Step up date	Subordi-nation*	Reserve fund	Total Credit Enhance-ment**
A	**Aaa**	€20,250.0	90.0	July 2052	July 2010	10.0%	0.9%	10.9%
B	**Aa3**	€675.0	3.0	July 2052	July 2010	7.0%	0.9%	7.9%
C	**A2**	€675.0	3.0	July 2052	July 2010	4.0%	0.9%	4.9%
D	NR	€900.0	4.0	July 2052	July 2010	0%	0.9%	0.9%
E	NR	€202.5	0.9	July 2052	July 2010	0%	0.9%	0.9%
Total***		€22,500.0	100.00					

The ratings address the expected loss posed to investors by the legal final maturity. In Moody's opinion the structure allows for timely payment of interest and ultimate payment of principal at par on or before the rated final legal maturity date. Moody's ratings address only the credit risks associated with the transaction. Other non-credit risks have not been addressed, but may have a significant effect on yield to investors.
** At close.*
*** No benefit attributed to excess spread.*
**** Excluding Class E note*

V Score for the sector:	*Medium*
V Score for the subject transaction:	*Medium*

The subject transaction is a revolving cash securitisation of residential mortgage loans extended to obligors located in Belgium. The portfolio consists of mortgage loans secured by residential properties.

Asset Summary (Cut off date as of 30/07/2009)

Seller(s)/Originator(s):	Fortis Bank N.V./ S.A. ("Fortis Bank"/ A1/P-1)
Servicer(s):	Fortis Bank
Receivables:	First lien mortgage (and mandates) loans to individuals secured by property located in Belgium
Methodology Used:	– Moody's Approach to Rating Belgian RMBS September 2006 – Cash Flow Analysis in EMEA RMBS: Testing Structural Features with the MARCO Model (Moody's Analyser of Residential Cash Flows), January 2006 – The Lognormal Method Applied to ABS Analysis, July 2000
Model Used:	Milan (Belgian settings) MARCO & ABSROM
Total Amount:	€ 23,312,220,181
Length of Revolving Period:	Revolving
Number of Borrowers:	302,407
Number of Loan Advances:	442,093
Borrower concentration:	Top 20 borrowers make up 0.15% of the pool; Maximal exposure to one single borrower: 1,997,176 € (0.01% of the outstanding pool)
WA Remaining Term:	15.9 years
WA Seasoning:	4.2 years
Interest Basis:	97.9% fixed rate (or floating with cap), 2.1% floating rate loans
WA Current LTV*:	62.9%
WA Original LTV*:	76.5%

Asset Summary (continued)

Moody's calculated WA indexed LTV*:	50.2%
WA mortgage coverage:	122.7%
Borrower credit profile:	Prime borrowers (no credit impaired borrowers)
Delinquency Status:	0.38% loans more than 90 days in arrears at the time of pool review

** Moody's LTV computation includes all loans granted to a borrower secured by the same property(ies). It therefore includes existing loans ranking pari passu with the securitised loans (but not included in the pool). This computation slightly differs from the one of the seller (as well as from the LTV definition used in the transaction) that does not include existing loans.*

Liabilities, Credit Enhancement and Liquidity

Excess Spread At Closing:	Growth WA asset yield at closing: 4.3% Net excess spread after coupons and costs: 0.20% (guaranteed by the swap counterparty)
Credit Enhancement/Reserves:	0.20% excess spread provided by the swap 0.90% non-amortising reserve fund 10% subordination of the notes (under the most senior tranche) Guaranteed Investment Contract (GIC) account earning EONIA on deposits
Form of Liquidity:	No liquidity facility available Swap arrangement will cover for coupons and costs in addition to an excess spread of 0.20% Non amortising reserve fund
Number of Interest Payments Covered by Liquidity:	No liquidity facility but swap covering for coupons and costs payment At closing, reserve fund covers for 3 payment dates (with 3 months Euribor at 0.7%)
Interest Payments:	Quarterly in arrears on each payment date
Principal Payments:	Soft bullet notes switching to pass through if they are not called on their step-up dates; Sequential amortisation if pro-rata condition is not fulfilled, otherwise pro-rata amortisation;
Payment Dates:	15th of January, 15th of April, 15th of July and 15th of October
Hedging Arrangements:	So-called "Dutch" swap hedging interest rate risk, guaranteeing 0.20% excess margin and paying coupons due under the notes and senior costs

Counterparties

Issuer:	Bass Master Issuer N.V., *Institutionele vennootschap voor belegging in schuldvorderingen naar Belgisch recht,* organised as a Belgian public limited company incorporated in Belgium
Sellers/Originators:	Fortis Bank N.V. S.A ("Fortis Bank" **A1/Prime-1**)
Contractual Primary Servicer(s):	Fortis Bank
Contractual Special Servicer(s):	None
Sub-Servicer(s):	None appointed at closing
Back-up Primary Servicer(s):	None appointed at closing
Back-up Special Servicer(s):	None appointed at closing
Back-up Servicer Facilitator:	None appointed at closing
GIC Provider:	Fortis Bank
Back-up Cash Manager:	None appointed at closing
Swap Counterparty:	Fortis Bank
Issuer Account Bank:	Fortis Bank
Collection Account Bank:	Fortis Bank
Paying Agent:	Fortis Bank
Issuer Administrator/Cash manager:	Intertrust B.V. (corporate services provider **not rated**)
Arranger:	Fortis Bank
Lead Managers:	Fortis Bank
Security Agent:	Stichting Security Agent Bass

Moody's View

Outlook for the Sector:	Negative.
Unique Feature:	First master issuer in the Belgian market. This third tap issuance of the existing Series 0-2008-I has a relatively short revolving period (3 quarters). No audit of the pool was carried out.
Degree of Linkage to Originator:	Fortis Bank acts as: seller, servicer, swap counterparty, originator, GIC provider, issuer account bank, collection account bank, paying agent.
Originator's Securitisation History:	
# of Precedent Transactions in Sector:	Third tap issue of the existing Series 0-2008-I, which is the first RMBS transaction set up by Fortis Bank in Belgium.
% of Book Securitised:	82% of the Belgian mortgage book.

Behaviour of Precedent Transactions:	Delinquencies and losses reported on existing transactions of this issuer are better than the average delinquency reported in the Belgian index.
Key Differences between Subject and Precedent Transactions:	Tap issue of the existing Series 0-2008-I. Therefore transaction features are identical to the existing Series 0-2008-I.

Portfolio Relative Performance:

Expected Loss/Ranking:	0.70% in line with peer group.
Milan Aaa CE/Ranking:	9.5% in line with peer group.
Weighted-Average Aaa Stress Rate For House Prices:	37.5%
Comment:	

Potential Rating Sensitivity:

Chart Interpretation:	At the time the rating was assigned, the model output indicated that Class A would have achieved a Aaa rating even if the expected loss was as high as 1.4% assuming Milan Aaa CE remained at 9.50% and all other factors were constant.
Factors Which Could Lead to a Downgrade:	– Further deterioration of the economic environment – Fortis Bank's rating downgrade below A2 or P-1

Table 1*:
Tranche A

		MILAN Aaa CE Output			
		9.5%	11.4%	13.3%	15.2%
Median Expected Loss	0.70%	Aaa (*)	Aa1 (1)	Aa1 (1)	Aa1 (1)
	1.05%	Aaa (0)	Aa1 (1)	Aa1 (1)	Aa2 (2)
	1.40%	Aaa (0)	Aa1 (1)	Aa2 (2)	Aa2 (2)
	2.10%	Aa1 (1)	Aa2 (1)	Aa3 (3)	A1 (4)

*Results under base case assumptions indicated by asterisk ' * '. Change in model-indicated rating (# of notches) is noted in parentheses.*

Composite V Score

Breakdown of the V Scores Assigned to	Sector	Transaction	Remarks
Composite Score: Low (L), Low/Medium (L/M), Medium (M), Medium/High (M/H) or High (H)	Medium (2.75)	Medium (3)	
1 Sector Historical Data Adequacy and Performance Variability	**L/M**	**L/M**	
1.1 Quality of Historical Data for the Sector	L/M	L/M	**Sector**: – Approx. 15 years of performance data available on the market (National Bank of Belgium provides data over the last 15 years) – Approx. 35 years of data on house price.
1.2 Sector's Historical Performance Variability	L	L	**Sector**: – Strong historical performance with low variability (outstanding RMBS transactions show losses between 0-120 bps, with an average around 40 bps).
1.3 Sector's Historical Downgrade Rate	L	L	**Sector**: – No downgrade to date.
2 Issuer/Sponsor/Originator Historical Data Adequacy, Performance Variability and Quality of Disclosure	**M**	**M/H**	
2.1 Quality of Historical Data for the Issuer/Sponsor/ Originator	M	M/H	**Sector:** – Historical performance for each originator usually closer to 10 years. **Transaction** – Less performance data provided then other Belgian originators. • Default data provided over the total book for 2003-2009 (in comparison KBC has provided data back to 1998) • Arrears data provided over the total book for 2003-2009 (versus arrears data back to 1995 for KBC).
2.2 Issuer/Sponsor/Originator's Historical Performance Variability	L	L	**Sector**: – Same as 1.2 **Transaction:** – Although limited, for data available performance in line with peer group.
2.3 Disclosure of Securitisation Collateral Pool Characteristics	L/M	M/H	**Sector**: – Detailed information on collateral characteristics (most MILAN fields are provided). – Audits on assets performed by independent auditors before the closing date, and accounts of the SPV audited once a year. **Transaction**: – Lack of data relating to some characteristics usually provided by other originators, such as: employment type, loan purpose, owner-occupancy type, month current data. – Lack of audit at closing.
2.4 Disclosure of Securitisation Performance	L/M	L/M	**Sector**: – Detailed servicer report received quarterly (comparable information as received in other EMEA countries). **Transaction**: – In line with the sector.

Breakdown of the V Scores Assigned to		Sector	Transaction	Remarks
3	**Complexity and Market Value Sensitivity**	**M/H**	**M/H**	
3.1	Transaction Complexity	M/H	M/H	**Sector**: – Credit risks for the asset class are not straight forward and creates linkage to the originator (in particular due to existence of mandates, all-sums mortgage, all-sums mandates, several properties backing the loans and the combination of these unusual features within same loans) **Transaction**: – No (or limited) credit given in this transaction to mandates or subordination lien agreement between Fortis Bank and the SPV, that makes this transaction less sensitive than the sector to those elements – However, master issuer nature of the SPV adds complexity to the transaction not captured in the Sector score.
3.2	Analytic Complexity	M	M	**Sector**: – MILAN model amended to account for credit risk of assets. – Existence of mandates, all-sums mortgage, all-sums mandates, several properties backing the loans and the combination of these unusual features within same loans is adding complexity to the assets' modelling **Transaction**: – In line with the sector.
3.3	Market Value Sensitivity	L/M	L/M	**Sector**: – Assets are prime assets with low probability of default, thereby minimizing the exposure to the market values. – Asset liquidation events are extremely remote. – Loans are usually amortising loans – The legal final maturity of the notes is longer than the asset. **Transaction**: In line with the sector.
4	**Governance**	**L/M**	**L/M**	
4.1	Experience of, Arrangements Among and Oversight of Transaction Parties	L/M	L/M	**Sector**: – Experienced transaction parties (securitisation exists for more than 10 years although remained limited until 2006) – Each transaction party's responsibilities clearly specified in the transaction documents. **Transaction**: – In line with sector (although securitisation experience limited in Belgium, arrangers experienced in other countries such as Netherlands for a longer period of time)
4.2	Back-up Servicer Arrangement	L	L	**Sector**: – Investment grade servicer **Transaction**: – In line with sector (investment grade rated servicer plus back-up servicer appointment upon breach of rating trigger).
4.3	Alignment of Interests	L/M	L/M	**Sector**: – Subordinated tranches usually retained by the originator **Transaction**: – In line with sector
4.4	Legal or Regulatory Uncertainty	L/M	L/M	**Sector**: – Securitization law and legal framework clearly codified and relatively stable (law improved in 2006) – Between 5 and 10 years of history of securitization structures – Usury law **Transaction**: – In line with the sector

Strengths:

- **Asset quality at closing:** relatively low weighted-average current loan to value ("LTV") at 62.90%, highly seasoned assets (4.2 years) and well geographically diversified.
- **Financial strength of Fortis Bank (A1/Prime 1):** acting as originator, servicer, swap counterparty, collection account bank, issuer account bank and GIC provider of the transaction.
- **Non-amortising reserve fund:** fully funded at closing at 0.90% of the Class A, B, C and D Notes through the issuance of the Class E Notes.
- **Hedging arrangements:** covering for the interest rate risk and guaranteeing coupons payment over the notes, senior costs payment and additional excess spread of 0.20% of the outstanding amount of the assets.
- **Good historical data:** in terms of delinquencies, default and recoveries**,** albeit restricted.
- **Back-up servicer appointment:** upon rating trigger that could mitigate the operational risk of servicing transfer.

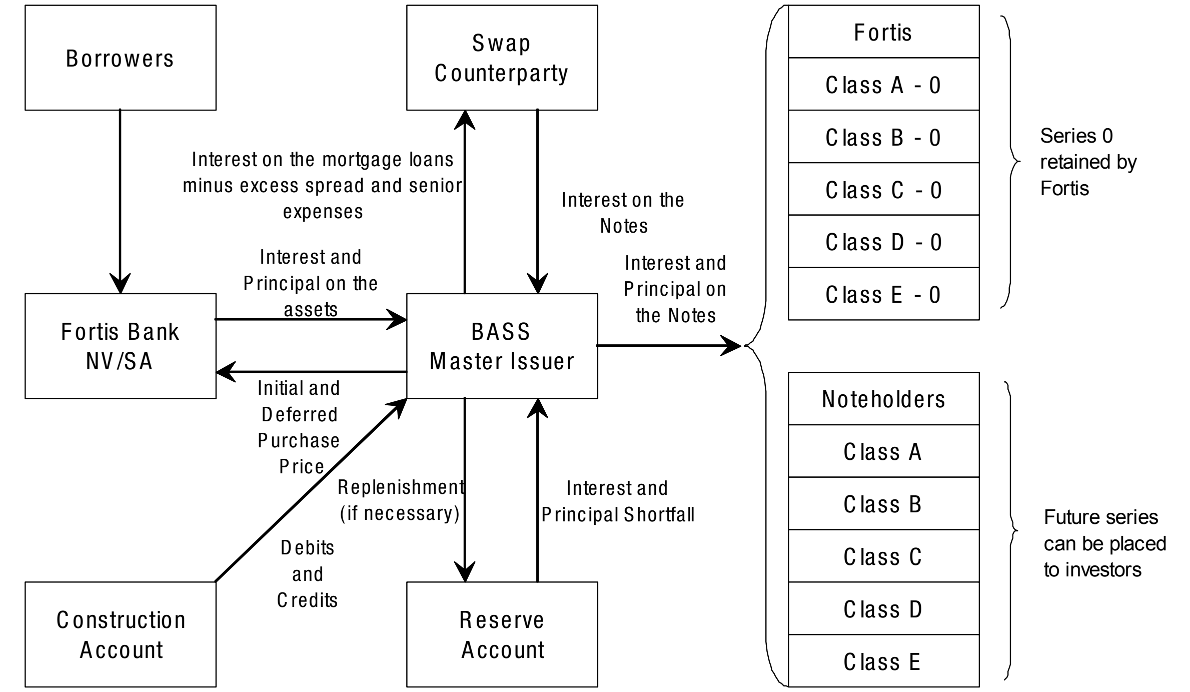
Concerns and Mitigants:

Moody's committees particularly focused on the following factors, listed in order of those most likely to affect the ratings:

- **Loose substitution criteria:** allowing, amongst others, for WA LTV to increase up to 75%. Moody's has treated this risk in its quantitative analysis as further explained under the "Treatment of concerns" section below.
- **No audit performed** at closing date. To cover for that risk, in addition to the usual repurchase obligations, Fortis Bank will mandate an independent party to perform checks of the data against the paper files for all loans incurring a loss once the reserve fund is drawn. If there is a material data discrepancy between data provided to Moody's and actual data, Fortis Bank will have to repurchase the loan. In Moody's view, this feature increases the link between the notes 'rating and Fortis Bank's rating.
- **No liquidity facility available at closing:** however the swap covers for payment due under the notes and senior costs and the reserve fund can also be used to cover for temporary cash shortfall.
- **Set-off risk** prior or after notification on savings/current accounts of borrowers. This is mitigated by early notification and set-off cash reserve to be put in place by the originator upon hit of various rating triggers. Additional set-off risk may arise if borrowers invoke the defense of non-performance upon Fortis Bank's default. Although notification trigger should limit the exposure to that risk, Moody's has taken it into account in its quantitative analysis as further explained under the "Treatment of concerns" section below.
- **Illiquidity of the swap at closing:** which is mainly due to the combination of i) the credit, liquidity and interest rate risks hedged under the swap; ii) the swap notional size; and iii) the limited information available at closing in order to find a swap replacement if needed. In Moody's view, even though the swap documentation complies with Moody's requirements at closing, illiquidity of the swap might create a link to the swap counterparty's rating.
- **Uncertainty relating to the ability to transfer servicing if needed:** although mitigated by the appointment of a "warm" back-up servicer upon downgrade of Fortis Bank below **Baa3**.
- **Economic conditions**: the weak economic prospects in Belgium with negative GDP (Gross Domestic Product) growth forecasted for 2009 (about -1.9%) and rising unemployment (expected to rise to about 7.8% in 2009) likely to drive delinquencies up in the short to medium term. The house price index is expected to decline slightly in 2009 (-5% to -10%).

Chart 1:

Structure Chart



Description of transaction structure:

- Third addition of assets under the issuance of the Series 0-2008-I of the first residential mortgage-backed securities programme established by Fortis Bank in Belgium (the Series 0-2008-I initial closing took place on the 23rd of June 2008, and the Series were twice tapped since, on the 15th of December 2008 and 15th of June 2009).
- Under the programme, the SPV from time to time issues A, B, C, D and E notes to fund purchases of additional mortgage receivables pools or to redeem other outstanding notes, subject to fulfilment of some repayments tests.
- In this particular issuance (closing on the 15th of October 2009) the originator (Fortis Bank) sells to the issuer further mortgage receivables. In turn, the issuer funds the purchase of the mortgage receivables by issuing additional notes under the outstanding Class A, B, C and D of the existing Series 0-2008-1. The additional Class E Notes fund the increase of the reserve fund.
- The Series 0-2008-I Notes were issued as soft bullet notes with a step-up date that is the same for all the classes. Notes which are not repaid at their step-up date will switch to pro-rata and pass-through amortisation (if the pro-rata condition is fulfilled at that time), otherwise they will amortise in sequential order.

Repayment test and pro-rata condition of the programme structure

- If there are only soft bullet notes outstanding which are not due at the respective interest payment date, principal collections will be used to purchase additional mortgage receivables.
- If there are also pass-through notes outstanding, the portion of principal collections that corresponds to the portion of outstanding pass-through notes will be used to redeem the pass-through notes.
- The pass-through notes will be redeemed on a pro-rata basis as long as the pro-rata condition is fulfilled.
- Amortization will switch from pro-rata to sequential upon performance trigger (see below).
- If there is more than one pass-through note within a Class of Notes (i.e. Class A of Series X and Class A of Series Y) the available principal amount will be allocated to the two classes of Notes according to the outstanding balances of the Notes.
- In addition to this pro-rata condition, there is a repayment test in place that ensures that junior notes can only be repaid when the subordination available after the respective payment is at least as high as the required subordinated amount of the respective class of notes at the time. This condition ensures that the subordination of certain notes will not be eroded by repayments of junior Classes of Notes that are repaid prior to the due date of more senior Classes of Notes.

Allocation of Payments/Pre accelerated revenue waterfall:

On each quarterly payment date, the issuer's available funds (i.e. interest amounts received from the portfolio, the reserve fund, under the swap agreement, and interest earned on the issuer's account) will be applied in the following simplified order of priority:

1. Senior expenses;
2. Interest payments to swap counterparty and swap termination payments if the issuer is the defaulting party;
3. Interest on Class A; PDL on Class A; interest on Class B; PDL on Class B; interest on Class C; PDL on Class C; interest on Class D; and PDL on Class D; interest on Class E;
4. Replenishment of reserve fund;
5. Swap counterparty default payment;
6. Deferred purchase price.

Allocation of Payments/ Pre-accelerated Principal waterfall:

On each quarterly payment date, the principal amounts received from the portfolio, will be applied in the following simplified order of priority:

1. Replenishment of the assets, subject to substitution criteria being met and until the step-up date;
2. Principal payments in pro rata amortisation order (subject to pro-rata amortisation trigger being met, otherwise sequential amortisation) until full repayment of Class A; Class B; Class C and Class D.

Allocation of Payments/PDL like mechanism:

A PDL is based on realised losses. A loss is defined as the positive difference between the principal amount due under the loan and the proceeds of the sale received by the servicer.

Defaulted loan is defined as the loan amount remaining due and payable for more than three months or for which foreclosure process has started.

Performance Triggers:

Trigger	Conditions	Remedies/Cure/implication
Pro-rata amortisation	– The 90 days + arrears level is less than 2.5% and – The reserve fund is at the required level and – There is no PDL on any class	If the conditions are not met, principal receipts will be allocated sequentially until fully redeemed to Class A, then to Class B, then to Class C and then to Class D; otherwise it will be allocated pro-rata
Stop substitution	– The reserve fund is at the required level – There is no PDL on any class – The rating of the seller (Fortis Bank) is above Baa3 – The substitution amount in a quarter does not exceed 20% of the then outstanding amount of the pool at the purchase date – The substitution amount over the last year does not exceed 50% of the then outstanding amount of the pool at the purchase date – Step-up date has elapsed for more than one year without called notes being fully repaid*	If the conditions are not met, it will stop substitution

** Note that this condition is not applicable for the first Series 0-2008-I that will stop substitution if notes are not called at their step-up date but will be applicable only if several series are outstanding going forward.*

Reserve Fund:

– Fully funded at close: 0.90% of original notes/pool balance.
– Non-amortising.

The reserve fund will be replenished after the interest payment of the Class E note. Through these mechanisms, Moody's considers that the reserve fund in this transaction is comparable with the other Belgian RMBS transactions.

Liquidity:

– The reserve fund is a source of liquidity.
– Under the swap, the issuer will pay only interest actually received from the pool on its account to the swap counterparty.

Assets:

Asset transfer:

– True Sale under Belgian law

Status of the vehicle:

– Bass is an Institutional *Vennootschap voor Belegging in Schuldvorderingen* (V.B.S). The institutional status of a V.B.S depends on the so-called "institutional" (or "professional") status of its underlying investors.
– As the loss of the "institutional" V.B.S status could have a material tax burden and serious legal implications, it is important to ensure that the institutional status of both investors and the SPV is maintained over the life of the transaction.
– Moody's relied on the legal opinion provided by the counsel of the transaction to get comfortable that the institutional status of the V.B.S shall be maintained over the life of the transaction.

Interest rate mismatch:

– Fixed-Floating mismatch: at closing, 97.9% of the pool balance comprises fixed rate mortgages that can reset to a new fixed rate going forward. 2.08% of the pool balance comprises variable rate. The notes pay three-month euro EURIBOR which leads to an interest rate mismatch in the transaction.

Mitigant:

– To mitigate the fixed-floating rate mismatch, the issuer has entered into a swap agreement with the swap counterparty.
– Under the swap agreement, at each interest payment date:

- The issuer will pay the interest received under the assets (including interest received from the issuer's account, pre payment penalties etc.) minus a margin of 0.20% over the outstanding principal of the notes (excluding any amount due under the principal deficiency ledger and excluding class E notes outstanding amount) and minus the senior costs and expenses;
- The swap counterparty will pay the coupons due under the notes (excluding any amount due under the principal deficiency ledger but including class E notes outstanding amount).

The swap framework is ISDA and is in line with Moody's swap criteria. However, Moody's believes that the swap could be very illiquid (due to its size, the risks covered and the uncertainty around the possibility to find a new counterparty if needed) and therefore that there is a link between the rating of the notes and the rating of the swap counterparty.

Cash Commingling: All of the payments under the loans in this pool are collected by the servicer (Fortis Bank at closing) under a direct debit scheme into the collection account in the name of the seller (Fortis Bank).

Mitigant:

– Payments are transferred monthly to the issuer account in the name of the SPV held by the GIC Provider – Fortis Bank (A1/Prime 1) at closing.
– If the GIC provider is downgraded below P-1, it will find a guarantor rated P-1 or find another solution acceptable to Moody's.
– If the seller collection account provider (Fortis Bank at closing) is downgraded below P-1 then the seller shall have to find a guarantor rated P-1 or transfer the collections to the issuer's account on a daily basis or find another solution acceptable to Moody's.
– If the servicer (Fortis Bank at closing) is downgraded below Baa3, the servicer or the issuer will have to notify borrowers of the transfer of the loans to the issuer and inform the borrowers to redirect their payment to the issuer's account held at a P-1 rated entity. In light of the elements listed above, Moody's has not sized for commingling risk in its quantitative analysis.

Set off:

– Until notice of assignment is given, borrowers may set-off their deposits against securitised mortgages to the extent both the deposits and mortgage payments are due and payable.
– After insolvency of the originator, no further right to set-off will arise unless both debts are closely connected.
– In any case, no further right to set-off will arise after notice of assignment.
– After notice of assignment, a borrower can still invoke rights of set off but only between (i) the amounts due and payable to Fortis Bank under the mortgage receivable before notification, and (ii) its claim on savings accounts or deposits due and held with Fortis Bank. Under this situation, the exposure of the issuer to set-off risk should never exceed one month of collection.

Mitigant:

The notice of assignment will be triggered if the servicer's rating falls below Baa3. To cover for the residual set-off risk after notice of assignment, a cash reserve will be put in place by the seller upon loss of A3 and will cover the minimum between: (i) the aggregate amount of deposits held by the borrowers on any savings or current accounts held with the seller; and (ii) an amount equivalent to the next instalment payable under the mortgage loans to the Seller.

Defense of non-performance and compensation scheme:

– Defense of non-performance may be asserted by borrowers even after insolvency/notice of assignment provided there is a close interrelationship between the two debts.
– An author has recently argued that the necessary interrelationship may be established if the loan agreement contains certain clauses such as a set-off clause in favor of the bank, as Fortis Bank's loan agreements usually do.
– Although the legal counsel of the transaction (Stibbe) disagrees with this view and says that "interrelationship" should be construed more narrowly, Moody's has considered that there was a possibility for borrowers to assert the defense of non-performance in order to set-off their deposit amount with their loan amount upon Fortis Bank's bankruptcy.

However, Moody's has also taken into consideration the fact that most borrowers should prefer to make a claim with the Belgian compensation scheme as long as their deposit amount does not exceed EUR 100,000 (which is the limit of the guarantee per depositor) instead of asserting the defense of non-performance.

This conclusion is based on the following elements regarding the recourse to the Belgian compensation scheme:

– A claim must be made within 2 months of the insolvency.
– If no notice of assignment has been given at the time of the claim, the securitised debt will be deducted from the compensation claim.
– If notice has been given at the time of the claim, the scheme will compensate the full deposit subject to (i) deduction for any set-off right that has already accrued and (ii) a limit of EUR 100,000.
– As a condition to compensation, the depositor must assign its entire deposit and will then be unable to assert the defense of non-performance.

Mitigant: When considering that risk in its quantitative analysis (as further explained in the "Treatment of concerns" section below) Moody's has assumed that notice of assignment should have been given to borrowers prior to Fortis Bank's default.

Loan substitution: The issuer is able to substitute loans with a riskier profile in the pool.

Mitigant: The substitution in the pool will stop if any of the following events occurs:

– The reserve fund is not at its required amount.
– An assignment notification event has occurred (i.e amongst others: the seller fails to perform or comply with any of its obligation under the transaction or the seller is downgraded below Baa3).
– Substituted amount does represent more than 20% of the pool outstanding amount.
– All notes for which a step-up date has occurred had not been redeemed prior to or on the note payment date falling one year after the step-up date.

The key eligibility criteria for substituting loans are as follows:

– The mortgaged property is located in Belgium;
– The LTV is below 110%;
– Loans are performing (but can be in arrears up to 60 days);
– Loan's interest rates were market conform at their origination dates;
– Loans are Euro-denominated;
– No more than 1% of the pool after substitution can relate to reconstitution loans;
– The weighted average LTV of the pool after substitution does not exceed 75%;
– The weighted average mortgage coverage ratio[i] is at least 100%;
– 15% of the pool can have mortgage coverage ratio between 0-50%;
– 15% of the pool can have mortgage coverage ratio between 50%-70%;
– At least 70% of the pool has mortgage coverage ratio of at least 100%.

These criteria are comparatively weaker from a credit risk perspective to other substituting Belgian transactions, and in Moody's opinion may result in a deterioration of the credit quality of the mortgage receivables purchased by the Issuer over time. Since the performance-related "stop substitution" criteria are only based on losses already realised, there are no early "stop substitution" criteria such as arrears criteria. Both the potential deterioration of the portfolio's credit quality over time and the late performance-related "stop substitution" triggers were taken into account by Moody's in its analysis of the transaction as further described in the "Treatment of concerns" section.

Loan conversion: The servicer can convert loans to a riskier product provided that the loan still complies with the eligibility criteria after the modification.

Mitigant: the swap in place in the transaction will guarantee the level of margin received by the SPV through the life of the transaction, therefore in Moody's view substitution or loan modification does not affect or increase the interest rate risk in the transaction. In addition, Moody's has considered possible deterioration of the asset's quality risk when stressing the pool up to the limit of the substitution. Please refer to the "Treatment of concerns" section below.

Further Advance: The seller can grant further advances to the loans already in the pool, but is not obliged to do so. If the further advances granted by the seller are secured by the same mortgage as loans securitised, the further advances loans will rank junior to the securitised loans. Therefore Moody's has not taken it into account in its quantitative analysis.

Originator Profile, Servicer Profile, and Operating Risks

Date of Operations Review:	April 2008

Originator Background:

Rating:	A1/ P-1
Financial Institution Group Outlook for Sector:	Negative
Ownership Structure:	75% BNP Paribas (Aa1 / P-1); 25% Belgian government (Aa1)
Asset Size:	EUR 394 bn (FBB unconsolidated)
Transaction as % of Total Book:	82% of Belgian mortgage book (total residential mortgage book in Belgium: EUR 28 bn)
% of Transaction Retained:	100% at closing

Originator Assessment	Main Strengths and Weaknesses
Originator Ability	
Sales & Marketing Practices	+ 100% branches origination (no use of brokers) + Good customer knowledge (loan applicants usually already Fortis Bank's clients) + Positioning on service instead of prices + Leader on Belgium mortgage lending market + Mortgage lending used as bending product for cross-sale +/- High level of deposits/savings of Fortis Bank's clients – Large mortgage product offer that includes extensive modification option during the life of the mortgage (payment holidays, fixed-floating rate switching options)
Underwriting Policies & Procedures	+ Systematic use of credit bureau data (positive and negative)- although mandatory by law in Belgium + Income always checked and minimum income after loan always applied + Affordability computation based on all charges and all net income (after tax deduction)

	+ Clear underwriting criteria and no exceptions for loans approved at branch level (25% of loan production) + Approval delegation provided intuitu personae at branch level depending on experience and qualifications + Internal scorecard system to provide delegation limit according to loan and borrower's risk profile + Relatively high level of rejection – No direct contact with employer to check employment – No automatic rejection rule at the headquarter level (Fortis Bank's clients with active negative registration are not systematically rejected)
Property Valuation Policies & Procedures	+ Use of property valuation for around 20% of cases when loans granted to young borrowers, or when LTV is higher than 100% + When property valuation is performed, conducted by independent real-estate agency (use of one of the largest real-estate agency network in Belgium) + Valuation for construction based on costs – Property valuation paid by the customer – 80% of the mortgage origination amount does not request property valuation report and uses sale price as a proxy for valuation – although this is market practice in Belgium
Closing Policies & Procedures	+ Cross checks on completeness of demand + Cash released based on sale contract or invoice
Credit Risk Management	– Limited performance report available on credit quality of assets
Originator Stability	
Quality Control & Audit	+ Very good internal control system (quality control, internal audit) - No audit performed for the securitised pool
Management Strength & Staff Quality	+ Experienced staff + Regular training
Technology	+ Specific software for underwriting process with approval limit implemented + Data daily back up + Recovery/disaster plan available – Some data missing in Moody's data requested template
Moody's Originator Assessment	**Slightly lower quality than its peers**

Servicer & Back-Up Servicer Background:

Servicer and Its Rating:	Fortis Bank (A1/P1)
Total Number of Mortgages Serviced:	> 500,000 loan parts
Number of Staff:	116 for all types of servicing; 38 dedicated to mortgage loans (data provided in 2008)

Servicer Assessment:	**Main Strengths and Weaknesses**
Servicer Ability	
Loan Administration	+ Almost 100% of the loan book in direct debit + Fraud prevention/detection at each stage of servicing (closing, change of contracts, follow-up of arrears, special servicing) – No special care to prevent payment shocks for borrowers with floating rate loans
Early Arrears Management	+ Clear and automated process to send payment's reminder to client (D+9 / D+45 / D+75 plus phone calls and manual treatment)
Loss Mitigation and Asset Management	+ Dedicated team (920 files followed by 6.65 FTE) + Relatively high recovery rates (2007: 89% and 2008: 88%) + Monitoring of third parties' performance every year (lawyers, sub-contractors)
Servicer Stability	
Management Strength & Staff Quality	+ Highly experienced staff (14 years for the department managers; 10-15 years for collectors +/- Regular training although not extensive (7hours/person/year) – Relatively high turn-over in the global servicing team (almost 30%) although limited in the special servicing department (4% for collectors) – Limited resources to deal with loans in arrears or in special servicing (3.35 FTE following up on all loans in arrears for less than 5 months and 4.28 FTE following up on 550 files in special servicing
IT, Reporting & Quality control, Audit	+ Daily data back up + All documents scanned – In-house servicing IT system – Limited performance reports and data communicated to Moody's
Moody's Servicer Assessment:	**Servicer quality in line with peers**

Strength of Back-up Servicer Arrangement:	Back up servicer appointed at loss of Baa3. Upon identification, back-up servicer will receive mortgage loan data on a regular basis. Effort will be done to ease the transfer if needed.
Back-up Servicer and Its Rating:	None appointed at closing.
Ownership Structure:	Not applicable
Regulated by:	Not applicable

Total Number of Receivables Serviced:	Not applicable
Number of Staff:	Not applicable

Originator/Servicer Related Triggers

Key Servicer Termination Events:	– Payment default – Performance default – Start of bankruptcy's procedures against the servicer – Becomes unlawful for the servicer to perform the its role
Downgrade of Original Servicer's Rating to Certain Level	
Appointment of Back-up Servicer Upon:	Loss of Baa3. Upon appointment data transfer on a quarterly basis will take place between the servicer and the back-up servicer and everything will be performed in order to allow the back up servicer to step-in quickly if requested
Key Cash Manager Termination Events:	– Payment default – Performance default – Start of bankruptcy's procedures against the cash manager – Becomes unlawful for the cash manager to perform its role
Notification of Obligors of True Sale	Loss of Baa3
Conversion to Daily Sweep (if original sweep is not daily)	Loss of P-1
Notification of Redirection of Payments to SPV's Account	Loss of Baa3
Collateralisation of Set Off Reserve	Set-off reserve to be collateralised upon servicer's downgrade below A3, for an amount up to the minimum between (i) deposit/ saving amounts due by Fortis Bank to borrowers and (ii) the outstanding amount due under the loan by the borrowers to Fortis Bank
Accumulation of Liquidity Reserve	Not applicable
Set up Liquidity Facility	Not applicable

Receivable Administration:

Method of Payment:	100% by direct debit
% of Obligors with Account at Originator:	Not available
Distribution of Payment Dates:	Collections due the 1st of the month

Cash Manager:

Cash Manager and Its Rating	Intertrust B.V. (corporate services provider not rated)
Main Responsibilities:	– Operate the issuer's account and ensure that payments are made; – Calculate the issuer's expenses; – Calculate all relevant amounts for the purposes of the relevant documents and conditions; – Calculate the repayment test and the issuance test; – Arrange for all payments due to be made by the Issuer under the notes and any of the other relevant documents to be made; – Provide administration services to the Issuer; – Do such acts and things (other than being liable for the payment of principal or interest on any Note) that are required to be done by the Issuer under the transaction documents; – Create, set-up, host and maintain a website conform to the specifications set out in the transaction documents
Calculation Timeline:	– Monthly Calculation Date: 3rd business day - prior to the Monthly Payment Date – Monthly Payment Date: 15th of each month – Note Calculation Date: 3rd business day prior to the Note Payment Date – Note Payment Date: 15th calendar day of January, April, July and October
Back-up Cash Manager and Its Rating:	None available at closing
Main Responsibilities of Back-up Cash Manager:	Not applicable

Other Key Counterparty

Chart 2:
Portfolio Breakdown by Year of Origination

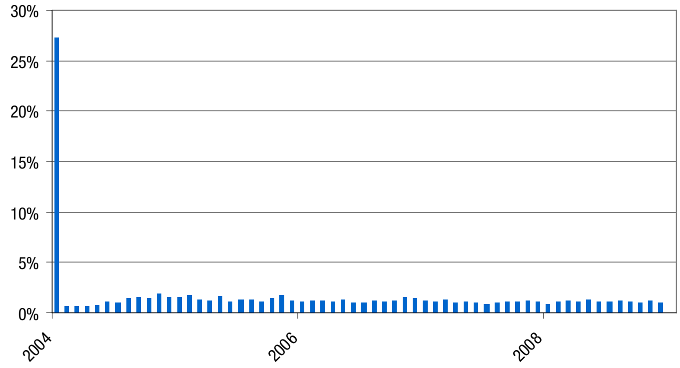


Chart 3:
Portfolio Breakdown by Months Current
Months current (negative) and arrears (positive)

Not available

Chart 4:
Portfolio Breakdown by LTV

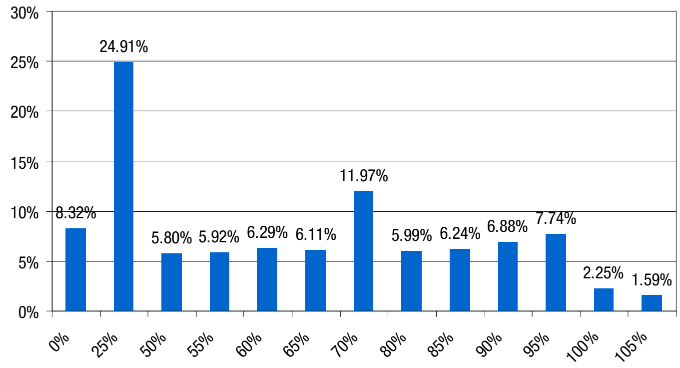
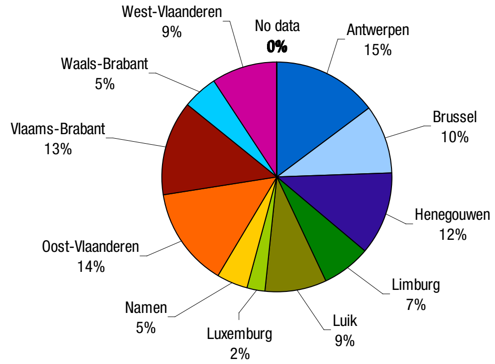


Chart 5:
Portfolio Breakdown by Geography



Audits:

– No external pool audit has been performed for this transaction.

Mitigant; to cover for that risk, Fortis Bank will mandate an independent party to perform checks of the data against the paper files for all loans incurring a loss once the Reserve fund is hit. If there is a material data discrepancy (that is defined in the transaction documents for each type of data), Fortis Bank will have to repurchase the loan. In Moody's view, this feature increases the link between the notes' ratings and Fortis Bank's rating.

Product Description: All assets were originated by Fortis Bank. All the loans in the pool are secured on residential properties located in Belgium. Products present the below described characteristics:

– Amortising loans: that can be either floating rate loans (annual revision or revision every 5 years - note that in Belgium there is a legal cap, whereby interest rates can not increase by than 3 points above the original interest rate), or fixed from 10 to 40 years.

– Bullet loans: mainly either classic bullet loans repaying at maturity (but distribution restricted to best clients), or bullet loans with monthly capital payment repayment through insurance contracts.

– Reconstitution loans: are repaid at final maturity using the proceeds of a reconstitution insurance policy. Under this type of loans, borrowers do not repay any principal but instead pays life-insurance premium to the insurance company and interests on the mortgage loans.

Securities of the loans present the following characteristics:

Mortgage and mandate in Belgium

The mortgage receivables can be secured by a first or sequential ranking mortgage loan and/ or a mortgage mandate. A mandate is not a mortgage, but it facilitates the option to put a mortgage in place. A mandate does not reserve the ranking of the mortgage to be created upon exercise of the mandate. Mandates are broadly offered in the Belgium market because it reduces mortgage registration fees.

Moody's believes that upon default of Fortis Bank, the benefit of mandates in the transaction might be extremely limited due to the following reasons:

- Benefit of mandate may not be transferable to the SPV;

- Another lender may have registered a more senior ranking mortgage ahead of Fortis Bank's mandate before its conversion.

Based on Fortis Bank's current rating, Moody's has assumed that in a Aaa scenario, the likelihood of Fortis Bank defaulting is high. Therefore when assessing the credit quality of the assets in a Aaa scenario, no benefit was given to mandate when looking at the recovery rate of the loans upon default (note that in Moody's view, default frequency of each loan is not impacted by the type of security backing the loans – either mandate or mortgage).

However, on an expected case scenario, Moody's has considered that the use of mandates should be efficient to mitigate losses.

All-Sums Mortgage

The mortgage receivable pool mainly consists of so-called "All-Sums Mortgage' loans, whereby the loans are secured by a mortgage which also secures other amounts that the Borrower owes or in the future may owe to the Seller.

An "All Sums Mortgage" loan which is transferred to the issuer ranks in priority to any receivable which arises after the date of the transfer and which is also secured by the same "All Sums Mortgage", but has equal ranking with receivables that existed at the time of the transfer and that were secured by the same "All Sums Mortgage".

Therefore, loans in the pool may have equal ranking to loans that will remain on the seller's book (the "existing loans"); in case of enforcement procedures the existing loans would diminish the rights of the Issuer on the recovered amounts, thus increasing the severity of the securitised loans.

In order to mitigate this potential risk, the seller will contractually subordinate its rights on the enforcement proceeds on the existing loans to the issuer's rights.

Currently the existing loans account for less than 1% of the pool balance. During substitution, the existing loans should never represent more than 3% of the pool balance. This substitution limit has been taken into account by Moody's when assessing the possible deterioration of the pool over the life of the transaction. In a Aaa scenario, Moody's has given no benefit to the lien agreement provided by Fortis Bank by stressing the LTV limit by an additional 3%. However Moody's has given some benefit to the lien agreement when assessing the expected loss of the transaction.

"All sums mandate"

In the same way as for the mortgages, the mortgage mandates used by the Originator do not only secure a specific loan or advance, but in most cases, all other amounts which the borrower owes or may owe in future to the originator. There is so far no certainty on the allocation priority of the enforcement proceeds of loans secured by a mandate. To cover for that risk, the transaction documents will provide that if a mortgage mandate is to be converted into an actual mortgage such mortgage will be executed and registered in accordance with the following principles:

(i) It will be created for the benefit and in the name of the seller and the issuer;

(ii) It will secure all existing and future debts and obligations which the borrower owes or may owe to the seller or to the issuer;

(iii) All other secured debts will be effectively subordinated to the mortgage receivable owing to the Issuer.

In Moody's view, the above principles provide comfort on the allocation of enforcement proceeds amongst securitised and not securitised loan parts in case Fortis Bank is not in default. Upon Fortis Bank's default, Moody's believes that the above mentioned mechanism will not be enforceable. Therefore in Aaa scenario and as already stated above, Moody's gave no benefit to mandates.

Eligibility Criteria:

The key eligibility criteria are as follows:

- Loan security is either first ranking mortgage, or a first ranking and sequential, or a mandate or a combination of the three.
- Loan is fully disbursed except as per the construction loans.
- Loans are performing (but could be in arrears for less than 60 days).
- Loan interest rate at origination was market conform.
- Current balance per borrower < 2,000,000€.
- Loans are all denominated in Euro.
- Total coverage ratio (defined as the sum of the mortgage and mandate inscription divided by the sum of the loan amount granted to one borrower) exceeds 100%.
- LTV ratio per borrower does not exceed 110%.

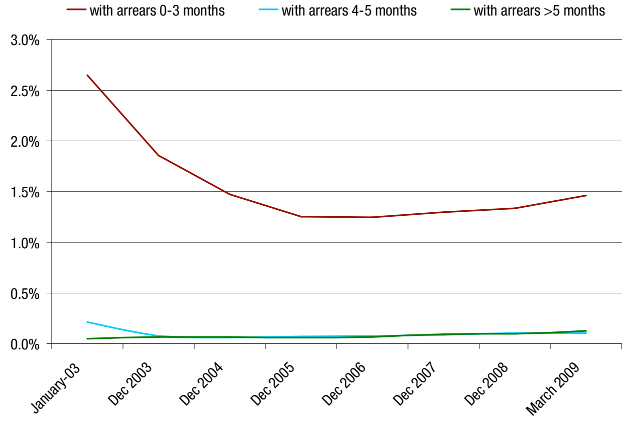
Precedent Transactions' Performance:

- The performance of the originator's transaction in this sector is within Moody's expectations.
- There has been no rating action since closing of this transaction.

Data Quantity and Content:

- Arrears data has been provided from 2003 through 2009 reflecting mainly arrears evolution.

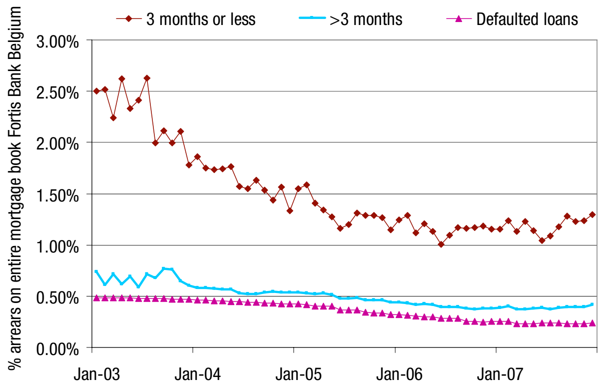
Chart 6:
Fortis Bank book - Delinquencies



Source: Fortis Bank N.V/S.A. Belgian residential mortgage book.

- Default data has been provided from 2003 through 2007 (but not on a vintage basis).

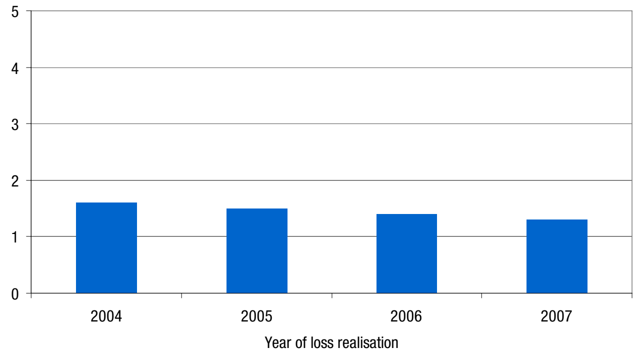
Chart 7:
Fortis Bank book – Default



Source: Fortis Bank N.V/S.A. Belgian residential mortgage book.

- Loss data has been provided from 2004 to 2007.

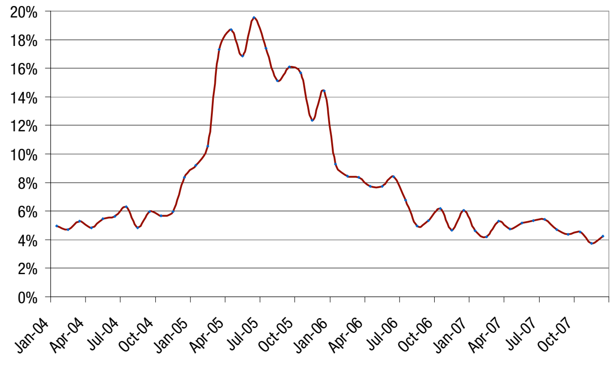
Chart 8:
Fortis Bank book – Loss
(in basis points of the total outstanding Belgian residential mortgage book of Fortis Bank)



Source: Fortis Bank N.V/S.A. Belgian residential mortgage book.

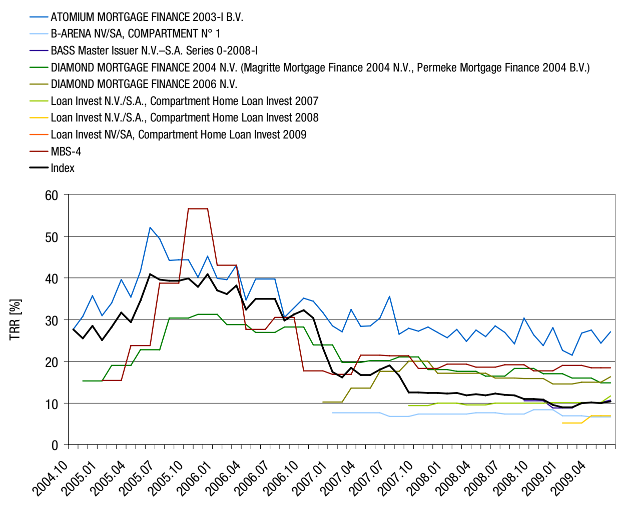
- Prepayment data has been provided from 2005 to 2007. Total redemption data is available for the BASS transaction, as well as the prepayment data.

Chart 9:
Fortis Bank book – Prepayment rate on total book



Source: Fortis Bank N.V/S.A. Belgian residential mortgage book.

Chart 10:
Belgian index – Total redemption rate



Source: Moody's investor service.

- In Moody's view, the quantity and quality of data received is below average compared to transactions which have achieved high investment grade ratings in this sector, in particular data provided only covers for the last 6 years, while other originators provided data for more than 10 years. No default data per vintage has been provided while other originators provided it.

Assumptions and definitions Other values within a range of the notional amount listed below may result in achieving the same ratings.

Spread compression / margin analysis	Not applicable
WA asset margin at closing	0.20% (after swap, senior costs and coupons)
Asset reset date	Not available
Liabilities reset date	15th of January, April, July, October
Interest on cash	Eonia
Stressed Fees	No stressed fees applied as covered by the swap counterparty
Actual Fees	Servicing fees: 0.03% of the outstanding balance of all loans Administrator fee: EUR 30,000 per year (increased each year by the consumer price index) Issuer director fee: EUR 6,500 per year (increased each year by the consumer price index)
PDL Definition	Loss
Default Definition	Loan amount remaining due and payable for more than 90 days+ or for which foreclosure process has started

When determining the EL of the transaction, Moody's has relied amongst other upon the following elements:

- Performance observed in the BASS transaction – see Charts 11 and 12 below (extrapolating the data based on the Moody's methodology[ii]);
- Benchmark tool, using the extrapolated default vintage data provided by similar originator in the Belgian market and the data provided by Fortis Bank;

Modelling Approach:

Loss Distribution: The first step in the analysis is to determine a loss distribution of the pool of mortgages to be securitised. Due to the large number of loans and supporting historical data, Moody's uses a continuous distribution to approximate the loss distribution: the lognormal distribution.

In order to determine the shape of the curve, two parameters are needed: the expected loss and the volatility around this expected loss. These parameters are derived from two important sources: historical loss data and the loan-by-loan model.

Moody's uses performance data provided by the originator in addition to other relevant data in order to extrapolate expected losses for the loan pool. Examples of data include market and sector wide performance data, the performance of other securitisations, and other originators' data.

To obtain the volatility under "stressed" scenarios, Moody's takes into account historical data. However observed historical volatility may not be significant (given insufficient datapoints, or incomplete data), and in addition may not be representative for the future as it is based on the previous economic environments experienced.

Consequently, Moody's determines a number representing the enhancement that would be required for a pool of mortgages to obtain a rating consistent with **Aaa** under highly stressed conditions. This enhancement number (the "MILAN **Aaa** CE" number) is produced by using a loan-by-loan model, which looks at each loan in the pool individually and based on its individual characteristics such as loan-to-value or other identified drivers of risk, will produce a benchmark CE number. This assumes stressed recovery rates (through house price decline), time to recovery, interest rates and costs to foreclosure. The weighted average benchmark CE number will then be adjusted according to positive and negative characteristics of each loan or of the pool as a whole to produce the MILAN **Aaa** CE number.

Modelling assumption: The Milan Aaa CE number and the expected loss number form the basis of Rating Committee discussions and are used to derive the lognormal distribution of the pool losses

The standard deviation of the distribution is found by setting the expected loss of the area of the lognormal distribution beyond the MILAN Aaa CE equal to the expected loss that is consistent with the idealised expected loss of a Aaa tranche.

Tranching of the Notes: Once the loss distribution of the pool under consideration has been computed, a cash flow model is used to assess the impact of structural features of the transaction. It calculates the average lives and the losses experienced by the Notes for every loss scenario for the portfolio. Based on these numbers, the expected loss and the weighted-average lives for the Notes are calculated as weighted averages based on the probabilities of the respective scenarios. The expected loss on each tranche together with the Notes' weighted-average life determines the rating, which is consistent with Moody's target losses for each rating category.

The rating of the notes is therefore based on an analysis of:

- The characteristics of the mortgage pool backing the notes;
- The relative roll-rate levels and arrears in this type of lending compared to conventional lending;
- Sector-wide and originator specific performance data;
- Protection provided by credit enhancement and liquidity support against defaults and arrears in the mortgage pool;
- The roles of the swap and hedging providers; and
- The legal and structural integrity of the issue.

Treatment of Concerns:

- **No audit performed on the pool data by Fortis Bank**: Moody's has applied a 10% additional penalty in the origination assessment to account for the lack of audit and to cover for potential data discrepancy between the loan files and the data received.

– **Loose substitution criteria**: in Moody's view, the substitution criteria in the transaction are looser than what can be seen in the Belgian RMBS market, therefore Moody's has stressed the closing pool up to the limit set in the documentation (assuming 75% LTV, 3% pari passu loans, limiting house price benefit and seasoning benefit). In a Aaa scenario (when stressing the asset's risk profile), Moody's has considered that up to 18% of assets could substitute until the step up date.

  In a mean case scenario, a prepayment rate of 5% was assumed for the first year based on the data observed for the Fortis Bank book and for Bass over the recent years.

– **Mandate vs mortgage:** when looking at the quality of assets in Aaa scenario, Moody's has given no benefit to mandates.

– **All sums mortgage:** when looking at the quality of assets in Aaa scenario, Moody's has considered that the pari passu loans at closing will rank pari passu with the securitised loans, therefore giving no benefit to the subordinated lien agreement between the issuer and Fortis Bank.

– **Weighted average mortgage coverage:** Moody's believes that the substitution criteria should limit the deterioration of the pool mortgage coverage, and has not applied further stress related to that risk in its model. Moody's will monitor the evolution of the mortgage coverage through time thanks to regular portfolio review.

– **Set-off risk implied by the defence of non-performance:** Fortis Bank has not provided borrower's deposit amount neither on an individual nor on an aggregated basis for the total pool. Instead, Fortis Bank has provided the deposit amount over two samples of 200 loans each. The first sample was randomly selected by Fortis Bank in Q2/2009 from the then outstanding pool. The second sample was randomly selected by Moody's in September 2009 from the outstanding portfolio (including the third tap issuance). Based on the most conservative results of the 2 samples, Moody's has determined that the set-off risk over that sample represented approximately 3.8% of the total loan balance of the sample. The exposure has been determined looking at the borrowers for which both the loan amount and deposit amount were exceeding EUR 100,000 (as previously explained above in this report). The 3.8% figure has then been stressed to 9% to account for the limited size of the sample. An A2 rating has been used to model default probability of Fortis Bank in order to limit volatility of the transaction' ratings upon 1 notch downgrade.

– **Month current data (for how long the loan has not been in arrears) unavailable:** no month current data was provided to Moody's therefore a standard penalty of 20% was applied to all loans.

– Employment type data (whether borrower is self-employed, civil-servant etc.) available only for 79% of the pool. For the remaining part Moody's has applied a 30% penalty (which is lower than the no data penalty of 40% considering the representation of the seller that no company should be included in the pool). As there is no eligibility criterion limiting the employment type distribution after substitution, Moody's has assumed that for the remaining time of substitution, up to the substituting amount will attract the maximum penalty of 30% (on top of the current situation at closing).

– Occupancy type data (whether property is owner-occupied, used for buy to let etc.) available only for 76% of the pool. For the remaining part, Moody's has applied a 100% penalty, considering that the seller grants loans for buy-to-let or second home acquisition. As there is no eligibility criterion limiting the occupancy type distribution after substitution, Moody's has assumed that for the remaining time of substitution, up to the substituting amount will attract the maximum penalty of 100% (on top of the current situation at closing).

– **Property type data**: although no data was provided to Moody's on property type, Moody's did not apply a penalty for lack of data, as there a representation of the seller ensuring that there should be no multi-family houses in the transaction or loans granted for commercial purpose.

– **Principal payment frequency**: the seller will represent that no more than 5% of bullet loans should be included in the pool after substitution. Therefore Moody's modeled that the pool will switch from the current proportion at closing (less than 2%) to 5% of bullet loans after substitution. Bullet loans attract a 25% penalty.

– **Loan purpose** (whether the purpose of the loan is purchase, construction or debt consolidation): the seller did not provide data in relation to loan purpose for the total pool. Therefore Moody's applied the standard 10% no data penalty for the total pool.

– **Seasoning benefit**: Moody's has given benefit to the seasoning of the pool, (which is quite substantial at closing), but has assumed no seasoning benefit for the portion that could substitute until the step-update.

Benchmark Analysis

Performance Relative to Sector: In Moody's view, the historical performance of 60+ delinquencies and 90+ delinquencies of Bass compares positively to other recent transactions in this sector. Compared to its peer group of sector transactions rated in year, the portfolio reflects lower delinquencies trend. Because of its size, the Bass transaction overweighs the index. The Bass 60+ delinquencies rate is 0.55% as of end of August 2009. The Bass 90+ delinquencies rate is 0.35% as of end of August 2009.

Chart 11:

60+Delinquencies

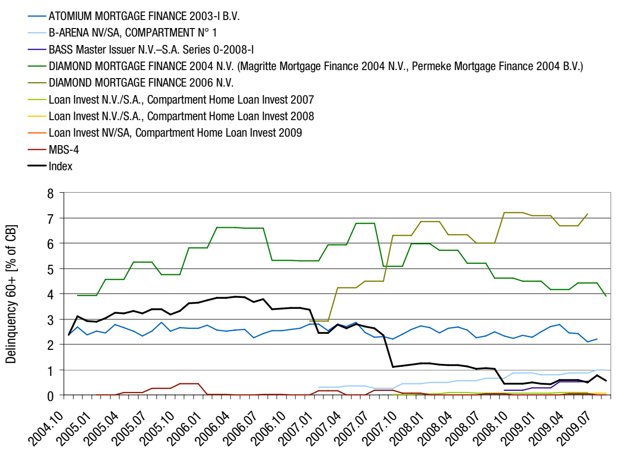
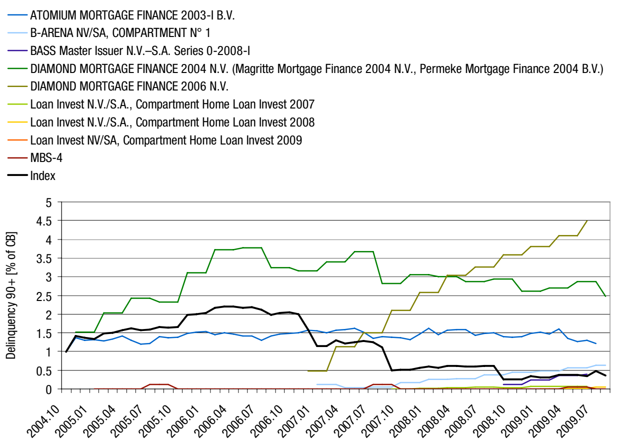


Chart 12:

90+Delinquencies



Benchmark Table

Deal Name	Home Loan Invest 2009	Bass Master Issuer Series 0-2008-I
Closing date	April 30, 2009	October 15, 2009
Information from	Final pool as of 31st of March 2009	Provisional pool as of 31st of July 2009
Originator	KBC Bank N.V	Fortis Bank N.V.
Servicer	KBC Bank N.V	Fortis Bank N.V.
MILAN Aaa CE	11.1%	9.5%
EL	1.0%	0.7%
PORTFOLIO STRATIFICATION		
Avg. Current LTV	73.7%	62.9%
% Current LTV > 70%	62.4%	42.7%
% Current LTV > 80%	50.4%	30.7%
% Current LTV > 90%	36.4%	24.7%
Avg. Current LTV indexed*	Not public	50.2%
% Self Employed (or pensioner. or student. or unemployed or no data)	11.67%	34.4%
% Self Certified	0,0%	0,0%
% Non-owner Occupied (includes partial owner or no data)	33.5%	24.0%
Average mortgage coverage	73.9%	122.7%
% Fixed interest (or floating with cap)	100,0%	97.9%
% in Arrears	0,0%	1.28%
Max regional concentration	27.0%	14.7%
% Employee loans	5.0%	2.7%
% Construction loans	17.6% (but no more stage payments)	Not available
PORTFOLIO DATA		
Current Balance	6667253127.71	23 312 220 181
Average Loan (Borrower)	123 468	77 089
Borrower top 20 (as % of pool bal)	0.34%	0.15%
WA interest rate at cut-off	4.45%	4.3%
Average seasoning in years	2,9	4,2
Average time to maturity in years	Not public	15,9
Average House Price stress rate***	Not public	37,4%
Average House Price change*	Not public	25,3%
STRUCTURAL FEATURES		
Notes Payment Frequency	Quarterly	Quarterly
Replenishment periods	none	9 months
Total Aaa size	90.0%	90.0%
RF at Closing§	0.9%	0.9%
RF Fully Funded at Closing?	Yes	Yes
RF Floor§	Non amortising	Non amortising
Hedge in place	Interest rate hedge	Interest rate hedge
Swap rate or guaranteed XS (if applicable)	0.10% XS guaranteed on top of coupons and costs	0.20% XS guaranteed on top of coupons and costs
Principal to pay interest?	No	No
Liquidity facility?	No	No

* As per Moody's calculation.

*** As per Moody's Milan methodology for Aaa scenario

§ Of original note balance

Parameter Sensitivities

Parameter Sensitivities provide a quantitative, model-indicated calculation of the number of notches that a Moody's-rated structured finance security may vary if certain input parameters used in the initial rating process differed. The analysis assumes that the deal has not aged. It is not intended to measure how the rating of the security might migrate over time, but rather, how the initial rating of the security might differ as certain key parameters vary. For more information on V Score and Parameter sensitivity methodology for RMBS, please refer to 'V Scores and Parameter Sensitivities in the Major EMEA RMBS Sectors' published in April 2009.

Parameter sensitivities for this transaction were calculated in the following manner: Moody's assumed 16 loss distributions derived from the combinations of MILAN Aaa Credit Enhancement: 9.5% (base case), 11.4% (base x 1.2), 13.3% (base x 1.4) and 15.2% (base x 1.6) and expected loss: 0.70% (base case), 1.05% (base x 1.5), 1.40% (base x 2) and 2.10% (base x 3). The 9.5% / 0.70% scenario would represent the base case assumptions used in the initial rating process.

The charts below show the parameter sensitivities for this transaction with respect to all Moody's rated tranches.

Table 2*:
Tranche A

		MILAN Aaa CE Output			
		9.5%	11.4%	13.3%	15.2%
Median Expected Loss	0.70%	Aaa (*)	Aa1 (1)	Aa1 (1)	Aa1 (1)
	1.05%	Aaa (0)	Aa1 (1)	Aa1 (1)	Aa2 (2)
	1.40%	Aaa (0)	Aa1 (1)	Aa2 (2)	Aa2 (2)
	2.10%	Aa1 (1)	Aa2 (1)	Aa3 (3)	A1 (4)

** Results under base case assumptions indicated by asterisk ' * '. Change in model-indicated rating (# of notches) is noted in parentheses.*

Table 3*:
Tranche B

		MILAN Aaa CE Output			
		9.5%	11.4%	13.3%	15.2%
Median Expected Loss	0.70%	Aa3 (*)	Aa3 (0)	A1 (1)	A1 (1)
	1.05%	Aa3 (0)	A1 (1)	A1 (1)	A2 (2)
	1.40%	Aa3 (0)	A1 (1)	A2 (2)	A3 (3)
	2.10%	A1 (1)	A2 (2)	A3 (3)	Baa1 (4)

** Results under base case assumptions indicated by asterisk ' * '. Change in model-indicated rating (# of notches) is noted in parentheses.*

Table 4*:
Tranche C

		MILAN Aaa CE Output			
		9.5%	11.4%	13.3%	15.2%
Median Expected Loss	0.70%	A2 (*)	A3 (1)	A3 (1)	Baa1 (2)
	1.05%	A3 (1)	Baa1 (2)	Baa1 (2)	Baa2 (3)
	1.40%	Baa1 (2)	Baa2 (3)	Baa2 (3)	Baa3 (4)
	2.10%	Baa2 (3)	Baa3 (4)	Baa3 (4)	Ba1 (5)

** Results under base case assumptions indicated by asterisk ' * '. Change in model-indicated rating (# of notches) is noted in parentheses.*

The model output indicated that Class A would have achieved the Aaa rating even if expected loss was as high as 1.4% assuming Milan Aaa CE remain at 9.5% and all other factors remained the same. The model output further indicated that the Class A would not have been assigned a Aaa rating with Milan Aaa CE of 11.4%, and expected loss of 0.7%.

Monitoring

Moody's will monitor the transaction on an ongoing basis to ensure that it continues to perform in the manner expected, including checking all supporting ratings and reviewing periodic servicing reports. Any subsequent changes in the rating will be publicly announced and disseminated through Moody's Client Service Desk.

Originator Linkage: the originator acts as servicer, swap counterparty, issuer account bank, collection account bank, paying agent and GIC provider. Some rating triggers should decrease the exposure to the originator's rating as listed in the table below.

Counterparty Rating Triggers	**Condition**	**Remedies**
Interest Rate Swap Counterparty	In accordance with Moody's swap guidelines*	Replace or post collateral
Issuer Account Bank	Loss of P-1	Replace or guarantee by a P-1 entity
Collection Account Bank	Loss of P-1	Daily sweep or guarantee from a P-1 rated entity.
Collection Account Bank	Loss of Baa3	Replace

** See Framework for De-Linking Hedge Counterparty Risks from Global Structured Finance Transactions Moody's Methodology, May 15 2006*

Significant Influences: In addition to the counterparty issues noted, the following factors may have a significant impact on the subject transaction's ratings:

- further deterioration in the real estate market beyond the recovery lag and stress which was modelled.
- deterioration of performance beyond what has been modelled

Monitoring Report:

Data Quality:

- Investor report format finalized and discussed with Moody's analyst
- The report is in line with Moody's template at the time of issuance
- Key performance indicators used by the primary analysts to rate the transaction are included in the investor report.
- Undertaking to provide Moody's with updated pool cut on a periodical basis

Data Availability:

- Report provided by: Intertrust
- Timeline for Investor report is provided in the transaction documentation, The priority of payment section is made available on the Interest Payment Date and the completed report is published at the latest 3 days after the IPD

- Frequency of the publication of the investor report is in line with the frequency of the IPD.
- Investor reports publicly available on a password protected website.

Related Research

For a more detailed explanation of Moody's approach to this type of transaction as well as similar transactions please refer to the following reports:

Methodology Used:

- Moody's Approach to Rating Belgian RMBS September 2006 (SF79604)
- Cash Flow Analysis in EMEA RMBS: Testing Structural Features with the MARCO Model (Moody's Analyser of Residential Cash Flows), January 2006 (SF58290)
- The Lognormal Method Applied to ABS Analysis, July 2000 (SF8827)
- Substitution Criteria in EMEA RMBS Revolving Transactions, September 2009 (SF178124)
- Framework for De-Linking Hedge Counterparty Risks from Global Structured Finance Transactions Moody's Methodology, May 15 2006 (SF73248)
- Revising Default/Loss Assumptions Over the Life of an ABS/RMBS Transaction; December 2008 (SF149078)

Credit Opinion

- Fortis Bank S.A/N.V – Global credit research – 03 September 2009

Performance Overview

- BASS Master Issuer N.V./ S.A. Series 0-2008-I, September 2009 (SF178062)
- Loan Invest NV/SA, Compartment Home Loan Invest 2009, July 2009 (SF174825)
- Loan Invest NV/SA, Compartment Home Loan Invest 2008, July 2009 (SF173966)

New Issue Report

- BASS Master Issuer N.V./ S.A. Series 0-2008-I, December 2008 (SF151067)
- BASS Master Issuer N.V./ S.A. Series 0-2008-I, June 2008 (SF135551)
- Loan Invest NV/SA, Compartment Home Loan Invest 2009, institutionele VBS naar Belgischrecht, April 2009 (SF164279)
- Loan Invest N.V/S.A., Compartment Home Loan Invest 2008, November 2008 (SF144337)

Investor/Servicer Report

- Important Considerations for Moody's Surveillance of EMEA ABS and RMBS Transactions, June 2009 (SF154502)

To access any of these reports, click on the entry above. Note that these references are current as of the date of publication of this report and that more recent reports may be available. All research may not be available to all clients.

Appendix 1: Originator's Underwriting and Collection Practices

Originator Ability:	
Sales and Marketing Practices:	*Number employees: approx. 80* *Origination channels: 100% branch (no intermediaries)* *Incentive based compensation: No*
Underwriting Policies and Procedures:	*Automatic underwriting: no* *% Approval rate: 77% in 2008* *% loans manually underwritten: 100%* *% of loans underwritten at branch level (as opposed to central office): approx. 80%* *% exceptions to underwriting policy: unknown* *Income and credit history verification: 100% income and credit history verified* *Internal credit scoring and use of external bureaus: automatic* *Stress testing in affordability calculations: no* *Borrower identification checks: no*
Collateral Valuation Policies and Procedures:	*Appraised value against purchase price: mostly purchase price but appraised value used in some cases* *Valuation process (AVMs versus full internal inspection): no* *Regulated appraisers: no* *Distinct policies for specialist properties, e.g. new build developments: not applicable*
Closing Policies and Procedures:	*Reconciliation of data on system and origination files: yes* *Process for following up on insurance details and deeds registration: yes* *Closing call with borrower prior to funds release: no* *Checking/testing direct debit details prior to release of funds: always*
Credit Risk Management:	*Strategic target market and product type: main focus on existing clients or prime borrowers for cross-selling* *Oversight to assess actual versus expected receivable performance: not made available to Moody's*
Originator Stability:	
Quality Controls and Audits:	*Frequency of external and internal audits, particularly underwriting practices to policy: regular through quality control process* *Fraud prevention process: manual procedure at all points of intervention (closing, contract amendment, arrears etc.)* *Repurchase history: varies between 0 and 0.20% per month since initial closing*
Regulated by:	*CBFA (Commission bancaire, financière et des assurances)*
Management Strength and Staff Quality	*Average tenure with company: 10-20 years* *Average Turnover of underwriting staff and length of tenor for head of credit risk management: no data / 5 years* *Compensation structure i.e incentive for receivables growth: no* *Training program in place for employees yes*
Technology	*Ability to provide Moody's with required data in a timely manner: loan by loan data provided in timely manner but some data missing* *Integrated and robust systems with minimal ability for manipulation: yes* *Formal change process: yes* *Scanned documents Yes, all documents scanned* *Strong disaster recovery and back up systems: yes*
Servicer:	
# of Receivables per Collector:	*120*
Staff Description:	*Average tenure with company 10-15 years* *Turnover: 29.6% for total servicing, 3.5% collectors and 13% for the total underwriting + servicing* *Compensation structure ie incentive for collections achieved bonus based on annual evaluation*
Early Stage Arrears Practices:	*Automated dial centre? No* *Letter sent day D+9/ D+45/ D+75 + calls*
Late Stage Arrears Practices:	*When passed to litigation team? D+270 if no solution has been found with the client before* *Involvement of external collectors or law firms: yes but monitored* *Sales of past due accounts: yes*
Average Time to Foreclose:	*2 years*
Loan Modifications:	*What constitutes a loan modification? Change in loan duration, in interest rate, in repayment type (bullet, amortising) or temporary suspension of payment (max 2* 6 instalments)* *Who can loan modifications be offered to? All clients* *Approval process for modifications? Subject to Fortis Bank's approval* *Income verification as part of modification? Normal re-underwriting process* *Performance of modified loans: not available*

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[i] The mortgage coverage ratio is defined as (i) the sum of the mortgage inscription registered to secure loans to a borrower divided by (ii) the sum of the current loan amount granted to a borrower. Note that the mortgage inscription can be lower than the loan amount as the borrower can use a mandate.

[ii] Revising Default/Loss Assumptions Over the Life of an ABS/RMBS Transaction; December 2008

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