

## IMPORTANT NOTICE

NOT FOR DISTRIBUTION TO ANY U.S. PERSON OR TO ANY PERSON OR ADDRESS IN THE U.S.

**IMPORTANT: You must read the following before continuing.** The following applies to the base prospectus following this page, and you are therefore advised to read this carefully before reading, accessing or making any other use of the base prospectus. In accessing the base prospectus, you agree to be bound by the following terms and conditions, including any modifications to them any time you receive any information from us as a result of such access.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY SECURITIES OF THE ISSUER IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), OR THE SECURITIES LAWS OF ANY STATE OF THE U.S. OR OTHER JURISDICTION OF THE U.S. AND THE SECURITIES MAY NOT BE OFFERED, SOLD OR DELIVERED WITHIN THE U.S. OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS, EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS.

THE FOLLOWING BASE PROSPECTUS MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER, AND IN PARTICULAR, MAY NOT BE FORWARDED TO ANY U.S. PERSON OR TO ANY U.S. ADDRESS. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORIZED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

**Prohibition of sales to EEA and UK retail investors:** The Covered Bonds 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**") or 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 (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); (ii) a customer within the meaning of Directive (EU) 2016/97 (the "**IDD**"), 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 Regulation (EU) 2017/1129, including any commission delegated regulation thereunder (the "**Prospectus Regulation**"). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Covered Bonds or otherwise making them available to retail investors in the EEA or in the UK has been prepared and therefore offering or selling the Covered Bonds or otherwise making them available to any retail investor in the EEA or in the UK may be unlawful under the PRIIPs Regulation.

**MiFID II product governance / target market:** The Final Terms in respect of any Covered Bonds will include a legend entitled "*MiFID II Product Governance*" which will outline the target market assessment in respect of the Covered Bonds and which channels for distribution of the Covered Bonds are appropriate. Any person subsequently offering, selling or recommending the Covered Bonds (a "**distributor**") should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Covered Bonds (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the "**MiFID Product Governance Rules**"), the Arranger and/or any Dealer subscribing for any Covered Bonds is a manufacturer in respect of such Covered Bonds, but otherwise neither the Arranger nor any Dealer nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

**Benchmark Regulation:** Interest and/or other amounts payable under the Covered Bonds may be calculated by reference to certain reference rates. Any such reference rate may constitute a benchmark under the Benchmark Regulation. If any such reference rate does constitute such a benchmark, the relevant Final Terms will indicate whether or not the administrator thereof is included in the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 (Register of administrators and benchmarks) of the Benchmark Regulation. Not every reference rate will fall within the scope of the Benchmark Regulation. Furthermore, transitional provisions in the Benchmark Regulation may have the result that an administrator and/or a benchmark is not required to appear in the register of administrators and benchmarks at the date of the relevant Final Terms. The registration status of any administrator or benchmark under the Benchmark Regulation is a matter of public record and, save where required by

applicable law, the Issuer does not intend to update any Final Terms to reflect any change in the registration status of the administrator.

Amounts payable under the Covered Bonds may be calculated by reference to EURIBOR which is provided by European Money Markets Institute (EMMI). As at the date of this Base Prospectus, European Money Markets Institute (EMMI), in relation to it providing EURIBOR appears in the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority (ESMA) pursuant to article 36 of the Benchmark Regulation (Regulation (EU) 2016/1011).

**Confirmation of your Representation:** In order to be eligible to view this base prospectus or make an investment decision with respect to the securities, investors must not be a U.S. person (within the meaning of Regulation S under the Securities Act). This base prospectus is being sent at your request and by accepting the e-mail and accessing this base prospectus, you shall be deemed to have represented to us that you are not a U.S. person, the electronic mail address that you gave us and to which this e-mail has been delivered is not located in the U.S. (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands), any States of the United States or the District of Columbia and that you consent to delivery of such base prospectus by electronic transmission.

You are reminded that this base prospectus has been delivered to you on the basis that you are a person into whose possession this base prospectus may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorised to, deliver this base prospectus to any other person.

The materials relating to the offering do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licensed broker or dealer and the underwriters or any affiliate of the underwriters is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the underwriters or such affiliate on behalf of the Issuer in such jurisdiction.

This base prospectus has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently neither Achmea Bank N.V. nor Achmea Conditional Pass-Through Covered Bond Company B.V. nor Coöperatieve Rabobank U.A., nor any person who controls it nor any director, officer, employee or agent of it nor any affiliate of any such person accepts any liability or responsibility whatsoever in respect of any difference between the base prospectus distributed to you in electronic format and the hard copy version available to you on request from Achmea Bank N.V. or Coöperatieve Rabobank U.A.



**ACHMEA BANK N.V.**

*(incorporated under the laws of the Netherlands with limited liability  
and having its statutory seat in The Hague, the Netherlands)*

**EUR 5,000,000,000 Conditional Pass-Through Covered Bond Programme**

**guaranteed as to payments of interest and principal by**

**ACHMEA CONDITIONAL PASS-THROUGH COVERED BOND COMPANY B.V.**

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

This Base Prospectus has been approved by the AFM as competent authority under the Prospectus Regulation. The AFM only approves this Base 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 that is the subject of this Base Prospectus nor as an endorsement of the quality of any Covered Bonds that are the subject of this Base Prospectus. Investors should make their own assessment as to the suitability of investing in the Covered Bonds. This Base Prospectus will be published in electronic form on [www.achmeabank.nl](http://www.achmeabank.nl). This Base Prospectus is issued in replacement of the base prospectus dated 16 January 2019 (as amended and supplemented), and accordingly supersedes such earlier base prospectus (as amended and supplemented). This Base Prospectus shall be 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 5 March 2021, at the latest. The obligation to supplement this Base Prospectus, in the event of significant new factors, material mistakes or material inaccuracies only, shall cease to apply upon the expiry of the validity period of this Base Prospectus.

Under its EUR 5,000,000,000 Conditional Pass-Through Covered Bond Programme the Issuer may from time to time issue Covered Bonds denominated in euro or any other currency agreed between the Issuer and the relevant Dealer, if any. Subject as set out herein, the maximum aggregate nominal amount of the Covered Bonds from time to time outstanding under the Programme will not exceed EUR 5,000,000,000 (or its equivalent in other currencies calculated as described herein) subject to any increase as described herein.

Achmea Conditional Pass-Through Covered Bond Company B.V. as CBC will guarantee the payment of scheduled interest and principal payable under the Covered Bonds pursuant to a guarantee issued under the Trust Deed. The Covered Bonds will further be (indirectly) secured by a right of pledge (or such other security right as may be applicable) over the Transferred Assets vested by the CBC in favour of the Security Trustee and a right of pledge vested by the CBC in favour of the Security Trustee over all rights of the CBC under or in connection with the CBC Transaction Documents. Recourse against the CBC under its guarantee will be limited to the Security.

The Covered Bonds may be issued on a continuing basis to one or more of the Dealers and to investors directly. Covered Bonds may be distributed by way of a public offer or private placements and, in each case, on a syndicated or non-syndicated basis. The method of distribution of each relevant Series (or Tranche thereof) will be stated in the relevant Final Terms. Notice of the aggregate nominal amount of Covered Bonds, interest (if any) payable in respect of Covered Bonds, the issue price of Covered Bonds and any other terms and conditions not contained herein which are applicable to the Covered Bonds will be set forth in the applicable Final Terms which, in respect to Covered Bonds to be listed on Euronext Amsterdam will be filed and delivered to Euronext Amsterdam on or before the date of each issue of such Covered Bonds.

Application has been made for the Covered Bonds to be listed on the official list of Euronext Amsterdam during the period of twelve (12) months from the date of this Base Prospectus and which listing will apply if so indicated in the Final Terms. In addition, Covered Bonds issued under the Programme may be listed or admitted to trading, as the case may be, on any other stock exchange or regulated market specified in the applicable Final Terms. The Issuer may also issue unlisted Covered Bonds under the Programme. The applicable Final Terms will state whether or not the relevant Covered Bonds are to be listed, quoted and/or traded and, if so, on or by which competent listing authority(ies) or stock exchange(s) and/or quotation system(s).

The Issuer and the CBC may agree with the Security Trustee that Covered Bonds may be issued in a form not contemplated by the Terms and Conditions of the Covered Bonds set out herein, in which event a supplement to the Base Prospectus, if appropriate, will be made available which will describe the effect of the agreement reached in relation to such Covered Bonds.

It is expected that each issue of a Series of Covered Bonds will, on issue, be assigned an "Aaa" rating by Moody's and an 'AAA' rating by Fitch, unless otherwise specified in the applicable Final Terms. A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning Rating Agency. Whether or not each credit rating applied for in relation to a relevant Series of Covered Bonds will be issued by a credit rating agency established in the European Union and registered under the CRA Regulation will be disclosed in the relevant Final Terms. For a discussion of the risks associated with an investment in the Covered Bonds, see the Risk Factors section herein. The Rating Agencies have been registered by the European Securities and Markets Authority as credit rating agencies in accordance with the CRA Regulation.

The Covered Bonds and the Guarantee have not been and will not be registered under the U.S. Securities Act, or the securities laws of any state of the U.S. or other jurisdiction of the U.S. The Covered Bonds may not be offered, sold or delivered within the U.S. or to, or for the account or benefit of, U.S. persons, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state or local securities laws. Accordingly, the Covered Bonds are being offered, sold or delivered only to non-U.S. persons outside the U.S. in reliance on Regulation S.

The Covered Bonds of each Tranche are in bearer form or in registered form. Bearer Covered Bonds will (unless otherwise specified in the applicable Final Terms) initially be represented by a Global Covered Bond. Global Covered Bonds will be deposited on or about the Issue Date thereof either (i) with a common safekeeper or common depository for Euroclear and Clearstream, Luxembourg or (ii) with Euroclear Nederland and/or (iii) any other agreed clearance system. Registered Covered Bonds will be issued to each relevant holder by a registered covered bonds deed. See '*Form of Conditional Pass-Through Covered Bonds*'.

The Covered Bonds may be issued in NGN-form, which will allow Eurosystem eligibility. This means that the Covered Bonds in NGN-form are intended upon issue to be deposited with the ICSDs as common safekeeper and does not necessarily mean that the Covered Bonds will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria from time to time.

Capitalised terms used herein have the meaning ascribed thereto in section 21 (*Glossary of Defined Terms*).

The date of this Base Prospectus is 5 March 2020.

**Arranger**

**Rabobank**

**Dealer**

**Rabobank**

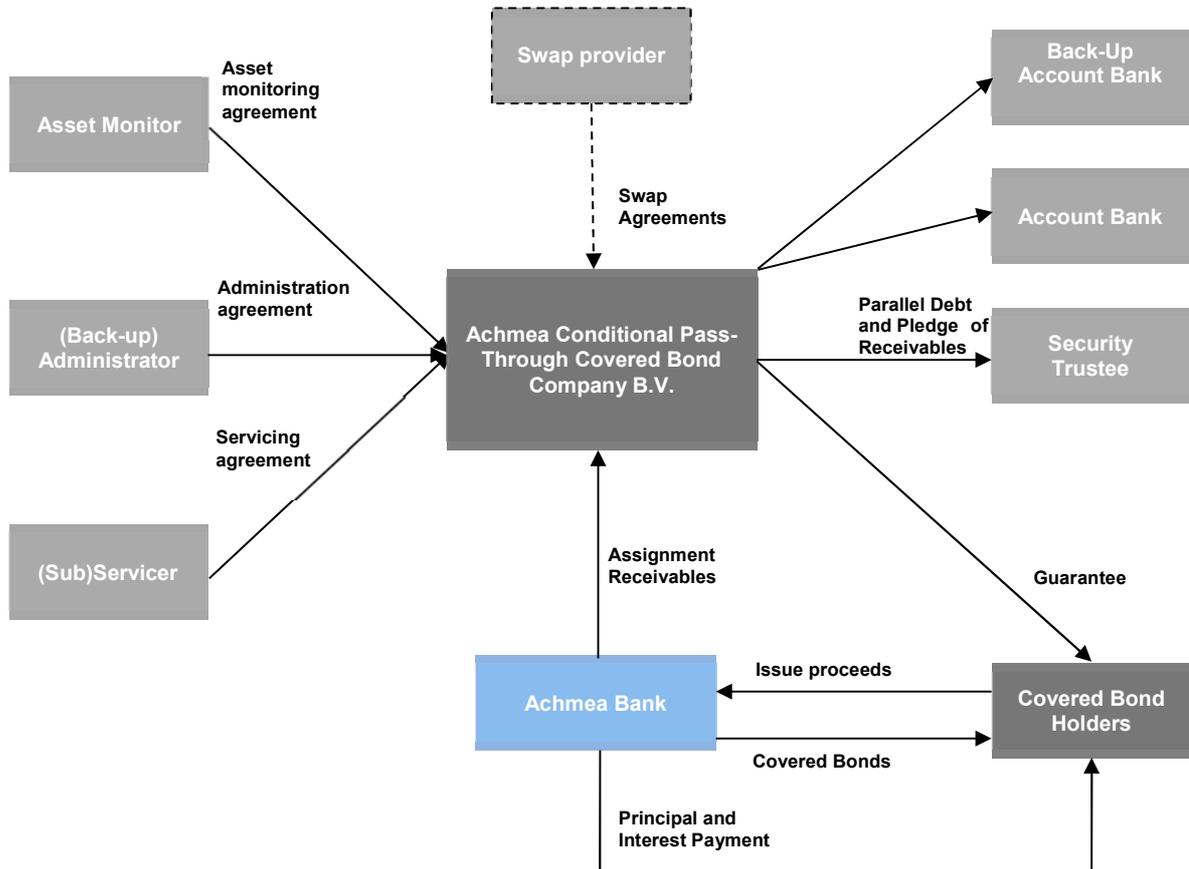
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## 2. GENERAL DESCRIPTION OF THE PROGRAMME

### 2.1 STRUCTURE DIAGRAM

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



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

The following provides an overview of the parties and the principal features of the Programme. The overview must be read in conjunction with and is qualified in its entirety by the detailed information presented elsewhere in this Base Prospectus. This overview is not a summary within the meaning of Article 7 of the Prospectus Regulation.

### PARTIES

<b>Issuer:</b>	Achmea Bank N.V., a public limited liability company ( <i>naamloze vennootschap</i> ) incorporated under the laws of the Netherlands, having its statutory seat in The Hague, the Netherlands or its successor or successors. The Issuer is registered in the Business Register of the Chamber of Commerce under number 27154399.
<b>Transferor:</b>	Achmea Bank.
<b>CBC:</b>	Achmea Conditional Pass-Through Covered Bond Company B.V., a private limited liability company ( <i>besloten vennootschap met beperkte aansprakelijkheid</i> ) incorporated under the laws of the Netherlands, having its statutory seat in Amsterdam, the Netherlands or its successor or successors. The CBC is registered in the Business Register of the Chamber of Commerce under number 69602875.
<b>Guarantor:</b>	CBC.
<b>Programme:</b>	The EUR 5,000,000,000 Conditional Pass-Through Covered Bond Programme of Achmea Bank guaranteed as to payments of interest and principal by the CBC.
<b>Administrator:</b>	Achmea Bank in its capacity as administrator under the Administration Agreement or its successor or successors.
<b>Back-up Administrator:</b>	Intertrust Administrative Services B.V., a private limited liability company ( <i>besloten vennootschap met beperkte aansprakelijkheid</i> ) incorporated under the laws of the Netherlands, having its statutory seat in Amsterdam, the Netherlands or its successor or successors. The Back-up Administrator is registered in the Business Register of the Chamber of Commerce under number 33210270.
<b>Servicer:</b>	Achmea Bank in its capacity as servicer under the Servicing Agreement or its successor or successors.
<b>Sub-servicers:</b>	The Servicer will, in accordance with the terms of the Servicing Agreement, initially appoint Quion Services B.V., a private limited liability company ( <i>besloten vennootschap met beperkte aansprakelijkheid</i> ) incorporated under the laws of the Netherlands, having its statutory seat in Rotterdam, as its sub-agent to carry out (part of) the servicing on its behalf.
<b>Collection Foundation:</b>	Stichting Incasso Achmea Hypotheken, a foundation ( <i>stichting</i> ) organised under the laws of the Netherlands, having its statutory seat in Amsterdam, the Netherlands or its successor or successors. The Collection Foundation is registered in the Business Register of the Chamber of Commerce under number 34389698.
<b>Asset Monitor:</b>	KPMG Accountants N.V., a public limited liability company ( <i>naamloze vennootschap</i> ) incorporated under the laws of the Netherlands, having its statutory seat in Amstelveen, the Netherlands or its successor or successors. The Asset Monitor is registered in the Business Register of the Chamber of

Commerce under number 33263683.

<b>Arranger:</b>	Coöperatieve Rabobank U.A, a cooperative with excluded liability ( <i>coöperatie met uitgesloten aansprakelijkheid</i> ) incorporated under the laws of the Netherlands, having its statutory seat in Amsterdam, the Netherlands or its successor or successors. The Arranger is registered in the Business Register of the Chamber of Commerce under number 30046259.
<b>Dealers:</b>	Rabobank and any other dealer appointed from time to time.
<b>Security Trustee:</b>	Stichting Security Trustee Achmea Conditional Pass-Through Covered Bond Company, a foundation ( <i>stichting</i> ) organised under the laws of the Netherlands, having its statutory seat in Amsterdam, the Netherlands or its successor or successors. The Security Trustee is registered with the Business Register of the Chamber of Commerce under number 69828970.
<b>Stichting Holding:</b>	The entire issued share capital of the CBC is held by Stichting Holding Achmea Conditional Pass-Through Covered Bond Company, a foundation ( <i>stichting</i> ) organised under the laws of the Netherlands, having its statutory seat in Amsterdam, the Netherlands or its successor or successors. Stichting Holding is registered with the Business Register of the Chamber of Commerce under number 69597812.
<b>Directors:</b>	Intertrust Management B.V., the sole director of the CBC, Intertrust Management B.V., the sole director of the Stichting Holding and IQ EQ Structured Finance B.V., the sole director of the Security Trustee.
<b>Insurance Savings Participant:</b>	Achmea Pensioen- en Levensverzekeringen N.V., a public limited liability company ( <i>naamloze vennootschap</i> ) incorporated under the laws of the Netherlands, having its statutory seat in Apeldoorn, the Netherlands or its successor or successors. The Insurance Savings Participant is registered with the Business Register of the Chamber of Commerce under number 08077009.
<b>Bank Savings Participant:</b>	Achmea Bank.
<b>CBC Account Bank:</b>	Citibank Europe plc, Netherlands Branch, a limited liability company organised under the laws of Ireland, acting through its Netherlands Branch or its successor or successors.
<b>CBC Back-Up Account Bank</b>	Rabobank.
<b>Foundation Accounts Providers:</b>	ABN AMRO Bank N.V., a public limited liability company ( <i>naamloze vennootschap</i> ) incorporated under the laws of the Netherlands, having its statutory seat in Amsterdam, the Netherlands or its successor or successors. ABN AMRO Bank N.V. is registered in the Business Register of the Chamber of Commerce under number 34334259 and ING Bank N.V., a public limited liability company ( <i>naamloze vennootschap</i> ) incorporated under the laws of the Netherlands, having its statutory seat in Amsterdam, the Netherlands or its successor or successors. ING Bank N.V. is registered in the Business Register of the Chamber of Commerce under number 33031431.
<b>Principal Paying Agent:</b>	ABN AMRO Bank.
<b>Paying Agent:</b>	Any paying agent appointed under the Agency Agreement (and together with the Principal Paying Agent, the " <b>Paying Agents</b> ").
<b>Listing Agent:</b>	ABN AMRO Bank N.V.
<b>Registrar:</b>	Citibank N.A., London Branch or its successor or successors.

<b>Calculation Agent:</b>	In relation to the Covered Bonds of any Series, the institution appointed as calculation agent in relation to such Covered Bonds pursuant to the Calculation Agency Agreement (Schedule 3 to the Agency Agreement) or the Agency Agreement.
<b>Rating Agencies:</b>	Any rating agency (or its successor) who, at the request of the Issuer assigns, and for as long as it assigns, one or more ratings to the Covered Bonds under the Programme from time to time, which at the date of this Base Prospectus includes Fitch and Moody's.
<b>Portfolio Swap Counterparty:</b>	Any swap counterparty under any Portfolio Swap Agreement.
<b>Interest Swap Counterparty:</b>	Any swap counterparty under any Interest Swap Agreement.
<b>Structured Swap Counterparty:</b>	Any swap counterparty under any Structured Swap Agreement.
<b>Swap Counterparty:</b>	Any swap counterparty under any Portfolio Swap Agreement and/or any Interest Swap Agreement and/or any Structured Swap Agreement.

## **THE COVERED BONDS**

<b>Programme size:</b>	Up to EUR 5,000,000,000 outstanding at any time. The Issuer may increase the amount of the Programme in accordance with the terms of the Programme Agreement.
<b>Issue Price:</b>	Covered Bonds may be issued on a fully-paid basis and at an issue price which is at par or at a discount to, or premium over, par.
<b>Form:</b>	Each Covered Bond will be in a bearer or registered form.

Each Tranche of Bearer Covered Bonds will (unless otherwise specified in the applicable Final Terms) initially be represented by a Temporary Global Covered Bond or, if so indicated in the applicable Final Terms, a Permanent Global Covered Bond. Each Temporary Global Covered Bond (a) which is intended to be issued as an NGN Temporary Global Covered Bond will be deposited on or around the relevant Issue Date with a common safekeeper for Euroclear and/or Clearstream, Luxembourg, (b) which is not intended to be issued in NGN form may also be deposited on or around the relevant Issue Date (i) with Euroclear Nederland, (ii) with a common depository for Euroclear and/or Clearstream, Luxembourg or (iii) with (a depository for) any other agreed clearing system. A Temporary Global Covered Bond will be exchangeable as described therein for a Permanent Global Covered Bond.

A Permanent Global Covered Bond is exchangeable for Definitive Covered Bonds only upon the occurrence of an Exchange Event or, in case a Permanent Global Covered Bond is deposited with Euroclear Nederland, only upon the occurrence of a Delivery Event, all as described in '*Form of Conditional Pass-Through Covered Bonds*' below. Any interest in a Global Covered Bond will be transferable only in accordance with the rules and procedures for the time being of either (i) Euroclear and/or Clearstream, Luxembourg and/or (ii) Euroclear Nederland (and the Dutch Securities Giro Transfer Act (*Wet giraal effectenverkeer*)) and/or (iii) any other agreed clearing system, as appropriate. See '*Form of Conditional Pass-Through Covered Bonds*'.

If any Permanent Global Covered Bond is not duly exchanged, the terms of such Permanent Global Covered Bond will provide a mechanism for relevant account holders with Euroclear, Clearstream, Luxembourg, Euroclear Nederland and/or any other agreed clearing system(s) to whose securities account(s) with such clearing system(s) the beneficial interests in such Permanent Global Covered Bond are credited to be able to enforce rights directly against the Issuer.

Registered Covered Bonds will be issued to each holder (unless otherwise specified in the applicable Final Terms) by a Registered Covered Bonds Deed.

**Denomination:**

Covered Bonds will be issued in such denominations as set forth in the applicable Final Terms save that the minimum denomination of each Covered Bond will be such as may be allowed or required from time to time by the relevant central bank or regulatory authority (or equivalent body) or any laws applicable to the relevant currency and save that the minimum denomination (and in respect of Covered Bonds issued at a discount to their nominal amount, the minimum issue price) of each Covered Bond admitted to trading on a regulated market within the European Economic Area or offered to the public in a Member State of the European Economic Area in circumstances which would otherwise require the publication of a prospectus under the Prospectus Regulation will be EUR 100,000.

**Currencies:**

Subject to any applicable legal or regulatory restrictions, the Covered Bonds may be issued in euros or any other currency as set forth in the applicable Final Terms.

**Status and Ranking:**

The Covered Bonds issued from time to time under the Programme will constitute unsecured and unsubordinated obligations of the Issuer, guaranteed by the CBC under the Guarantee, and will rank *pari passu* without any preference amongst themselves and with all other present and future unsecured and unsubordinated obligations of the Issuer, save for any obligations preferred by a mandatory operation of applicable law.

**Interest:**

Interest (which may be fixed or floating) shall be payable on each Series or Tranche of Covered Bonds on the Interest Payment Dates specified in the applicable Final Terms up to the Maturity Date or the Extended Due for Payment Date, if applicable. Interest shall be payable (i) monthly, bi-monthly, quarterly, semi-annually, annually or upon redemption of the relevant Covered Bonds as further specified in the applicable Final Terms up to the earlier of (a) the Maturity Date and (b) the service of a Breach of Amortisation Test Notice and (ii) monthly after the earlier to occur of (a) the Maturity Date and (b) the date of the service of a Breach of Amortisation Test Notice, up to the Extended Due for Payment Date.

**Fixed Rate Covered Bonds:**

Fixed Rate Covered Bonds means Covered Bonds which will bear interest at a fixed rate, payable on such date or dates as set forth in the applicable Final Terms and on redemption and will be calculated on the basis of such Day Count Fraction as set forth in the applicable Final Terms. If on or after the Maturity Date the Fixed Rate Covered Bonds are not redeemed in full or if a Breach of Amortisation Test Notice has been served, the Fixed Rate Covered Bonds will continue to bear interest at a fixed or floating rate up to the Extended Due for Payment Date as set forth in the applicable Final Terms.

**Floating Rate Covered Bonds:**

Floating Rate Covered Bonds means Covered Bonds which will bear interest either at a rate determined on the same basis as the floating rate under a notional interest rate swap transaction in euro governed by an agreement incorporating the 2006 ISDA Definitions (as published by the International Swaps and Derivatives Association, Inc., and as amended and updated as of

the Issue Date of the first Tranche of Covered Bonds of the relevant Series) or on the basis of a reference rate appearing on the agreed screen page of a commercial quotation service or on such other basis as set forth in the applicable Final Terms up to the Maturity Date (or, if earlier, the date of the service of a Breach of Amortisation Test Notice) and will be calculated on the basis of such Day Count Fraction as set forth in the applicable Final Terms. The Margin will be specified in the applicable Final Terms. If after the Maturity Date such Floating Rate Covered Bonds are not fully redeemed or if a Breach of Amortisation Test Notice has been served, the Floating Rate Covered Bonds will continue to bear interest at a floating or a fixed rate up to the Extended Due for Payment Date as set forth in the applicable Final Terms.

<b>Margin:</b>	The Margin will be specified in the applicable Final Terms.
<b>Other provisions in relation to Floating Rate Covered Bonds:</b>	Floating Rate Covered Bonds may also have a Cap, a Floor or Collar up to the applicable Maturity Date.
<b>Redemption:</b>	The applicable Final Terms will indicate that (a) the relevant Covered Bonds cannot be redeemed prior to their stated maturity (other than following specified events, if applicable, or for taxation reasons or following an Issuer Event of Default or a CBC Event of Default) or (b) such Covered Bonds will be redeemable at the option of the Issuer upon giving notice to the Covered Bondholders, on a date or dates specified prior to such stated maturity and at a price or prices and on such other terms as set forth in the applicable Final Terms or (c) such Covered Bonds will be redeemable at the option of the Covered Bondholder upon giving notice to the Issuer, on a date or dates specified prior to such stated maturity and at a price or prices and on such other terms as set forth in the applicable Final Terms.
<b>Maturities:</b>	Such maturities as set forth in the applicable Final Terms, subject to such minimum or maximum maturities as may be allowed or required from time to time by the relevant central bank or regulatory authority (or equivalent body) or any laws or regulations applicable to the Issuer and provided further that a maximum maturity (i.e. the Extended Due for Payment Date) for each Series shall not exceed sixty-two (62) years.
<b>Maturity Date:</b>	In respect of a Series, the date on which the Covered Bonds of such Series are expected to be redeemed at their Principal Amount Outstanding, as specified in the relevant Final Terms, which date falls no more than thirty (30) years after the Issue Date of such Series. Each Series is due by the Issuer on its respective Maturity Date.
<b>Extended Due for Payment Date:</b>	In respect of a Series, the final maturity date of such Series which falls no more than thirty-two (32) years after the Maturity Date of such Series.
<b>Withholding Tax:</b>	All payments of, or in respect of, principal of and interest on the Covered Bonds will be made without withholding of, or deduction for, or on account of any present or future taxes, duties, assessments or charges of whatsoever nature imposed or levied by or on behalf of the Netherlands, any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or charges are required by law. In that event, the Issuer will make the required withholding or deduction of such taxes, duties, assessments or charges for the account of the Covered Bondholders, as the case may be, and the Issuer will, subject to certain exceptions, be required to pay such additional amounts to cover such withholding or deduction to such Covered Bondholders or, if the Issuer so elects, it may redeem the Series affected. The CBC will not be required or liable to pay such additional amounts.

**FATCA Withholding:** Payments in respect of the Covered Bonds might be subject to any withholding or deduction required pursuant to an agreement described in section 1471(b) of the US IR Code or otherwise imposed pursuant to sections 1471 through 1474 of the US IR Code, any regulations or agreements thereunder, official interpretation thereof, or any law implementing an intergovernmental agreement thereto. Any such amounts withheld or deducted will be treated as paid for all purposes under the Covered Bonds, and no additional amounts will be paid on the Covered Bonds with respect to any such withholding or deduction.

**Method of Payment:** For as long as the Covered Bonds are represented by a Global Covered Bond, payments of principal and interest will be made (i) by giro transfer in euro to Euroclear Nederland or, as the case may be, (ii) in euro to the Principal Paying Agent for the credit of the respective accounts of the Covered Bondholders through Euroclear and Clearstream, Luxembourg, as the case may be, or (iii) in accordance with the rules of another agreed clearing system and as set forth in the applicable Final Terms.

**Use of Proceeds:** The net proceeds from each issue of Covered Bonds will be used by the Issuer for (i) its general corporate purposes or (ii) such other purposes as further specified in the Final Terms.

**Listing:** Application has been made for the Covered Bonds to be listed on the official list of Euronext Amsterdam during the period of twelve (12) months from the date of this Base Prospectus, which listing will apply for Covered Bonds if so indicated in the applicable Final Terms. In addition, Covered Bonds issued under the Programme may be listed or admitted to trading, as the case may be, on any other stock exchange or regulated market specified in the applicable Final Terms. The Issuer may also issue unlisted Covered Bonds under the Programme.

**Selling Restrictions:** There are selling restrictions in relation to the United States, the European Economic Area (including the United Kingdom, France, Italy and the Netherlands) and Japan and such other restrictions as may apply in connection with the offering and sale of a particular Tranche or Series. See '*Subscription and Sale*' below.

## **SECURITY FOR THE COVERED BONDS**

**Guarantee, Security, CBC:** Pursuant to the Guarantee issued under the Trust Deed, the CBC will guarantee the payment of interest and principal payable under the Covered Bonds. The obligations of the CBC under the Guarantee will constitute unsubordinated and unguaranteed obligations of the CBC, secured indirectly, through the Security Trustee, by (i) a first ranking undisclosed pledge (or such other security right as may be applicable) granted by the CBC to the Security Trustee over the Transferred Assets and (ii) a first ranking disclosed pledge by the CBC to the Security Trustee over the CBC's rights under or in connection with the CBC Transaction Documents.

Payments made by the CBC under the Guarantee (after the service of an Issuer Acceleration Notice or a CBC Acceleration Notice) will be made subject to, and in accordance with, the CBC Priority of Payments or the Post CBC Acceleration Notice Priority of Payments, as applicable.

**Parallel Debt Agreement:** On the Programme Date, the CBC and the Security Trustee have entered into the Parallel Debt Agreement for the benefit of the Covered Bondholders and the other Secured Creditors under which the CBC, by way of parallel debt,

undertakes to pay to the Security Trustee amounts equal to the amounts due by it to the Secured Creditors, in order to create claims of the Security Trustee thereunder which can be validly secured by the rights of pledge created by any Security Trustee Receivables Pledge Agreement and any Security Trustee Rights Pledge Agreement.

**Security over Collection Foundation Account balances:**

The Collection Foundation has granted (i) a first ranking right of pledge on the balances standing to the credit of the Collection Foundation Accounts in favour of the Security Trustee and the Previous Outstanding Transaction Security Trustees jointly and (ii) a second ranking right of pledge to the CBC and the Previous Outstanding Transaction SPVs jointly, in each case under the condition that future issuers (and any security trustees) in subsequent securitisation transactions or covered bonds transactions and future vehicles in conduit transactions or similar transactions (and any security trustees relating thereto) initiated by the Transferor will also have the benefit of such first ranking right of pledge, or second ranking right of pledge, respectively. Such rights of pledge have been notified to the Foundation Accounts Providers.

**Guaranteed Amount:**

If the CBC is obliged to pay under the Guarantee, the CBC is obliged to pay any Guaranteed Amount (other than the Guaranteed Final Redemption Amount, see below) when Due for Payment.

**Extendable Obligations:**

An Extended Due for Payment Date will apply in relation to each Series of Covered Bonds. In respect of each Series, if the CBC is obliged under the Guarantee to pay a Guaranteed Final Redemption Amount, in which case:

- (a) the obligation of the CBC to pay the Guaranteed Final Redemption Amount shall be deferred to, and shall under the Guarantee be due on the Extended Due for Payment Date, provided that if on any CBC Payment Date which falls prior to the Extended Due for Payment Date, and after the CBC shall under the relevant Priority of Payments have paid or provided for all higher ranking amounts, any amounts are available to the CBC for payment of (or to be reserved for payment of) principal on a Series of Covered Bonds, such available amounts will be applied on the relevant CBC Payment Date towards payment of all Pass-Through Covered Bonds; and
- (b) the CBC shall under the Guarantee owe interest over the unpaid portion of the Guaranteed Final Redemption Amount.

**Pass-Through Covered Bonds:**

If a Covered Bond has not been repaid in full on its Maturity Date, such Covered Bond becomes a Pass-Through Covered Bond. If an Issuer Event of Default has occurred and a Notice to Pay and a Breach of Amortisation Test Notice have been served, all Covered Bonds become Pass-Through Covered Bonds.

**Pass-Through Structure:**

The pass-through structure will particularly become relevant after the service of a Notice to Pay on the CBC. The CBC will be obliged to pass any available funds through and apply such funds towards redemption of all Pass-Through Covered Bonds and the CBC will also be obliged to use its best efforts to sell or refinance the Selected Transferred Assets on each Refinance Date to enable it to redeem all Pass-Through Covered Bonds prior to the Extended Due for Payment Date, provided that it can sell or refinance the Selected Transferred Assets and consequently redeem the Pass-Through Covered Bonds without negatively impacting the Amortisation Test. Failure by the CBC to sell or refinance Selected Transferred Assets in accordance with the Asset Monitoring Agreement (as described below) will not constitute a CBC Event of Default.

**GUARANTEE SUPPORT  
AND THE MORTGAGE  
RECEIVABLES**

**Guarantee Support  
Agreement:**

As consideration for the CBC issuing the Guarantee, and so as to enable the CBC to meet its obligations under the Guarantee, the Transferor may transfer Eligible Assets to the CBC in accordance with the Guarantee Support Agreement. At the option of the Issuer, subject always to Rating Agency Confirmation, New Transferors may accede to the Guarantee Support Agreement.

The Issuer will use its best efforts, and the CBC will use reasonable efforts, to ensure, amongst other things, that the Asset Cover Test is satisfied as at the end of each calendar month, as calculated on the immediately succeeding Calculation Date and the Issuer shall use its best efforts to transfer or procure the transfer of sufficient Eligible Receivables directly or indirectly by the Issuer, upon instruction of the Issuer, by the other Transferors (if any) to the CBC. See section 10 (*Guarantee Support*).

As part of the Asset Cover Test the Issuer will use its best efforts to ensure that:

- (i) the Adjusted Aggregate Asset Amount shall be an amount at least equal to the euro equivalent of the aggregate Principal Amount Outstanding of the Covered Bonds at the end of such calendar month (or with respect to item B as defined in section 16 (*Asset Monitoring*) under '*Asset Cover Test*'), up to the date specified in item (B)), all as calculated on the immediately succeeding Calculation Date;
- (ii) the First Regulatory Current Balance Amount shall be at least equal to 105% (or such other percentage as may be required from time to time under the CB Regulations) of the euro equivalent of the aggregate Principal Amount Outstanding of the Covered Bonds at the end of such calendar month (or with respect to item (B) as defined in section 16 (*Asset Monitoring*) under '*Asset Cover Test*'), up to the date specified in item (B)) all as calculated on the immediately succeeding Calculation Date; and
- (iii) the Second Regulatory Current Balance Amount shall be at least equal to 100% (or such other percentage as may be required from time to time under the CB Regulations) of the euro equivalent of the aggregate Principal Amount Outstanding of the Covered Bonds at the end of such calendar month (or with respect to item (B) as defined in section 16 (*Asset Monitoring*) under '*Asset Cover Test*'), up to the date specified in item (B)) all as calculated on the immediately succeeding Calculation Date.

**Mortgage Receivables:**

Under the Guarantee Support Agreement, the Transferor may assign Mortgage Receivables and the Beneficiary Rights of the Transferor to the CBC, subject to the fulfilment of certain conditions. See '*Guarantee Support Agreement*' above.

The Mortgage Loans have the characteristics that demonstrate the capacity to produce funds to service payments by the CBC under the Guarantee and each of the Mortgage Receivables will meet the Eligibility Criteria.

**Insurance Savings  
Participation Agreements:**

The CBC, the Insurance Savings Participant and the Security Trustee have entered into the Insurance Savings Participation Agreement on the Programme Date, under which the Insurance Savings Participant will acquire Insurance Savings Participations in each of the Savings Mortgage Receivables and the Life Mortgage Loans with the possibility of a Savings Element. In the

Insurance Savings Participation Agreement the Insurance Savings Participant has undertaken to pay to the CBC amounts equal to all amounts received as Savings Premium on the Savings Insurance Policies and the Life Insurance Policies with the possibility of a Savings Alternative. In return, the Insurance Savings Participant is entitled to receive the Insurance Savings Participation Redemption Available Amount from the CBC. See further section 15 (*Participation Agreements*) below.

**Bank Savings Participation Agreement:**

The CBC, the Bank Savings Participant and the Security Trustee have entered into the Bank Savings Participation Agreement on the Programme Date, under which the Bank Savings Participant will acquire Bank Savings Participations. In the Bank Savings Participation Agreement the Bank Savings Participant has undertaken to pay to the CBC amounts equal to all amounts received as Bank Savings Deposit Instalment from the relevant Borrowers. In return, the Bank Savings Participant is entitled to receive the Bank Savings Participation Redemption Available Amount from the CBC. See further section 15 (*Participation Agreements*) below.

**Administration Agreement:**

The CBC, the Administrator and the Security Trustee have entered into the Administration Agreement on the Programme Date, under which the Administrator agrees to provide certain administration, calculation and cash management services to the CBC on a day-to-day basis, including without limitation, all calculations to be made pursuant to the Conditions in connection with the Covered Bonds. The Administrator is permitted to sub-contract its administration role to a third party administrator subject to any applicable conditions in the Administration Agreement.

**Back-up Administration Agreement:**

The CBC, the Administrator, the Back-up Administrator and the Security Trustee have entered into the Back-up Administration Agreement on the Programme Date, under which the Back-up Administrator is appointed as substitute administrator to perform certain administration, calculation and cash management services for the CBC on a day-to-day basis, in accordance with and subject to the provisions of the Administration Agreement and the provisions of the Back-up Administration Agreement under the condition precedent (*opschortende voorwaarde*) that the appointment of Achmea Bank (or its successor(s)) as Administrator under the Administration Agreement has been terminated.

**Servicing Agreement:**

The CBC, the Servicer and the Security Trustee have entered into the Servicing Agreement on the Programme Date, under which the Servicer agrees (i) to provide administration and management services in relation to the relevant Mortgage Loans on a day-to-day basis, including, without limitation, the collection of payments of principal, interest and all other amounts in respect of the relevant Mortgage Loans and the implementation of arrears procedures including, if applicable, the enforcement of mortgages, any other related security and other collateral, if applicable; (ii) to communicate with the Borrowers and (iii) to investigate payment delinquencies. The Servicer is permitted to sub-contract its servicing role to an affiliate of the Issuer or any third party subject to Rating Agency Confirmation and provided that the Servicer shall continue to be liable as if no such delegation had taken place.

In accordance with the Servicing Agreement, the Servicer will initially appoint Quion Services B.V. as the Sub-servicer to provide certain of the Mortgage Loan Services in respect of the Mortgage Loans.

**Custodian:**

If Substitution Assets and/or other collateral are transferred to the CBC, the CBC will appoint a custodian to provide custody services in relation to such Substitution Assets or other collateral in the form of securities transferred to the CBC.

<b>CBC Account Agreement:</b>	The CBC, the CBC Account Bank and the Security Trustee have entered into the CBC Account Agreement on the Programme Date, under which the CBC Account Bank agrees to pay a rate of interest on the CBC Transaction Accounts Funds. In the event that the interest rate in respect of any of the CBC Transaction Accounts is less than zero, interest amounts will be payable by the CBC to the CBC Account Bank.
<b>CBC Account:</b>	The CBC shall maintain with the CBC Account Bank the CBC Account (and any additional or replacement accounts) to which all amounts to be received in respect of the Transferred Asset and other amounts by the CBC are to be paid.
<b>CBC Back-Up Account Agreement:</b>	The CBC, the CBC Back-Up Account Bank and the Security Trustee have entered into the CBC Back-Up Account Agreement on the Programme Date, under which the CBC Back-Up Account Bank agrees to pay a rate of interest on the balance standing to the credit of the CBC Back-Up Account from time to time. In the event that the interest rate accruing on the balances standing to the credit of the CBC Back-Up Account is less than zero, interest amounts will be payable by the CBC to the CBC Back-Up Account Bank.
<b>CBC Back-Up Account</b>	The CBC shall maintain with the CBC Back-Up Account Bank the CBC Back-Up Account (and any additional or replacement accounts) to which the CBC may, upon request of the Issuer, transfer amounts standing to the credit of the CBC Transaction Accounts subject to and in accordance with the CBC Back-Up Account Agreement.
<b>Swap Collateral Accounts:</b>	If an Interest Swap Agreement and/or Structured Swap Agreement and/or a Portfolio Swap Agreement has been entered into and swap collateral is to be posted, the CBC will open a Swap Cash Collateral Account to hold swap collateral in the form of cash and/or, to the extent applicable, will open a custody account to hold swap collateral in the form of securities.
<b>Reserve Account:</b>	The CBC shall maintain with the CBC Account Bank the Reserve Account to which the higher of (i) the Reserve Account Required Amount and (ii) the Liquidity Reserve Required Amount will be credited.
<b>Collection Foundation Accounts:</b>	All payments made by the Borrowers in respect of the Mortgage Loans will be paid or have been directed to be paid into the Collection Foundations Accounts.
<b>Collection Foundation Accounts Pledge Agreement:</b>	The pledge agreement between, amongst others, the CBC, the Security Trustee, the Transferor (and the Previous Outstanding Transaction SPVs and the Previous Outstanding Transaction Security Trustees) dated 1 June 2018, which will be replaced by a new collection foundation accounts pledge agreement when a new spv is incorporated.
<b>Receivables Proceeds Distribution Agreement:</b>	The receivables proceeds distribution agreement between, amongst others, the Issuer, the Security Trustee, the Collection Foundation, the Previous Outstanding Transaction SPVs, the Previous Outstanding Transaction Security Trustees originally dated 28 May 2010, as amended from time to time.
<b>Previous Outstanding Transaction SPVs:</b>	Dutch Mortgage Portfolio Loans XII B.V., Dutch Residential Mortgage Portfolio I B.V., Dutch Residential Mortgage Portfolio II B.V. and Securitised Residential Mortgage Portfolio I B.V.
<b>Previous Outstanding Transaction Security Trustees:</b>	Stichting Security Trustee DMPL XII, Stichting Security Trustee DRMP I, Stichting Security Trustee DRMP II, Stichting Trustee Achmea Bank and Stichting Security Trustee SRMP I.

**Portfolio Swap Agreement:** There may be certain mismatches between the interest to be received on the Transferred Assets and the CBC Transaction Accounts and/or the CBC Back-Up Account and the amounts payable under the Covered Bonds. In order to mitigate certain mismatches, the CBC may enter into appropriate hedging arrangements subject to Rating Agency Confirmation with respect to one or more Series or all Series of Covered Bonds whereby revenue scheduled to be received on all Transferred Assets and the CBC Transaction Accounts multiplied by the Portfolio Swap Fraction is exchanged for a fixed or floating rate of interest on a specific Covered Bond or a rate payable under the Structured Swap Agreement and/or the Interest Swap Agreement in respect of a specific Covered Bond. The Portfolio Swap Fraction is calculated by dividing the euro equivalent notional amount of such specific Covered Bond by the euro equivalent notional amount of all outstanding Covered Bonds.

**Interest Swap Agreement:** In addition to Portfolio Swap Agreements and in order to mitigate certain mismatches, the CBC may enter into appropriate hedging arrangements subject to Rating Agency Confirmation whereby a certain fixed or floating interest rate is exchanged for a specific interest rate on one or more Series or all Series of Covered Bonds.

**Structured Swap Agreement:** To enable the CBC to hedge its exposure arising from any Series denominated in a currency other than euro, the CBC shall enter into appropriate hedging arrangements subject to Rating Agency Confirmation whereby (i) any (fixed or floating) interest basis as determined by the Issuer is exchanged for the rate of interest payable under any non-euro denominated Series and/or (ii) euro denominated Principal Receipts are exchanged for amounts of principal payable under any non-euro denominated Series. As an alternative, the CBC may enter into a Portfolio Swap Agreement which also includes a hedge for such currency exposure.

**Management Agreements:** Each of the CBC, the Security Trustee and the Stichting Holding have entered into a Management Agreement with the relevant Director, under which the relevant Director has undertaken to act as director of the CBC, the Security Trustee or the Stichting Holding, respectively, and to perform certain services in connection therewith.

**Deposit Agreement:** The CBC, the Security Trustee, the Issuer, the Transferor and the Agent have entered into the Deposit Agreement, pursuant to which the Issuer will deposit personal data with respect to Borrowers with the Agent who may only release such information to the CBC and/or the Security Trustee upon the occurrence of an Assignment Notification Event.

**Sale or Refinancing of Transferred Assets:** If an Issuer Event of Default occurs and a Notice to Pay has been served on the CBC, then upon the earliest to occur on or after such Issuer Event of Default of (i) any amount remaining unpaid in respect of a Series on the Maturity Date, (ii) any Maturity Date of a Series of Covered Bonds falling within a period of six (6) calendar months of such date and (iii) the service of a Breach of Amortisation Test Notice, the CBC shall use its best efforts to sell or refinance as soon as possible after the occurrence of such event (the date of such sale or refinancing, the first Refinance Date) the Selected Transferred Assets, provided that the proceeds of the sale of the Selected Transferred Assets are at least sufficient to redeem the relevant Series in full (or a proportional part thereof if only a part of the Selected Transferred Assets have been sold or refinanced) on their Maturity Date.

The CBC shall first offer all the Selected Transferred Assets for sale to the Transferor after the occurrence of an Issuer Event of Default. If, for whatever reason, the Transferor informs the CBC, within a period of twenty (20)

Business Days after such event has occurred, that it will not repurchase the Selected Transferred Assets, the CBC shall offer the Selected Transferred Assets to a third party or third parties.

If, after the non-exercise of the right of the Transferor to repurchase the Selected Transferred Assets, the CBC receives an offer from a third party to purchase the Selected Transferred Assets, the CBC will notify the Transferor of such offer and, within five (5) Business Days after such notice, the Transferor has the right to match the offer to purchase the Selected Transferred Assets on the same terms and conditions as the offer of such third party and, if the Transferor offers to purchase the Selected Transferred Assets on the same terms and conditions as the offer of such third party, the CBC shall accept such offer of the Transferor.

Any sale or refinance and subsequent redemption of the respective Covered Bonds in the circumstances described above must not result in a deterioration of the quotient of (i) the Amortisation Test Aggregate Asset Amount; and (ii) the Principal Amount Outstanding of all Series outstanding after redemption of the respective Covered Bonds.

If the expected proceeds of such sale or refinance are insufficient to redeem the relevant Series of Covered Bonds in full, the CBC shall repeat its attempt to sell or refinance the Selected Transferred Assets every six (6) calendar months after the first Refinance Date until the proceeds of the sale or refinancing are sufficient to redeem the relevant Series in full.

If, on the Refinance Date immediately preceding the first Extended Due for Payment Date of any Series outstanding, such sale or refinance is insufficient to redeem the relevant Series of Covered Bonds in full, then each month up to and including such Extended Due for Payment Date the CBC will (i) offer the Selected Transferred Assets for sale on the best terms available at that time considering the then current market circumstances, including but not limited to the best price reasonably available, or (ii) seek to refinance the Selected Transferred Assets on the best terms available at that time considering the then current market circumstances, both (i) and (ii) subject to the consent of the Security Trustee, notwithstanding that such amount may be less than the amount to redeem the relevant Series of Covered Bonds in full.

See further section 16 (*Asset Monitoring*).

## **OTHER**

### **Ratings:**

It is a condition precedent for the first issue of Covered Bonds under the Programme that the Covered Bonds on issue be assigned the highest rating by one or more Rating Agencies. Each further issue of a Series of Covered Bonds will have ratings equal to the then current rating assigned to the outstanding Series of Covered Bonds.

### **Transaction Documents:**

The Programme Agreement, the Master Definitions Agreement, the Pledge Agreements, the Swap Agreements (if any), the Administration Agreement, the Back-up Administration Agreement, the Servicing Agreement, the CBC Account Agreement, the CBC Back-Up Account Agreement, the Trust Deed, the Parallel Debt Agreement, the Agency Agreement, any Calculation Agency Agreement (if any), the Guarantee Support Agreement, each Deed of Assignment and Pledge, the Receivables Proceeds Distribution Agreement, the Asset Monitoring Agreement, the Asset Monitor Appointment Agreement, the Management Agreements, the Deposit Agreement, the Collection Foundation Account Pledge Agreement, the Insurance Savings Participation Agreement and the Bank Savings Participation Agreement.

**Governing Law:** The Covered Bonds and the Transaction Documents (other than the Swap Agreements (if any)) will be governed by and construed in accordance with Dutch law. The Swap Agreements (if any) are expected to be governed by English law.

**Risk Factors:** There are certain factors which may affect the ability of the Issuer and/or the CBC to fulfil its obligations under the Covered Bonds issued under the Programme or the Guarantee, respectively, that are specific to the Issuer, the Covered Bonds and/or the Guarantee and which are material for taking an informed investment decision. Prospective Covered Bondholders should take into account the fact that the liabilities of the CBC under the Guarantee are limited recourse obligations and that the ability of the Issuer and/or the CBC to meet such and/or their obligations will be affected by certain factors. These are set out in section 3 (*Risk Factors*) and include, among others, the fact that the Issuer's and/or the CBC's results and the Covered Bonds can be adversely affected by (i) general economic conditions, (ii) competition, (iii) regulatory change, (iv) changes in fiscal laws, (v) standard banking risks including changes in interest and foreign exchange rates, (vi) operational, credit, market, liquidity, legal risk and (vii) certain factors which are material for the purpose of assessing the market risks associated with Covered Bonds issued under the Programme. In addition, there are certain factors which are material for the purpose of assessing the market risks and other risks associated with Covered Bonds issued under the Programme the following factors set out below per category:

**Risk factors regarding the Issuer**

- A. Risks related to the Issuer's financial situation and position;
- B. Risks related to the Issuer's business activities and industry; and
- C. Legal and regulatory risks regarding the Issuer.

**Risk factors regarding the Covered Bonds**

- A. Risks related to the nature of the Covered Bonds;
- B. Market and liquidity risks related to the Covered Bonds;
- C. Legal and regulatory risks regarding the Covered Bonds;
- D. Risks related to benchmarks; and
- E. Tax risks regarding the Covered Bonds.

**Risks related to the Guarantor and the Guarantee**

**Risk factors regarding the Mortgage Receivables, Set-off and Security Rights**

- A. Risks regarding the payments under the Mortgage Receivables transferred to the CBC;
- B. Set-off risks and other defences that may affect the proceeds received under the Mortgage Receivables; and
- C. Risks regarding Insurance Policies and Beneficiary Rights;
- D. Risk regarding the Mortgaged Assets and other Security Rights; and
- E. Other risks regarding the Mortgage Receivables.

**Business Day:** A reference to a day on which banks are generally open for business in Amsterdam and London, provided that such day is also a day on which TARGET 2 or any successor thereto is operating credit or transfer instructions in respect of payments in euro, or, if used in or by reference to Condition 5

*(Interest)*, such day as determined in accordance with Condition 5 *(Interest)* and the applicable Final Terms.

#### **CB Regulations**

This Programme qualifies as a conditional pass-through covered bonds programme which has an extension period that is longer than twenty-four (24) months. The primary cover assets (*primaire dekkingsactiva*) of this Programme comprise of receivables backed by residential real estate as referred to in article 129(1)(d)(i) CRR. Each Borrower is a resident of the Netherlands and the Mortgage Receivables are governed by Dutch law.

### 3. RISK FACTORS

*Each of the Issuer and the CBC believe that the following factors may affect its ability to fulfil its obligations under the Covered Bonds and the Guarantee. All of these risk factors and events are contingencies which may or may not occur and the Issuer and the CBC are not in a position to express a view on the likelihood of any such contingency occurring. In addition, factors which are material for the purpose of assessing the market risks associated with the Covered Bonds and the Guarantee are also described below.*

*Although the most material risk factors have been presented first within each category, the order in which the remaining risks are presented is not necessarily an indication of the likelihood of the risks actually materialising, of the potential significance of the risks or of the scope of any potential negative impact to the Issuer's or the CBC's business, financial condition, results of operations and prospects. The Issuer and/or the CBC may face a number of these risks described below simultaneously and some risks described below may be interdependent. While the risk factors below have been divided into categories, some risk factors could belong in more than one category and prospective investors should carefully consider all of the risk factors set out in this section.*

*The Issuer and the CBC believe that the factors described below represent the material risks inherent in investing in the Covered Bonds, but the inability of the Issuer or the CBC to pay interest, principal or other amounts on or in connection with any Covered Bonds may occur for other reasons and the Issuer or the CBC does not represent that the statements below regarding the risks of investing in any Covered Bonds are exhaustive. Other risks, events, facts or circumstances not included in this Base Prospectus, not presently known to the Issuer and/or the CBC, or that the Issuer and/or the CBC currently deems to be immaterial could, individually or cumulatively, prove to be important and may have a significant negative impact on the Issuer's or the CBC's group business, financial condition, results of operations and prospects. Prospective investors should carefully read and review the entire Base Prospectus and should form their own views before making an investment decision with respect to the Covered Bonds.*

*Before making an investment decision with respect to any Covered Bonds, 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 Covered Bonds and consider such an investment decision in the light of the prospective investor's personal circumstances.*

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

##### **A. RISKS RELATED TO THE ISSUER'S FINANCIAL SITUATION AND POSITION**

###### **1. The Issuer has significant counterparty risk exposure**

The Issuer's business is subject to credit risks, including credit risks of borrowers and other counterparties. Risks arising from changes in credit quality and the recoverability of loans and amounts due from counterparties are inherent in the Issuer's business activities.

In 2018, the Issuer's mortgage loan portfolio was EUR 10.2 billion at year-end (2017 YE: EUR 10.8 billion) (see also risk factor '*Risks related to the Issuer's loan portfolio*'). The Issuer's credit risk to professional counterparties mainly consists of the exposures on the top 10 professional counterparties (financial institutions). As at year-end the total net exposure for the top 10 professional counterparties amounted to EUR 347 million (2017: EUR 518 million) and is comprised of the total fair value of the derivatives versus the collateral positions, bank account balances and SPV related exposures. As at year-end of 2018 the net exposure for the derivative exposures amounted to EUR 9 million (2017: EUR 14 million) and consisted of the total fair value of the derivatives versus the collateral position.

Achmea B.V. has issued a capped guarantee to the Issuer to cover credit risk and legal claims in connection with the acquired Acier portfolio (see below). The maximum amount for the financial guarantee is EUR 350 million, of which the duration is aligned with the remaining tenors of the related loans.

Third parties that owe the Issuer money, securities or other assets may not pay or perform under their obligations. These parties include borrowers (under loans), the issuers whose securities the Issuer holds, customers, trading counterparties, counterparties under swaps and credit and other derivative contracts, clearing agents, exchanges, clearing houses and other financial intermediaries.

The borrowers and other counterparties may default on their obligations to the Issuer due to bankruptcy, lack of liquidity, downturns in the economy or real estate values, operational failure or other reasons, which may have an adverse effect on the Issuer's financial condition and/or results of operations, in particular as most of the Issuer's assets are financial assets (as described above).

## 2. Risks related to the Issuer's loan portfolio

Mortgage loans constitute a significant portion of the Issuer's total loan portfolio. As of 31 December 2018, mortgage loans accounted for more than 90 per cent. of the Issuer's total loan portfolio. Mortgage loans are subject to credit, liquidity and interest rate risks. Increased interest rates, a significant downturn in the economy, a stagnation or a drop in property values and/or changes in or abolition of the tax deductibility of interest payments on residential mortgage loans, could lead, next to a decrease in mortgage loans, to increased default rates on these loans.

Other factors such as loss of earnings, illness, divorce and other similar factors may lead to an increase in delinquencies and bankruptcy filings by borrowers and could ultimately have an adverse impact on the ability of borrowers to repay mortgage loans. Considering that mortgage loans represents a high percentage of the loan portfolio, the above may have an adverse effect on the Issuer's financial condition and/or results of operations and the ability of the CBC to perform its obligations under the Guarantee (see also under *Risk regarding the Mortgage Receivables and other assets*).

## 3. Risks regarding the loan portfolio acquired from Staalbankiers

On 7 July 2015, the Issuer acquired a substantial part of the loan activities (the "**Acier Loan Portfolio**") from Staalbankiers N.V. ("**Staalbankiers**"), the private banking entity within Achmea Group. The remainder of the loan portfolio was acquired on 11 October 2016. In addition to these loans, the Issuer has acquired linked savings accounts for an amount of EUR 57 million. The purchase price was equal to the carrying amount.

In 2018, the Acier Loan Portfolio decreased with EUR 40 million to EUR 886 million at year-end (2017: EUR 926 million). As at December 2018, the allowance for losses on loans and advances related to the Acier Loan Portfolio amounts to EUR 35.5 million, which is a decrease of EUR 10.4 million compared to the opening balance of IFRS 9. The Issuer's total mortgage loan portfolio at year-end 2018 was EUR 10.2 billion.

The Acier Loan Portfolio differs in characteristics from the regular Achmea Bank mortgage portfolio. The Acier Loan Portfolio is handled as a run-off portfolio and is managed by the former Achmea unit Staalbankiers credit department that was transferred to Achmea Bank and is now completely integrated into Achmea Bank.

The mortgage loans included in the Acier Loan Portfolio, which result from private banking activities, may differ from mortgage loans advanced to regular retail clients. The principal amount of these loans can be significantly higher than average mortgage loans in the Netherlands, making the exposure risk on a single client higher. Also, the mortgages securing the mortgage loans may be vested on residential and/or commercial properties with higher values and/or properties that may be more price sensitive and less marketable. In addition, the level of information provided by the borrowers and the acceptance criteria, may have differed from the standards otherwise applied by the Issuer. The risks of the Issuer on this loan portfolio, including the credit risk, may therefore be substantially higher than on the remainder of its loan portfolio. This may therefore result in higher losses and may impact the overall performance of the Issuer's loan portfolio. The historic performance of the Issuer's loan portfolio may therefore no longer be accurate as an indication of future yield and losses. This may have a negative impact on the performance of the Issuer and could have an adverse impact on its financial position.

A large number of loans which were acquired by the Issuer from Staalbankiers are loans with a floating interest rate and part of the loans is denominated in Swiss Francs (CHF). As per 30 June 2019, the Acier Loan Portfolio consist of EUR 775 million of floating interest rate loans and EUR 70 million of fixed rate interest loans. And all loans denominated in Swiss Francs have a floating rate of interest. As a result hereof, the Issuer may become more exposed to changes in interest rates, which could have an adverse impact on its financial position until all loans in the Acier Loan Portfolio have reached their maturity date.

In addition, the Swiss Franc mortgage loans have generally been advanced to private individuals who benefit from high level of duty of care (*zorgplicht*) by the lender, including the obligation to provide sufficient information. In

case of Swiss Franc mortgage loans, the legal obligations of the lender, including its duty of care, may be stricter than in other cases as a result of the currency risk in relation to these loans. If Staalbankiers has not complied with its legal obligations in relation to the loans to private individuals, including its duty of care, this may result in claims of borrowers against the Issuer. Such claims could be significant and may involve high costs and require substantial resources on the part of the Issuer, whereas the Issuer's rights of recourse against Staalbankiers are negligible. This may have a negative impact on the performance of the Issuer and could have an adverse impact on its financial position.

In relation to the Acier Loan Portfolio, Achmea B.V. issued a capped guarantee to Achmea Bank to cover credit risk and legal claims related to this portfolio. Because of this guarantee, the impact of the impairment charges on the income statement is low, but may still occur. The total amount of claims submitted is recognised on the balance sheet as a receivable on Achmea B.V. The release of the Acier Loan Portfolio has been deducted on the receivable on Achmea B.V. related to the first time adoption of IFRS 9. However, there can be no assurance that this guarantee will cover all risks relating to the Acier Loan Portfolio, nor that Achmea B.V. will be able to comply with its obligations under the guarantee (see also the risk factor '*The Issuer has significant counterparty risk exposure*').

At the date of this Base Prospectus, the mortgage loans acquired by the Issuer from Staalbankiers do not meet the Eligibility Criteria and, consequently, will not be transferred to the CBC.

#### **4. Risks regarding the loan portfolio acquired from a.s.r. bank**

On 2 December 2019, the Issuer acquired part of the banking operations of ASR Bank N.V. ("**a.s.r. bank**"). These operations consist of a liability portfolio with savings of € 1.7 billion and approximately 125,000 customers, and an asset portfolio consisting of mortgage loans with a volume of € 1.5 billion (also see below under "*Recent developments*" in section 5 *Achmea Bank N.V.*). The Issuer's total mortgage loan portfolio at year-end 2018 was EUR 10.2 billion. For customers with an a.s.r. bank mortgage loan, parties agreed that a.s.r. bank will remain their point of contact, servicing is done by a.s.r. and the agreement and conditions will remain intact. This means, among others, that the interest rates at reset (i.e. the reset of the interest rate of the mortgage loans from time to time) will be set by a.s.r. and amendments may be made by a.s.r. to the conditions of the mortgage loans. As the Issuer will not control such part of its operation, it may be exposed to risks relating to improper servicing and/or the servicing, including but not limited to resetting of interest rates for the a.s.r. bank portfolio, if this is performed in a manner inconsistent with the interest of the Issuer. For example if a.s.r. takes its own interest into account when resetting the interest rates and sets a lower interest rate to achieve a higher market share, this may have a negative impact on the interest received by the Issuer which could affect the Issuer's profits and loss.

At the date of this Base Prospectus, the a.s.r. mortgage loans acquired by the Issuer from a.s.r. do not meet the Eligibility Criteria and, consequently, will not be transferred to the CBC.

#### **5. A downgrade of any of the Issuer's credit ratings may impact the Issuer's funding ability and have an adverse effect on the Issuer's financial condition**

The access to the money and capital markets may be affected by concerns about the credit strength of the Issuer, but may also be influenced by concerns about the market segments in which the Issuer is active, or by a general market disruption. Access to these markets may be further affected by a deterioration of the credit rating of the Issuer.

As of the date of this Base Prospectus, Standard & Poor's Credit Market Services Europe Limited's ("**S&P**") long-term counterparty credit rating of the Issuer is 'A-', with a stable outlook and its short-term counterparty credit rating of the Issuer is 'A-2', with a stable outlook. Fitch Ratings Ltd. ("**Fitch**") has assigned a long-term counterparty credit rating of "A" with a stable outlook and a short-term counterparty credit rating of F- 1 in respect of the Issuer. The counterparty credit rating of Achmea B.V. (the holding company of the Achmea Group of which the Issuer forms part) by S&P is as of 25 July 2016 'BBB+' with a stable outlook as of 11 February 2019. A downgrade of any of the Issuer's ratings (for whatever reason) would result in higher funding and refinancing costs for the Issuer in the capital markets. In addition, a downgrade of any of the Issuer's ratings may limit the Issuer's opportunities to extend mortgage loans and may have a particularly adverse effect on the Issuer's image as a participant in the capital markets, as well as in the eyes of its clients. These factors may have an adverse effect on the Issuer's financial condition and/or results of operations. A downgrade of Achmea B.V.'s rating may have a similar adverse effect on the Issuer's financial condition and/or results of operations.

In addition, other rating agencies may seek to rate the Issuer or the Covered Bonds on an unsolicited basis and if such unsolicited ratings are lower than comparable ratings granted, such unsolicited ratings could have a material adverse effect on the Issuer's results of operations, financial condition and liquidity and may negatively affect the market value of the Covered Bonds. The decision to withdraw a rating or continue with an unsolicited rating remains with the relevant rating agency.

#### **6. The Issuer faces refinancing risks in the capital markets and liquidity risks**

The Issuer faces liquidity risk, which means that funding and liquid assets will not be (sufficiently) available as a result of which the Issuer may not be able to meet short-term financial obligations. The sensitivity of the Issuer to this risk is substantial. The amount of mortgage loans on the Issuer's balance sheet exceeds the amount of savings money attracted. This has resulted in a dependency on wholesale funding including the use of securitisation of the mortgage portfolios and the issue of covered bonds and secured euro medium term notes. The gap between mortgage loans granted and savings and deposits entrusted is funded in the money and capital markets. Good access to these markets may be necessary to finance the growth of the mortgage loan portfolio and to refinance all outstanding loans with a shorter maturity than the mortgage loans in which the money is invested.

In addition, the Issuer faces a liquidity risk in relation to the savings deposits held by it. A substantial part of the savings deposits held by the Issuer, generated under the Centraal Beheer and Woonfonds labels, is used to fund the Issuer's long-term assets such as its mortgage portfolios. As at 31 December 2018, the Issuer held EUR 5.7 billion of savings (2017: EUR 5.9 billion) and as at 30 June 2019, the Issuer held EUR 5,7 billion of savings. As a material part of savings deposits are directly due and payable (*direct opeisbaar*), it may adversely affect the Issuer's liquidity position in case a large amount of such funds are withdrawn and no other means are readily available to attract liquidity.

#### **7. The United Kingdom (UK) leaving the European Union (Brexit), potentially followed by more countries, may affect the Issuer's results of operations, cash flows or financial condition**

On 31 January 2020, the United Kingdom has withdrawn from the European Union as a Member State. Until 31 December 2020, the transitional phase is in effect in which the rules and regulations of the European Union remain applicable for the United Kingdom. At this time, it is not certain what arrangements (if any) will define the future relationship between the European Union and the UK, or the length of time that this may take. The UK's decision to leave the European Union has caused, and is anticipated to continue to cause, significant new uncertainties and instability in the financial markets. Although direct operations of the Issuer in the UK are limited, given that the Issuer is operating in the financial markets and that the financial markets in Europe are interconnected, especially with the UK and more particular London, any significant new uncertainties and instability in the financial markets may affect the Issuer and the trading price of the Covered Bonds.

These uncertainties could have a material adverse effect on the business, results of operations, financial condition and prospects of the Issuer and its counterparties. In addition, it is unclear at this stage what the consequences of the UK's departure from the European Union will ultimately be for the Issuer or the trading price of the Covered Bonds.

### **B. RISK RELATED TO THE ISSUER'S BUSINESS ACTIVITIES AND INDUSTRY**

#### **1. The Issuer faces substantial competitive pressures which could adversely affect the Issuer's results of operations**

There is substantial competition in the Netherlands for the issue of mortgage loans to private individuals and the other products and services that the Issuer provides. Competition in the financial services industry is furthered by the high level of consolidation in the Netherlands in the markets where the Issuer operates. Consolidation may create additional or stronger competitors and may intensify competition. The Issuer faces competition from companies such as ING Bank N.V., Coöperatieve Rabobank U.A., ABN AMRO Bank N.V., de Volksbank N.V. and many others. If the Issuer is unable to offer competing attractive products and services that are profitable or is unable to innovate and provide new and competitively priced products and services to remain competitive, the Issuer may lose market share or incur losses on some or all of its activities. Consumer demand, technological changes, regulatory actions and other factors also affect competition. Competitive pressure could result in

increased pricing pressure, particularly as competitors seek to gain market share, and may harm the Issuer's ability to maintain or increase profitability.

**2. The risk that the operations of the Issuer may be interdependent on the developments of the Achmea Group**

The Issuer forms part of the Achmea Group (as defined in section 6 (*Achmea Group*)) and its operations are interdependent on and may be affected by developments concerning Achmea B.V. and Achmea Group, such as, but not limited to, (i) capital contributions (*kapitaalstorting*) and dividend payments, (ii) credit ratings of Achmea B.V. or entities within the Achmea Group and/or (iii) passing on of costs incurred or set-off by Achmea B.V. or within the Achmea Group. These interdependencies result in the fact that the Issuer may be affected by the realisation of certain risks of Achmea Group, which may have a material effect on the financial position or result from operations of the Issuer. See for a description of Achmea B.V. section 5 (*Achmea Bank N.V.*) and for a description of Achmea Group section 6 (*Achmea Group*).

**3. Volatility in interest rates may negatively affect the Issuer's business activities**

The results of the operations of the Issuer are affected by its management of interest rates sensitivity. The composition of the Issuer's assets and liabilities, and any gap position resulting from that composition, causes the operations' net interest income to vary with changes in interest rates. There can be no assurance that the Issuer will be able to successfully manage interest rate spreads or the potential negative impact of risks associated with sustained low interest rate changes. A mismatch of interest-earning assets and interest bearing liabilities in any given period may, in the event of changes in interest rates, have a material effect on the financial position or result from operations of the Issuer.

**4. Dependency on third party for distribution of products**

In addition, certain of the Issuer's financial products and services are distributed through third parties or form part of broader products and services sold by third parties. As per 30 June 2019, approximately 71% of its mortgage portfolio (excluding asr and the Acier Loan Portfolio) is distributed through an independent intermediary under the name Woonfonds Hypotheken. Any negative publicity in respect of such third parties or such broader products and services could result in significant damage to the Issuer's reputation, which could in turn greatly hinder the Issuer's ability to retain clients or compete for new business.

**5. The Issuer may not have sufficient assets available to meet its obligations under the Covered Bonds as a result of asset encumbrance**

The use of securitisation of the mortgage portfolios, the issue of covered bonds and secured euro medium term notes and similar transactions has resulted in the transfer of a substantial part of the assets on the Issuer's balance sheet in connection with such transactions (see section 5 (*Achmea Bank N.V.*) under '*Funding, financing and collateral*'). The assets transferred in connection with these transactions will not form part of the estate of the Issuer in case of the Issuer's insolvency, as these are encumbered assets. These assets will first be used to pay amounts due on or in connection with the securities issued in these transactions (including by the CBC under this Programme) and only amounts left (if any) after such amounts have been paid in full may form part of the estate of the Issuer and possibly be available to pay amounts due to the Covered Bondholder.

As set out above, the Issuer has entered into securitisation transactions in respect of its mortgage portfolios and a secured euro medium term notes programme and similar transactions. The Issuer has assumed various rights and obligations under such transactions and may be exposed to risks in relation thereto, including, but not limited to the risk that: (i) it must transfer, *inter alia*, swap collateral or substantial new assets in connection with such transactions, (ii) it has to repurchase some or all of the mortgage portfolios transferred in relation to such transactions and (iii) it must pay substantial fees in relation thereto. The above may have a negative effect on the amount of assets available for Covered Bondholders to take recourse on the Issuer's assets to the extent not fully repaid by the CBC under the Guarantee.

**C. LEGAL AND REGULATORY RISKS REGARDING THE ISSUER**

**1. The Issuer's results of operations can be affected by significant adverse regulatory developments as well as enforcement action including changes in regulatory capital and liquidity requirements**

The Issuer conducts its businesses subject to ongoing regulatory and associated risks, including the effects of changes in law, regulations, and policies in the Netherlands. The timing and form of future changes in regulations are unpredictable and beyond the control of the Issuer, and changes made could materially adversely affect the Issuer's business. Also, the regulatory laws and regulations applicable to the Issuer are to an extent based on the Issuer's interpretations of such laws and regulations. The Issuer cannot guarantee that such interpretations will not be questioned by the relevant authorities. Changes in regulatory laws and regulations or interpretations by the Issuer thereof being challenged by the relevant authorities could materially impact the profitability of the Issuer's businesses, the value of its assets or the collateral available for its loans, require changes to business practices, increase its regulatory reporting and transparency obligations, or force the Issuer to discontinue businesses or change its legal entity structure, capital and funding structure, and expose the Issuer to additional costs, taxes, liabilities, enforcement actions and reputational risk.

The following changes in laws and regulations, among others, form a material risk for its financial position, credit rating and results of operations and prospects.

#### *Basel IV/CRD IV/EU Banking Reforms*

Regulatory requirements with respect to capital adequacy and liquidity, as proposed by the Basel Committee on Banking Supervision (the "**Basel Committee**") and being implemented in the European Union through, among others, the CRD IV Directive and the CRR, as these are amended from time to time. These 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 change to CRD IV included in the EU banking package adopted in April 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). The foregoing measures are expected to require the Issuer to attract and retain additional and/or enhanced capital and liquidity, and will impact the Issuer's day-to-day business. Notable changes that will affect the Issuer's business includes changes to the requirements for the risk-weighting of mortgages and the introduction of an output floor. The Issuer expects that as of 2022, due to the Basel III Reforms its RWA will increase to a limited extent and that its CET1 capital ratio will be adversely affected to a limited extent as a consequence. Furthermore and finally, the impact of these changes to the applicable prudential regime is yet to be fully determined by the Issuer. This is among others due to the fact that the EU Banking Reforms and Basel III Reforms are still subject (in part) to further implementation in EU or national laws.

#### *AML Directive/AML Regulation*

Further AML rules, as laid down in, among others, Directive 2015/849/EU (the "**AML Directive**") and accompanying Regulation (EU) No 2015/847 (the "**AML Regulation**"), as these are amended from time to time. Achmea Bank complies with the AML Directive and the AML Regulation. Early 2019, it has updated and amended its relevant policies, rules and procedures (to the extent necessary). Achmea Bank maintains a close and continuous survey on development and creation of new anti-money laundering laws. However, future amendments could adversely affect the Issuer's financial position, credit rating and results of operations and prospects.

#### *Benchmark Regulation*

Under the Benchmark Regulation new requirements apply with respect to the provision of a wide range of benchmarks (such as the Reference Rate (as defined below)), the contribution of input data to a benchmark and the use of a benchmark within the European Union. As a supervised entity and user of benchmarks within the meaning of the Benchmark Regulation, the Issuer has to comply with certain obligations under the Benchmark Regulation in respect of in-scope products and contracts. This includes the obligation to produce and maintain a robust written plan among others setting out the actions the Issuer would take in the event a benchmark materially changes or ceases to be provided. This plan is commonly referred to as a fallback plan and the Issuer has produced and is maintaining such a plan. The Issuer is also required to ensure that it only makes use of authorised benchmarks and that its contracts include appropriate fallback language. The Issuer runs the risk that it is not able to timely amend its contracts and switch from the use of unauthorised benchmarks to authorised benchmarks and paying and/or receiving a similar rate of interest (both in its internal processes as well as in its external products and investments). This may affect the Issuer's financial and compliance position. For the impact of the Benchmark Regulation on the Covered Bonds, see the risk factors: '*Benchmark reforms may cause benchmarks used in respect of the Covered Bonds to be materially amended or discontinued*', '*Future discontinuance of EURIBOR or other interest rate benchmarks may affect the value or payment of interest under the Covered Bonds*' and '*There is a risk that the Rate Determination Agent may be considered an 'administrator' under the Benchmark Regulation*'.

### *PSD II*

New payment services regulations, as laid down in Directive (EU) 2015/2366 ("**PSD II**") imposes additional requirements on the Issuer with respect to its payment services and supports the emergence of new players and the development of innovative mobile and internet payments in Europe. Key elements of the PSD II that could impact the Issuer are: (i) access to payment accounts by other parties than the bank where the customer holds an account (Third Party Access), and (ii) security requirements. Third Party Access as described in the PSD II results in more or intensified competition for banks and can be a threat as parties other than banks focus on the customer-engagement components of the value chain and leave the commoditised transactional components to banks which could lead to disintermediation. Security is and will remain a core element in the service offering of banks whereby it is important that the security requirements in PSD II as applied by banks in practice strike the right balance between ease of use and risk (such as with respect to customer data).

### *EMIR*

The Issuer's derivative activities remain subject to significant reform as a result of Regulation (EU) No 648/2012, as amended ("**EMIR**"). EMIR already requires the Issuer to centrally clear certain OTC-derivatives and report its derivative contracts to a trade repository. It furthermore requires the Issuer to exchange variation and initial margin with certain of its counterparties, which group of counterparties will be extended in the near future. This will lead to an increased margining obligation for the Issuer. The Issuer runs the risk that it will not be able to have the necessary contractual documentation and operational process timely in place in order to be able to trade or continue trading with the relevant counterparties. This will lead to additional compliance costs for the Issuer.

### *SFTR*

Regulation (EU) No 2015/2365, pertaining to the transparency and reuse of securities financing transactions (the "**SFTR**"), requires the Issuer to as of Q2 2020 report these transactions to a central database. In order to be able to comply, the Issuer will have to obtain access to an eligible central database and ensure that its systems and involved employees are able to (timely) compile, verify and process the required reports. This will give rise to additional costs and expenses. The Issuer runs the risk that it will not be able to have the necessary contractual documentation and operational process timely in place to be able to adequately and timely report securities financing transactions. This may affect the Issuer's ability to trade or continue trading with the relevant counterparties.

### *IASB*

The Issuer's consolidated financial statements are prepared in accordance with the International Financial Reporting Standards (IFRS) - including International Accounting Standards (IAS) and Interpretations - as adopted by the European Union (hereafter EU). The IFRS guidelines are periodically revised or expanded. It is possible that future accounting standards which the Issuer is required to adopt, or as a result of choices made by the Issuer, could change the current accounting treatment that applies to its consolidated financial statements and that such changes could have a material adverse effect on the Issuer's reported results of operations and financial condition and may have a corresponding impact on its capital ratios.

### *Covered Bond Directive/Regulation*

On 27 November 2019 the Directive (EU) 2019/2162 of the European Parliament and of the Council on the issue of covered bonds and covered bond public supervision and amending Directives 2009/65/EC and 2014/59/EC (the "**Covered Bond Directive**") and Regulation (EU) 2019/2160 of the European Parliament and of the Council amending Regulation 575/213 as regards exposures in the form of covered bonds (the "**Covered Bond Regulation**"), have been adopted. The Covered Bond Directive and the Covered Bond Regulation aim to foster the development of covered bonds across the European Union. The Covered Bond Directive (i) provides a common definition of covered bonds, which will represent a consistent reference for prudential regulation purposes, (ii) defines the structural features of covered bonds, (iii) defines the tasks and responsibilities for the supervision of covered bonds and (iv) sets out the rules allowing the use of the 'European Covered Bonds' label. The Covered Bond Directive should be implemented in each Member State by 8 July 2021 and should apply at the latest from 8 July 2022. Until the Covered Bond Directive has been implemented, it is uncertain if or how the proposals will affect the Issuer, the CBC, the market for covered bonds in general and/or the Covered Bonds.

## **2. Risk related to the Dutch Intervention Act, BRRD, SRM**

The BRRD and the SRM Regulation set out a common European recovery and resolution framework applicable to banks and certain investment firms, group entities (including financial institutions subject to consolidated supervision) and (to a limited extent) branches of equivalent non-EEA banks and investment firms. In connection

therewith, the SRM and BRRD recognize and enable the application of the recovery and resolution framework both on the level of an individual entity as well as on a group level. The below should be read in the understanding that the Issuer or any entity belonging to the Achmea Group may become subject to requirements and measures under the SRM and BRRD not only with a view to or as a result of its individual financial situation, but also, in certain circumstances, with a view to or as a result of the financial situation of the group that it forms part of. Moreover, for the avoidance of doubt, the below requirements and measures may also apply to any such group entity of the Issuer, which may include the CBC. Currently, DNB in its capacity of national resolution authority ("**NRA**") shall perform resolution tasks and responsibilities under the SRM with respect to the Issuer (as a less significant institution under the Single Supervisory Mechanism). Therefore, if the Issuer would be deemed no longer viable (or one or more other conditions apply) the NRA may decide to write-down, cancel or convert relevant capital instruments of the Issuer, such as Common Equity Tier 1, Additional Tier 1 and Tier 2 instruments, in principle in a certain order. A write down or conversion into shares of capital instruments could adversely affect the market value of their Covered Bonds.

If the Issuer would be deemed to fail or likely to fail and the other resolution conditions would also be met, the NRA may decide to place the Issuer 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 SRM provides for the bail-in tool. The bail-in tool extends amongst others than the relevant capital instruments of the Issuer, and may also result in the write-down or conversion into shares of eligible liabilities in accordance with a certain order of priority.

An exemption applies to covered bonds pursuant to which covered bonds should normally be exempted from the applicability of the write-down and conversion powers described above. However, this exemption does not apply if and to the extent the aggregate Principal Amount Outstanding of the Covered Bonds would exceed the value of the collateral available to secure such Covered Bonds. In addition, it is uncertain what would constitute collateral for such purpose in the context of the Covered Bonds and how and when during any such bail-in intervention the value of such collateral (and/or the Guarantee) would be determined. The resolution framework as described above provides for certain safeguards against a partial transfer and the exercise of certain resolution powers in respect of covered bonds, which aims to ensure that rights arising out of covered bonds will not be affected by such partial transfer or exercise of such resolution power.

In addition to the resolution powers described above, the NRA may decide to terminate or amend any agreement to which the Issuer is a party or replace the Issuer as a party thereto. Furthermore, DNB may, subject to certain conditions, suspend the exercise of certain rights of counterparties vis-à-vis the Issuer or suspend the performance of payment or delivery obligations of the Issuer. In addition, pursuant to Dutch law, certain counterparty rights may be excluded.

To ensure that bail-in can be effectively applied, a minimum requirement for own funds and eligible liabilities ("**MREL**") applies to the Issuer under the BRRD and SRM Regulation. The MREL framework is intended to make sure that the Issuer can absorb losses expected in resolution or at the point of non-viability and to be recapitalised after the implementation of resolution actions. The MREL is subject to ongoing change, and is expected to become more stringent. This is especially due to the implementation and entry into force of the changes to BRRD and SRM Regulation forming part of the EU Banking Reforms. Upcoming changes to MREL, as applicable to the Issuer, may result in the Issuer having to issue a significant amount of additional MREL eligible liabilities in order to meet the new requirements within the required timeframe. If the Issuer were to experience difficulties in raising MREL eligible liabilities, it may have to reduce its lending or investments in other operations which would have a material adverse effect on the Issuer's business, financial position and results of operations.

In addition to the BRRD and SRM Regulation, the Dutch Act on special measures regarding financial institutions (*Wet bijzondere maatregelen financiële ondernemingen*, the "**Dutch Intervention Act**"), which has to a large extent been included in the Wft, enables the Dutch Minister of Finance to intervene with a bank established in the Netherlands, such as the Issuer, if the Minister of Finance is of the view that the stability of the financial system is in serious and immediate danger due to the situation that the bank is in. These powers among others consist of the expropriation of assets and/or liabilities (*onteigening van vermogensbestanddelen*) of the Issuer, claims against the Issuer and securities issued by or with the cooperation of the Issuer.

It is possible that the NRA may use its powers under the BRRD or SRM Regulation or the Dutch Intervention Act in a way that could result in debt instruments of the Issuer absorbing losses. The use of these could negatively

affect the position of the holders of such debt instruments and the credit rating attached to debt instruments then outstanding and could result in losses to the holders of such debt instruments, in particular if and when any of the above proceedings would be commenced against the Issuer. These measures and consequences could increase the Issuer's cost of funding and thereby have an adverse impact on the Issuer's financial position and results of operation. In addition, there could be amendments (including, but not limited to, the amendments discussed above) to the SRM and the BRRD or the Dutch Intervention Act, which may add to these effects.

Finally, any perceived or actual indication that the Issuer is no longer viable, may become subject to recovery or resolution and/or does not meet its other recovery or resolution requirements (such as MREL) may have a material adverse impact on the Issuer's financial position, regulatory capital position and liquidity position, including increased costs of funding for regulatory purposes.

### **3. Changes in Dutch tax law may impact the Issuer's financial position**

As of 1 January 2020, a new 'thin capitalization rule' for banks and insurers has been introduced in the Netherlands. This new rule limits the tax deduction of interest for banks and insurance companies if highly leveraged. The new rule is applicable to banks and insurers with a license or notification of the Dutch Central Bank to operate as such in the Netherlands, including the Issuer. In short, the thin capitalization rule applies to qualifying banks and insurers if the leverage ratio of such bank is more than 92%, or the own funds ratio of such insurer is less than 8% (to be determined on the basis of a set of specific provisions that refer, amongst others, to the Capital Requirements Regulation (EU) No. 575/2013 and Solvency II 2009/138/EG and (EU) No. 2015/35). The new thin capitalization rule may have an adverse impact on the amount of interest the Issuer can deduct for Dutch corporate income tax purposes and thus on its financial position. However, at the date of this Base Prospectus, the impact of this new tax measures on the Issuer's financial position cannot be assessed.

### **4. The Issuer's participation in the Deposit Guarantee Scheme may have a material adverse effect on its results of operations and financial condition**

The Issuer is a participant in the Dutch Deposit Guarantee Scheme (*Depositogarantiestelsel*, the "**Deposit Guarantee Scheme**"), from which compensation may become payable to customers of financial institutions in the event the financial institution is unable to pay, or unlikely to pay, claims against it. The Issuer and other financial institutions are required to quarterly pay risk-weighted contributions into a fund to cover future drawings under the Deposit Guarantee Scheme. The fund, in which the Issuer participates, is expected to grow to a target size of at least 0.8% of all deposits guaranteed under the Deposit Guarantee Scheme, which should be reached by 2024. This quick growth could have a material effect on the Issuer's financial condition. The ultimate costs involved with making compensation payments under the Deposit Guarantee Scheme are allocated among the participating banks by DNB, based on an allocation key related to their market shares with respect to the deposits protected by the Deposit Guarantee Scheme. Additionally, the Issuer may be faced with extra costs for coverage if any claims are made under the Deposit Guarantee Scheme as a result of any financial institution participating in the Deposit Guarantee Scheme failing to pay claims against it. Consequently, the ultimate costs to the industry of payments which may become due under the Deposit Guarantee Scheme remain uncertain although they may be significant and the associated costs to the Issuer may have a material adverse effect on its results of operations and financial condition.

## **RISK FACTORS REGARDING THE COVERED BONDS**

### **A. RISKS RELATED TO THE NATURE OF THE COVERED BONDS**

#### **1. The Covered Bonds will be solely the payment obligations of the Issuer**

The payment obligations under the Covered Bonds will be solely the obligations of the Issuer. The Covered Bonds will not be obligations or responsibilities of, or guaranteed by (other than pursuant to the Guarantee), any other entity or person, in whatever capacity acting (other than as Issuer), including, without limitation, the Transferor, any Swap Counterparty, the Servicer, the Administrator, the Back-up Administrator, the Directors, any Paying Agents, the Registrar, any Calculation Agent, the Arranger, any Dealer, the CBC Account Bank, the CBC Back-Up Account Bank, the Security Trustee, the Insurance Savings Participant, the Bank Savings Participant and the Rating Agencies. Furthermore, none of the Swap Counterparties, the Servicer, the Administrator, the Back-up Administrator, the Directors, the Paying Agents, the Registrar, the Calculation Agent, the Arranger, the Dealers,

the CBC Account Bank, the CBC Back-Up Account Bank, the Security Trustee, the Insurance Savings Participant, the Bank Savings Participant and the Rating Agencies, nor any other person in whatever capacity acting (other than the Issuer), will accept any liability whatsoever to Covered Bondholders in respect of any failure by the Issuer to pay any amounts due under the Covered Bonds. An investment in the Covered Bonds involves the risk that subsequent changes in the creditworthiness of the Issuer may adversely affect the payments made under the relevant Covered Bonds. This may lead to losses under the Covered Bonds.

## **2. Risks related to conflict of interest**

If the Transferor or any other member of the Achmea Group holds Covered Bonds, it will be able to exercise its voting rights in respect of such Covered Bonds, except as described in Condition 15 (*Meetings of Covered Bondholders, Modification and Waiver*) and, in so doing, may take into account factors specific to it. In case the Transferor holds Covered Bonds it may, *inter alia*, take into account its different roles in the transaction, including its role as Transferor, when exercising its voting rights with respect to such Covered Bonds. In case a member of the Achmea Group other than the Transferor holds Covered Bonds such member may, *inter alia*, take into account its relationship with the Transferor when exercising its voting rights with respect to such Covered Bonds.

In addition, where the Issuer acts as Calculation Agent or Rate Determination Agent or the Calculation Agent or Rate Determination Agent is an affiliate of the Issuer, potential conflicts of interest may exist between the Calculation Agent or Rate Determination Agent and Covered Bondholders, including with respect to certain determinations and judgements that the Calculation Agent or Rate Determination Agent may make pursuant to the Conditions that may influence the amount receivable upon redemption of the Covered Bonds (see also risk factor "*Future discontinuance of EURIBOR or other interest rate benchmarks may affect the value or payment of interest under the Covered Bonds*").

## **3. Risk related to failure of enforcement by the Security Trustee**

Subject to the provisions of the Trust Deed, only the Security Trustee may enforce the provisions of the Covered Bonds and the Transaction Documents. Neither the Covered Bondholders nor any other person shall be entitled to proceed directly against the Issuer or the CBC to enforce any provision of the Covered Bonds and/or the Transaction Documents, unless the Security Trustee fails to take any steps to enforce the Security in accordance with the Trust Deed within a reasonable time and such failure is continuing. All limitations and restrictions imposed under or by virtue of the Trust Deed, the Covered Bonds or any other Transaction Document on the Security Trustee in relation to the enforcement of rights and the availability of remedies, shall *mutatis mutandis* also fully apply to such Secured Creditors. Consequently, the Secured Creditors, including the Covered Bondholders, either have no right or are limited in their rights to proceed directly against the Issuer or the CBC.

## **4. The Security Trustee may agree to modifications to or waivers under the Covered Bonds and/or the Transaction Documents without the Covered Bondholders' or other Secured Creditors' prior consent**

Pursuant to the terms of the Trust Deed, the Security Trustee may, without the consent or sanction of any of the Covered Bondholders or any of the other Secured Creditors (other than the Secured Creditors that are a party to such Transaction Documents (where applicable)), concur with any person in making or sanctioning any modifications to or waivers or authorisations (e.g. in respect of any breach or proposed breach of any of the provisions of the Covered Bonds of any Series or the Transaction Documents, or determination, without any such consent as aforesaid, that any Issuer Event of Default or CBC Event of Default shall not be treated as such) under the Covered Bonds of any Series, the related Coupons or any Transaction Documents (including without limitation designating further creditors as Secured Creditors):

- (i) provided that (i) in the opinion of the Security Trustee such modification is not materially prejudicial to the interests of any of the Covered Bondholders of any Series or any of the other Secured Creditors (in which respect the Security Trustee may rely upon the consent in writing of any other Secured Creditor as to the absence of material prejudice to the interests of such Secured Creditor), (ii) it has not been informed in writing by any Secured Creditor (other than any Covered Bondholder(s)) that such Secured Creditor will be materially prejudiced thereby (other than a Secured Creditor who has given its written consent as aforesaid) and (iii) it has received Rating Agency Confirmation in respect of such modification; or
- (ii) which is of a formal, minor or technical nature or is made to correct a manifest error or an error established as such to the satisfaction of the Security Trustee;

- (iii) which is required or necessary in connection with any change, after the relevant Issue Date, of mandatory provisions of law or any laws or regulation (including but not limited to the laws and regulations of the Netherlands and the European Union) applicable or relevant with respect to covered bonds (*gedekte obligaties*) to ensure that the Issuer, the CBC and/or Covered Bondholders enjoy the full benefits of such legislation, provided that in the sole opinion of the Security Trustee such modification is not materially prejudicial to interest of any of the Covered Bondholders or any of the other Secured Creditors; or
- (iv) which is required or necessary to comply with its EMIR obligations;
- (v) which are in the opinion of the Issuer and the Security Trustee necessary in order to transfer title (and if applicable obligations) in respect of Eligible Assets to the CBC and/or to create security in respect thereof in favour of the Security Trustee, provided that (i) in the opinion of the Security Trustee such modification is not materially prejudicial to the interests of any of the Covered Bondholders of any Series or any of the other Secured Creditors (in which respect the Security Trustee may rely upon the consent in writing of any other Secured Creditor as to the absence of material prejudice to the interests of such Secured Creditor), (ii) it has not been informed in writing by any Secured Creditor (other than any Covered Bondholder(s)) that such Secured Creditor will be materially prejudiced thereby (other than a Secured Creditor who has given its written consent as aforesaid) and (iii) the Security Trustee has received Rating Agency Confirmation in respect of such modification; or
- (vi) any modification to the Eligibility Criteria which is in the opinion of the Security Trustee not materially prejudicial to the existing Covered Bondholders of any Series and after having notified the Rating Agencies.

Changes may therefore be made to the Programme to which one or more, or all Covered Bondholders did not agree or would have disapproved of if proposed to them. See Condition 15 (*Meetings of Covered Bondholders, Modification and Waiver*). In addition, the fact that changes may be made to the Transaction Documents without the Covered Bondholder's knowledge or consent and which changes may be conflicting with the interests of such Covered Bondholder or potential Covered Bondholder, could have an adverse effect on the value of such Covered Bonds that are intend to be sold by a Covered Bondholder.

#### **5. The Covered Bonds are subject to substitution of the Issuer**

The Issuer may, subject to Rating Agency Confirmation and without the consent of the Covered Bondholders or Couponholders in respect of each Series of Covered Bonds on which no payment of principal or interest on any of the Covered Bonds is in default and after written approval of DNB, be replaced and substituted by any Substituted Debtor as principal debtor in respect of the Covered Bonds and the relative Coupons, as set out in more detail in Condition 17 (*Substitution of the Issuer*). Following such a substitution, the original issuer entity will be released from all of its obligations as principal debtor in respect of the Covered Bonds. Accordingly, the Covered Bondholders could be faced with a counterparty to which they do not agree to or would have disapproved of if proposed to them, and this may have an adverse effect on the value of the Covered Bonds.

#### **6. Certain decisions of Covered Bondholders taken at Programme level**

Any Programme Resolution to direct the Security Trustee to serve an Issuer Acceleration Notice, a Notice to Pay or a CBC Acceleration Notice, and any direction to the Security Trustee to take any enforcement action must be passed at a single meeting of the holders of all Covered Bonds of all Series then outstanding as set out in more detail in Condition 15 (*Meetings of Covered Bondholders, Modification and Waiver*) and cannot be decided upon at a meeting of Covered Bondholders of a single Series. A Programme Resolution will be binding on all Covered Bondholders including Covered Bondholders who did not attend and vote at the relevant meeting and Covered Bondholders who voted in a manner contrary to the majority. Covered Bondholders are therefore exposed to the risk that decisions are taken at a programme level which may conflict with the interest of such Covered Bondholder and this may have an adverse effect on the (value of) the Covered Bonds.

## **B. MARKET AND LIQUIDITY RISKS RELATED TO THE COVERED BONDS**

### **1. Covered Bonds subject to optional redemption by the Issuer and market value risks**

An optional redemption feature of Covered Bonds is likely to limit their market value. During any period when the Issuer may elect to redeem Covered Bonds, the market value of those Covered Bonds generally will not rise substantially above the price at which they can be redeemed. This may also be the case prior to any optional redemption period.

The Issuer may be expected to redeem Covered Bonds when its cost of borrowing is lower than the interest rate on the Covered Bonds or when the Covered Bonds become subject to changes in tax law. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Covered Bonds being redeemed and may only be able to do so at a (significantly) lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

In relation hereto, a new conditional withholding tax of 21.7% on interest payments will become effective in the Netherlands as of 1 January 2021. The new withholding tax will generally apply to interest payments made by an entity tax resident in the Netherlands, like the Issuer, to an 'affiliated entity' tax resident in a 'low tax jurisdiction'.

For these purposes, a jurisdiction is considered a 'low tax jurisdiction', if such jurisdiction (i) has a corporation tax on business profits with a general statutory rate of less than 9%, or if such jurisdiction is included in the EU list of non-cooperative jurisdictions, and (ii) is included in the 'Dutch black list' as published by the Dutch Ministry of Finance. The Dutch black list will be updated annually on 1 October, and is applicable to the next calendar year. As of 1 January 2020, the following 23 jurisdictions are black-listed by the Dutch Ministry of Finance: American Samoa, Anguilla, Bahamas, Bahrain, Barbados, Bermuda, the British Virgin Islands, the Cayman Islands, Fiji, Guam, Guernsey, Isle of Man, Jersey, Kuwait, Oman, Qatar, Samoa, Trinidad and Tobago, Turkmenistan, Turks and Caicos Islands, Vanuatu, the United Arab Emirates and the U.S. Virgin Islands.

Generally, an entity is considered to be affiliated to the Issuer for these purposes if such entity, either alone or as part of a group acting in concert, can exercise decisive influence to determine the activities of the Issuer. An entity that holds more than 50% of the statutory voting rights in the Issuer, or in which the Issuer holds more than 50% of the statutory voting rights, is in any event considered to be affiliated. An entity is also considered to be affiliated if a third party holds more than 50% of the statutory voting rights both in such entity and in the Issuer.

The withholding tax may also apply in situations where artificial structures are put in place with the main purpose or one of the main purposes to avoid the Dutch withholding tax, e.g., where an interest payment to a Dutch blacklisted jurisdiction is artificially routed via an intermediate company in a non-blacklisted jurisdiction. In practice, the Issuer may not always be able to assess whether a Covered Bondholder is affiliated to the Issuer and/or located in a low tax jurisdiction. The parliamentary history is unclear on the Issuer's responsibilities to determine the absence of affiliation in respect of covered bonds issued in the market, like the Covered Bonds.

If the Covered Bonds become subject to the new withholding tax on interest, which becomes effective as of 1 January 2021, and the Issuer would become obliged to pay additional amounts as provided for in Condition 8 (*Taxation*) of the Terms and Conditions of the Covered Bonds as a result thereof, the Issuer may redeem the Covered Bonds, in whole but not in part, at its option under Condition 7(b) (*Redemption for tax reasons*) of the Terms and Conditions of the Covered Bonds.

Furthermore, if the Issuer is specified as having the option to redeem the Covered Bonds in the applicable Final Terms prior to the Maturity Date and the Issuer cannot exercise its option because an Issuer Event of Default has occurred and is continuing, then the CBC will have the right to declare that all of the Covered Bonds then outstanding will mature on an Optional Redemption Date specified in the applicable Final Terms and that the Maturity Date will be such Optional Redemption Date. If the CBC exercises its right, the Maturity Date will be the relevant Optional Redemption Date and the Extended Due for Payment Date will continue to be the date falling thirty-two (32) years after such Optional Redemption Date (or if indicated otherwise in the applicable Final Terms, such date). In such case, Covered Bondholders may not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Covered Bonds being redeemed and may only be able to do so at a significantly lower rate.

Any redemption prior to the Final Maturity Date as set out above could have a material adverse effect on the value

of the Covered Bonds as the relevant redemption amount may be less than the then current market value of the Covered Bonds.

## **2. Secondary market and illiquidity risks**

There can be no assurance as to how any Covered Bonds will trade in the secondary market or whether such market will be liquid or illiquid. Application may or may not be made to list the Covered Bonds on a stock exchange, as indicated in the applicable Final Terms. The fact that Covered Bonds may be listed does not necessarily lead to greater liquidity. No assurance can be given that there will be a market for any Covered Bonds. If any Covered Bonds are not traded on any stock exchange, pricing information for such Covered Bonds may be more difficult to obtain, and the liquidity and market prices of such Covered Bonds may be adversely affected. The liquidity of the Covered Bonds may also be affected by restrictions on offers and sales of the Covered Bonds in some jurisdictions. Lack of liquidity may result in investors suffering losses on the Covered Bonds in secondary resales even if there is no decline in the performance of the assets of the Issuer. Illiquidity may have a severely adverse effect on the market value of Covered Bonds.

## **3. Exchange rate risks and exchange controls**

The Issuer will pay principal and interest on the Covered Bonds in the Specified Currency. This presents certain risks relating to currency conversions, for example if the Investor's Currency is not the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (i) the Investor's Currency-equivalent yield on the Covered Bonds, (ii) the Investor's Currency-equivalent value of the principal payable on the Covered Bonds and (iii) the Investor's Currency-equivalent market value of the Covered Bonds.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

## **4. Covered Bonds issued at a substantial discount or premium and price volatility risks**

The market values of Covered Bonds issued at a substantial discount or premium from their principal amount tend to fluctuate more in relation to general changes in interest rates than to prices for conventional interest-bearing Covered Bonds. Generally, the longer the remaining term of the Covered Bonds, the greater the price volatility as compared to conventional interest-bearing Covered Bonds with comparable maturities. Therefore, the market value of such Covered Bonds may be lower than the market value of such conventional interest-bearing Covered Bonds with comparable maturities.

## **5. No consent from Covered Bondholders required for different Covered Bonds**

This Base Prospectus only describes Covered Bonds to be issued as part of the Programme under this Base Prospectus. In the future, the Issuer may issue Covered Bonds under the Programme (whether or not under this Base Prospectus) in different markets and/or with different features, which have not been described herein, and different risks associated with them, such as index or equity linked and dual currency Covered Bonds. It is not expected that the consent of Covered Bondholders will be obtained in order to provide for the inclusion of such Covered Bonds in the Programme. This may result in higher risks on the Issuer and the CBC whilst such higher risks may not be compensated by higher returns or adjustments in the Asset Cover Test or Amortisation Test. However, new Covered Bonds issued under this Programme will always be conditional pass-through covered bonds. Therefore, Covered Bondholders are exposed to the risk that such decision is taken against the interest of such Covered Bondholder and new Covered Bonds are issued that negatively affect the market value and/or risks in relation to its Covered Bonds.

## **6. Integral multiples of less than EUR 100,000 in case of Definitive Covered Bonds may be illiquid and difficult to trade**

In relation to any issue of Covered Bonds which has a denomination of EUR 100,000 (or higher or its equivalent in another currency) plus a higher integral multiple of another smaller amount, it is possible that the Covered

Bonds be traded in amounts in excess of EUR 100,000 or its equivalent that are not integral multiples of EUR 100,000 (or its equivalent in another currency) (for the purpose of this paragraph, the "**Stub Amount**"). In such a case a Covered Bondholder who, as a result of trading such amounts, holds a Stub Amount may not receive a Definitive Covered Bond in respect of such holding (should Definitive Covered Bonds be printed) and would need to purchase a principal amount of Covered Bonds such that its holding amounts up to at least EUR 100,000. As long as the Stub Amount is held in the relevant clearing system, the Covered Bondholder will be unable to transfer this Stub Amount. If Definitive Covered Bonds are issued, Covered Bondholders should be aware that Definitive Covered Bonds which have a denomination that is not an integral multiple of the minimum Specified Denomination, may be illiquid and difficult to trade.

## **7. Eurosystem eligibility**

Covered Bonds may be issued with the intention to be held in a manner which will allow Eurosystem eligibility. In that case such Covered Bonds are intended upon issue to be deposited with one of the international central securities depositories and/or central securities depositories that fulfil the minimum standard established by the European Central Bank. However, it does not necessarily mean that each Covered Bond will be recognised as eligible collateral for monetary policy of the Eurosystem and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will, as in any particular case, depend upon satisfaction of all Eurosystem eligibility criteria at the relevant time and there can be no assurance that such Covered Bonds will be recognised as such or will remain to be recognised as such. If the Covered Bonds are in this case not recognised as such, this is likely to have a negative impact on the liquidity and/or market value of such Covered Bonds.

## **8. ECB asset purchase programme**

In September 2014, the ECB initiated an asset purchase programme 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 asset purchase programme also encompasses the covered bond purchase programme. On 14 June 2018, the ECB announced that net purchases under these programmes will continue at its current monthly pace of EUR 30 billion until the end of September 2018. Thereafter, it was envisaged that the monthly pace of the net purchases will be reduced to EUR 15 billion until the end of December 2018 and, subsequently, will end. As of 2019, the ECB will, however, maintain its policy to reinvest the principal payments from maturing securities under these programmes as long as deemed necessary. In addition, on 12 September 2019, the ECB announced net purchases will be restarted under the asset purchase programme at a monthly pace of EUR 20 billion as from 1 November 2019 and for as long as deemed necessary. It remains to be seen what the effect of these purchase programmes, and the termination thereof, ultimately will be on the volatility in the financial markets and economy generally. In addition, the termination of these asset purchase programmes or the exclusion of conditional pass-through covered bonds could have an adverse effect on the secondary market value of the Covered Bonds and the liquidity in the secondary market for Covered Bonds.

## **9. Dealers transacting with the Issuer**

In the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or the Issuer's affiliates. Certain of the Dealers or their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Covered Bonds issued under the Programme. Any such positions could adversely affect future trading prices of Covered Bonds issued under the Programme.

## **C. LEGAL AND REGULATORY RISKS REGARDING THE COVERED BONDS**

### **1. Risk that Covered Bonds do not comply with Dutch CB Regulations, the UCITS Directive and/or CRR**

The Issuer has under the CB Regulations applied for the Programme and the Covered Bonds issued thereunder to obtain the status of being compliant with the requirements for the legal covered bonds as set out therein (the

"**Regulated Status**"), which includes compliance of article 52(4) of the UCITS Directive and article 129 of the CRR and has obtained the Regulated Status for the Programme and the Covered Bonds issued. The Issuer will only issue Covered Bonds under this Base Prospectus that obtain the Regulated Status. In the Trust Deed the Issuer has undertaken to use its best efforts to procure that the Covered Bonds that have obtained the Regulated Status, will keep the Regulated Status until their Maturity Date or any earlier date on which such Covered Bonds have been redeemed in full. The "best efforts" undertaking set out in the preceding paragraph will no longer apply if, as a result of a change of law or regulations, Dutch residential mortgage receivables are no longer eligible for collateralisation of the Covered Bonds to keep the Regulated Status or are no longer eligible to collateralise covered bonds under CRR.

If a Covered Bond no longer meets the requirements prescribed by the CB Regulations, or if the Issuer would no longer comply with its ongoing administration and/or reporting obligations towards DNB as the competent regulator, DNB can take several measures, which include, without limitation, imposing an issuance-stop on the Issuer, which may be disclosed by DNB in the relevant register, and DNB has the authority to terminate the registration of the Issuer. However, under the CB Regulations the registration of the Covered Bonds that have already been issued cannot be terminated.

In addition, DNB has the authority to include in the register that the Covered Bonds are no longer or are not compliant with article 129 CRR as a result of which the Covered Bonds would no longer maintain the status of being compliant with the requirements set out in article 129 of the CRR (the "**CRR Status**"). Although under the CB Regulations Covered Bonds will always continue to be registered as legal covered bonds and continue to keep the Regulated Status (except for the CRR Status), there is a risk that the CRR Status for other Series will not be maintained until redemption in full of the relevant non-compliant Series.

If at any time an issuance stop is published, the registration of the Issuer is revoked and/or the CRR Status is withdrawn or otherwise lost, a Covered Bondholder may experience adverse consequences (i.e. an adverse effect on the market value or on the regulatory treatment), depending on the reasons for making the investment in such Covered Bonds. See also risk factor "*The Issuer's results of operations can be affected by significant adverse regulatory developments as well as enforcement action including changes in regulatory capital and liquidity requirements*" under "*Covered Bond Directive/Regulation*".

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

The ratings assigned to the Covered Bonds address:

- the likelihood of full and timely payment to holders of the Covered Bonds of all payments of interest on each Interest Payment Date; and
- the likelihood of ultimate payment of principal in relation to Covered Bonds on the Extended Due for Payment Date thereof.

The expected ratings of the Covered Bonds are set out in the relevant Final Terms for each Series of each Tranche of Covered Bonds. Any Rating Agency may lower its rating or withdraw its rating if, in the sole judgement of the Rating Agency, the credit quality of the Covered Bonds has declined or is in question. If any rating assigned to the Covered Bonds is lowered or withdrawn by any Rating Agency, the market value of the Covered Bonds may be reduced. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time without prior notice. A credit rating may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Covered Bonds.

## **D. RISKS RELATED TO BENCHMARKS**

### **1. Benchmark reforms may cause benchmarks used in respect of the Covered Bonds to be materially amended or discontinued**

The interest payable on the Covered Bonds may be determined by reference to EURIBOR, or another reference rate (as defined in the applicable Final Terms), or another benchmark (each of these indices as well as any substitute, alternative or successor rate determined in accordance with Condition 5(B)(ii)(c), including the applicable tenor and currency, the "**Reference Rate**"). Various benchmarks (including interest rate benchmarks that may apply to the Covered Bonds, such as EURIBOR) are the subject of recent national and international regulatory guidance and proposals for reform. Further to these reforms, a transitioning away from the interbank

offered rates ("**IBORs**") to 'risk-free rates' is expected. Given the uncertainty in relation to the timing and manner of implementation of any such reforms and in the absence of clear market consensus at this time, the Issuer is not yet in a position to determine the reforms that it will apply and the timing of applying such reforms.

For example, in March 2017, the European Money Markets Institute (the "**EMMI**") (formerly EURIBOR-EBF) published a position paper referring to certain proposed reforms to EURIBOR, which reforms aim to clarify the EURIBOR specification, to develop a transaction-based methodology for EURIBOR and to align the relevant methodology with the Benchmark Regulation, the IOSCO Principles for Financial Benchmarks and other regulatory recommendations. EMMI has since indicated that there has been a "change in market activity as a result of the current regulatory requirements and a negative interest rate environment" and "under the current market conditions it will not be feasible to evolve the current EURIBOR methodology to a fully transaction-based methodology following a seamless transition path. EMMI has since strengthened its governance framework and has developed a hybrid methodology for EURIBOR. On 28 November 2019, EMMI confirmed it has completed the transitioning of the panel banks from the quote-based EURIBOR methodology to the hybrid methodology.

Following the implementation of any such (potential) reforms (such as changes in methodology or otherwise) or further to other pressures (including from regulatory authorities), (i) the manner of administration of benchmarks may change, with the result that benchmarks may perform differently than in the past, (ii) one or more benchmarks could be eliminated entirely, (iii) it may create disincentives for market participants to continue to administer or participate in certain benchmarks, or (iv) there could be other consequences, including those that cannot be predicted.

Uncertainty as to the continuation of a benchmark, the availability of quotes from reference banks to allow for the continuation of rates on any Covered Bonds, and the rate that would be applicable if the Reference Rate is materially amended or is discontinued, may adversely affect the trading market and the value of and return on any such Covered Bonds. See also the risk factor '*Future discontinuance of EURIBOR or other interest rate benchmarks may affect the value or payment of interest under the Covered Bonds*'.

Moreover, any of the above changes or any other consequential changes to the Reference Rate or any other relevant benchmark, or any further uncertainty in relation to the timing and manner of implementation of such changes could affect the ability of the Issuer to meet its obligations under the Covered Bonds and could have a material adverse effect on the value or liquidity of, and amounts payable under, the Covered Bonds based on or linked to a Reference Rate or other benchmark.

## **2. Future discontinuance of EURIBOR or other interest rate benchmarks may affect the value or payment of interest under the Covered Bonds**

Investors should be aware that, if the Reference Rate has been discontinued or another Benchmark Event (as defined in Condition 5(B)(ii)(c)) has occurred, the rate of interest on Covered Bonds will be determined for the relevant period by the fallback provisions set out in Condition 5(B)(ii)(c) applicable to such Covered Bonds.

The use of the Replacement Reference Rate may result in the Covered Bonds that referenced the Reference Rate performing differently (including potentially paying a lower Interest Rate) than they would do if the Reference Rate were to continue to apply in its current form.

Furthermore, the Conditions provide that the Rate Determination Agent (which may be the Issuer) may vary the Conditions, as necessary to ensure the proper operation of the Replacement Reference Rate, without any requirement for consent or approval of the Covered Bondholders.

The Conditions also provide that an Adjustment Spread may be determined by the Rate Determination Agent to be applied to the Replacement Reference Rate. The aim of the Adjustment Spread is to reduce or eliminate, so far as practicable, any economic prejudice or benefit (as the case may be) to Covered Bondholders as a result of the replacement of the Reference Rate with the Replacement Reference Rate. However, there is no guarantee that such an Adjustment Spread will be determined or applied, or that the application of the Adjustment Spread will either reduce or eliminate economic prejudice to Covered Bondholders. If no Adjustment Spread is determined, the Replacement Reference Rate may nonetheless be used to determine the Interest Rate.

In addition, if a Benchmark Event has occurred, and the Rate Determination Agent for any reason, is unable to determine the Replacement Reference Rate, the Interest Rate may revert to the Interest Rate applicable as at

the last preceding Interest Determination Date before the Benchmark Event occurred, and such Interest Rate will continue to apply until maturity or whenever the Rate Determination Agent is able to determine the Replacement Reference Rate.

If it is not possible to determine a Replacement Reference Rate under Condition 5(B)(ii)(c) or any of the other matters referred to under Condition 5(B)(ii)(c), this could ultimately result in the application of a fixed rate to what was previously a Floating Rate Covered Bond.

In addition, due to the uncertainty concerning the availability of a Replacement Reference Rate, the relevant fallback provisions may not operate as intended at the relevant time. In addition, the Replacement Reference Rate may perform differently from the Reference Rate. For example, several risk free rates are currently being developed, which are overnight rates, while the Reference Rate generally has a certain maturity, for example a term of one, three or six months. Similarly, these risk free rates generally do not carry an implicit element of credit risk of the banking sector, which does form part of the Reference Rate. The differences between the Replacement Reference Rate and the Reference Rate could have a material adverse effect on the value of and return on any such Covered Bonds. Moreover, any of the above matters or any other significant change to the setting or existence of any relevant reference rate could affect the ability of the Issuer to meet its obligations under the Covered Bonds or could have a material adverse effect on the value or liquidity of, and the amount payable under, the Covered Bonds based on or linked to a Reference Rate or other benchmark.

**3. There is a risk that the Rate Determination Agent may be considered an 'administrator' under the Benchmark Regulation**

The Rate Determination Agent may be considered an 'administrator' under the Benchmark Regulation. This is the case if it is considered to be in control over the provision of the Replacement Reference Rate and/or the determined rate of interest on the basis of the Replacement Reference Rate and any adjustments made thereto by the Rate Determination Agent and/or otherwise in determining the applicable rate of interest in the context of a fallback scenario.

The Benchmark Regulation stipulates that each administrator of a benchmark regulated thereunder or the benchmark itself must be registered, authorised, recognised or endorsed, as applicable, in accordance with the Benchmark Regulation. There is a risk that administrators (which may include the Rate Determination Agent in the circumstances as described above) of certain benchmarks will fail to obtain such registration, authorisation, recognition or endorsement, preventing them from continuing to provide such benchmarks, or may otherwise choose to discontinue or no longer provide such benchmark. The Issuer cannot guarantee that it or the Rate Determination Agent will and will be able to timely obtain registration or authorisation to administrate a benchmark, in case the Rate Determination Agent will be considered an administrator under the Benchmark Regulation. This will also affect the possibility for the Rate Determination Agent to apply the fallback provision of Condition 5(B) meaning that the Reference Rate will not be changed pursuant to Condition 5(B) (without prejudice to the applicability of Condition 5(B)(ii)(a) and (b)). This may ultimately result in the effective application of a fixed rate to what was previously a Floating Rate Covered Bond. Other administrators may cease to administer certain benchmarks because of the additional costs of compliance with the requirements of the Benchmark Regulation such as relating to governance and conflict of interest, control frameworks, record-keeping and complaints-handling.

**4. The application of the fallback provisions contained in Condition 5 may lead to a conflict of interest**

The application of the fallback provisions contained in Condition 5 may lead to a conflict of interests of the Issuer and Covered Bondholders including with respect to certain determinations and judgments that the Rate Determination Agent and the Principal Paying Agent may make pursuant to Condition 5 that may influence the amount receivable under the Covered Bonds. The Issuer and/or any of its affiliates may have existing or future business relationships and business interests and may pursue actions and take steps that they or it deems necessary or appropriate to protect its and/or their interests arising therefrom without taking into account the consequences for a Covered Bondholder.

## **E. TAX RISKS REGARDING THE COVERED BONDS**

### **1. Tax consequences of holding the Covered Bonds**

Potential investors and sellers of Covered Bonds should be aware that they may be required to pay stamp taxes or other documentary taxes or fiscal duties or charges in accordance with the laws and practices of the country where the Covered Bonds are transferred or other jurisdictions. In addition, payments of interest on the Covered Bonds, or income derived from the Covered Bonds, may be subject to taxation, including withholding taxes, in the jurisdiction of the Issuer, in the jurisdiction of the holder of Covered Bonds, or in other jurisdictions in which the holder of Covered Bonds is required to pay taxes. Any such tax consequences may have an impact on the net income received from the Covered Bonds.

Prospective investors should carefully consider the tax consequences of investing in the Covered Bonds and consult their own tax adviser about their own tax situation. Finally, potential investors should be aware that tax regulations and their application by the relevant taxation authorities change from time to time, with or without retroactive effect. Accordingly, it is not possible to predict the precise tax treatment which will apply at any given time.

### **2. No Gross-up for Taxes**

As provided in Condition 8 (*Taxation*), if withholding of, or deduction for, or on account of any present or future taxes, duties, assessments or charges of whatever nature are imposed or levied by or on behalf of any Tax Jurisdiction (as defined in Condition 8 (*Taxation*)) on any payments made by the CBC under the Guarantee, the CBC will make the required withholding or deduction of such taxes, duties, assessments or charges for the account of the Covered Bondholders, as the case may be, and shall not be obliged to pay any additional amounts to the Covered Bondholders.

## **RISKS RELATED TO GUARANTOR AND THE GUARANTEE**

### **1. Reliance of the CBC on third parties**

Counterparties to the CBC may not perform their obligations under the Transaction Documents and the Borrowers may not perform with their obligations under the Mortgage Receivables. If, as a consequence of counterparties not performing its obligations *vis-à-vis* the CBC or the Borrowers under the Mortgage Loans, the CBC may not be able to meet its obligations under the Guarantee and this may lead to losses under the Covered Bonds.

If a termination event occurs pursuant to the terms of the Servicing Agreement, then the CBC and/or the Security Trustee will be entitled to terminate the appointment of the Servicer and appoint a new servicer in its place. There can be no assurance that a substitute servicer with sufficient experience of administering residential mortgage loans can be found who would be willing and able to service the Mortgage Receivables on the terms of the Servicing Agreement. Any delay or inability to appoint a substitute servicer may affect the realisable value of the Mortgage Receivables or any part thereof, and/or the ability of the CBC to make payments under the Guarantee. If the CBC cannot meet its obligations under the Guarantee, this may lead to losses under the Covered Bonds.

Covered Bondholders will have no right to consent to or approve of any actions taken by the Servicer under the Servicing Agreement. Neither the Servicer nor other third parties have any obligation themselves to advance payments that Borrowers fail to make in a timely fashion, which may result in the CBC not being able to meet its obligations under the Guarantee. This may lead to losses under the Covered Bonds.

### **2. Limited resources available to the CBC**

The ability of the CBC to meet its obligations under the Guarantee will depend on the receipt by it of funds under the Transferred Assets, the proceeds of the sale of any Transferred Assets, the timing thereof, the receipt by it of payments under the Swap Agreements, if any, and the receipt by it of interest in respect of the balance standing to the credit of the CBC Transaction Accounts and the CBC Back-Up Account. The CBC does not have any other resources available to it to meet its obligations under the Guarantee.

If a CBC Event of Default occurs and the Security is enforced, the proceeds may not be sufficient to meet the claims of all the Secured Creditors, including the Covered Bondholders. If, following enforcement of the Security,

the Secured Creditors have not received the full amount due to them pursuant to the terms of the Transaction Documents, the Secured Creditors will no longer have a claim against the CBC after enforcement of the Security. The Secured Creditors may however still have an unsecured claim against the Issuer for the shortfall.

Covered Bondholders should note that the Asset Cover Test and, after a Notice to Pay, the Amortisation Test has been structured to ensure that (i) the Adjusted Aggregate Asset Amount shall be an amount at least equal to the euro equivalent of the aggregate Principal Amount Outstanding of the Covered Bonds, (ii) the First Regulatory Current Balance Amount shall be at least equal to 105% (or such other percentage as may be required from time to time under the CB Regulations) of the euro equivalent of the aggregate Principal Amount Outstanding of the Covered Bonds, and (iii) the Second Regulatory Current Balance Amount shall be at least equal to 100% (or such other percentage as may be required from time to time under the CB Regulations) of the euro equivalent of the aggregate Principal Amount Outstanding of the Covered Bonds, which should reduce the risk of there being a shortfall. However, there is no assurance that there will not be a shortfall.

### **3. The Guarantee will be solely the obligation of the CBC**

None of the Issuer, the Transferor, the Swap Counterparties, the Servicer, the Administrator, the Back-up Administrator, the Directors, the Paying Agents, the Registrar, the Calculation Agent, the Arranger, the Dealers, the CBC Account Bank, the CBC Back-Up Account Bank, the Insurance Savings Participant, the Bank Savings Participant and the Security Trustee will be under any obligation whatsoever to provide additional funds to the CBC (save in limited circumstances pursuant to the Transaction Documents).

The Guarantee will be solely the obligation of the CBC. The Guarantee will not be an obligation or responsibility of, any other entity or person, in whatever capacity acting, including, without limitation, the Issuer, the Transferor, any Swap Counterparty, the Servicer, the Administrator, the Back-up Administrator, the Directors, the Paying Agents, the Registrar, the Calculation Agent, the Arranger, the Dealers, the CBC Account Bank, the CBC Back-Up Account Bank, the Insurance Savings Participant, the Bank Savings Participant and the Security Trustee. Furthermore, none of the Issuer, the Transferor, the Swap Counterparties, the Servicer, the Administrator, the Back-up Administrator, the Directors, the Paying Agents, the Registrar, the Calculation Agent, the Arranger, the Dealers, the CBC Account Bank, the CBC Back-Up Account Bank, the Insurance Savings Participant, the Bank Savings Participant and the Security Trustee, nor any other person in whatever capacity acting, will accept any liability whatsoever to Covered Bondholders in respect of any failure by the CBC to pay any amounts due under the Guarantee. This may lead to losses under the Covered Bonds.

### **4. Maintenance of Transferred Assets**

Unless a Breach of Asset Cover Test has occurred, the Asset Monitor will test the arithmetic accuracy of the calculations performed by the Administrator in respect of the Asset Cover Test once each year on the Calculation Date immediately preceding each anniversary of the Programme Date and more frequently in certain circumstances as set out in the Asset Monitoring Agreement. Following the service of a Breach of Asset Cover Test Notice (until remedied), the Asset Monitor will be required to test the calculations performed by the Administrator in respect of the Amortisation Test on each Calculation Date. If the collateral value of the Transferred Assets has not been maintained in accordance with the terms of the Asset Cover Test or the Amortisation Test, then that may affect the realisable value of the Transferred Assets or any part thereof (both before and after the occurrence of a CBC Event of Default) and/or the ability of the CBC to make payments under the Guarantee. This may lead to losses under the Covered Bonds.

### **5. Risk regarding cash flows**

For as long as no Assignment Notification Event has occurred and no Breach of Asset Cover Test Notice (which is not remedied), Notice to Pay or CBC Acceleration Notice has been served on the CBC, the Transferor will be entitled to receive and retain the proceeds from the Transferred Assets for its own benefit. In addition, the Issuer will, as consideration for the CBC issuing the Guarantee, pay all costs and expenses of the CBC and make and receive all payments to be made or received by the CBC under any Swap Agreement, the Insurance Savings Participation Agreement, the Bank Savings Participation Agreement and certain other obligations of the CBC. Only upon the earlier to occur of an Assignment Notification Event and service of a Breach of Asset Cover Test Notice (which is not remedied) or a Notice to Pay or CBC Acceleration Notice on the CBC, these rights of the Transferor will terminate and the amounts received by the CBC will be applied in accordance with the relevant Priority of Payments (except that any collateral to be provided by a Swap Counterparty following its downgrade

will be delivered to the CBC irrespective of whether any Assignment Notification Event has occurred or any Breach of Asset Cover Test Notice (which is not remedied) or Notice to Pay or CBC Acceleration Notice has been served at such time) (see further section 18 (*Cashflows*)). Prior to such moment, the CBC will receive only limited funds. This may affect the ability of the CBC to make payments under the Guarantee and may lead to losses under the Covered Bonds.

## **6. Sale or refinancing of Selected Mortgage Receivables**

If the CBC is required to pay under the Guarantee, the CBC will undertake its best efforts to sell or refinance Selected Mortgage Receivables (selected on a random basis) in order to make funds available to the CBC to make payments to the CBC's creditors including to make payments under the Guarantee.

There is no guarantee that a buyer will be found for the Selected Mortgage Receivables nor assurance as to the price which may be obtained, which may affect payments under the Guarantee. In addition, the CBC will not be permitted to give warranties or indemnities in respect of Selected Mortgage Receivables (unless expressly permitted to do so by the Security Trustee). There is no assurance that the Transferor would give any warranties or representations in respect of the Selected Mortgage Receivables. Any Representations or Warranties previously given by the Transferor in respect of the relevant Mortgage Receivables may not have value for a third party purchaser if the Transferor is then subject to any insolvency proceedings. Accordingly, there is a risk that the realisable market value of the Selected Mortgage Receivables could be adversely affected by the lack of representations and warranties which in turn could adversely affect the ability of the CBC to meet its best efforts undertaking under the Guarantee. This may lead to losses under the Covered Bonds.

## **7. Not all risks are deducted from the Asset Cover Test and/or the Amortisation Test**

The tests included in the Asset Cover Test and the Amortisation Test are composed of multiple tests, however, not all of these tests provide for deduction of all the risks that are described in this Base Prospectus. In particular certain set-off risks and other risks which are deducted from the Adjusted Aggregate Asset Amount are not deducted for the purpose of the calculation of the First Regulatory Current Balance Amount and the Second Regulatory Balance Amount. Therefore, the First Regulatory Current Balance Amount and the Second Regulatory Balance Amount do not include a deduction in respect of these risks. Therefore, where in the risk factors it is stated that such risks are to be deducted from the Asset Cover Test and/or the Amortisation Test, this means that these will be deducted from the Adjusted Aggregate Asset Amount and/or Amortisation Test Aggregate Asset Amount and does not mean that these are deducted from the First Regulatory Current Balance Amount and the Second Regulatory Balance Amount. Furthermore, not all risks in relation to the Transferred Assets are provided for in the Asset Cover Test and/or the Amortisation Test (see section 16 (*Asset Monitoring*)). This could lead to losses under the Transferred Assets in case such risks materialise and, consequently, the CBC may not be able to meet its obligations under the Guarantee. This may lead to losses under the Covered Bonds.

## **8. Risks under the Guarantee relating to Covered Bonds becoming Pass-Through Covered Bonds**

If any amount of principal on a Series of Covered Bonds remains unpaid on its Maturity Date, such Series of Covered Bonds will become Pass-Through Covered Bonds. Under the Guarantee the CBC will on each CBC Payment Date be required to utilise all amounts available for such purpose to redeem all Pass-Through Covered Bonds on a *pro rata* basis. If an Issuer Event of Default has occurred and a Breach of Amortisation Test Notice has been served, all Covered Bonds will become Pass-Through Covered Bonds. If as a result of the occurrence of such events all Covered Bonds become Pass-Through Covered Bonds, there is a risk that Covered Bondholders of Covered Bonds with a Maturity Date after such date, receive principal repayments prior to their Maturity Date and therefore earlier than expected, which may result in a lower yield on such Covered Bondholders' investment than expected and/or such Covered Bondholders may not be able to reinvest such received principal repayments at an effective interest rate as high as the interest rate on the Covered Bonds being redeemed.

With respect to Pass-Through Covered Bonds in respect of which any amount of principal has remained unpaid on the Maturity Date, there is a risk that, as a consequence of all Covered Bonds becoming Pass-Through Covered Bonds, the speed of repayment of such Pass-Through Covered Bonds will be reduced, because the available funds for repayment will be divided *pro rata* with respect to all Covered Bonds and not only those that have matured. In such case, it is likely that the repayment of such Covered Bonds will take longer and not at the moment Covered Bondholders anticipated to receive payments.

## **9. Extendable obligations under the Guarantee**

If the CBC is obliged under the Guarantee to pay a Guaranteed Final Redemption Amount and has insufficient funds available under the relevant Priority of Payments to pay such Guaranteed Final Redemption Amount in full, then the obligation of the CBC to pay such Guaranteed Amounts shall automatically be deferred to the relevant Extended Due for Payment Date. However, to the extent the CBC has sufficient moneys available to pay in part the Guaranteed Final Redemption Amount in respect of the relevant Series of Covered Bonds, the CBC shall make such partial payment in accordance with the relevant Priority of Payments, as described in Condition 3 (*The Guarantee*), on each CBC Payment Date falling prior to the relevant Extended Due for Payment Date. Payment of the unpaid amount shall be deferred automatically up to the applicable Extended Due for Payment Date. An Extended Due for Payment Date will fall thirty-two (32) years after the relevant Maturity Date (or after the Optional Redemption Date if the CBC has declared that the relevant Covered Bonds then outstanding will mature on such Optional Redemption Date). Interest will continue to accrue and be payable on the unpaid Guaranteed Final Redemption Amount on the basis set out in the applicable Final Terms or, if not set out therein, Condition 5 (*Interest*), applies *mutatis mutandis*. Except where the CBC has failed to apply amounts in accordance with the relevant Priority of Payments in accordance with Condition 3 (*The Guarantee*), failure by the CBC to pay the relevant Guaranteed Final Redemption Amount on the relevant CBC Payment Date or any subsequent CBC Payment Date falling prior to the relevant Extended Due for Payment Date (or the relevant later date in case of an applicable grace period) shall not constitute a CBC Event of Default. However, failure by the CBC to pay any Guaranteed Final Redemption Amount or the balance thereof, as the case may be, on the relevant Extended Due for Payment Date and/or pay any other amount due under the Guarantee will (subject to any applicable grace period) constitute a CBC Event of Default. Therefore, Covered Bondholders may not receive payments at the moment they anticipated to receive payments and these payments may not cover all amounts Covered Bondholders may expect to receive.

## **10. The CBC is only obliged to pay Guaranteed Amounts when the same are Due for Payment**

The CBC has no obligation to pay the Guaranteed Amounts payable under the Guarantee until service by the Security Trustee on the Issuer of an Issuer Acceleration Notice and on the CBC of a Notice to Pay, or, if earlier, on the Issuer and the CBC of a CBC Acceleration Notice.

The CBC will not be obliged to pay any other amounts than the Guaranteed Amounts to the Covered Bondholders. Payments by the CBC will be made subject to any applicable withholding or deduction for or on account for tax and the CBC will not be obliged to pay any additional amounts as a consequence.

A Notice to Pay can only be served if an Issuer Event of Default occurs and results in the service by the Security Trustee of an Issuer Acceleration Notice on the Issuer. A CBC Acceleration Notice can only be served if a CBC Event of Default occurs.

Following the service of an Issuer Acceleration Notice on the Issuer, a Notice to Pay shall be served by the Security Trustee on the CBC. However, a failure by the Issuer to make a payment in respect of one or more Series will not automatically result in the service of an Issuer Acceleration Notice. The Security Trustee may, but is not obliged to, serve an Issuer Acceleration Notice unless and until requested or directed by Covered Bondholders of all Series then outstanding.

If a Breach of Asset Cover Test Notice is served by the Security Trustee on the CBC following a Breach of Asset Cover Test, the CBC will not be obliged to make payments under the Guarantee until (a) an Issuer Event of Default has occurred and a Notice to Pay have been served or (b) a CBC Event of Default has occurred and a CBC Acceleration Notice has been served.

Following service of a Notice to Pay on the CBC (provided no CBC Acceleration Notice has been served) under the terms of the Guarantee the CBC will be obliged to pay Guaranteed Amounts as and when the same are Due for Payment. Such payments will be subject to and will be made in accordance with the CBC Priority of Payments. In these circumstances, other than the Guaranteed Amounts the CBC will not be obliged to pay any amount, for example in respect of broken funding indemnities, penalties, premiums, default interest or interest on interest which may accrue on or in respect of the Covered Bonds.

Subject to applicable grace periods, if the CBC fails to make a payment when Due for Payment under the Guarantee or any other CBC Event of Default occurs then the Security Trustee may accelerate the Covered

Bonds (to the extent not yet accelerated) by service of a CBC Acceleration Notice, whereupon the CBC will under the Guarantee owe the Early Redemption Amount of each Covered Bond, together with accrued interest and certain other amounts then due under the Covered Bonds. Following service of a CBC Acceleration Notice, the Security Trustee may enforce the Security. The proceeds of enforcement of the Security shall be applied by the Security Trustee in accordance with the Post CBC Acceleration Notice Priority of Payments, and Covered Bondholders will receive amounts from the CBC on an accelerated basis. Without limitation, if a CBC Acceleration Notice is served on the CBC, then the Covered Bonds may be repaid sooner or later than expected or not at all.

Therefore, Covered Bondholders may not receive payments at the moment it expects to receive payments and these payments may not cover all payments Covered Bondholders may expect to receive.

#### **11. Effectiveness of the rights of pledge to the Security Trustee in case of insolvency of the CBC**

Under or pursuant to the Pledge Agreements, various rights of pledge will be granted by the CBC to the Security Trustee. On the basis of these pledges the Security Trustee can exercise the rights afforded by Dutch law to pledgees notwithstanding bankruptcy or suspension of payments of the CBC. The CBC is a special purpose vehicle and is therefore unlikely to become insolvent. However, any bankruptcy or suspension of payments involving the CBC would affect the position of the Security Trustee as pledgee and, subsequently, the Covered Bondholders, in some respects, the most important of which are: (i) payments made by the Borrowers to the CBC prior to notification of the relevant pledge but after bankruptcy or suspension of payments granted in respect of the CBC the amounts so paid will be part of the estate of the CBC, although the Security Trustee has the right to receive such amounts by preference after deduction of certain costs, (ii) a mandatory 'cool-off' period of up to four (4) months may apply in case of bankruptcy and in case of suspension of payments involving the CBC, which, if applicable, would delay the exercise of the right of pledge on the Transferred Assets and other assets pledged to the Security Trustee and (iii) the Security Trustee may be obliged to enforce its right of pledge within a reasonable period following bankruptcy if so requested by the liquidator and as determined by the judge-commissioner (*rechter-commissaris*) appointed by the court in case of bankruptcy of the CBC. Similar or different restrictions may apply in case of insolvency proceedings other than Dutch insolvency proceedings. Therefore, the Security Trustee may have insufficient funds available to fulfil the CBC's payment obligations under the Covered Bonds. This may lead to losses under the Covered Bonds.

To the extent the receivables pledged by the CBC to the Security Trustee are future receivables, the right of pledge on such future receivables cannot be invoked against the estate of the CBC if such future receivable comes into existence after 00:00 hours on the date on which the CBC has been declared bankrupt or has been granted a suspension of payments. The CBC has been advised that some of the assets pledged to the Security Trustee under the Security Trustee Rights Pledge Agreement should probably be regarded as future receivables. This would for example apply to amounts paid to the CBC Transaction Accounts following the CBC's bankruptcy or suspension of payments. With respect to Beneficiary Rights, reference is made to the section '*Risks related to Beneficiary Rights under the Insurance Policies*' below. In such case such amounts will not be available for distribution. This may lead to losses under the Covered Bonds.

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

Under Dutch law it is uncertain whether a security right can be validly created in favour of a party which is not the creditor of the claim which the security right purports to secure. Consequently, in order to secure the valid creation of the pledges under the Pledge Agreements in favour of the Security Trustee, the CBC has in the Parallel Debt Agreement, as a separate and independent obligation, by way of parallel debt, undertaken to pay to the Security Trustee amounts equal to the amounts due by it to the Secured Creditors. There is no statutory law or case law available on the concept of parallel debts such as the Parallel Debt and the question arises whether a parallel debt constitutes a valid basis for the creation of security rights, such as rights of pledge (see also '*Security*' below). However, the CBC has been advised that a parallel debt, such as the Parallel Debt, creates a claim of the Security Trustee thereunder which can be validly secured by a right of pledge such as the rights of pledge created by the Pledge Agreements. If, in spite of the above, the Parallel Debt does not constitute a valid basis for the creation of security rights as included in the Pledge Agreements, the proceeds of the pledges under the Pledge Agreements will not be available for distribution by the Security Trustee to the Secured Creditors (including the Covered Bondholders) and therefore the Security Trustee may have insufficient funds available to it to fulfil the CBC's payment obligations under the Covered Bonds. This may result in losses under the Covered Bonds.

The Security Trustee is a special purpose vehicle and is therefore unlikely to become insolvent. The Security

Trustee acts solely as security trustee for the purpose of this Programme. Any payments in respect of the Parallel Debt and any proceeds received by the Security Trustee are, in the case of an insolvency of the Security Trustee, not separated from the Security Trustee's other assets and as such will form part of the Security Trustee's estate. The Secured Creditors therefore have a credit risk on the Security Trustee, which could lead to losses under the Covered Bonds.

**13. Risks in relation to negative interest rates on the CBC Transaction Accounts and the CBC Back-Up Account**

Pursuant to the CBC Account Agreement and the CBC Back-Up Account Agreement the interest rate accruing on the balances standing to the credit of any of the CBC Transaction Accounts and the CBC Back-Up Account, respectively, could be less than zero in case EONIA is below, equal to or just above zero. Any negative interest will be payable by the CBC to the CBC Account Bank or the CBC Back-Up Account Bank, as the case may be. If the CBC has the obligation to pay interest accruing on the balances standing to the credit of any of the CBC Transaction Accounts to the CBC Account Bank or the CBC Back-Up Account to the CBC Back-Up Account Bank instead of receiving interest thereon, this will reduce the income of the CBC and its possibility to generate further income on the assets held in the form of cash in the CBC Transaction Accounts and/or the CBC Back-Up Account. This risk increases if the amount deposited on the CBC Transaction Accounts and/or CBC Back-Up Account becomes (more) substantial. Ultimately, such negative interest rate and/or an enduring obligation of the CBC to make such payments in respect thereof to the CBC Account Bank and/or the CBC Back-Up Account Bank could result in the CBC having insufficient funds to pay any amounts due under the Guarantee to Covered Bondholders. This may lead to losses under the Covered Bonds.

**RISK FACTORS REGARDING THE MORTGAGE RECEIVABLES, SET-OFF AND SECURITY RIGHTS**

**A. RISKS REGARDING THE PAYMENTS UNDER THE MORTGAGE RECEIVABLES TRANSFERRED TO THE CBC**

**1. Risk related to payments received by the Transferor prior to notification to the Borrowers of the assignment to the CBC**

Under Dutch law, assignment of legal title to claims, such as the Eligible Receivables, can be effectuated by means of a notarial deed of assignment or a deed of assignment and registration thereof with the appropriate tax authorities, without notification of the assignment to the debtors being required (*stille cessie*). The legal title of the Mortgage Receivables will be assigned by the Transferor to the CBC through a deed of assignment and registration thereof with the appropriate tax authorities. The Guarantee Support Agreement will provide that the assignment of the Mortgage Receivables by the Transferor to the CBC will not be notified by the Transferor or, as the case may be, the CBC to the Borrowers except if certain events occur.

Until notification of the assignment has been made to the Borrowers, the Borrowers under the Mortgage Receivables can only validly pay to the Transferor in order to fully discharge their payment obligations (*bevrijdend betalen*) in respect thereof.

Payments made by Borrowers to the Transferor prior to notification of the assignment to the CBC but after bankruptcy or (preliminary) suspension of payments in respect of the Transferor having been declared will be part of the Transferor's estate. In respect of these payments, the CBC will be a creditor of the estate (*boedelschuldeiser*) and will receive payment prior to (unsecured) creditors with ordinary claims, but after preferred creditors of the estate and after deduction of the general bankruptcy costs (*algemene faillissementskosten*), which may be material. As a result thereof, the CBC may have insufficient funds available to fulfil its payment obligations under the Covered Bonds and this may result in losses under the Covered Bonds.

**2. Risks related to payments received by the Collection Foundation**

Each Borrower has given a power of attorney to the Transferor or any sub agent of the Transferor respectively to collect amounts from his account due under the Mortgage Loan by direct debit. Under the Receivables Proceeds Distribution Agreement, the Transferor undertakes to direct all amounts of principal and interest to the Collection Foundation Accounts maintained by the Collection Foundation (in its own name). The Collection Foundation Accounts are held with ABN AMRO Bank N.V. and ING Bank N.V. as foundation accounts providers. As a

consequence, the Collection Foundation has a claim against ABN AMRO Bank N.V. and/or ING Bank N.V. in respect of the balances standing to credit of the Collection Foundation Accounts.

The CBC has been advised that in the event of a bankruptcy of the Transferor any amounts standing to the credit of the Collection Foundation Accounts relating to the Mortgage Receivables will not form part of the bankruptcy estate of the Transferor. The Collection Foundation is set up as a special purpose bankruptcy remote foundation (*stichting*). The objectives clause of the Collection Foundation is limited to collecting, managing and distributing amounts received on the Collection Foundation Accounts to the persons who are entitled to receive such amounts pursuant to the Receivables Proceeds Distribution Agreement.

Upon receipt of such amounts, the Collection Foundation will distribute to the CBC or, after the Enforcement Date, to the Security Trustee any and all amounts relating to the Mortgage Receivables received by it on the Collection Foundation Accounts, in accordance with the relevant provisions of the Receivables Proceeds Distribution Agreement. Pursuant to the Receivables Proceeds Distribution Agreement, the Transferor and after an insolvency event relating to the Transferor, a new administrator appointed for such purpose, will perform such payment transaction services on behalf of the Collection Foundation.

The Transferor has under the Receivables Proceeds Distribution Agreement undertaken towards the CBC and the Security Trustee not to amend the payment instructions and not to redirect cash flows to the Collection Foundation Accounts in respect of the Mortgage Receivables to another account, without prior approval of the CBC and the Security Trustee. In addition, Achmea Bank in its capacity as administrator for the Collection Foundation has undertaken in the Receivables Proceeds Distribution Agreement to disregard any instructions or orders from the Transferor to cause the transfer of amounts in respect of the Mortgage Receivables to be made to another account than the Collection Foundation Accounts without prior approval of each of the Collection Foundation, the CBC and the Security Trustee. In addition, the Transferor is obliged to pay to the CBC, any amounts which were not paid on the Collection Foundation Accounts but to the Transferor directly and this may result in losses under the Covered Bonds.

However, there is a risk that the Transferor (prior to notification of the assignment) or its liquidator (following bankruptcy or suspension of payments but prior to notification) instructs the Borrowers to pay to another bank account. Any such payments by a Borrower would be valid (*bevrijdend*) and the CBC will not receive such payments. As a result, the CBC may have insufficient funds available to fulfil its payment obligations under the Covered Bonds and this may result in losses under the Covered Bonds.

### **3. Risk that the amounts collected pursuant to the pledge on the Collection Foundation Accounts are not distributed as agreed**

The balance standing to the credit of the Collection Foundation Accounts will be pledged to the Security Trustee, the CBC, the Previous Outstanding Transaction SPVs and the Previous Outstanding Transaction Security Trustees by the Collection Foundation as security for, *inter alia*, any and all liabilities of the Collection Foundation to, respectively, the Security Trustee, the CBC, the Previous Outstanding Transaction SPVs and the Previous Outstanding Transaction Security Trustees in view of the (remote) bankruptcy risk of the Collection Foundation. The pledge is shared with between the Security Trustee and the Previous Outstanding Transaction Security Trustees and the CBC and the Previous Outstanding Transaction SPVs, most of which are set up as bankruptcy remote securitisation special purpose vehicles. Each Previous Outstanding Transaction Security Trustee and the Security Trustee will have a certain *pari passu* ranking undivided interest, or "share" (*aandeel*) in the co-owned pledge, entitling it to part of the foreclosure proceeds of the pledge over the Collection Foundation Accounts. As a consequence, the rules applicable to co-ownership (*gemeenschap*) apply to the joint right of pledge. The share of the Security Trustee will be determined on the basis of the amounts in the Collection Foundation Accounts relating to the Mortgage Receivables owned by the CBC. Section 3:166 of the Dutch Civil Code provides that co-owners will have equal shares, unless a different arrangement follows from their legal relationship. The co-pledgees have agreed that each pledgee's share within the meaning of section 3:166 of the Dutch Civil Code (*aandeel*) in respect of the balances of the Collection Foundation Accounts from time to time is equal to their entitlement in respect of the amounts standing to the credit of the Collection Foundation Accounts which relate to the mortgage receivables owned and/or pledged to them from time to time. In case of foreclosure of the co-owned right of pledge on the Collection Foundation Accounts (i.e. if the Collection Foundation defaults in forwarding or transferring the amounts received by it; as agreed), the proceeds will be divided according to each Previous Outstanding Transaction Security Trustee's and the Security Trustee share. It is uncertain whether this sharing arrangement constitutes a sharing arrangement within the meaning of section 3:166 of the Dutch Civil Code and

thus whether it is enforceable in the event of bankruptcy or suspension of payments of one of the pledgees. The same applies to the pledge for the CBC and the Previous Outstanding Transaction SPVs. However, the CBC has been advised that the insolvency of the Collection Foundation would not affect this arrangement. In this respect it has been agreed that in case of a breach by a party of its obligations under the abovementioned pledge agreements or if such agreements are dissolved, void, nullified or ineffective for any reason in respect of such party, such party shall compensate the other parties forthwith for any and all loss, costs, claim, damage and expense whatsoever which such party incurs as a result hereof. The Collection Foundation Accounts Pledge Agreement provides that future SPVs (and any security trustees) in securitisation transactions and future vehicles in conduit transactions or similar transactions (and any security trustees relating thereto) initiated by the Transferor will also have the benefit of the right of pledge on the balance standing to the credit of the Collection Foundation Accounts. If the amounts collected pursuant to the pledge on the Collection Foundation Accounts are not distributed as agreed, the Security Trustee and the CBC may have less amounts available for distribution to the Secured Creditors (including the Covered Bondholders), which may result in losses under the Covered Bonds.

#### **4. Risks in respect of interest rate reset rights**

The interest rate of each of the Mortgage Loans is to be reset from time to time. The CBC has been advised that a good argument can be made that the right to reset the interest rate on the Mortgage Loans should be considered as an ancillary right and follows the Mortgage Receivables upon their assignment to the CBC and the pledge to the Security Trustee, but that in the absence of case law or legal literature this is not certain. If the interest reset right remains with the Transferor, the co-operation of the bankruptcy trustee would be required to reset the interest rates who will be bound by the contractual provisions relating to the reset of interest rates and any applicable law (including, without limitation, applicable principles of reasonableness and fairness) and regulations. To the extent that the interest rate reset right passes upon the assignment of the Mortgage Receivables to the CBC or upon the pledge of the Mortgage Receivables to the Security Trustee, such assignee or pledgee will also be bound by the contractual provisions relating to the reset of interest rates and any applicable law (including, without limitation, applicable principles of reasonableness and fairness) and regulations.

#### **5. Risk regarding to novation of Avéro Mortgage Loan on the interest rate reset date**

Furthermore, in the Mortgage Conditions of Avéro Hypotheken B.V., relating to Mortgage Loans originated prior to 1 January 2003 it is provided that, depending on the applicable terms, three (3) months or one (1) month prior to the interest rate reset date the Mortgage Loan (the Mortgage Conditions refer to the mortgage, but probably the Mortgage Loan is meant and not the mortgage right) will be terminated. This wording could be interpreted to mean that at the interest rate reset date the Mortgage Loan is novated (*schuldvernieuwing*), although a more likely interpretation is that the Mortgage Loan will terminate, unless extended by the Transferor and the Borrower. If novation would take place, this would mean that a new receivable would be created and the Mortgage Loan should be considered to be prepaid, but the relevant All Moneys Mortgage would then secure the new receivable (which, for the avoidance of doubt, is not held by the CBC). The Transferor has advised the CBC that the approach adopted by the Transferor in practice when administering these Mortgage Loans is (i) to treat each Mortgage Loan (and related mortgage security) as being extended (and not novated or terminated) on an interest rate reset date and to only treat a Mortgage Loan (but not the related mortgage security) as being terminated on an interest reset date where a Borrower has not agreed to the rate offered by the Transferor and (ii) to require each Borrower to accept the new interest rate and period in writing prior to the interest rate reset date. The Transferor has been advised by its internal legal counsel that this approach is consistent with the proper and reasonable interpretation of the Mortgage Conditions of the Transferor (including Avéro Hypotheken B.V. as its legal predecessor). In addition, the Transferor has advised the CBC that in practice the Transferor has not encountered any claim by any Borrower which conflicts with the approach described above. Furthermore, in the Guarantee Support Agreement the Transferor has undertaken to request a retransfer of (i) all Mortgage Receivables resulting from Mortgage Loans originated by Avéro Hypotheken B.V. on the Mortgage Collection Payment Date immediately following the date on which a Netherlands court has ruled in respect of such a Mortgage Receivable that, upon an interest rate reset thereof, the Mortgage Loan is novated and/or (ii) a Mortgage Receivable in case the relevant Borrower takes the position that the Mortgage Loan has been novated on the immediately succeeding Mortgage Collection Payment Date, or if the Mortgage Loan is considered to be prepaid, pay to the CBC an amount equal to the Outstanding Principal Amount of the relevant Mortgage Receivable which was outstanding immediately prior to such prepayment. The value of this obligation will, however, depend on the Transferor complying with its obligations. If the Transferor does not comply with such obligation and the CBC has no claim against the Borrower as a consequence of such novation, the CBC may have insufficient funds to pay any amounts due under the Guarantee, which may lead to losses under the Covered Bonds.

## **6. Risk related to increase of prepayments and downward effect of interest received in case of interest rate averaging**

The rate of prepayment of Mortgage Loans is influenced by a wide variety of economic, social and other factors, including prevailing market interest rates, changes in tax laws (including but not limited to amendments to mortgage interest tax deductibility), local and regional economic conditions and changes in Borrower's behavior (including but not limited to home owner mobility). Currently the market interest rates are low compared to the historic average mortgage interest rates, this may lead to an increase in the rate of prepayments of the Mortgage Loans. No assurance can be given as to the level of prepayment that the Mortgage Loans granted may experience, and variation in the rate of prepayments of principal on the Mortgage Loans may affect the timing of the payments of the CBC under the Guarantee. A prepayment penalty may also be charged in case the borrower applies for interest rate averaging (*rentemiddeling*), as further described below.

Pursuant to the entry into force of the Mortgage Credit Directive on 14 July 2016, prepayment penalties may not exceed the financial loss incurred by the provider of the mortgage loan. In view of the new regulation the AFM investigated the calculation method for, and the prepayment penalties charged by different providers of mortgage loans. As a result, the AFM published guidelines on 20 March 2017 with principles for calculating the prepayment penalty that may be charged in case of a prepayment of a mortgage loan (*Leidraad Vergoeding voor vervroegde aflossing van de hypotheek*).

The Transferor allows borrowers to apply for interest rate averaging (*rentemiddeling*). In case of interest rate averaging (*rentemiddeling*) a borrower of a mortgage loan is offered a new fixed interest rate whereby the (agreed-upon) fixed interest will be reduced taking into account the current interest rate offered by such offeror for the relevant period, the risk profile and the prepayment penalty for the fixed interest period. It should be noted that interest rate averaging (*rentemiddeling*) may have a downward effect on mortgage interest rates received by the Transferor and/or the CBC.

Although the aforementioned AFM guidelines do not directly apply to interest rate averaging, the AFM expects providers of mortgage loans to act in the best interest of the borrower. Furthermore, the AFM announced that it will investigate whether providers of mortgage loans always act in accordance with the borrowers' interest. In this respect, the AFM could decide to argue for adjustment of the legislation concerning interest rate averaging.

## **7. Risk related to automatically adjustment of interest rates of Mortgage Loans**

In 2017, the *Centraal Beheer Thuis Hypotheek* label was introduced. One of the features of the *Centraal Beheer Thuis Hypotheek* label is that the interest rate is automatically adjusted downward if a certain loan-to-value (LTV) is met. Such LTV is calculated on the basis of the original market value of the property unless the borrower provides a valuation report with a higher market value. Automated property valuations (by Calcasa) do not trigger automatic adjustments of the interest rates. Downward LTV adjustments can also be achieved by contractual redemptions and additional redemptions made under the mortgage loans.

No automatic adjustments of the interest rates are made for mortgage loans originated under the Issuer's *Woonfonds* label. Currently under the *Woonfonds* label, a borrower's interest rate is reassessed at the end of the fixed rate period of the mortgage or when additional redemptions are made by the borrower.

An adjustment of the interest rates may have a downward effect on mortgage interest rates received by the Transferor and/or the CBC.

## **8. Reduced value of investments may affect the proceeds under certain types of Mortgage Loans**

The value of investments made under the Investment Mortgage Loans or by the Insurance Companies in connection with the Life Insurance Policies may not be sufficient for the Borrower to fully redeem the related Mortgage Receivables at its maturity, which could lead, depending on the value of the Mortgage Assets and other financial assets of such Borrower, if any, to a loss in respect of such Mortgage Receivables and/or the CBC having insufficient funds to pay its liabilities in full. This may lead to losses under the Covered Bonds.

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

Payments on the Mortgage Receivables are subject to credit, liquidity and interest rate risks and will generally vary in response to, among other things, market interest rates, general economic conditions, the financial standing of Borrowers and other similar factors. Other factors such as loss of earnings, illness, divorce and other similar factors may lead to an increase in delinquencies and bankruptcy filings by Borrowers and could ultimately have an adverse impact on the ability of Borrowers to repay their Mortgage Receivables.

## **B. SET-OFF RISKS AND OTHER DEFENCES THAT MAY AFFECT THE PROCEEDS RECEIVED UNDER THE MORTGAGE RECEIVABLES**

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

Under Dutch law and unless such right has been validly waived a debtor has a right of set-off if it has a claim that is due and payable which corresponds to its debt owed to the same counterparty and it is entitled to pay its debt as well as to enforce payment of its claim.

Subject to these requirements being met, each Borrower will be entitled to set off amounts due by the Transferor to it (if any) with amounts it owes in respect of the Mortgage Receivable prior to notification of the assignment of the Mortgage Receivable to the CBC having been made. Such amounts due and payable by the Transferor to a Borrower could, *inter alia*, result from current account balances or deposits made with the Transferor by a Borrower. Also such claim of a Borrower could, *inter alia*, result from (investment) services rendered by the Transferor or for which it is held liable. As a result of the set-off of amounts due and payable by the Transferor to the Borrower with amounts the Borrower owes in respect of the Mortgage Receivable, the Mortgage Receivable will, partially or fully, be extinguished (*gaat teniet*). Set-off by Borrowers could thus affect the proceeds under the Mortgage Receivables and as a result lead to losses under the Covered Bonds.

After assignment of the Mortgage Receivables to the CBC and notification thereof to a Borrower, such Borrower will also have set-off rights *vis-à-vis* the CBC, provided that the legal requirements for set-off are met (see above) and further provided that (i) the counterclaim of the Borrower against the Transferor results from the same legal relationship as the Mortgage Receivable, or (ii) the counterclaim of the Borrower has been originated (*opgekomen*) and become due and payable (*opeisbaar*) prior to the assignment of the Mortgage Receivable and notification thereof to the relevant Borrower. The question whether a court will come to the conclusion that the Mortgage Receivable and the claim of the relevant Borrower against the Transferor result from the same legal relationship will depend on all relevant facts and circumstances involved. But even if these would be held to be different legal relationships, set-off will be possible if the counterclaim of the Borrower has originated (*opgekomen*) and become due and payable (*opeisbaar*) prior to notification of the assignment, provided that all other requirements for set-off have been met (see above). A balance on a current account is due and payable at any time and, therefore, this requirement will be met. With respect to deposits it will depend on the terms of the deposit whether the balance thereof will be due and payable (*opeisbaar*) at the moment of notification of the assignment. The Transferor may have a savings relationship, current accounts or other account relationships with the Borrower or may have such relationship in the future.

In relation to the savings mortgage loans at least one consumer organisation has argued that the risk premium included in the mortgage loan interest rates for these mortgage loans should not have been charged and/or should have taken into account the built-up savings premiums and, therefore, the interest rates charged are too high. In view of these organisations, borrowers should be compensated for such overpaid interest amounts. At the date of this Base Prospectus, it is not clear if or when claims actually will be made by such consumer organisations and/or borrowers and whether these claims might be successful. However, if such claim is upheld in court and the Transferor is required to pay to a Borrower any interest that is deemed to be overpaid and the Transferor does not pay such amount, such Borrower would be allowed to set-off such claim with amounts it owes in respect of the Mortgage Receivable subject to the conditions for set-off (as set out above) are met. Set-off by Borrowers could affect the proceeds under the Mortgage Receivables and as a result lead to losses under the Covered Bonds.

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

to the bankruptcy becoming effective.

The Guarantee Support Agreement provides that if, following the occurrence of an Assignment Notification Event or the service of a Notice to Pay or a CBC Acceleration Notice, (i) a Borrower invokes a right to set-off amounts due by the Transferor to it with the relevant Mortgage Receivable and (ii) as a consequence thereof the CBC or, as the case may be, the Security Trustee does not receive the full amount due in respect of such Mortgage Receivable, the Transferor shall forthwith pay to the CBC or, as the case may be, the Security Trustee, an amount equal to the difference between the amount which the CBC or, as the case may be, the Security Trustee, would have received in respect of the relevant Mortgage Receivable if no set-off had taken place and the amount actually received by the CBC or, as the case may be, the Security Trustee, in respect of such relevant Mortgage Receivable. Receipt of such amounts by the CBC or, as the case may be, the Security Trustee, is subject to the ability of the Transferor to actually make such payments. If the Transferor would not meet its obligations under the Guarantee Support Agreement, set-off by Borrowers could lead to losses under the Covered Bonds.

For specific set-off issues relating to the Life Mortgage Loans, Savings Mortgage Loans and/or, as the case may be, Bank Savings Mortgage Loans, reference is made to '*Risk of set-off or defences by Borrowers in the event of an insolvency of Insurance Companies*' and '*Risks related to offering of Life Insurance Policies and Investment Mortgage Loans*'.

## **2. Set-off risks regarding Avéro Hypotheken B.V. and FBTO Hypotheken B.V.**

The Transferor shall pursuant to the Guarantee Support Agreement represent and warrant that according to the conditions applicable to the Mortgage Loans originated by (i) Avéro Hypotheken B.V. and FBTO Hypotheken B.V. and (ii) the Transferor after 1 January 2003, payments by the Borrowers should be made without set-off. Considering the wording of this provision, it is uncertain whether this clause is intended as a waiver by the relevant Borrowers of their set-off rights *vis-à-vis* the Transferor. In addition, under Dutch law it is uncertain whether such waiver will be valid. A provision in general conditions is voidable (*vernietigbaar*) if the provision is deemed to be unreasonably onerous (*onredelijk bezwarend*) for the party against whom the general conditions are used. A clause containing a waiver of set-off rights is, subject to proof to the contrary, assumed to be unreasonably onerous if the party, against which the general conditions are used, does not act in the conduct of its profession or trade (i.e. a consumer). Should the waiver be invalid and in respect of any of the other Mortgage Loans which do not contain such waiver, the Borrowers may be entitled to set off amounts due by the Transferor. Set-off by Borrowers could affect the proceeds under the Mortgage Receivables and as a result lead to losses under the Covered Bonds.

## **3. Set-off risks in relation to Employee Mortgage Loans**

In respect of Mortgage Loans granted by the Transferor to any employees within the group within the meaning of article 2:24b of the Dutch Civil Code of Achmea B.V. ("**Employee Mortgage Loans**"), whereby the Borrower is also an employee of the Transferor, such Borrower has set-off rights *vis-à-vis* the CBC for claims resulting from its employment relationship, provided that the conditions for set-off after notification of assignment, set out above, are met. Consequently, counterclaims resulting from the employment relationship which have become due prior to notification, can be set-off against the Mortgage Receivable. For counterclaims which are not due at the time of notification, the question is whether the counterclaim results from the same legal relationship as the Employee Mortgage Loan. The CBC has been informed by the Transferor that the employees within the Achmea Group have the right to a reduced interest rate on a mortgage loan taken out with the Transferor as part of their employment conditions. On this basis it could be argued that the Employee Mortgage Loan is part of the employment relationship and could on this basis be regarded as resulting from the same legal relationship.

However, the CBC has been advised that the better view is that the Employee Mortgage Loan and the employment relationship should not be regarded as the same legal relationship, since the CBC has been informed by the Transferor that (i) the only connection between the Employee Mortgage Loan and the employment relationship is the right to reduced interest on the Employee Mortgage Loan and (ii) no actual set-off of amounts due under the Employee Mortgage Loan with salary payments is agreed or actually effectuated. There is however no case law or literature supporting this view. If an Employee Mortgage Loan is granted by the Transferor to a Borrower which is also an employee of an entity within the Achmea Group, other than the Transferor, the requirement for set-off that the debtor has a claim and a corresponding debt to the same counterparty is not met. There may be circumstances, however, which could lead to set-off or other defences being successful in such circumstances. Set-off by Borrowers could affect the proceeds under the Mortgage Receivables and as a result lead to losses

under the Covered Bonds.

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

The Transferor has represented that with respect to Investment Mortgage Loans, the relevant investments in the name of the relevant Borrower have been validly pledged to the Transferor and the securities are purchased for investment on behalf of the relevant Borrower by an investment firm (*beleggingsonderneming*) in the meaning ascribed thereto in the Wft, such as a securities broker or a portfolio manager, or by a bank, each of which is by law obliged to make adequate arrangements to safeguard the clients' rights to such securities. The CBC has been advised that on the basis of this representation the relevant investments should be effectuated on a bankruptcy remote basis and that, in respect of these investments, the risk of set-off or defences by the Borrowers should not be relevant in this respect. However, if the securities are not held in such manner and the investments were to be lost, this may lead to the Borrowers trying to invoke set-off rights or defences against the CBC. Set-off by Borrowers could affect the proceeds under the Mortgage Receivables and as a result lead to losses under the Covered Bonds.

In addition, in relation to Investment Mortgage Loans, the Transferor may provide for certain services, for example for investment advice to the Borrowers. A Borrower may hold the Transferor liable for any damages if it does not meet its obligations towards such Borrower, including its services as investment adviser. In particular liability could arise if the value of the investments held in connection with the Investment Mortgage Loans is not sufficient to repay the Investment Mortgage Loan at maturity. This may lead to set-off by the Borrower under the Mortgage Receivable, provided that the legal requirements for set-off are met. Consequently, the CBC may have insufficient funds to pay the amounts due under the Guarantee, which may lead to losses under the Covered Bonds.

#### 5. Risks related to offering of Life Insurance Policies and Investment Mortgage Loans

Apart from the general obligation of contracting parties to provide information, there are several provisions of Dutch law applicable to offerors of financial products, such as Mortgage Loans to which Life Insurance Policies are connected and the Investment Mortgage Loans. In addition, several codes of conduct apply on a voluntary basis. On the basis of these provisions, offerors of these products (and intermediaries) have a duty, *inter alia*, to provide the customers with accurate, complete and non-misleading information about the product, the costs and the risks involved. These requirements have become more strict over time. A breach of these requirements may lead to a claim for damages from the customer on the basis of breach of contract or tort or the relevant contract may be dissolved (*ontbonden*) or nullified or a Borrower may claim set-off or defences against the Transferor or the CBC (or the Security Trustee). The merits of such claims will, to a large extent, depend on the manner in which the product was marketed and the promotional materials provided to the Borrower. Also, depending on the relationship between the offeror and any intermediary involved in the marketing and sale of the product, the offeror may be liable for actions of the intermediaries which have led to a claim. The risk of such claims being made increases if the value of investments made under the Investment Mortgage Loans or Life Insurance Policies is not sufficient to redeem the Mortgage Loans.

After market downturn in 2001, in many cases the development of value in investment-linked insurances (*beleggingsverzekeringen*), such as Life Insurance Policies, was less than customers had hoped for and less than the value forecast at the time the investment-linked insurances were concluded. This had led to a public attention of these products, particularly since 2006, commonly known as the *woekerpolisaffaire* (usury insurance policy affair). There was a particular focus on the lack of information provided in some cases on investment-linked insurances regarding costs, and/or risk premiums and/or investment risks. As a result, in 2008, the Kifid ombudsman of the Complaint Institute for Financial Services (*Klachteninstituut Financiële Dienstverlening*) issued a recommendation in which he proposes to limit the cost level of investment-linked insurances and to compensate customers of investment-linked insurances for costs exceeding a certain level.

On the base of this recommendation, consumer organisations representing policyholders have engaged with various large insurers to come to a farther-reaching settlement with each of these insurers. For all large insurance companies, this led to the conclusion of a compensation agreement with some of these consumer organisations regarding a refund of costs above a certain percentage specified in the compensation agreement and a refund for the leverage risk and the capital consumption risk if materialised. Compensation was not only provided to policyholders who were specifically represented, but to all holders of such policies of such insurance company. Other smaller insurers offer similar compensation. The compensation agreements are not conclusive as the agreements were entered into with consumer organisations and not with individual policyholders and the

agreements do not provide for discharge (*kwijting*) of the insurers. It is, therefore, open to policyholders to claim additional or other compensation. A number of individual policyholders are actively pursuing claims, some of whom are assisted by a number of claim organisations. Rulings of courts, including the Netherlands Supreme Court (*Hoge Raad der Nederlanden*), and the Complaint Institute for Financial Services have been published, some of which are still subject to appeal, which were generally favourable for consumers. On 29 April 2015, a decision of the Court of Justice EU was rendered on this subject. The exact meaning and consequences of this decision are subject to further decisions to be given by the courts in the Netherlands.

In March 2014, a class action organisation has stated in the media that it will start a lawsuit against (certain predecessors of) Achmea Pensioen- en Levensverzekeringen N.V. based on a ruling of the Financial Services Complaints Tribunal (*KiFiD*) in an individual case. Recently class action organisations initiated legal procedures against Achmea Pensioen- en Levensverzekeringen N.V.

If Life Mortgage Loans to which Life Insurance Policies are connected would for the reasons described in this paragraph be dissolved or nullified, this will affect the collateral granted to secure these Mortgage Loans (e.g. the Borrower Insurance Pledge and the Beneficiary Rights would cease to exist). The CBC has been advised that in such case the Mortgage Loans connected thereto can possibly also be dissolved or nullified, but that this will be different depending on the particular circumstances involved. Even if the Mortgage Loan is not affected, the Borrower/insured may invoke set-off or other defences against the CBC. The analysis in that situation is similar to the situation in the event of an insolvency of the insurer (see risk factor '*Risk of set-off or defences by Borrowers in the event of an insolvency of Insurance Companies*'), except if the Transferor itself is liable, whether jointly with the insurer or separately, *vis-à-vis* the Borrower/insured. In this situation, which may depend on the involvement of the Transferor in the marketing and sale of the insurance policy, set-off or defences against the CBC may be invoked, which will probably only become relevant if the insurer and/or the Transferor will not indemnify the Borrower. Any such set-off or defences may lead to losses under the Covered Bonds.

## **6. Risk of set-off or defences by Borrowers in the event of an insolvency of Insurance Companies**

The Savings Mortgage Loans have the benefit of Saving Insurance Policies with the Insurance Savings Participant, the Life Mortgage Loans with the possibility of a Savings Element have the benefit of a Life Insurance Policy with a Savings Alternative with the Insurance Savings Participant and the Life Mortgage Loans have the benefit of Life Insurance Policies with any of the Insurance Companies. If any of the Insurance Companies is no longer able to meet its obligations under the Insurance Policies, for example as a result of bankruptcy, this could result in amounts payable under the Insurance Policies not or only partly being available for payment of the relevant Mortgage Receivables. This may lead to the Borrower trying to invoke set-off rights and defences as further discussed below which may have the result that the Mortgage Receivables will be, fully or partially, extinguished (*tenietgaan*) or cannot be recovered for other reasons which could lead to losses under the Covered Bonds.

If the amounts payable under the Insurance Policy are not applied towards redemption of the Mortgage Receivable, the Borrower may try to invoke a right of set-off of the amount due under the Mortgage Receivable with amounts payable under or in connection with the relevant Insurance Policy. As set out in '*Set-off by Borrowers may affect the proceeds under the Mortgage Receivables*' above some of the Borrowers have waived their set-off rights, but it is uncertain whether such waiver is effective. If the waiver is not effective or the relevant Borrower has not waived its set-off rights, the Borrowers will need to comply with the applicable legal requirements for set-off. One of these requirements is that the Borrower should have a claim which corresponds to his debt to the same counterparty. The Insurance Policies are contracts between the relevant Insurance Company and the Borrowers and the Mortgage Loans are contracts between the Transferor and the Borrowers. Therefore, in order to invoke a right of set-off, Borrowers would have to establish that the Transferor and the relevant Insurance Company should be regarded as one legal entity or that possibly set-off is allowed, despite the Transferor and the Insurance Company not forming a single legal entity, since, based upon interpretation of case law, the Insurance Policies and the Mortgage Loans are to be regarded as one inter-related relationship or one legal relationship.

Another requirement is that the Borrowers should have a counterclaim that is due and payable. If the relevant Insurance Company is declared bankrupt, the Borrower will have the right to unilaterally terminate the Insurance Policy and to receive a commutation payment (*afkoopsom*). These rights are subject to the Borrower Pledge, subject, however, to what is stated above under '*Risk that the Borrower Insurance Pledge will not be effective*'. In principle, if a receivable is pledged, the pledgor will not be entitled to invoke a right of set-off of a debt to the same

counterparty with such receivable. However, despite this pledge it may be argued that the Borrower will be entitled to invoke a right of set-off for the commutation payment. Apart from the right to terminate the Insurance Policies, the Borrowers are also likely to have the right to dissolve the Insurance Policies and to claim restitution of premiums paid, deposits made and/or supplementary damages. It is uncertain whether such claim is subject to the Borrower Pledge. If not, the Borrower Pledge would not obstruct a right of set-off with such claim by Borrowers.

Set-off *vis-à-vis* the CBC and/or the Security Trustee after notification of the assignment would be subject to the additional requirements for set-off after assignment being met (see risk factor '*Set-off by Borrowers may affect the proceeds under the Mortgage Receivables*' above).

With respect to the Savings Mortgage Loans and the Life Mortgage Loans with the possibility of a Savings Element (one of) these additional requirements is likely to be met, since it is likely that the Savings Mortgage Loans and the Savings Insurance Policies, the Life Mortgage Loans with the possibility of a Savings Element and the Life Insurance Policies with a Savings Alternative are to be regarded as one legal relationship. If the Savings Mortgage Loans and the Savings Insurance Policies, the Life Mortgage Loans with the possibility of a Savings Element and the Life Insurance Policies with a Savings Alternative are regarded as one legal relationship, the assignment will not obstruct the set-off.

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

*Life Mortgage Loans with Life Insurance Policies with any of the Insurance Companies (other than the Insurance Savings Participant) connected thereto, other than Life Mortgage Loans with Life Insurance Policies with Interpolis BTL connected thereto originated by Interpolis Schade Hypotheken or Interpolis BTL Hypotheken*

In respect of the risk of such set-off or defence being successful, as described above, if in the event of a bankruptcy of any of the Life Insurance Companies, the Borrower/insured will not be able to recover their claims under Life Insurance Policies taken out by any of the Life Insurance Companies, the CBC has been advised that, taking into account that the Transferor will represent that with respect to such Life Mortgage Loans other than Life Mortgage Loans originated by Interpolis Schade Hypotheken or Interpolis BLT Hypotheken with Life Insurance Policies with Interpolis BTL connected thereto (i) there is no connection, whether from a legal or a commercial point of view, between the Life Mortgage Loan and the relevant Life Insurance Policy other than the relevant Borrower Insurance Pledge and the relevant Beneficiary Rights, (ii) such Life Mortgage Loans and the Life Insurance Policies are not marketed as one product or under one name, (iii) the Borrowers were free to choose the relevant Insurance Company and (iv) the Insurance Company is not a group company of the Transferor, it is unlikely that a court would honour set-off or defences of the Borrowers, as described above.

*Life Mortgage Loans with Life Insurance Policies with the Insurance Savings Participant connected thereto, other than Life Mortgage Loans with the possibility of a Savings Element*

In respect of Life Mortgage Loans between the Transferor and a Borrower with a Life Insurance Policy between the Insurance Savings Participant and such Borrower, the CBC has been advised that the possibility cannot be disregarded (*kan niet worden uitgesloten*) that the Netherlands courts will honour set-off or defences of Borrowers. This advice is based on the preceding paragraphs and the factual circumstances involved, *inter alia*, that both the

Transferor and the Insurance Savings Participant have carried Achmea in their legal names (but different promotional names) since September 2000 and that both the Transferor and the Insurance Savings Participant belong to the same group of companies and notwithstanding the representation of the Transferor that, besides the fact that an insurance policy is a condition precedent for granting a Life Mortgage Loan, (i) there is no connection, whether from a legal or a commercial point of view, between the relevant Life Mortgage Loan and any Life Insurance Policy, other than (a) the right of pledge securing the Life Mortgage Receivable and (b) the Beneficiary Rights, (ii) the Life Mortgage Loan and the relevant Life Insurance Policies were not marketed as one product and (iii) the Borrower was free to choose the relevant Insurance Company.

An arrangement as is provided for in the Participation Agreements as described below under '*Savings Mortgage Loans, Life Mortgage Loans with the possibility of a Savings Element*' and '*Bank Savings Mortgage Loans*' or any similar arrangement does not apply to Life Mortgage Loans other than Life Mortgage Loans with the possibility of a Savings Element.

*Life Mortgage Loans originated by Interpolis Schade Hypotheken or Interpolis BTL Hypotheken with Life Insurance Policies with Interpolis BTL connected thereto*

In respect of Life Mortgage Loans originated by Interpolis Schade Hypotheken or Interpolis BTL Hypotheken to a Borrower with a Life Insurance Policy between Interpolis BTL and such Borrower, the CBC has been advised that, given the close link of these Life Mortgage Loans and Life Insurance Policies, there is a considerable risk (*een aannemelijk risico*) that in the event that the Borrowers cannot recover their claims under the associated Life Insurance Policies from the relevant Life Insurance Companies, the courts will honour set-off or defences invoked by the Borrowers, as described above.

An arrangement as is provided for in the Participation Agreements as described below under '*Savings Mortgage Loans, Life Mortgage Loans with the possibility of a Savings Element*' and '*Bank Savings Mortgage Loans*' or any similar arrangement does not apply to Life Mortgage Loans originated by Interpolis Schade Hypotheken or Interpolis BTL Hypotheken with Life Insurance Policies with Interpolis BTL connected thereto.

*Savings Mortgage Loans, Life Mortgage Loans with the possibility of a Savings Element*

In respect of Savings Mortgage Loans and Life Mortgage Loans with the possibility of a Savings Element, the CBC has been advised that there is a considerable risk (*een aanmerkelijk risico*) that such a set-off or defence would be successful in view, *inter alia*, of the close connection between (i)(a) the Savings Mortgage Loan and the Savings Insurance Policy and (b) the Life Mortgage Loan with the possibility of a Savings Element and the Life Insurance Policy with the possibility of a Savings Alternative and (ii) the wording of the mortgage documentation used by the Transferor.

The Insurance Savings Participation Agreement, *inter alia*, provides that if a Borrower invokes a defence, including but not limited to a right of set-off or counterclaim in respect of such Savings Mortgage Loan or Life Mortgage Loan with the possibility of a Savings Element, as the case may be, based upon a default in the performance, in whole or in part, by the Insurance Savings Participant or if, for whatever reason, the Insurance Savings Participant does not pay the insurance proceeds, when due and payable, whether in full or in part, under the relevant Savings Insurance Policy or the Life Insurance Policy with a Savings Alternative or, as the case may be, and, as a consequence thereof, the CBC will not have received any amount outstanding prior to such event, the Insurance Savings Participation of the Insurance Savings Participant, as the case may be, in respect of such Savings Mortgage Receivable or Life Mortgage Receivable with a Savings Element, as the case may be, will be reduced by an amount equal to the amount which the CBC has failed to receive.

The amount of the Insurance Savings Participation is equal to the amount of Savings Premium received by the CBC plus the accrued yield on such amount (see further section '*Sub-Participation*') provided that the Insurance Savings Participant will have paid (at least) an amount equal to all Savings Premium received from the relevant Borrower to the CBC. Therefore, normally the CBC would not suffer any damages if the Borrower would invoke any such right of set-off or defence, if and to the extent that the amount for which the Borrower would invoke set-off or defences does not exceed the amount of the Insurance Savings Participation. However, the amount for which the Borrower can invoke set-off or defences may, depending on the circumstances, exceed the amount of the Insurance Savings Participation. The remaining risk will be that if and to the extent that the amount for which a Borrower successfully invokes set-off or defences would exceed the relevant Insurance Savings Participation, such set-off or defences could reduce the amount due by the Borrower with such amount and could lead to losses under the Covered Bonds.

An arrangement as is provided for in the Insurance Savings Participation Agreements as described above or any similar arrangement does not apply to Life Mortgage Loans (other than Life Mortgage Loans with a Savings Element) including Life Mortgage Loans with an Investment Alternative.

#### **7. Risk of set-off or defences in case of Bank Savings Mortgage Loans**

The Bank Savings Mortgage Loans have the benefit of the amounts standing to the credit of the Bank Savings Accounts held with the Bank Savings Participant (being the same legal entity as the Transferor). If the Bank Savings Participant is no longer able to meet its obligations in respect of the Bank Savings Accounts, for example as a result of bankruptcy, this could result in amounts payable in connection with the Bank Savings Accounts not or only partly being available for payment of the relevant Mortgage Receivables. This may again lead to the Borrower trying to invoke set-off rights and defences as further discussed below which may have the result that the Mortgage Receivables will be, fully or partially, extinguished (*tenietgaan*) or cannot be recovered for other reasons which could lead to losses under the Covered Bonds.

In respect of Bank Savings Mortgage Loans it is noted that from 1 January 2014 a Bank Savings Deposit will, by operation of law, be set-off against the Bank Savings Mortgage Loan, irrespective of any rights of third parties, such as Achmea Bank or the CBC, with respect to the Bank Savings Mortgage Loan, if (i) DNB has put into effect the deposit guarantee scheme (*depositogarantieregeling*) in respect of the entity which holds the Bank Savings Deposit or (ii) such entity has been declared bankrupt (*faillissement*).

If the automatic set-off as described in the previous paragraph does not apply and the amounts payable in connection with Bank Savings Accounts are not applied towards redemption of the Mortgage Receivable, the Borrower may try to invoke a right of set-off of the amount due under the Mortgage Receivable with amounts payable under or in connection with the relevant Bank Savings Account. As set out in '*Set-off by Borrowers may affect the proceeds under the Mortgage Receivables*' above some of the Borrowers have waived their set-off rights, but it is uncertain whether such waiver is effective. If the waiver is not effective or the relevant Borrower has not waived its set-off rights, the Borrowers will need to comply with the applicable legal requirements for set-off. The CBC has been advised that as the Transferor and the Bank Savings Participant are one legal entity, the first condition for set-off that the counterclaim of the Borrower must result from the same legal relationship as the relevant Mortgage Receivable will in any case be met and that, provided that all other conditions for set-off by Borrowers have been met, the Borrower will be entitled to set off amounts due by the Transferor under the Bank Savings Deposit with the relevant Bank Savings Mortgage Receivable. Set-off by Borrowers could affect the proceeds under the Mortgage Receivables and as a result lead to losses under the Covered Bonds.

#### **8. Risk in relation to the Bank Savings Participation**

The Bank Savings Participation Agreement will, *inter alia*, provide that if a Borrower invokes a defence, including but not limited to a right of set-off or counterclaim in respect of a Bank Savings Mortgage Loan, based upon a default in the performance, in whole or in part, by the Bank Savings Participant or if, for whatever reason, the Bank Savings Participant does not pay the balance on the Bank Savings Account (as a result of set-off or otherwise), when due and payable, whether in full or in part, under the relevant Bank Savings Mortgage Loan and, as a consequence thereof, the CBC will not have received any amount outstanding prior to such event, the Bank Savings Participation of the Bank Savings Participant in respect of such Bank Savings Mortgage Receivable will be reduced by an amount equal to the amount which the CBC has failed to receive as a result of such defence or failure to pay accordingly.

The amount of the Bank Savings Participation is equal to the amount of Bank Savings Deposit Instalments received by the CBC plus the accrued yield on such amount (see further section '*Sub-Participation*') provided that the Bank Savings Participant will have paid (at least) an amount equal to all Bank Savings Deposit Instalments received from the relevant Borrower to the CBC. Therefore, normally the CBC would not suffer any damages if the Borrower would invoke any such right of set-off or defence, if and to the extent that the amount for which the Borrower would invoke set-off or defences does not exceed the amount of the Bank Savings Participation. However, the amount for which the Borrower can invoke set-off or defences may, depending on the circumstances, exceed the amount of the Bank Savings Participation. Set-off by Borrowers could affect the proceeds under the Mortgage Receivables and as a result lead to losses under the Covered Bonds.

## **C. RISK REGARDING INSURANCE POLICIES AND BENEFICIARY RIGHTS**

### **1. Risks related to Beneficiary Rights under the Insurance Policies**

With respect to each Mortgage Loan the Transferor has appointed itself as beneficiary of the proceeds under the Insurance Policies either (i) for all amounts owed by the Borrower to the Transferor or (ii) up to the amount provided for in the mortgage deed, except where any other beneficiary is appointed ranking ahead of the Transferor, provided that, *inter alia*, the relevant Insurance Company is irrevocably authorised by such beneficiary to pay the proceeds of the Insurance Policy to the Transferor. The Transferor will only have a claim on the relevant Insurance Company as beneficiary if it accepts the appointment as beneficiary by delivering a statement to this effect to the Insurance Company. The Transferor can only accept such appointment as beneficiary by written notification to the relevant Insurance Company of (i) the acceptance and (ii) the written consent by the insured, unless the appointment as beneficiary has become irrevocable. The CBC has been advised that it is unlikely that a valid appointment of the Transferor as beneficiary will be regarded as an ancillary right which will follow the Mortgage Receivables upon assignment or pledge thereof to the CBC or the Security Trustee. Therefore, the Transferor will separately assign, and the CBC will accept the assignment of, the Beneficiary Rights, to the extent necessary and legally possible. In addition, the CBC will grant a first-ranking undisclosed right of pledge over these Beneficiary Rights to the Security Trustee. The assignment and pledge of the Beneficiary Rights must be notified to the Insurance Company before becoming effective, which is not expected to occur prior to the occurrence of an Assignment Notification Event, and if the Transferor is also the Insurance Company the appointment as beneficiary may not be effective. However, the CBC has been advised that it is uncertain whether this assignment and subsequent pledge will be effective.

If the CBC or the Security Trustee, as the case may be, has not become beneficiary of the Insurance Policies or the assignment and pledge of the Beneficiary Rights is not effective, any proceeds under the Insurance Policies will be payable to the Transferor or to another beneficiary rather than to the CBC or the Security Trustee, as the case may be. If the proceeds are paid to the Transferor, it will pursuant to the Guarantee Support Agreement be obliged to pay the amount involved to the CBC or the Security Trustee, as the case may be. If the proceeds are paid to the Transferor and the Transferor does not pay such amount to the CBC or the Security Trustee, as the case may be, e.g. in the event of a bankruptcy of applicable to the Transferor, or if the proceeds are paid to another beneficiary instead of the CBC or the Security Trustee, as the case may be, this may result in the amount paid under the Insurance Policies not being applied in reduction of the Mortgage Receivables. This may lead to the Borrower invoking set-off or defences against the CBC or, as the case may be, the Security Trustee for the amounts so received by the Transferor or another beneficiary, as the case may be. This could lead to the CBC having insufficient funds to pay any amounts due under the Guarantee, which in turn could lead to losses under the Covered Bonds.

### **2. Risks relating to Insurance Policies**

The Mortgage Loans may consist of a Life Mortgage Loan or Life Mortgage Loan with a Savings Element which have the benefit of a Life Insurance Policy or a Life Insurance Policy with a Savings Alternative, respectively. All other Mortgage Loans may have the benefit of a risk insurance policy or, in case of NHG Mortgage Loans only, will have the benefit of a risk insurance policy if so required by the NHG Conditions. Investors should be aware that it is possible that (i) the CBC will not benefit from the Insurance Policies and/or (ii) the CBC may not be able to recover any amounts from the relevant Borrower if the Insurance Company defaults on its obligations. As a consequence thereof, the CBC may not have a claim on the Borrower and the rights of the Security Trustee may be similarly affected. This could lead to the CBC or the Security Trustee having insufficient funds to pay any amounts due under the Guarantee, which may result in losses under the Covered Bonds.

## **D. RISK REGARDING THE MORTGAGED ASSETS AND OTHER SECURITY RIGHTS**

### **1. Risk that the valuations may not accurately reflect the up-to-date value of Mortgaged Assets**

No assurance can be given that values of the Mortgaged Assets have remained or will remain at the level at which they were on the date of origination of the related Mortgage Loans. For example, house prices in the Netherlands have on average declined between 2008 and 2013 and increased substantially in recent years, although there are regional differences (see in this respect section 11 (*Overview of the Dutch Residential Mortgage Market*)). If the CBC is required to pay under the Guarantee, a decline in value of the Mortgaged Assets may result in losses to the Covered Bondholders if the relevant security rights on the Mortgaged Assets are required to be enforced.

The Transferor will not be liable for any losses incurred by the Covered Bondholders, or for any deficiency incurred by the CBC as a result of such decline in value of the Mortgaged Assets in connection with the relevant Mortgage Loans.

## **2. Risks of losses associated with declining values of Mortgaged Assets**

No assurance can be given that values of the Mortgaged Assets have remained or will remain at the level at which they were on the date of origination of the related Mortgage Loans. A decline in value may result in losses to the Covered Bondholders if the relevant security rights on the Mortgaged Assets are required to be enforced. A decline in value can be caused by many different circumstances, including but not limited to individual circumstance relating to the Borrower (e.g. neglect of the property) or events that affect all Borrowers, such as catastrophic events, or a general or regional decline in value. Investors should be aware that Dutch house prices have declined significantly between 2008 and 2013 and increased substantially in the recent years, although there are regional differences, see the risk factor '*Risks of weaker economic conditions in certain geographic regions in the Netherlands may ultimately result in losses to the Covered Bondholders*' below.

In addition, as of 1 January 2013 in the Dutch housing market only the market value (*marktwaaarde*) is reported and the Foreclosure Value is no longer reported in the valuation report of the mortgaged assets. As a result thereof Mortgaged Assets had to be calculated to the market value in cases where the market value was missing, which calculation has been based on the Foreclosure Value reported prior to 1 January 2013 in respect of such Mortgaged Assets. Consequently, a deviation from the valuation report might have occurred in respect of such Mortgaged Assets.

This may result in a loss being incurred upon the sale of the Mortgaged Assets. These circumstances could affect receipts on the Mortgage Loans and ultimately result in losses on the Covered Bonds.

## **3. Risks of weaker economic conditions in certain geographic regions in the Netherlands may ultimately result in losses to the Covered Bondholders**

To the extent that specific geographic regions within the Netherlands have experienced or may in the future experience weaker economic conditions and housing markets than other regions, a concentration of the loans in such a region may be expected to exacerbate all of the risks relating to the Mortgage Loans. The economy of each geographic region within the Netherlands is dependent on different mixtures of industries. Any downturn in a local economy or particular industry may adversely affect the regional employment levels and consequently the repayment ability of the borrowers in that region or the region that relies most heavily on that industry. Any natural disasters in a particular region may reduce the value of affected mortgaged properties. This may result in a loss being incurred upon the sale of the Mortgaged Assets. These circumstances could affect receipts on the Mortgage Loans and ultimately result in losses on the Covered Bonds.

## **4. Risk that the All Moneys Security Rights will not follow the Mortgage Receivables upon assignment to the CBC**

The Mortgage Deeds relating to the Mortgage Receivables to be sold to the CBC may provide for All Moneys Mortgages, meaning that the mortgage rights created pursuant to such Mortgage Deeds, not only secure the loan granted by the Transferor to the Borrower for the purpose of acquiring the relevant Mortgaged Asset, but also other liabilities and moneys that the Borrower, now or in the future, may owe to the Transferor. Such Mortgage Loans also provide for rights of pledge granted in favour of the Transferor, which are All Moneys Pledges or fixed pledges.

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 of the assignor or such transfer is prohibited by law.

Although the view prevailing in the past that such all moneys security right will as a general rule not follow as an accessory right upon assignment of a receivable which it secures is still defended, the Issuer and the CBC have been advised that the better view is that as a general rule an all moneys security right in view of its nature follows the receivable as an accessory right upon its assignment. Whether in the particular circumstances involved the

all moneys security right will remain with the original holder of the security right, will be a matter of interpretation of the relevant deed creating the security right.

Furthermore, the Transferor shall represent and warrant and each further Transferor will be required to represent and warrant that all Mortgage Loans secured by All Moneys Security Rights (i) provide that in case of assignment or pledge of the Mortgage Receivable the assignee or pledgee will have the benefit of the Mortgage, or (ii) do not contain any specific wording to the extent that the Mortgage of Borrower Pledge will not follow the receivable if it is assigned or pledged to a third party and as a consequence thereof there is either no clear indication of the intention of the parties or a clear indication of the intention of the parties in this respect. The CBC has been advised that, not only in case a clear indication is provided that the security transfers but also in the absence of circumstances giving an indication to the contrary, the All Moneys Security Right should (partially) follow the receivable as an accessory and ancillary right upon its assignment, but that there is no case law explicitly supporting this advice and that, consequently, it is not certain what the Netherlands courts would decide if this matter were to be submitted to them, particularly taking into account the prevailing view of Dutch commentators on all moneys security rights in the past, which view continues to be defended by some legal authors.

If an All Moneys Mortgage has not (partially) followed the Mortgage Receivable upon its assignment, the CBC and/or the Security Trustee will not have the benefit of such security right. This will materially affect the ability of the CBC to take recourse on the Mortgaged Asset and the Borrower in case the Borrower defaults under the Mortgage Loans and may affect the ability of the CBC to meet its payment obligations under the Covered Bonds. This may lead to losses under the Covered Bonds.

The preceding paragraph applies *mutatis mutandis* with respect to the pledge of the Mortgage Receivables by the CBC to the Security Trustee under the Security Trustee Receivables Pledge Agreement.

#### **5. Risk that the Mortgages on long leases cease to exist**

The Mortgages securing the Mortgage Loans may be vested on a long lease (*erfpacht*). A long lease will, *inter alia*, end as a result of expiration of the long lease term (in respect of a lease for a fixed period), or termination of the long lease by the leaseholder or the landowner. The landowner can terminate the long lease in the event the leaseholder has not paid the remuneration (*canon*) due for a period exceeding two (2) consecutive years or seriously breaches (*in ernstige mate tekortschieten*) other obligations under the long lease. If the long lease ends, the landowner will have the obligation to compensate the leaseholder. In such event the mortgage right will, by operation of law, be replaced by a right of pledge on the claim of the (former) leaseholder on the landowner for such compensation. The amount of the compensation will, *inter alia*, be determined by the conditions of the long lease and may be less than the market value of the long lease.

When underwriting a Mortgage Loan to be secured by a mortgage right on a long lease, the Transferor (and each of its legal predecessors) has taken into consideration the conditions, including the term of the long lease. The Transferor shall represent and warrant in the Guarantee Support Agreement that with respect to each of the Mortgage Receivables secured by Mortgage or a long lease, the Mortgage Loan (a) has a maturity that is equal to or shorter than the term of the long lease (or, if the maturity date of the Mortgage Loan falls after the maturity date of the long lease, the acceptance conditions used by the Transferor provide that certain provisions should be met as would in such case be required by a reasonable lender) and (b) becomes due if the long lease terminates for whatever reason.

Accordingly, certain Mortgage Loans may become due and payable prematurely as a result of early termination of a long lease due to a leaseholder's default or for other reasons. In such event there is a risk that the Transferor or the CBC will upon enforcement receive less than the market value of the long lease, which could lead to losses under the Covered Bonds.

#### **6. Risk related to jointly-held All Moneys Security Rights by the Transferor, the CBC and the Security Trustee**

If the All Moneys Security Rights have (partially) followed the Mortgage Receivables upon their assignment by the Transferor to the CBC, the All Moneys Security Rights will be jointly-held by the CBC (or the Security Trustee, as pledgee) and the Transferor and will secure both the Mortgage Receivables held by the CBC (or the Security Trustee, as pledgee) and any Other Claims.

Where All Moneys Security Rights are jointly-held by both the CBC or the Security Trustee and the Transferor

and/or a third party, the rules applicable to joint estate (*gemeenschap*) apply. The Dutch Civil Code provides for various mandatory rules applying to such jointly-held rights. In the Guarantee Support Agreement the Transferor, the CBC and/or the Security Trustee (as applicable) have agreed that in case of an Other Claim the CBC and/or the Security Trustee (as applicable) will manage and administer such jointly-held rights. Certain acts, including acts concerning the day-to-day management (*beheer*) of the jointly-held rights, may under Dutch law be transacted by each of the participants (*deelgenoten*) in the jointly-held rights. All other acts must be transacted by all of the participants acting together in order to bind the jointly held rights. It is uncertain whether the foreclosure of All Moneys Security Rights will be considered as day-to-day management, and consequently it is uncertain whether the consent of the Transferor, or the Transferor's bankruptcy trustee (*curator*) may be required for such foreclosure.

The Transferor, the CBC and the Security Trustee have agreed in the Guarantee Support Agreement that in the event of a foreclosure in respect of the Mortgage Receivables, the share (*aandeel*) in each jointly-held All Moneys Security Right of the Security Trustee and/or the CBC will be equal to the lesser of (i) the Net Foreclosure Proceeds and (ii) the Outstanding Principal Amount of the Mortgage Receivable increased with interest and costs, if any, and the Transferor's share will be equal to the Net Foreclosure Proceeds less the Outstanding Principal Amount of the Mortgage Receivable, increased with interest and costs, if any.

It is not certain that this arrangement will be enforceable against the Transferor in the event of its bankruptcy, its bankruptcy trustee (*curator*) and in such case the cooperation of the Transferor or its bankruptcy trustee might be required to enforce and the proceeds might be shared *pro rata*. Furthermore it is noted that these arrangements may not be effective against the Borrower.

If (a bankruptcy trustee or administrator of) the Transferor would, notwithstanding the arrangement set out above, enforce the jointly-held All Moneys Security Rights securing the Mortgage Receivables, the CBC and/or the Security Trustee would have a claim against the Transferor (or, as the case may be, its bankruptcy estate) for any damages as a result of a breach of the contractual arrangements, but such claim would be unsecured and non-preferred.

#### **7. Risk that the Borrower Insurance Pledge will not be effective**

All rights of a Borrower under the Insurance Policies have been pledged to the Transferor under a Borrower Insurance Pledge. The CBC has been advised that it is probable that the right to receive payment, including the commutation payment (*afkoopsom*), under the Insurance Policies will be regarded by a Netherlands court as a future right. The pledge of a future right is, under Netherlands law, not effective if the pledgor is declared bankrupt, granted a suspension of payments or a debt restructuring scheme pursuant to the Dutch Bankruptcy Code, prior to the moment such right comes into existence. This means that it is uncertain whether such pledge will be effective. Furthermore, as the Borrower Insurance Pledges qualify as All Moneys Security Rights Pledges, reference is made to '*Risk that the All Moneys Security Rights will not follow the Mortgage Receivables upon assignment to the CBC*' above.

### **E. OTHER RISKS REGARDING THE MORTGAGE RECEIVABLES**

#### **1. Limited recourse to the Transferor**

The CBC will not, and the Security Trustee will not, undertake any investigations, searches or other actions on any Mortgage Receivable and will rely instead on the Mortgage Receivables Warranties given in the Guarantee Support Agreement by the Transferor in respect of the relevant Mortgage Receivables.

If any Mortgage Receivable does not materially comply with any of the Eligibility Criteria as at the Transfer Date of that Mortgage Receivable or is or becomes a Defaulted Receivable, then such Mortgage Receivables will be excluded from the Asset Cover Test and the Amortisation Test. However, if the Transferor in such case does not transfer additional Eligible Receivables, the CBC may have insufficient assets to comply with its obligations and/or the Asset Cover Test or the Amortisation Test, as the case may be, may be breached. This may lead to losses under the Covered Bonds.

#### **2. No investigations in relation to the Mortgage Loans and the Mortgaged Assets**

None of the CBC, the Security Trustee, the Arranger, the Dealers or any other person has undertaken or will

undertake an independent investigation, searches or other actions to verify the statements of the Transferor concerning itself, the Mortgage Loans, the Mortgage Receivables and the Mortgaged Assets. The CBC and the Security Trustee will rely solely on the Transferor Warranties.

Prior to service of a Notice to Pay and provided that the Asset Cover Test shall not be breached upon such retransfer, the Transferor may request the retransfer of a Mortgage Receivable from the CBC if a breach of the Mortgage Receivables Warranties occurs on or appears after the relevant Transfer Date in respect of such Mortgage Receivable (see section 10 (*Guarantee Support*) under '*Retransfers*'). A failure of the Transferor to take the appropriate action may have an adverse effect on the ability of the CBC to make payments under the Covered Bonds. This may lead to losses under the Covered Bonds.

### **3. Risks related to NHG Guarantee**

Mortgage Loans may have the benefit of an NHG Guarantee issued by Stichting WEW. Pursuant to the terms and conditions (*voorwaarden en normen*) applicable to the NHG Guarantee, Stichting WEW has no obligation to pay any loss (in whole or in part) incurred by a lender after a private or a forced sale of the mortgaged property if such lender has not complied with the terms and conditions of the NHG Guarantee.

The Transferor will in the Guarantee Support Agreement represent and warrant that (i) the NHG Guarantee is granted for the full amount of the relevant Mortgage Loan at origination, excluding, in general, a Further Advance, (ii) the NHG Guarantee was in compliance with all terms and conditions (*voorwaarden en normen*) applicable to it at the time of origination of the relevant Mortgage Loan and (iii) the Transferor is not aware of any reason why any claim under any NHG Guarantee granted by Stichting WEW in respect of the relevant Mortgage Loan should not be met in full and in a timely manner. If, notwithstanding such representation, Stichting WEW has no obligation to pay any such loss, then such loss may have an adverse effect on the ability of the CBC to make payments under the Covered Bonds.

Finally, the terms and conditions of the NHG Guarantee stipulate that each NHG Guarantee (irrespective of the type of redemption of the mortgage loan) is reduced on a monthly basis by an amount which is equal to the amount of the monthly repayments plus interest as if the Mortgage Loan were to be repaid on a thirty (30) year annuity basis. The actual redemption structure of a Mortgage Loan can be different. This may result in the Transferor, CBC or Security Trustee, as the case may be, not being able to fully recover a loss incurred with Stichting WEW. Mortgage loans taken out for houses purchased after 1 January 2013 have to be repaid in full in thirty (30) years and at least on an annuity basis in order to be eligible for mortgage interest relief (*hypotheekrenteaftrek*).

In relation to the representations and warranties given by the Transferor in this respect, also see risk factor *Not all risks are deducted from the Asset Cover Test and/or the Amortisation Test*.

For a description of the NHG Guarantees, see section 12 (*NHG Guarantee Programme*).

### **4. Changes to Dutch tax treatment of interest on Mortgage Loans and tax deductibility may impose various risks**

The Dutch tax system allows borrowers to deduct, subject to certain limitations, mortgage interest payments for owner-occupied residences from their taxable income. The deduction period allowed is restricted to a term of thirty (30) years and it only applies to mortgage loans secured by owner occupied properties. As per 1 January 2020, the maximum tax rate against which mortgage interest may be deducted will decrease with 3% (i.e., from 49% in 2019 to 46% in 2020) per annum down to 37.10% in 2023.

This acceleration of the reduction of the maximum tax rate against which mortgage interest may be deducted for Dutch tax purposes could ultimately have an adverse impact on the ability of Borrowers to pay interest and principal on their Mortgage Loans and may lead to different prepayment behaviour by such Borrowers. This may result in higher or lower prepayment rates of such Mortgage Loans and thus may adversely affect the Issuer's return on its Mortgage Loans.

### **5. New Transferors**

The Issuer may propose that any affiliate to the Issuer may become a New Transferor and that such New

Transferor may transfer Eligible Assets to the CBC. However, such New Transferor will only be permitted to become a New Transferor if the conditions precedent set out in the Programme Agreement relating to New Transferors acceding to the Programme are met including, but not limited to, Rating Agency Confirmation.

Any Mortgage Receivables originated by a New Transferor will have been originated in accordance with the underwriting criteria of the New Transferor, which may differ from the underwriting criteria of Mortgage Receivables originated by the other Transferors. If the underwriting criteria differ in a way that affects the creditworthiness of the Borrowers under the Mortgage Receivables, that may lead to increased defaults by Borrowers and may affect the realisable value of the relevant Mortgage Receivables or any part thereof and/or the ability of the CBC to make payments under the Guarantee. This may lead to losses under the Covered Bonds.

#### 4. IMPORTANT INFORMATION

The Issuer accepts responsibility for the information contained in this Base Prospectus and the CBC accepts responsibility for the information contained in section 8 (*Asset Backed Guarantee*) under '*The CBC*'. To the best of their knowledge, the information contained in this Base Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information. Any information from third parties identified in this Base Prospectus as such has been accurately reproduced and as far as the Issuer and the CBC are aware and are able to ascertain from the information published by a third party, does not omit any facts which would render the reproduced information inaccurate or misleading. The Issuer and the CBC accept responsibility accordingly.

No representation, warranty or undertaking, express or implied, is made and no responsibility is accepted by any of the Arranger, the Dealers, the Security Trustee, the Listing Agent or the Paying Agent as to the accuracy or completeness of the information contained or referred to in this Base Prospectus or any other information provided or purported to be provided by or on behalf of the Arranger, a Dealer, the Security Trustee, the Issuer or the CBC in connection with the Programme. The Arranger, the Dealers, the Security Trustee, the Listing Agent and the Paying Agent accordingly disclaim all and any liability whether arising in tort or contract or which it might otherwise have in respect of such information.

The Issuer will furnish a supplement to this Base Prospectus in case of any significant new factor, material mistake or inaccuracy relating to the information contained in this Base Prospectus which is capable of affecting the assessment of the Covered Bonds and which arises or is noticed between the time when this Base Prospectus has been approved and the final closing of any Series or Tranche of Covered Bonds offered to the public or, as the case may be, when trading of any Series or Tranche of Covered Bonds on a regulated market begins, in respect of Covered Bonds issued on the basis of this Base Prospectus.

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

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

Forecasts and estimates in this Base Prospectus are forward looking statements. Such projections are speculative in nature and it can be expected that some or all of the assumptions underlying the projections will not prove to be correct or will vary from actual results. Consequently, the actual result might differ from the projections and such differences might be significant.

The distribution of this Base Prospectus and the offering, sale and delivery of the Covered Bonds may be restricted by law in certain jurisdictions. Persons into whose possession this Base Prospectus or any Covered Bonds comes must inform themselves about, and observe, any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Covered Bonds and on distribution of this Base Prospectus and other offering material relating to the Covered Bonds, see section 7 (*Conditional Pass-Through Covered Bonds*) under '*Subscription and Sale*' below.

THE COVERED BONDS HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE US SECURITIES AND EXCHANGE COMMISSION, ANY STATE SECURITIES COMMISSION OR ANY OTHER REGULATORY AUTHORITY IN THE USA, NOR HAVE ANY OF THE FOREGOING AUTHORITIES PASSED UPON OR ENDORSED THE MERITS OF THE ACCURACY OR ADEQUACY OF THIS BASE PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.

THE COVERED BONDS HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT AND INCLUDE COVERED BONDS IN BEARER FORM THAT ARE SUBJECT TO UNITED STATES TAX LAW REQUIREMENTS. THE COVERED BONDS MAY NOT BE OFFERED, SOLD OR DELIVERED WITHIN THE UNITED

STATES OR TO UNITED STATES PERSONS, EXCEPT IN CERTAIN TRANSACTIONS PERMITTED BY US TAX REGULATIONS AND THE SECURITIES ACT. SEE SECTION 7 (*CONDITIONAL PASS-THROUGH COVERED BONDS*) UNDER '*SUBSCRIPTION AND SALE*' BELOW.

The credit ratings included or referred to in this Base Prospectus will be treated for the purposes of the CRA Regulation as having been issued by Fitch and Moody's upon registration pursuant to the CRA Regulation. The entities of each of Fitch and Moody's established in the European Union have been registered by the European Securities and Markets Authority as credit rating agencies in accordance with the CRA Regulation.

Whether or not a rating in relation to any Series of Covered Bonds will be treated as having been issued by a credit rating agency established in the European Union and registered under the CRA Regulation will be disclosed in the relevant Final Terms.

If a Stabilising Manager is appointed for a Series or Tranche of Covered Bonds, the relevant Stabilising Manager will be set out in the applicable Final Terms. The Stabilising Manager or any duly appointed person acting for the Stabilising Manager may over-allot or effect transactions with a view to supporting the market price of the relevant Series of Covered Bonds at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Series or Tranche of Covered Bonds is made and, if begun, may cease at any time, but it must end no later than the earlier of thirty (30) days after the issue date and sixty (60) days after the date of the allotment of the relevant Series or Tranche of Covered Bonds. Any stabilisation action or over-allotment must be conducted by the Stabilising Manager (or any persons acting on behalf of the Stabilising Manager) in accordance with all applicable laws and rules as amended from time to time.

All references in this document to '€', 'EUR' and 'euro' refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the EU Treaty on the functioning of the European Union, as amended, references to 'sterling' and '£' refer to pounds sterling and references to 'CHF' and 'SFr' refer to Swiss Franc.

The Arranger, the Dealers and/or their affiliates may have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for, the Issuer and their affiliates in the ordinary course of business. In addition, in the ordinary course of their business activities, the Arranger, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their clients. Such investments and securities activities may involve securities and/or instruments of the Issuer or Issuer's affiliates. The Arranger, the Dealers and/or their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, the Arranger, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Covered Bonds issued under the Programme. Any such short positions could adversely affect future trading prices of Covered Bonds issued under the Programme. The Arranger, the Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

ABN AMRO Bank N.V. has been engaged by the Issuer as Paying Agent for the Covered Bonds and in such capacity is acting for the Issuer only and will not regard any other person as its client in relation to the offering of the Covered Bonds.

**MiFID II product governance / target market:** The Final Terms in respect of any Covered Bonds will include a legend entitled "*MiFID II Product Governance*" which will outline the target market assessment in respect of the Covered Bonds and which channels for distribution of the Covered Bonds are appropriate. Any person subsequently offering, selling or recommending the Covered Bonds (a "**distributor**") should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Covered Bonds (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the "**MiFID Product Governance Rules**"), the Arranger and/or any Dealer subscribing for any Covered Bonds is a manufacturer in respect of such Covered Bonds, but otherwise neither the Arranger nor any Dealer nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

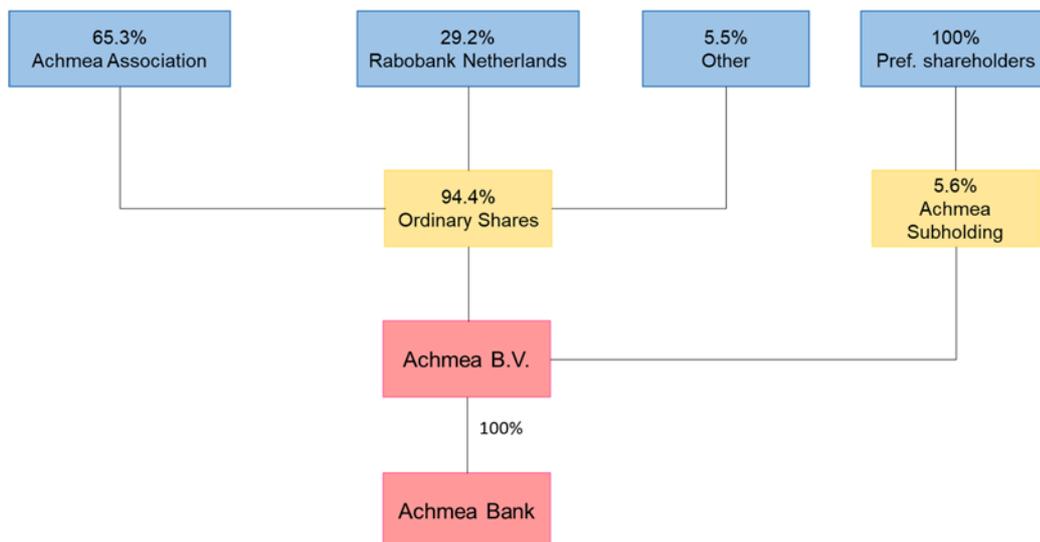
**Benchmark Regulation:** Interest and/or other amounts payable under the Covered Bonds may be calculated by reference to certain reference rates. Any such reference rate may constitute a benchmark under the Benchmark Regulation. If any such reference rate does constitute such a benchmark, the relevant Final Terms will indicate whether or not the administrator thereof is included in the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 (Register of administrators and benchmarks) of the Benchmark Regulation. Not every reference rate will fall within the scope of the Benchmark Regulation. Furthermore, transitional provisions in the Benchmark Regulation may have the result that an administrator and/or a benchmark is not required to appear in the register of administrators and benchmarks at the date of the relevant Final Terms. The registration status of any administrator or benchmark under the Benchmark Regulation is a matter of public record and, save where required by applicable law, the Issuer does not intend to update any Final Terms to reflect any change in the registration status of the administrator.

Amounts payable under the Covered Bonds may be calculated by reference to EURIBOR which is provided by European Money Markets Institute (EMMI). As at the date of this Base Prospectus, European Money Markets Institute (EMMI), in relation to it providing EURIBOR appears in the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority (ESMA) pursuant to article 36 of the Benchmark Regulation (Regulation (EU) 2016/1011).

## 5. ACHMEA BANK N.V.

### General Information

Achmea Bank N.V. (in this section referred to as "**Achmea Bank**") is a fully owned subsidiary of Achmea B.V. (Achmea B.V. and its subsidiaries (*dochtermaatschappijen*), together, the "**Achmea Group**") (see structure chart below). Achmea B.V. is the holding company of all operations of the Achmea Group. Achmea Bank has its current form after a legal merger on 31 May 2014 (see description below under '*2014 legal merger*'). The legal entity identifier (LEI) of Achmea Bank N.V. is 724500AH42V5X8BCPE49. The website of Achmea Bank N.V. is <https://www.achmeabank.nl/>. Any information contained on or accessible via any website, including <https://www.achmeabank.nl/>, does not form part of this Base Prospectus, unless specifically stated otherwise in this Base Prospectus.



### Incorporation

Achmea Bank was incorporated on 16 June 1995 as a public limited liability company (*naamloze vennootschap*) incorporated and operates under the laws of the Netherlands. Achmea Bank has its statutory seat in The Hague, the Netherlands. Achmea Bank is registered with the Business Register of the Chamber of Commerce under number 27154399 and has its registered office at Spoorlaan 298, 5017 JZ Tilburg, the Netherlands. The telephone number of Achmea Bank is +31 13 461 2000. At its incorporation, Achmea Bank was named "Achmea Hypotheekbank N.V."

### Objects

The objects of Achmea Bank (to be found in article 2 of Achmea Bank's articles of association) are amongst others:

- To exercise banking business as a credit institution, to provide investment services, to manage assets (including savings) of third parties, to provide payment services, to provide broker insurance and to provide other financial services, all this in the broadest sense of the word; and
- To perform any and all such acts as may be directly or indirectly related or conducive to the foregoing.

### 2014 legal merger

On 31 May 2014, Achmea Hypotheekbank N.V. legally merged (*juridische fusie*) with Achmea Bank Holding N.V. and Achmea Retail Bank N.V. and subsequently changed its name to its current name, Achmea Bank N.V. Pursuant to the legal merger Achmea Bank is the surviving entity (*verkrijgende vennootschap*) and Achmea Bank Holding N.V. and Achmea Retail Bank N.V. are the disappearing entities (*verdwijnende vennootschappen*). As a result of the legal merger Achmea Bank assumed all of the rights and obligations of the disappearing entities by operation of law under universal title (*onder algemene titel*).

### Previous mergers

On 1 September 2000, Avéro Hypotheken BV, Centraal Beheer Hypotheken B.V., Centraal Beheer Woninghypotheken B.V., FBTO Hypotheken B.V., Zilveren Kruis Hypotheken B.V. and Woonfonds Nederland B.V., all direct subsidiaries of Achmea Bank, merged into Achmea Bank.

On 1 January 2004, Woonfonds Holland B.V., a subsidiary of Achmea Bank, merged into Achmea Bank.

On 5 April 2007, Interpolis Schade Hypotheken B.V. and Interpolis BTL Hypotheken B.V., subsidiaries of Achmea Bank, merged into Achmea Bank.

### Figures

The presented financial figures for 30 June 2019 are extracted from the press release regarding the financial results in the first-half of 2019 of Achmea Bank. The presented financial figures for 31 December 2018 are extracted from the 2018 audited consolidated financial statements of Achmea Bank. The presented financial figures for 31 December 2017 are extracted from the 2017 audited consolidated financial statements of Achmea Bank.

### Profile

Achmea Bank was incorporated with the purpose of collectively attracting funding on the capital and money markets to fund the mortgage portfolios of its subsidiary mortgage companies, each of which granted mortgage loans to private individuals in the Netherlands under its own name.

Since the legal merger of the mortgage companies with Achmea Bank in 2000 (and 2004 in relation to Woonfonds Holland B.V.) and the acquisition of Interpolis Schade Hypotheken B.V. and Interpolis BTL Hypotheken B.V. in 2006, mortgage loans are granted directly by Achmea Bank, under different brand names used earlier by the mortgage companies.

### Mortgage lending market approach.

Two methods of market approach are used: (i) direct writing (Centraal Beheer) and (ii) through an intermediary (Woonfonds Hypotheken). The mortgage business of Achmea Bank contributes to the other activities of the Achmea Group, especially the life insurance business. In principle, mortgage loans are provided for residential property only.

The total regular Achmea Bank portfolio equals EUR 9.6 billion nominal value as at 30 June 2019 (YE 2018 9.8 billion). The total portfolio includes EUR 2.6 billion of mortgage loans which have the benefit of a mortgage guarantee (*Nationale Hypotheek Garantie, NHG*). The Acier portfolio, acquired from Staalbankiers in two tranches in 2015 and 2016, equals EUR 0.8 billion nominal value as at 30 June 2019 (YE 2018: EUR 0.8 billion), of which EUR 0.4 billion is CHF denominated.

### Funding, financing and collateral

Achmea Bank funds its lending business partly by raising loans in euros and other global currencies on the international money and capital markets. As at 30 June 2019 an amount of EUR 4.8 billion (YE 2018: 4.7 billion) of the total mortgage portfolio has been legally transferred to another legal entity or pledged in connection with funding programmes.

<b>Transferred or pledged Mortgages</b> <i>(amounts in millions of EUR)</i>	<b>30 June 2019</b> <b>(unaudited)</b>	<b>31 Dec 2018</b> <b>(audited)</b>	<b>31 Dec 2017</b> <b>(audited)</b>
Trustee guaranteed loans	150	175	211
Covered bond (conditional pass-through)	1,440	685	754
Securitisations	2,623	3,305	2,911
Asset Switch	568	565	1,103
<b>Total pledged mortgages</b>	<b>4,781</b>	<b>4,730</b>	<b>4,979</b>

### Stichting Trustee Achmea Hypotheekbank

Stichting Trustee Achmea Hypotheekbank was formed on 18 December 1995. This first collateral structure set up by Achmea Bank was defined in a trust agreement, under which Achmea Bank periodically pledges the mortgage receivables to Stichting Trustee Achmea Hypotheekbank as security for Achmea Bank's liabilities under financing contracts such as to private loans, derivative exposures and the secured Euro Medium Term Notes Programme (see '*Secured EMTN Programme*' below). In the event of default by Achmea Bank, investors can recover their investments from the pledged mortgage receivables. It has been agreed with Stichting Trustee Achmea Hypotheekbank that the value of the mortgage receivables will at all times be at least 5% more than the nominal value of the secured loans.

### Conditional pass-through covered bond programme

Achmea Bank has set up this EUR 5 billion conditional pass-through covered bond ("**CPTCB**") programme (as further set out herein) in November 2017 to replace its existing soft bullet covered bond programme which has been terminated in October 2017. This programme is UCITS eligible and registered with DNB. Issuances under this programme are compliant with article 129 of CRR. The outstanding covered bonds are rated Aaa/AAA (Moody's/Fitch) and are listed on

Euronext Amsterdam.

The Issuer successfully issued a second CPTCB of EUR 500 million in February 2019 and currently has EUR 1 billion of CPTCB outstanding.

### **Securitisations**

Achmea Bank uses securitisation as a funding source. As of 30 June 2019 Achmea Bank has four outstanding securitisation transactions, with a total outstanding amount of EUR 1.3 billion (YE 2018: EUR 1.8 billion), excluding retained notes for an amount of EUR 1.2 billion (YE 2018: EUR 1.3 billion). EUR 0.4 billion of the residential mortgage backed securities ("RMBS") notes has been placed within Achmea Group (YE 2018: EUR 0.8 billion).

For RMBS transactions Achmea Bank assigns a portfolio of mortgage receivables to a special-purpose vehicle ("SPV") which issues notes. The SPV uses the proceeds of the notes to finance the assigned mortgage receivables and uses the interest from the mortgage receivables to pay the interest on the notes. The director of these SPVs is Intertrust Management B.V.

Achmea Bank manages the assigned portfolio of mortgage receivables. Securitisation does not only provide funding to Achmea Bank but may also reduce its capital requirements.

### **Secured EMTN Programme**

The secured EMTN programme, launched in 1996, was used to fund a substantial portion of the mortgage portfolio. As at 30 June 2019, a total of EUR 10 million was outstanding (YE 2018: EUR 10 million). The remaining amount of EUR 10 million matures in 2024.

### **Unsecured EMTN Programme**

In October 2012 Achmea Bank set up an unsecured EMTN programme. The total outstanding amount under the unsecured EMTN programme was EUR 2.1 billion as at 30 June 2019 (YE 2018: EUR 2.1 billion), of which EUR 0.4 billion was in private placements (YE 2018: EUR 0.4 billion) and includes CHF loans for an amount of CHF 0,3 billion (YE 2018: CHF 0.4 billion).

### **French commercial paper programme**

In 2013 Achmea Bank set up a French commercial paper programme of EUR 1.5 billion. With this programme Achmea Bank is able to access the international money markets to further diversify its funding mix. In 2019 the ongoing programme resulted in a total outstanding amount of EUR 262 million as at 30 June 2019. (YE 2018: EUR 290 million).

### **Other funding**

In March 2017 Achmea Bank participated in the 4 year TLTRO-II facility for an amount of EUR 52.4 million. The TLTRO-II was redeemed early in March 2019.

### **Savings**

A substantial part of the savings deposits held by Achmea Bank, generated under the Centraal Beheer and FBTO labels, is used to fund Achmea Bank's long term assets such as its mortgage portfolio. As at 30 June 2019, EUR 5,7 billion of savings was provided as funding of the mortgage loans (YE 2018: EUR 5.7 billion).

As a consequence of the legal merger with Achmea Retail Bank N.V., Achmea Bank assumed the savings portfolio of Achmea Retail Bank N.V. Savings activities remain a substantial part of Achmea Bank's banking activities.

### **Results (based on IFRS)**

Achmea Bank reported a profit before tax of EUR 9 million for the first half-year 2019 (first half-year 2018 EUR 18 million). The Common Equity Tier 1 ratio amounted to 21.3% as at 30 June 2019 (YE 2018: 20.8%). The Total Capital ratio as at 30 June 2019 was 21.4% (YE 2018: 20.9%), satisfying the minimum requirement by law.

### **Liquidity Coverage Ratio and Net Stable Funding Ratio (unaudited)**

The Liquidity Coverage Ratio (LCR) and the Net Stable Funding Ratio (NSFR) are liquidity and funding ratios which are monitored against the minimum internal limits. The aim of the LCR is to ensure that a bank holds sufficient liquid assets to absorb the total net cash outflow during a thirty (30) day period of stress. The aim of the NSFR is to ensure that long-term assets are financed with stable, longer term funding. Achmea Bank has set its internal minimum targets for both the LCR and NSFR at 105%. Achmea Bank fully complied with all external and internal minimum requirements during 2019. At 30 June 2019 the LCR was 206% (YE 2018: 364%) and the NSFR was 125% (YE 2018: 121%).

### Leverage Ratio (unaudited)

The Leverage Ratio (LR) is a regulatory capital adequacy measure under CRD IV/CRR. The LR is calculated as an institution's capital divided by that institution's total non-risk weighted exposures, expressed as a percentage. Achmea Bank fully complied with the internal minimum requirement of 3.3% and the (expected future) external minimum requirements; the LR as at 30 June 2019 was 6.6% (YE 2018: 6.5%).

### Corporate Governance

Achmea Bank applies the principles of the Banking Code (*Code Banken*), which Banking Code does not stand on its own but is part of the full set of national and international regulations, case law and self-regulation. When applying the principles, Achmea Bank will take this national and international context and the social environment into account.

In addition, Achmea Bank has Executive Board regulations (*Directie Reglement*) and Supervisory Board regulations (*Raad van Commissarissen Reglement*) in place in which arrangements have been set out regarding, *inter alia*, the decision making process, the responsibilities of the corporate bodies, measures to avoid conflicts of interest and the relationship between the corporate bodies of Achmea Bank. Furthermore, Achmea Bank has a governance code (*Governance & Besturing Achmea Bank*) in place which further describes the governance and the interrelationships of the different corporate bodies of Achmea Bank.

These regulations and codes envisage, *inter alia*, to balance the control of the Shareholders, the Executive Board and the Supervisory Board of Achmea Bank. For the description of Achmea Bank's internal procedures on the financial reporting process Achmea Bank refers to [www.achmeabank.nl](http://www.achmeabank.nl), where the 'Application of Banking Code', the Executive Board regulations, the Supervisory Board regulations and Achmea Bank governance code are published.

### Executive and Supervisory Boards

As of the date of this Base Prospectus, the Executive Board and the Supervisory Board of Achmea Bank are composed as follows, and their members perform the following principal activities:

#### Executive Board

P.J Huurman (Chairman)

M. Geubbels (Chief Financial & Risk Officer)

#### Principal activity outside Achmea Bank

- Member of the Board of Cars for Charity Foundation;
- Member of the Board of Stichting Behoud Panorama Mesdag;
- Chairman of the Board of the Haags Bankiers Gezelschap (or the Vereniging voor de Geld- en Effectenhandel Haaglanden, Den Haag, founded in 1903); and
- Confidential Advisor of the Haagse Rugby Club.

- Not applicable

#### Supervisory Board

H. Arendse (Chairman)

J.B.J.M. Molenaar

H.W. te Beest

#### Principal activity outside Achmea Bank

- Chairman of the Supervisory Board of the Nederlandse Brandwonden Stichting;
- Advisor of the European Insurance Consolidation Group (EICG Services Limited, UK); and
- Chairman of THC Hurley.

- Member of the Board of Steunfonds Duurzaamheid; and
- Treasurer of Stichting Kapellerput.

- Member of the Board of Stichting Castricum Monument;
- Board Member of Stichting Vrienden van het Hospice Castricum; and
- Board Member of Stichting Eigen Woningbezit Castricum.

## Supervisory Board

## Principal activity outside Achmea Bank

R. Otto

- Board member Achmea B.V.
- Board member Achmea Pensioen & Levensverzekeringen N.V.
- Board member of The Association of online retailers Thuiswinkel.org
- Member Supervisory Board Thuiswinkel B.V.
- Chairman of the Supervisory Board of InShared
- Member Supervisory Board Achmea Reinsurance Company N.V.
- Chairman Supervisory Board Eureko Sigorta – Turkey
- Board Member AMICI
- Board Member ICMIF
- Chairman Supervisory Board Union
- Chairman Supervisory Board Interamerican Greece
- Member Supervisory Board Onlina
- Chairman Supervisory Board Achmea Australia

No potential conflict of interests exists between the duties of members of the Executive Board and the Supervisory Board of Achmea Bank and their private interest or other duties. All the members of the Executive Board and the Supervisory Board have elected domicile at the registered office of Achmea Bank (being the business address of these persons).

### Audit & Risk Committee

All the members of the Supervisory Board are also members of the Audit & Risk Committee of Achmea Bank. The Audit & Risk Committee has obtained a mandate from the Supervisory Board to prepare together with the Executive Board the meetings of the Supervisory Board. In addition, the Audit & Risk Committee has the mandate to supervise the main developments in the field of financial reporting, tax, funding and finance, risk management and to monitor the relationship with the external accountants of Achmea Bank.

### Asset and Liability Committee (ALCo)

Achmea Bank also established an Asset and Liability Committee, a risk-management committee that comprises the board members and senior management of Achmea Bank. The ALCo's primary goal is to evaluate, monitor and approve practices relating to the risk due to imbalances in the capital structure.

### Pricing Committee

In Achmea Bank's Pricing Committee, consisting of Achmea Bank's board members and the relevant senior management members, all decisions are taken with regard to pricing of existing and new products of Achmea Bank, including any changes in the interest rate on the offered mortgage loans.

### Supervision by the Dutch Central Bank

On 1 November 1995, DNB issued a general banking licence to Achmea Bank pursuant to the provisions of the former Act on the Supervision of Credit Institutions 1992 (*Wet toezicht kredietwezen 1992*) and, as of 1 January 2007, pursuant to the provisions of the Wft. Achmea Bank is registered as a bank without special restrictions. As a result thereof, Achmea Bank is under the permanent supervision of DNB pursuant to which it is obliged to provide DNB with all information required on banking developments, such as cash position and solvency.

### Competitive position

There continues to be substantial competition in The Netherlands for the types of mortgages and other products and services Achmea Bank provides. Achmea Bank faces competition from companies such as Rabobank, ABN AMRO Bank N.V., de Volksbank N.V. and many others.

### Selected Financial Information of Achmea Bank

Achmea Bank's publicly available press release regarding the financial results in the first-half of 2019 of Achmea Bank, the audited annual consolidated financial statements for the year ended 31 December 2018 (set forth on pages 18 up to and including 78 of the annual report 2018 in the English language) and the audited annual consolidated financial

statements for the year ended 31 December 2017 (set forth on pages 14 up to and including 66 of the annual report 2017 in the English language) (the "**Achmea Bank Financial Statements**") are incorporated by reference into this Base Prospectus. Below key figures are extracted from the Achmea Bank Financial Statements and should be read in conjunction with such statements.

<b>Key Figures of Achmea Bank</b> <i>(amounts in millions of EUR)</i>	<b>30 June 2019</b> <b>(unaudited)</b>	<b>31 Dec 2018</b> <b>(audited)</b>	<b>31 Dec 2017</b> <b>(audited)</b>
Total assets	12,145	12,286	14,199
Loans and advances to customers	10,921	11,056	11,731
Capital base*	778	778	824
Interest margin	61	110	104
Fees and commissions	3	4	5
Other income	1	2	2
Change in fair value of financial instruments	-3	0	2
Operating income	62	116	112
Operating expenses	51	79	96
Impairment on financial instruments and other assets	2	-2	-7
Profit before income taxes	9	39	24
Income tax expense	2	10	6
Net profit	7	29	18

\* referred to in the annual report as 'Total own funds'.

### Rating

Since year-end 2017, Achmea Bank has retained its long-term rating of A/stable (Fitch). As per 11 April 2019, Standard and Poor's upgrades the Achmea Bank rating outlook from A-/ Negative to A-/Stable.

### Financial figures

On 16 August 2019 the Bank published a press release regarding the financial results in the first-half of 2019. The press release is available on the website <https://www.achmeabank.com/news>

On 12 April 2019 the Issuer published its annual figures over 2018. The annual report is available on the website <https://www.achmeabank.com/reports>

On 1 May 2018 the Bank published its annual figures over 2017. The annual report is available on the website <https://www.achmeabank.com/reports>

Achmea Bank prepares its financial statements in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS). In preparing the financial data contained in this document, the same accounting principles, except the first time adoption of IFRS 9 per 1 January 2018, were used as for Achmea Bank consolidated financial statements for 2017. The 2018 financial statements were approved prior to publication by the Executive Board of Achmea Bank N.V. on 14 March 2019. In accordance with Section 393 of Book 2 of the Dutch Civil Code, PricewaterhouseCoopers Accountants N.V. issued an unqualified auditor's report for the 2018 and 2017 financial statements.

### Recent developments

Achmea Bank completed the acquisition of (a part) of the banking operations of a.s.r. bank on 2 December 2019. Achmea Bank acquired a savings portfolio of EUR 1.7 billion and a mortgage portfolio of EUR 1.5 billion. All conditions for the acquisition have been met, including a statement of no objection from De Nederlandsche Bank and the Works Council. This acquisition contributes the increase of the scale of Achmea Bank's banking services and profitability.

On 26 November 2019, Achmea announced its intention to combine its operational mortgage activities. These activities are currently spread over various Achmea locations. For Achmea Bank this means transferring its mortgage operations from Tilburg to Amsterdam, allowing the group's operational mortgage activities to be concentrated at one location. Economies of scale and the pooling of knowledge will allow Achmea to provide a better service to its customers.

All press-releases and announcements are available on our website <https://www.achmeabank.com/news>.

**Outlook**

The market circumstances for mortgage products have improved, mainly driven by lower interest rates on capital markets. Modernizing the product conditions of our mortgage lines, e.g. automatic reduction of risk premiums, on the other hand will slightly decrease future interest margins. Overall we expect to be able to further improve interest margin by further decreasing funding costs and continued focus on niche propositions. We expect the number of defaults in the regular portfolio to continue to be low. Given the specific nature of the Acier loan portfolio, coupled with the macro-economic uncertainty, we are unable to make any predictions regarding loan impairments in the Acier loan portfolio and fair value effects.

## 6. ACHMEA GROUP

The following description provides an overview of the group of companies to which Achmea Bank belongs. Investors should be aware that the following description is for information purposes only and should not be read to imply that Achmea Bank will continue to form part of the same group of companies. Achmea Bank may in the future discontinue to be part of the Achmea Group (as defined below) in whatever manner.

### General information

Achmea B.V. ("**Achmea**") was incorporated by deed of incorporation on 30 December 1991. Achmea is a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated and operating under the laws of the Netherlands, including the Dutch Civil Code (*Burgerlijk Wetboek*), with its corporate seat in Zeist. The registered office of Achmea is Handelsweg 2, 3707 NH Zeist, telephone number +31 (0)30 6937000. Achmea is registered with the Trade Register of the Dutch Chamber of Commerce, registration number 33235189. Achmea's commercial name is Achmea. The Legal Entity Identifier number of Achmea is 7245007QUM11FHIQV531.

The articles of association of Achmea (the "**Articles of Association**") were most recently amended by deed of amendment dated 19 April 2013.

### Objectives

Pursuant to Article 2 of the Articles of Association, the objectives of Achmea are to participate in, to finance or in any other way take an interest in, and to conduct the management of, other companies and business enterprises, to acquire, own, operate and encumber movable and immovable property, to invest in other companies and enterprises, to invest in property, securities and deposits, to render services in the field of commerce and finance, to give guarantees and to bind itself for obligations of companies and business enterprises with which it is associated in a group of companies, and to do anything that is, in the widest sense of the word, connected with the aforementioned objectives or can be conducive to the attainment thereof.

### History

Achmea's history dates back to 1811. The Achmea Group was formed by the mergers and acquisitions of numerous mutual and cooperative insurance providers over a period of over two centuries. The history of Achmea begins as Onderlinge Waarborgmaatschappij 'Achlum', founded by farmer Ulbe Piers Draisma in 1811.

On 18 November 2011 a legal merger took place between Eureko B.V. and its fully owned subsidiary Achmea Holding N.V. where the latter was merged into Eureko B.V. Eureko's name was subsequently changed into Achmea as of 19 November 2011.

### Business

#### Overview

Achmea is a financial services provider whose core business is insurance. Through its subsidiaries, which comprises amongst others Achmea Pensioen- en Levensverzekeringen N.V., Achmea Schadeverzekeringen N.V., NV Hagelunie, Achmea Zorgverzekeringen N.V., Zilveren Kruis Zorgverzekeringen N.V., Achmea Reinsurance Company N.V., Achmea Bank N.V., Achmea Interne Diensten N.V., Achmea Services N.V., Zilveren Kruis Health Services N.V., InShared Holding B.V., Achmea Investment Management B.V., Achmea Pensioenservices N.V., Syntus Achmea Real Estate & Finance B.V., Eureko Sigorta A.S., Interamerican Hellenic Life Insurance Company SA, Union Poistovna AS, Union Zdravotna Poistovna AS and Onlia Holding INC (50%) (collectively, the Achmea Group), Achmea offers a full range of insurance products and related financial products through the banking, direct and brokerage distribution channels. In the Netherlands, main products are property & casualty insurance, income protection insurance, health insurance, term life insurance, asset management and retirement services and retail annuity products. Outside the Netherlands, Achmea operates in Turkey, Greece, Cyprus, Slovakia, Australia and Canada. (See "*Business Lines - International*").

The Achmea Group's primary goal is to develop products and services that meet the needs of its customers – private individuals, companies and other organisations. The Achmea Group employs a multi-brand, multi-channel strategy to distribute its products among clients. It has a broad range of product offerings and a full range of distribution channels in order to position itself advantageously within different customer and pricing segments. Within the Netherlands, the Achmea Group primarily uses its brands Interpolis in the banking distribution channel, FBTO, Centraal Beheer, Zilveren Kruis, Inshared in the direct distribution channel and Avéro Achmea in the broker distribution channel. De Friesland Zorgverzekeraar (health) previously had a relatively independent position within the Achmea Group as a separate division and was also responsible for the operational management of FBTO's health portfolio, but has recently been integrated into Achmea Zorgverzekeringen N.V.

### *Business Lines*

Achmea organises its operations according to five market-oriented chains: Non-Life, Health, Retirement Services, Pension & Life and International. These five chains are outlined below:

#### *Non-life Netherlands*

Achmea is one of the market leaders in the Netherlands in non-life insurance, holding an estimated market share of more than 20%, offering brands such as Centraal Beheer, Interpolis and FBTO. Through the direct, banking and brokerage channels, Achmea provides its private and commercial customers with car insurance, home insurance, home contents insurance, liability insurance, travel insurance. In addition, Achmea offers various types of sickness insurance and individual and group disability insurance. For the year ended 31 December 2018, 17%<sup>1</sup> of total gross written premiums ("GWP") are generated by Non-Life Netherlands.

#### *Health Netherlands*

Achmea is one of the market leaders in the Netherlands in health insurance.<sup>2</sup> Achmea provides health insurance for approximately five million people in the Netherlands. Health gross written premiums represent a significant share of total GWP, 69%<sup>3</sup> for the year ended 31 December 2018, mainly as a result of the mandatory basic health insurance. Achmea offers basic and supplementary health insurance and health services in the Netherlands.

#### *Retirement Services Netherlands*

With the launch of the new strategy for Retirement Services, Achmea is focusing on the changing needs of customers, changes in society and further modifications in the pension system. These changes are resulting in new ways to save for retirement. As part of these efforts, Achmea established the Centraal Beheer Algemeen Pensioenfonds (the "CB APF") in 2016 as an alternative to pension insurance. Through additional products and services provided by Achmea Investment Management and Achmea Bank for the third and fourth pillars of the pension system, Achmea provides a comprehensive solution. As of 31 December 2018, Achmea Investment Management has €129 billion assets under management for institutional and retail clients. Achmea has been engaged through Achmea Pensioenservices N.V. to carry out pension management activities for the CB APF. Achmea Pensioenservices N.V. also provides pension management activities to company and voluntary industry pension funds. Achmea has all the skills required within its ranks to carry out this initiative, and is managing this as part of an integrated strategy.

#### *Pension & life Netherlands*

With the launch of the new Retirement Services strategy and the establishment of the CB APF, Achmea has taken the strategic decision to stop offering new pension insurance products and to focus its pension strategy completely towards providing services to the CB APF. With its Retirement Services solutions Achmea keeps a competitive offer to the pension market. It has created a closed-book pension which it integrated with the existing closed-book Life. The closed book organisation focuses on further cost management and on optimising free cash flows while maintaining the current high customer satisfaction scores. When it comes to new business, Achmea is focusing exclusively on term life insurance policies (the "ORV") and on immediately effective annuities and pensions. These insurance solutions are part of Achmea's proposition for retirement services. For the year ended 31 December 2018, gross written premiums from Achmea's Pension & Life activities represent 7% of total GWP<sup>4</sup>.

#### *International*

Achmea operates in six markets outside the Netherlands: Greece, Turkey, Slovakia, Cyprus, Australia and Canada. In Greece, Interamerican Greece offers non-life, life and health products and services as well as an integrated roadside assistance service. Moreover, Interamerican Greece also offers online car insurances in Cyprus. Wholly-owned Eureka Sigorta in Turkey offers a full range of non-life and health products through the banking channel. Achmea also has a minority share in the Turkish pension services provider Garanti Emeklilik. Union Slovakia provides a product portfolio of non-life, health and life products. Achmea was granted a licence at the end of 2013 to sell insurances in Australia. Under the brand name Achmea Australia, Achmea sells non-life insurance products and services to amongst others Rabobank's agricultural customers in Australia. Achmea expanded its activities into Canada where it launched its digital insurance company Onlia. Furthermore, Hagelunie is a Dutch insurance company specialising in glass horticultural insurance for

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<sup>1</sup> ANNUAL REPORT 2018

<sup>2</sup> VEKTIS FIGURES 2018

<sup>3</sup> ANNUAL REPORT 2018

<sup>4</sup> ANNUAL REPORT 2018

growing agricultural products in Europe and the world. Gross written premiums from Achmea's International business line represent 5% of total GWP<sup>5</sup>.

#### *Other Activities*

The Other Activities segment includes Achmea's strategic investments, the results of its Shared Service Centers, activities at the holding company level, Achmea Reinsurance and Syntrus Achmea Real Estate & Finance.

#### **Organisation structures**

The shareholder structure of the Achmea Group is as follows as of 31 December 2018. The percentages reflect the voting rights in the General Meeting of Shareholders of Achmea.

	<b>Voting rights</b>	<b>Capital rights</b>
Vereniging Achmea (directly and through STAK)	60.76%	64.48%
Rabobank	28.27%	30.00%
BCP Pension Fund	2.57%	2.73%
Gothaer Allgemeine Versicherung	0.50%	0.53%
Gothaer Finanz Holding	0.57%	0.61%
Schweizerische Mobiliar Holding	0.67%	0.71%
Stichting Beheer Aandelen Achmea	0.89%	0.94%
Achmea Tussenholding B.V.*	5.78%	-

\* Preference shares.

Any information contained in or accessible through any website, including <https://www.achmeabank.nl/>, does not form a part of this Base Prospectus and has not been scrutinised or approved by the AFM, unless specifically stated in this Base Prospectus, in any supplement hereto or in any document incorporated or deemed to be incorporated by reference in this Base Prospectus that all or any portion of such information is incorporated by reference in this Base Prospectus.

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<sup>5</sup> ANNUAL REPORT 2018

## 7. CONDITIONAL PASS-THROUGH COVERED BONDS

### CHARACTERISTICS OF CONDITIONAL PASS-THROUGH COVERED BONDS

#### Conditional pass-through covered bonds

This Programme is a Dutch conditional pass-through covered bonds programme. Two of the main differences of the conditional pass-through covered bond structure compared with Dutch non conditional pass-through covered bond programmes existing at the date of this Base Prospectus are set out below under '*Extension period*' and '*Sale of selected assets*'. Investors should be aware that there are more differences compared to existing Dutch non conditional pass-through covered bond programmes, but these are not further described in this section.

#### Extension period

##### *Achmea Conditional Pass-Through Covered Bond Programme*

The conditional pass-through structure will become particularly relevant after an Issuer Event of Default and the service of a Notice to Pay on the CBC. In this Programme the CBC will under the Guarantee be required to redeem each Series of Covered Bonds on the Extended Due for Payment Date that falls thirty-two (32) years after the Maturity Date of the relevant Series, unless it has funds available to redeem the relevant Series of Covered Bonds on an earlier CBC Payment Date. The Extended Due for Payment Date will therefore fall after the date on which the latest maturing Mortgage Loan must be repaid (Mortgage Loans have a maximum maturity of thirty (30) years). After the service of a Breach of Amortisation Test Notice, which does not result in a CBC Acceleration Notice, the CBC will be required to use all funds available to redeem all Series on a *pro rata* basis. Interest will continue to accrue on the unpaid part of the Covered Bonds (see section 8 (*Asset Backed Guarantee*) under '*Guarantee*').

##### *Comparison with other existing Dutch covered bond programmes*

In some, but not all, Dutch non conditional pass-through covered bond programmes (in case of soft bullet covered bonds) the obligations under the guarantee to pay principal on the covered bonds will after the maturity date of the relevant series also be deferred to the extended due for payment date, but for a maximum period of 1.5 years. A breach of amortisation test in all Dutch non conditional pass-through covered bond programmes will result in the security trustee being entitled to serve a CBC acceleration notice. All other existing Dutch non conditional pass-through covered bond programmes that contain a deferral of principal provide that interest will continue to accrue on the unpaid part of the covered bonds.

#### Sale of selected assets

##### *Achmea Conditional Pass-Through Covered Bond Programme*

In this Programme the CBC will after the service of a Notice to Pay only be required to sell Transferred Assets if the sale proceeds are sufficient to redeem the relevant Series of Covered Bonds with respect to which a sale is undertaken (which can be all Series in case all Series have become Pass-Through Covered Bonds). If the CBC is not able to sell the Transferred Assets for the amount required the relevant Series will not be redeemed in full on the succeeding CBC Payment Date, but will be redeemed to the extent funds are available for such purpose in accordance with the CBC Priority of Payments. The CBC will undertake its best efforts to sell or refinance Selected Transferred Assets on every Refinance Date (see section 16 (*Asset Monitoring*) under '*Sale or refinancing of selected assets*').

##### *Comparison with other existing Dutch covered bond programmes*

In Dutch non conditional pass-through covered bond programmes the CBC will either before (after certain tests have been failed) or, in case of soft bullet covered bonds, shortly after the maturity date be required (to use its best efforts) to sell selected transferred assets for a price at least equal to redeem the relevant series of covered bonds in full and thereafter if such sale is not successful, for the best price available if it has insufficient funds to redeem the covered bonds on the maturity date or, in case of soft bullet covered bonds, on the extended due for payment date.

## FORM OF CONDITIONAL PASS-THROUGH COVERED BONDS

Each Tranche of Covered Bonds will (as specified in the applicable Final Terms) be in bearer or in registered form. Bearer Covered Bonds will initially be issued in the form of a Temporary Global Covered Bond (unless otherwise indicated in the Final Terms). Each Global Covered Bond which is intended to be issued in NGN form, as specified in the applicable Final Terms, will be deposited on or prior to the issue date of a Tranche with a common safekeeper for Euroclear and/or Clearstream, Luxembourg. Each Global Covered Bond which is not intended to be issued in NGN form, as specified in the applicable Final Terms, will on or prior to the original issue date of the Tranche be deposited with (i) the *Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V.* ("**Euroclear Nederland**"), or with (ii) a common depository for Euroclear and/or Clearstream, Luxembourg or with (iii) (a depository for) any other agreed clearing system. Registered Covered Bonds will be issued to each holder by a Registered Covered Bonds Deed. Registered Covered Bonds will either be issued by means of a Registered Covered Bonds Deed for all Covered Bonds issued (global) or for one or more Covered Bonds (individual). Registered Covered Bonds in global form may also be held with a common safekeeper for Euroclear and/or Clearstream, Luxembourg (and registered in the name of a nominee of the common safekeeper) and may also be registered in the name of (i) Euroclear Nederland or of (ii) a common depository for Euroclear and/or Clearstream, Luxembourg or of (iii) (a depository for) any other agreed clearing system. Registered Covered Bonds will be issued to each holder by a Registered Covered Bonds Deed.

Any reference herein to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms or as may otherwise be approved by the Issuer, the Principal Paying Agent and the Security Trustee, but shall not include Euroclear Nederland.

Whilst any Covered Bond is represented by a Temporary Global Covered Bond payments of principal, interest (if any) and any other amount payable in respect of the Covered Bonds due prior to the Exchange Date (as defined below) will be made against presentation of the Temporary Global Covered Bond only to the extent that certification (in a form to be provided) to the effect that the beneficial owners of interests in such Covered Bond are not U.S. persons or persons who have purchased for resale to any U.S. person, as required by U.S. Treasury regulations, has been received by Euroclear and/or Clearstream, Luxembourg and/or Euroclear Nederland and Euroclear and/or Clearstream, Luxembourg and/or Euroclear Nederland, as applicable, has given a like certification (based on the certifications it has received) to the Principal Paying Agent.

On and after the Exchange Date which is not less than forty (40) days (nor (if the Temporary Global Covered Bond has been deposited with Euroclear Nederland) more than ninety (90) days) after the date on which the Temporary Global Covered Bond is issued (or the "restricted period" within the meaning of U.S. Treasury Regulations section 1.163-5(c)(2)(i)(D)(7)) or any successor U.S. Treasury Regulation section including, without limitation, regulations issued in accordance with U.S. Internal Revenue Service Notice 2012-20 or otherwise in connection with the U.S. Hiring Incentives to Restore Employment Act of 2010, interests in such Temporary Global Covered Bond, interests in the Temporary Global Covered Bond will be exchangeable (free of charge) upon a request as described therein for interests in a Permanent Global Covered Bond of the same Series, against certification of non-US beneficial ownership as described above unless such certification has already been given. The holder of a Temporary Global Covered Bond will not be entitled to collect any payment of interest, principal or other amount due on or after the Exchange Date unless, upon due certification, exchange of the Temporary Global Covered Bond for an interest in a Permanent Global Covered Bond is improperly withheld or refused. Payments of principal, interest (if any) and any other amounts on a Permanent Global Covered Bond will be made without any requirement for certification.

The applicable Final Terms will specify that a Permanent Global Covered Bond will only be exchangeable (free of charge), in whole but not in part, for Definitive Covered Bonds with, where applicable, receipts, interest coupons and talons attached only upon the occurrence of an Exchange Event or, in case such Permanent Global Covered Bond is deposited with Euroclear Nederland, only upon the occurrence of a Delivery Event and in a form to then be determined, subject to mandatory provisions of applicable laws and regulations. The Issuer will promptly give notice to Covered Bondholders of each Series in accordance with Condition 14 (*Notices*) if an Exchange Event or a Delivery Event occurs. In such events, Euroclear and/or Clearstream, Luxembourg and/or, if applicable, Euroclear Nederland (acting on the instructions of any holder of an interest in such Permanent Global Covered Bond) or the Security Trustee may give notice to the Principal Paying Agent requesting exchange or delivery, as the case may be, and, in the event of the occurrence of an Exchange Event as described in (iii) of the definition, the Issuer or the CBC may also give notice to the Principal Paying Agent requesting exchange. Any such exchange shall occur not later than forty-five (45) days after the date of receipt of the first relevant notice by the Principal Paying Agent.

If Definitive Covered Bonds have not been duly delivered by 6.00 p.m. (Amsterdam time) on the forty-fifth (45th) day after which the preconditions to such exchange are first satisfied then as from the start of the first day on which the banks in Amsterdam are open for business following such event (the "**Relevant Exchange Time**") each relevant account holder shall be able to enforce against the Issuer and the CBC all rights ("**Direct Rights**") which the relevant account holder in question would have had if, immediately before the Relevant Exchange Time, it had been the holder of Definitive Covered Bonds issued on the issue date of the Permanent Global Covered Bond in an aggregate principal amount equal to the principal amount of the relevant entry including, without limitation, the right to receive all payments due at any time in respect of such Definitive Covered Bonds other than payments corresponding to any already made under the Permanent Global Covered Bond, and the rights under the Guarantee. No further action shall be required on the part of any person in order to be able to enforce Direct Rights as contemplated herein before and for each relevant account holder to have the benefit of, and to enforce, rights corresponding to all the provisions of the terms and conditions of the relevant Definitive Covered Bonds as if they had been specifically incorporated in the Permanent Global Covered Bond other than the right to receive payments corresponding to any already made under the Permanent Global Covered Bond. As from the Relevant Exchange Time, the bearer of the Permanent Global Covered Bond shall not be entitled to receive payments or enforce any other rights hereunder (including the rights under the Guarantee).

Definitive Covered Bonds will be in the standard euromarket form (unless otherwise indicated in the applicable Final Terms). Definitive Covered Bonds and Global Covered Bonds will be in bearer form. The Global Covered Bonds are held in book-entry form.

Global Covered Bonds, Definitive Covered Bonds and Registered Covered Bonds will be issued in accordance with and subject to the terms of the Agency Agreement and the Trust Deed.

The following legend will appear on all Bearer Covered Bonds and each Registered Covered Bonds Deed relating to Registered Covered Bonds which have an original maturity of more than one (1) year and on all receipts and interest coupons relating to such Covered Bonds:

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

The sections referred to provide that United States holders, with certain exceptions, will not be entitled to deduct any loss on Covered Bonds, receipts or interest coupons and will not be entitled to capital gains treatment of any gain on any sale, disposition, redemption or payment of principal in respect of such Covered Bonds, receipts or interest coupons.

The following legend will appear on all Global Covered Bonds held through Euroclear Nederland:

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

The Covered Bonds and the Guarantee 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. The Covered Bonds may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state or local securities laws. Accordingly, the Covered Bonds are being offered, sold or delivered only to non-U.S. persons outside the United States in reliance on Regulation S.

Covered Bonds which are represented by a Global Covered Bond and are held through Euroclear or Clearstream, Luxembourg, will only be transferable in accordance with the rules and procedures for the time being of Euroclear or Clearstream, Luxembourg, as the case may be. In case of a Global Covered Bond deposited with Euroclear Nederland, the rights of Covered Bondholders will be exercised in accordance with and are subject to the Dutch Securities Giro Transfer Act (*Wet Giraal Effectenverkeer*).

Covered Bonds issued under the Programme will either be fungible with an existing Series or have different terms to an existing Series (in which case it will constitute a new Series). All Covered Bonds issued from time to time will rank *pari passu* with each other in all respects and will share equally in the Guarantee granted by the CBC. If an Issuer Event of Default or a CBC Event of Default occurs and results in acceleration (in respect of the CBC only in case of a CBC Event of Default), all Covered Bonds of all Series will accelerate at the same time.

Pursuant to the Agency Agreement, the Principal Paying Agent shall arrange that, where a further Tranche of Covered

Bonds is issued which is intended to form a single Series with an existing Tranche of Covered Bonds, the Covered Bonds of such further Tranche shall be assigned a temporary common code and ISIN Code by Euroclear and Clearstream, Luxembourg and/or any other relevant security code which are different from the common code, ISIN Code and other relevant security code assigned to Covered Bonds of any other Tranche of the same Series until at least the expiry of the distribution compliance period (as defined in Regulation S under the Securities Act) applicable to the Covered Bonds of such Tranche.

If a Series of Covered Bonds is held through Euroclear and Clearstream, Luxembourg and if such Series of Covered Bonds will be redeemed on the Maturity Date, the Issuer shall (to ensure that such Series of Covered Bonds will be redeemed on the Maturity Date) provide or procure that the Principal Paying Agent shall on its behalf provide a formal notice (in accordance with the rules and procedures of Euroclear and Clearstream, Luxembourg) at least two (2) Business Days prior to the relevant Maturity Date to Euroclear and Clearstream, Luxembourg that such Series of Covered Bonds will be redeemed on the Maturity Date, with a copy of such notice to the CBC and the Security Trustee.

No Covered Bondholder or Couponholder shall be entitled to proceed directly against the Issuer or the CBC unless the Security Trustee, having become bound so to proceed, fails to do so within a reasonable period and the failure shall be continuing.

## FORM OF FINAL TERMS

Copies of the Final Terms will be provided upon request by the Issuer. [In addition, in case of Covered Bonds listed on Euronext Amsterdam, the Final Terms will be displayed on the website of Euronext Amsterdam (\_\_\_\_\_).]

Set out below is the form of Final Terms which will be completed for each Tranche of Covered Bonds issued under the Programme. Any deviation of the form of Final Terms will also have to be agreed with the CBC.

### Final Terms

Dated [...]

### Achmea Bank N.V.

*(incorporated under the laws of the Netherlands with limited liability and having its statutory seat in The Hague, the Netherlands)*

*Legal Entity Identifier (LEI): 724500AH42V5X8BCPE49*

### Issue of [up to] [Aggregate Nominal Amount of Tranche] [Title of Covered Bonds] (the "Covered Bonds")

Guaranteed as to payment of principal and interest by  
**Achmea Conditional Pass-Through Covered Bond Company B.V.**  
under Achmea Bank N.V.'s EUR 5,000,000,000 Conditional Pass-Through Covered Bond Programme

This document constitutes the Final Terms of the issue of Covered Bonds under the EUR 5,000,000,000 Conditional Pass-Through Covered Bond Programme (the "**Programme**") of Achmea Bank N.V. as the Issuer guaranteed by Achmea Conditional Pass-Through Covered Bond Company B.V. as the CBC, described herein for the purposes of Article 8 of Regulation (EU) 2017/1129, including any commission delegated regulation thereunder (the "**Prospectus Regulation**"). This document must be read in conjunction with the base prospectus pertaining to the Programme, dated 5 March 2020 [as lastly amended on [...]] and any further amendments and supplements thereto (the "**Base Prospectus**"), which constitute a base prospectus for the purposes of the Prospectus Regulation [*include the following language if the first tranche of an issue which is being increased was issued under a Base Prospectus with an earlier date*], refer to the relevant Terms and Conditions], save in respect of the Terms and Conditions (as defined below) which are replaced by the terms and conditions set forth in the base prospectus dated [...] [which are incorporated by reference in the Base Prospectus]. Full information on the Issuer and the offer of the Covered Bonds is only available on the basis of the combination of these Final Terms and the Base Prospectus and any amendments or supplements thereto and the terms and conditions set forth in [the Base Prospectus]/[the base prospectus dated [...]]. The Base Prospectus (and any supplements thereto) and the Final Terms are available for viewing at [www.achmeabank.nl/investeerders/funding/cpt-covered-bond/\[...\]](http://www.achmeabank.nl/investeerders/funding/cpt-covered-bond/[...]) as well as at the office of the Issuer at Spoorlaan 298, 5017 JZ Tilburg, the Netherlands, where copies may also be obtained (free of charge). Any supplements to the Base Prospectus will in any case be available at this office and copies thereof may be obtained (free of charge) there. Any information contained in or accessible through any website, including [www.achmeabank.nl/investeerders/funding/cpt-covered-bond/\[...\]](http://www.achmeabank.nl/investeerders/funding/cpt-covered-bond/[...]), does not form a part of the Base Prospectus and/or these Final Terms and has not been scrutinised or approved by the AFM, unless specifically stated in the Base Prospectus, in any supplement hereto or in any document incorporated or deemed to be incorporated by reference in the Base Prospectus that all or any portion of such information is incorporated by reference in the Base Prospectus.

**PROHIBITION OF SALES TO EEA AND UK RETAIL INVESTORS** – The Covered Bonds 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**") or 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 (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); (ii) a customer within the meaning of Directive 2016/97/EU ("**IDD**"), 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. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Covered Bonds or otherwise making them available to retail investors in the EEA or in the UK has been prepared and therefore offering or selling the Covered Bonds or otherwise making them available to any retail investor in the EEA or in the UK may be unlawful under the PRIIPs Regulation.

**MiFID II product governance / Professional investors and eligible counterparties only target market:** Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Covered Bonds has led to the conclusion that: (i) the target market for the Covered Bonds is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Covered Bonds to eligible counterparties and professional clients are appropriate. [*Consider any negative target market*]. Any person subsequently offering, selling or recommending the Covered Bonds (a "**distributor**") should take into consideration the manufacturer[*'s/s'*] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Covered Bonds (by either adopting or refining the manufacturer[*'s/s'*] target market assessment) and determining appropriate distribution channels.

The Covered Bonds and the Guarantee have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), or the securities laws of any state or other jurisdiction of the United States. The securities may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state or local securities laws. Accordingly, the Covered Bonds are being offered, sold or delivered only to non-U.S. persons outside the United States in reliance on Regulation S.

## PART A - CONTRACTUAL TERMS

These Final Terms are to be read in conjunction with the Terms and Conditions (the "**Terms and Conditions**") set forth in section 7 (*Conditional Pass-Through Covered Bonds*) of the Base Prospectus. The Terms and Conditions as supplemented, amended and/or disappplied by these Final Terms constitute the conditions (the "**Conditions**") of the Covered Bonds. Capitalised terms not defined herein have the same meaning as in the Terms and Conditions. Certain capitalised terms in the Conditions which are not defined therein have the meaning set forth in a master definitions agreement (the "**Master Definitions Agreement**") dated 2 November 2017 as the same may be further amended, supplemented, restated or otherwise modified from time to time and signed by the Issuer, the CBC, the Security Trustee, the Transferor and certain other parties. All references to numbered Conditions and sections are to Conditions and sections of the Terms and Conditions set forth in section 7 (*Conditional Pass-Through Covered Bonds*) of the Base Prospectus.

*[Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs (in which case the sub-paragraphs of the paragraphs which are not applicable can be deleted). Italics denote directions for completing the Final Terms.]*

*[Consider whether a drawdown prospectus is necessary in order to issue fungible Covered Bonds where the first Tranche was issued pursuant to a previous base prospectus. This could arise in circumstances where, for example, the Final Terms for the original tranche included information which is no longer permitted to be included in Final Terms under the Prospectus Regulation or pursuant to guidance issued by ESMA.]*

- |    |        |                                   |  |
|----|--------|-----------------------------------|--|
| 1. | (i)    | Issuer:                           | Achmea Bank N.V.   |
|    | (ii)   | CBC:                              | Achmea Conditional Pass-Through Covered Bond Company B.V.  |
| 2. | [(i)]  | Series Number:                    | [...]  |
|    | [(ii)] | Tranche Number:                   | [...]<br><i>(If fungible with an existing Series, details of that Series, including the date on which the Covered Bonds become fungible)</i> |
| 3. |        | Specified Currency or Currencies: | [...]<br><i>(Euro or any other currency)</i>   |
| 4. |        | Aggregate Nominal Amount:         | [of Covered Bonds admitted to trading]:  |
|    | [(i)]  | Series:                           | [...]  |
|    | [(ii)] | Tranche:                          | [...]  |

5. Issue Price of Tranche: [...] per cent. of the Aggregate Nominal Amount [plus accrued interest from *[insert date and details (if any)]* (in the case of fungible issues only, if applicable)]
6. (i) Specified Denomination(s): [...]
- (Each Covered Bond admitted to trading on a regulated market within the European Economic Area or offered to the public in a Member State of the European Economic Area in circumstances which would otherwise require the publication of a prospectus under the Prospectus Regulation must be at least EUR 100,000)*
- (ii) Calculation Amount: [...]
- (If only one Specified Denomination, insert the Specified Denomination. If more than one Specified Denomination, insert the highest common factor. Note: There must be a common factor in the case of two or more Specified Denominations)*
7. (i) Issue Date: [...]
- (ii) Interest Commencement Date: For the [Fixed Rate period/Floating Rate period] (the period from (and including) the Issue Date to (but excluding) the Maturity Date or, if earlier, the date on which a Breach of Amortisation Test Notice has been served): [[Issue Date]/...]
- For the extension [Fixed Rate period/Floating Rate period] (the period from (and including) the Maturity Date or if earlier, the date on which a Breach of Amortisation Test Notice has been served to (but excluding) the Extended Due for Payment Date): the Maturity Date or, if earlier, the date on which a Breach of Amortisation Test Notice is served.
8. Maturity Date: *[specify date or (for Floating Rate Covered Bonds) Interest Payment Date falling in or nearest to [specify month and year]]*
- Extended Due for Payment Date: *[specify date or (for Floating Rate Covered Bonds) Interest Payment Date falling in or nearest to [specify month and year, which date is [32] years after the Maturity Date]*
9. Interest Basis: [For the [Fixed Rate period/Floating Rate period] (the period from (and including) the Issue Date to (but excluding) the Maturity Date or, if earlier, the date on which a Breach of Amortisation Test Notice has been served):]
- [[...] per cent. Fixed Rate] / [[EURIBOR/other reference rate] +/- [...] per cent. Floating Rate]
- If payment of the Guaranteed Final Redemption Amount is deferred in whole or in part, for the period from (and including) the Maturity Date or, if earlier, the date on which a Breach of Amortisation Test Notice has been served to (and excluding) the Extended Due for Payment Date:
- [[...] per cent. Fixed Rate] / [[EURIBOR/other reference rate] +/- [...] per cent. Floating Rate] / [...]
10. Redemption/Payment Basis: [Redemption at par / specify other amount or percentage] (NB: no derivatives within the meaning of the Commission Regulation (EC)

809/2004 will be issued, unless a Supplemental Prospectus is issued in this respect)]

11. Change of Interest Basis or Redemption/  
Payment Basis: [The Interest Basis will change from [...] / [...] to [...] per cent. Fixed Rate on the Maturity Date]/[EURIBOR/other reference rate] +/- [...] per cent. to [EURIBOR/other reference rate] +/- [...] per cent. Floating Rate], if applicable, or, if earlier, the date on which a Breach of Amortisation Test Notice is served / Not Applicable]
12. Put/Call Options: [Investor Put]  
[Issuer Call]  
[(further particulars specified below)]  
[Not applicable]
13. Status of the Covered Bonds: Unsubordinated, unsecured, guaranteed
14. Status of the Guarantee: Unsubordinated, secured (indirectly, through a parallel debt), unguaranteed

#### PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15. **Fixed Rate Covered Bond Provisions:** [Applicable to but excluding the Maturity Date, or if earlier, the date on which a Breach of Amortisation Test Notice has been served / Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Rate(s) of Interest: [...] per cent. per annum [payable [annually/semi-annually/quarterly] in arrear]
- (ii) Interest Payment Date(s): [[specify one date or more dates] in each year]/[...] in each month] up to and including the Maturity Date, if applicable subject to the Business Day Convention  
*(NB: This will need to be amended in the case of long or short coupons)*
- (iii) Fixed Coupon Amount(s): [...] per [Calculation Amount]
- (iv) Broken Amount(s): [...] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [...] / Not Applicable]
- (v) Business Day Convention  
- Business Day Convention [Following Business Day  
Convention/Modified Following Business Day  
Convention/No Adjustment/Preceding Business Day  
Convention]  
- Adjustment or Unadjustment  
for Interest Period [Adjusted] or [Unadjusted]
- (vi) Fixed Day Count Fraction: [30/360 or Actual/Actual (ICMA)]
16. **Floating Rate Covered Bond Provisions:** [Applicable to (but excluding) the Maturity Date, or if earlier the date on which a Breach of Amortisation Test Notice has been served / Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Specified Period(s)/

- Specified Interest Payment Dates: [...] (*Specified Interest Payment Dates and Specified Period are alternatives.*)
- (ii) Business Day Convention:  
 - Business Day Convention: [Floating Rate Convention/ Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention/ No Adjustment]  
 - Adjustment or Unadjustment for Interest Period: [Adjusted] or [Unadjusted]
- (iii) Additional Business Centre(s): [Not Applicable / *give details*]
- (iv) Manner in which the Rate of Interest and Floating Interest Amount is to be determined: [Screen Rate Determination/ISDA Determination]
- (v) Party responsible for calculating the Rate of Interest and interest Amount (if not the Principal Paying Agent): [[Name] shall be the Calculation Agent (*no need to specify if the Principal Paying Agent is to perform this function*)]
- (vi) Screen Rate Determination: [Yes/No]  
 - Reference Rate: [...] (*EURIBOR or other reference rate*)  
 - Interest Determination Date(s): [...] (*second day on which the TARGET2 is open prior to the start of each Interest Period if EURIBOR, or any other inter-bank offered rate prevailing in a country in which the TARGET2 does not apply*) (*specify up to and including the Maturity Date*)  
 - Relevant Screen Page: [...] (*In the case of EURIBOR, if not Reuters EURIBOR 01 ensure it is a page which shows a composite rate or amend the fall back provisions appropriately*)  
 - Relevant Time: [...] (*For example, 11.00 a.m. London time/Brussels time*)  
 - Relevant Financial Centre: [...] (*For example, London/Euro-zone (where Euro zone means the region comprised of the countries whose lawful currency is the euro)*)
- (vii) ISDA Determination: [Yes/No]  
 - Floating Rate Option: [...]  
 - Designated Maturity: [...]  
 - Reset Date: [...]
- (viii) Margin(s): [+/-] [...] per cent. per annum
- (ix) Minimum Rate of Interest: [...] per cent. per annum
- (x) Maximum Rate of Interest: [...] per cent. per annum
- (xi) Floating Day Count Fraction: [[Actual/365 Actual/365 (Fixed)]

Actual/360  
 or 30/360, 360/360 or Bond Basis  
 30E/360 or Eurobond Basis  
 30E/360 (ISDA)]  
 [(See Condition [5] (Interest) for alternatives)]

**17. Interest Provisions for Pass-Through Covered Bonds**

(also applicable for each Floating Rate Covered Bond or Fixed Rate Covered Bond which switches to a Fixed Rate Covered Bond or Floating Rate Covered Bond, respectively):

[Applicable from and including the Maturity Date if payment of the Guaranteed Final Redemption Amount is deferred in whole or in part or, if earlier, applicable from and including the date on which a Breach of the Amortisation Test Notice is served/Not Applicable]

*(Use following in case of a switch to Fixed Rate Covered Bonds or delete in case of a switch to Floating Rate Covered Bonds)*

- [(i) Rate(s) of Interest: [...] per cent. per annum payable monthly in arrear
- [(ii) Interest Payment Date(s): [each CBC Payment Date after the earlier of (i) the Maturity Date up to and including the Extended Due for Payment Date and (ii) the date on which a Breach of Amortisation Test Notice is served, up to and including the Extended Due for Payment Date, if applicable subject to the Business Day Convention]
- [(iii) Interest Period: *[Please specify/Not Applicable]*
- [(iv) Business Day Convention  
 - Business Day Convention: [Following Business Day Convention/Modified Following Business Day Convention/No Adjustment/Preceding Business Day Convention]]  
 - Adjustment or Unadjustment for Interest Period: [Adjusted] or [Unadjusted]
- [(v) Fixed Day Count Fraction: [30/360 or Actual/Actual (ICMA)]]

*(Use following in case of a switch to Floating Rate Covered Bonds or delete in case of a switch to Fixed Rate Covered Bonds)*

- [(i) Interest Payment Dates: [each CBC Payment Date after the earlier of (i) the Maturity Date up to and including the Extended Due for Payment Date and (ii) the date on which a Breach of Amortisation Test Notice is served, up to and including the Extended Due for Payment Date, if applicable subject to the Business Day Convention][...]
- [(ii) Business Day Convention:  
 - Business Day Convention: [Floating Rate Convention/ Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention/ No Adjustment]  
 - Adjustment or Unadjustment for Interest Period: [Adjusted] or [Unadjusted]
- [(iii) Additional Business Centre(s): [Not Applicable / give details]

- (iv) Manner in which the Rate of Interest and Floating Interest Amount is to be determined: [Screen Rate Determination/ISDA Determination]
- (v) Party responsible for calculating the Rate of Interest and interest Amount (if not the Principal Paying Agent): *[[Name] shall be the Calculation Agent (no need to specify if the Principal Paying Agent is to perform this function)]*
- (vi) Screen Rate Determination: [Yes/No]  
 - Reference Rate: [...] *(EURIBOR or other reference rate)*  
 - Interest Determination Date(s): [...] *(second day on which the TARGET2 is open prior to the start of each Interest Period if EURIBOR, or any other inter-bank offered rate prevailing in a country in which the TARGET2 does not apply) (specify up to and including the Maturity Date)*  
 - Relevant Screen Page: [...] *(In the case of EURIBOR, if not Reuters EURIBOR 01 ensure it is a page which shows a composite rate or amend the fall back provisions appropriately)*  
 - Relevant Time: [...] *(For example, 11.00 a.m. London time/Brussels time)*  
 - Relevant Financial Centre: [...] *(For example, London/Euro-zone (where Euro zone means the region comprised of the countries whose lawful currency is the euro))*
- (vii) ISDA Determination: [Yes/No]  
 - Floating Rate Option: [...]  
 - Designated Maturity: [...]  
 - Reset Date: [...]
- (viii) Margin(s): [+/-] [...] per cent. per annum
- (ix) Minimum Rate of Interest: [...] per cent. per annum
- (x) Maximum Rate of Interest: [...] per cent. per annum
- (xi) Floating Day Count Fraction: *[[Actual/365  
 Actual/365 (Fixed)  
 Actual/360  
 or 30/360, 360/360 or Bond Basis  
 30E/360 or Eurobond Basis  
 30E/360 (ISDA)]  
 [(See Condition [5] (Interest) for alternatives)]*

#### PROVISIONS RELATING TO REDEMPTION

18. **Issuer Call:** [Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Optional Redemption Date(s): [...]

- (ii) Optional Redemption Amount(s): [...] per Calculation Amount
- (iii) If redeemable in part:  
 (a) Minimum Redemption Amount: [...] per Calculation Amount  
 (b) Maximum Redemption Amount: [...] per Calculation Amount
19. **Investor Put:** [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Optional Redemption Date(s): [...]
- (ii) Optional Redemption Amount(s): [...] per Calculation Amount
20. **Final Redemption Amount** [...]per Calculation Amount]
21. Early Redemption Amount(s) per Calculation Amount of each Covered Bond payable on redemption for taxation reasons, or on acceleration following an Issuer Event of Default as against the Issuer or a CBC Event of Default or other early redemption: [[...] per Calculation Amount / as specified in Condition 7(e) (*Early Redemption Amounts*)]

**GENERAL PROVISIONS APPLICABLE TO THE COVERED BONDS**

22. Form of Covered Bonds: [Bearer form/registered form (*Include for Registered Covered Bonds*)]  
 [Temporary Global Covered Bond exchangeable for a Permanent Global Covered Bond which is exchangeable for Definitive Covered Bonds only upon the occurrence of [an Exchange Event/a Delivery Event]  
 [Permanent Global Covered Bond exchangeable for Definitive Covered Bonds only upon the occurrence of [an Exchange Event/a Delivery Event]  
 [Permanent Global Covered Bond not exchangeable for Definitive Covered Bonds]
23. New Global Note form: [Applicable/Not Applicable (see also item 39(vi))]
24. a) Exclusion of set-off: [Not applicable/Applicable]  
 [See Condition 6(G) (*Set-off*)]  
 b) German Insurers: [Not applicable/Applicable]
25. Additional Financial Centre(s) or other special provisions relating to payment Dates: [Not Applicable/*give details*]  
 Note that this item relates to the date and place of payment and not Interest Period end dates to which item 17 (iii) relates
26. Talons for future Coupons to be attached to Definitive Covered Bonds (and dates on which such Talons mature): [Yes/No] (*If yes, give details*)

27. Consolidation Provisions: [The provisions of Condition 18 (*Further Issues*) apply]/[Not Applicable]
28. Redenomination: [Redenomination [not] applicable  
(if Redenomination is applicable, include  
(i) either the applicable Fixed Day Count Fraction or any provisions necessary to deal with floating rate interest (including alternative reference rates) and  
(ii) the New Currency]

**Responsibility**

The Issuer and the CBC declare that the information contained herein is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import. The Issuer and the CBC [(only as far as it relates to the CBC)] accept responsibility for the information contained in these Final Terms. [...] has been extracted from [...]. The Issuer and the CBC confirm that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [...], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of the Issuer:

Signed on behalf of the CBC:

By:  
Duly authorised

By:  
Duly authorised

By:  
**Duly authorised**

By:  
**Duly authorised**

## PART B - OTHER INFORMATION

### 1. LISTING AND ADMISSION TO TRADING

- (i) Listing: [Euronext Amsterdam/other (specify)/ None]
- (ii) Admission to trading: Application has been made for the Covered Bonds to be admitted to trading on the regulated market on the official list of [Euronext Amsterdam] /[specify other regulated market] with effect from [...]/[Not Applicable]
- (iii) Estimate of total expenses related to admission to trading: [...]

### 2. RATINGS

Ratings: The Covered Bonds to be issued [are not / are expected to be / have been] rated:

[Moody's\*: Aaa]  
[Fitch\*: 'AAA']  
[Other\*]: [...]

*(\*The exact legal name of the rating agency entity providing the rating should be specified-for example "Fitch Ratings Ltd.", rather than just Fitch)*

[Registration of Rating Agency: [...]

*[Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider]*

*(The above disclosure should reflect the rating allocated to the Covered Bonds of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating)*

*[Insert one (or more) of the following options, as applicable:]*

*[Insert legal name of particular credit rating agency entity providing rating] is established in the EEA and registered under Regulation (EU) No 1060/2009, as amended (the "CRA Regulation")*

*[Insert legal name of particular credit rating agency entity providing rating] is established in the EEA and has applied for registration under Regulation (EU) No 1060/2009, as amended (the "CRA Regulation"), although notification of the corresponding registration decision has not yet been provided by the [relevant competent authority] /[European Securities and Markets Authority]*

*[Insert legal name of particular credit rating agency entity providing rating] is established in the EEA and is neither registered nor has it applied for registration under Regulation (EU) No 1060/2009, as amended (the "CRA Regulation")*

*[Insert legal name of particular credit rating agency entity providing rating] is not established in the EEA but the rating it has given to the Covered Bonds is endorsed by [insert legal name of credit rating agency], which is established in the EEA and registered under Regulation (EU) No 1060/2009, as amended (the "CRA Regulation")*

*[Insert legal name of particular credit rating agency entity providing rating]* is not established in the EEA but is certified under Regulation (EU) No 1060/2009, as amended (the "**CRA Regulation**")

*[Insert legal name of particular credit rating agency entity providing rating]* is not established in the EEA and is not certified under Regulation (EU) No 1060/2009, as amended (the "**CRA Regulation**") and the rating it has given to the Covered Bonds is not endorsed by a credit rating agency established in the EEA and registered under the CRA Regulation

3. [Notification / Not Applicable]

The Dutch Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten*) ("**AFM**") [has been requested to provide/has provided – *include first alternative for an issue which is contemporaneous with the [establishment/update] of the Programme and the second alternative for subsequent issues*] the [names of competent authorities of host Member States] with a notification that the Base Prospectus has been drawn up in accordance with the Prospectus Regulation.]

4. **INTERESTS OF NATURAL AND LEGAL PERSONS INVOLDED IN THE ISSUE**

Need to include a description of any interest, including conflicting ones, that is material to the issue, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the statement below:

"Save as discussed in "*Subscription and Sale*", so far as the Issuer is aware, no person involved in the issue of the Covered Bonds has an interest material to the offer." (*Amend as appropriate if there are other interests*)

*[(When adding any other description, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Prospectus under Article 23 of the Prospectus Regulation.)]*

5. **USE AND ESTIMATED NET PROCEEDS**

(i) Estimated net proceeds: [...]

(ii) Use: [...]

*(Also see "Use of Proceeds" wording in Base Prospectus – if reasons for the offer are different from making profit and/or hedging certain risks, will need to include those reasons here. If proceeds are intended for more than one use, will need to split out and present in order of priority. If proceeds are insufficient to fund all proposed uses state amount and sources of other funding. If the Covered Bonds are green covered bonds, further specify the use of the proceeds thereof in accordance with the Issuer's framework established for such purposes).*

6. **[YIELD (Fixed Rate Covered Bonds only)**

Indication of yield: [...]

The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]

7. **OPERATIONAL INFORMATION**

(i) ISIN: [...]

(ii) Common Code: [...]

(iii) WKN Code: [...] [Not Applicable]

(iv) [Other relevant code:] [...] [CFI: [...]] [FISN: [...]] [Not Applicable] [give name(s) and numbers(s)]

- (v) New Global Note intended to be held in a manner which would allow Eurosystem eligibility: [Not Applicable/Yes/No]
- [Yes. Note that the designation "yes" simply means that the Covered Bonds are intended upon issue to be deposited with one of the ICSDs as common safekeeper [(and registered in the name of a nominee of one of the ICSDs acting as common safekeeper)] [*include this text for registered Covered Bonds*] and does not necessarily mean that the Covered Bonds 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 the ECB being satisfied that Eurosystem eligibility criteria have been met] [*Include this text if "Yes" selected in which case the Covered Bonds must be issued in NGN form*]
- [No. (*only include if held through or on behalf of Euroclear or Clearstream, Luxembourg*) Whilst the designation is specified as "no" at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Covered Bonds are capable of meeting them the Covered Bonds may then be deposited with one of the ICSDs as common safekeeper [(and registered in the name of a nominee of one of the ICSDs acting as common safekeeper)] [*include this text for registered Covered Bonds*]. Note that this does not necessarily mean that the Covered Bonds will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met]]
- [Not applicable, means that the Covered Bond will not be held through the system of Euroclear or Clearstream, Luxembourg]
- (vi) Delivery: Delivery [against/free of] payment
- (vii) Clearing System: [Euroclear/Clearstream, Luxembourg/Euroclear Nederland/*other agreed clearing system*] [*insert address of relevant clearing system*]
- (viii) Additional paying agent (if any): [Name: [...]] [Address: [...]] / Not Applicable]
- (ix) Listing Application [These Final Terms comprise the final terms required to list and have admitted to trading on [*specify the relevant regulated market*] the issue of Covered Bonds described herein pursuant to the Programme for the issuance of Covered Bonds of Achmea Bank N.V./ Not Applicable]
- (x) Statement on Benchmarks: [[specify benchmark] is provided by [administrator legal name]][repeat as necessary]. As at the date hereof, [[administrator legal name][appears]/[does not appear] [repeat as necessary] in the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 of the Benchmark Regulation. [As far as the Issuer is aware, [specify benchmark(s)] [does/do] not fall within the scope of the Benchmark Regulation by virtue of Article 2 of that regulation] [the transitional provisions in Article 51 of the Benchmark Regulation apply], such that [legal name of administrator(s)] [is/are] not currently required to obtain authorisation or registration (or, if located outside the European Union, recognition, endorsement or equivalence).][Not Applicable]

8. **DISTRIBUTION**

- (i) Method of distribution: [Syndicated/Non-syndicated/other]
- (ii) (a) If syndicated, names of Managers: [Not Applicable/give names/ give legal names]
- [Please note that the process for notification to potential investors of the amount allotted and an indication whether dealing may begin before notification is made will be provided for by the Manager(s) and notified by the Manager(s) to potential investors]*
- (b) Stabilising Manager (if any): [Not Applicable/give legal name]
- (iii) If non-syndicated, name and address of relevant Dealer: [specify name of Dealer/Not applicable. The Covered Bonds are not being underwritten by any Dealer(s)]
- (iv) U.S. Selling Restrictions: [Reg S Compliance [category [...]]/TEFRA D/TEFRA C/ TEFRA rules not applicable]

## TERMS AND CONDITIONS OF CONDITIONAL PASS-THROUGH COVERED BONDS

*The following are the Terms and Conditions to be issued by the Issuer which will be incorporated by reference into each Global Covered Bond, Registered Covered Bonds Deed and each Definitive Covered Bond in the standard euomarket form. The applicable Final Terms in relation to any Tranche of Covered Bonds may specify other terms and conditions which shall to the extent so specified or to the extent inconsistent with the following Terms and Conditions, replace or modify the following Terms and Conditions for the purpose of such Tranche of Covered Bonds. The applicable Final Terms will be endorsed on, incorporated by reference into, or attached to, each Global Covered Bond, Registered Covered Bonds Deed and Definitive Covered Bond in the standard euomarket form. Reference should be made to "Form of Final Terms" above for a description of the content of Final Terms which includes the definition of certain terms used in the following Terms and Conditions.*

This Covered Bond is one of a Series (as defined below) of Covered Bonds issued by Achmea Bank N.V. (the "**Issuer**" which expression shall include any Substituted Debtor pursuant to Condition 17 (*Substitution of the Issuer*)) pursuant to a trust deed (as amended, restated or otherwise modified from time to time, the "**Trust Deed**") dated 2 November 2017 (such date, and in respect of the Programme Agreement 2 November 2017, the "**Programme Date**") made between the Issuer, Achmea Conditional Pass-Through Covered Bond Company B.V. (the "**CBC**") and Stichting Security Trustee Achmea Conditional Pass-Through Covered Bond Company (the "**Security Trustee**") and Stichting Holding Achmea Conditional Pass-Through Covered Bond Company (the "**Stichting Holding**").

Save as provided for in Conditions 10 (*Events of Default and Enforcement*) and 15 (*Meetings of Covered Bondholders, Modification and Waiver*) or where the context otherwise requires, references herein to the Covered Bonds shall be references to the Covered Bonds of this Series and shall mean:

- (i) in relation to any Covered Bonds represented by a Global Covered Bond, units of the lowest Specified Denomination in the Specified Currency;
- (ii) any Temporary Global Covered Bond, any Permanent Global Covered Bond and any Registered Covered Bond, as the case may be; and
- (iii) any Definitive Covered Bonds issued in exchange for a Permanent Global Covered Bond upon the occurrence of an Exchange Event or, in case a Global Covered Bond is deposited with Euroclear Nederland, upon the occurrence of a Delivery Event.

The Covered Bonds and the Coupons (as defined below) have the benefit of an agency agreement (such agency agreement as amended, supplemented, restated or otherwise modified from time to time, the "**Agency Agreement**") entered into on the Programme Date between the Issuer, the CBC, the Security Trustee, ABN AMRO Bank N.V. as issuing and principal paying agent (the "**Principal Paying Agent**") and Citibank N.A., London Branch as registrar (the "**Registrar**"), and the other paying agents named therein (together with the Principal Paying Agent, the "**Paying Agents**", which expression shall include any additional or successor paying agent).

Interest bearing Definitive Covered Bonds in the standard euomarket form (unless otherwise indicated in the applicable Final Terms) have Coupons and, if indicated in the applicable Final Terms, Talons attached on issue. Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons.

The Final Terms for this Covered Bond (or the relevant provisions thereof) are (i) in the case of a Bearer Covered Bond, attached to or endorsed on this Covered Bond or (ii) in the case of a Registered Covered Bond, attached to the relevant Registered Covered Bonds Deed, and supplement these Terms and Conditions (together in respect of the relevant Covered Bond the "**Conditions**") and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the Conditions, replace or modify the Conditions for the purposes of this Covered Bond. References to the applicable Final Terms are to the Final Terms (or the relevant provisions thereof) attached to or endorsed on this Covered Bond or the relevant Registered Covered Bonds Deed.

The Security Trustee acts for the benefit of the holders for the time being of the Covered Bonds (the "**Covered Bondholders**" or "**Bondholders**", which expression shall, in relation to (i) any Bearer Covered Bonds represented by a Temporary Global Covered Bond or a Permanent Global Covered Bond, and (ii) any Registered Covered Bond, be construed as provided below) and the holders of the Coupons (the "**Couponholders**", which expression shall, unless the context otherwise requires, include the holders of the Talons) and for holders of each other Series in accordance with

the provisions of the Trust Deed. Any holders mentioned above include those having a credit balance in the collective depots held by Euroclear Nederland or one of its participants.

As used herein, "**Tranche**" means Covered Bonds which are identical in all respects (including as to listing) and "**Series**" means a Tranche of Covered Bonds together with any further Tranche or Tranches of Covered Bonds which are (i) expressed to be consolidated and form a single series and (ii) identical in all respects (including as to listing) except for their respective Issue Dates, Interest Commencement Dates and/or Issue Prices.

These Terms and Conditions include summaries of, and are subject to, the provisions of the Trust Deed, the Parallel Debt Agreement, the Pledge Agreements and the Agency Agreement.

Except where the context otherwise requires, capitalised terms used and not otherwise defined in these Terms and Conditions shall bear the meaning given to them in the applicable Final Terms and/or the master definitions agreement dated the Programme Date, as amended, supplemented, restated, novated or otherwise modified from time to time (the "**Master Definitions Agreement**"), a copy of each of which may be obtained as described above.

Copies of the Trust Deed, the Pledge Agreements, the Master Definitions Agreement, the Parallel Debt Agreement and the Agency Agreement are available for inspection during normal business hours at the registered office of the Security Trustee for the time being at Amsterdam, the Netherlands and at the specified office of each of the Paying Agents. Copies of the applicable Final Terms for all Covered Bonds of each Series (including in relation to unlisted Covered Bonds of any Series) are obtainable during normal business hours at the specified office of each of the Paying Agents and any Covered Bondholder must produce evidence satisfactory to the Issuer and the Security Trustee or, as the case may be, the relevant Paying Agent as to its holding of Covered Bonds and identity. The Covered Bondholders and the Couponholders are deemed to have notice of, are bound by, and are entitled to the benefit of, all the provisions of, and definitions contained in, the Trust Deed, the Pledge Agreements, the Master Definitions Agreement, the Agency Agreement, each of the other Transaction Documents and the applicable Final Terms which are applicable to them and to have notice of each Final Terms relating to each other Series.

## **1. FORM, DENOMINATION AND TITLE**

The Covered Bonds are either Bearer Covered Bonds or Registered Covered Bonds issued pursuant to the terms and conditions of a Registered Covered Bonds Deed, as set out in the applicable Final Terms, and, in the case of Definitive Covered Bonds, serially numbered, and in the case of Definitive Covered Bonds or Registered Covered Bonds in the Specified Currency and the Specified Denomination(s). Covered Bonds of one Specified Denomination may not be exchanged for Covered Bonds of another Specified Denomination.

This Covered Bond may be a Fixed Rate Covered Bond, a Floating Rate Covered Bond or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Final Terms.

Definitive Covered Bonds are issued with Coupons attached.

Under Dutch law, the valid transfer of Covered Bonds requires, amongst other things, delivery (*levering*) thereof.

For Bearer Covered Bonds held by Euroclear Nederland deliveries will be made in accordance with the Wge.

The Issuer, the CBC, the Paying Agents and the Security Trustee may (except as otherwise required by law) deem and treat the holder of any Bearer Covered Bond or Coupon as the absolute owner thereof, whether or not any payment is overdue and regardless of any notice of ownership, trust or any other interest therein, any writing thereon or any notice of any previous loss or theft thereof and no person shall be liable for so treating such bearer for all purposes but, in the case of any Global Covered Bond, without prejudice to the provisions set out in the first succeeding paragraph. The signatures on this Covered Bond or the relevant Registered Covered Bonds Deed, as applicable, are manual and/or in facsimile.

For so long as any of the Covered Bonds are represented by a Global Covered Bond held on behalf of Euroclear and/or Clearstream, Luxembourg by a common safekeeper, each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg as the holder of a particular nominal amount of such Covered Bonds (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to such nominal amount of such Covered Bonds standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the

CBC, the Paying Agents and the Security Trustee as the holder of such nominal amount of such Covered Bonds for all purposes other than with respect to the payment of principal or interest or other amounts on such nominal amount of such Covered Bonds, for which purpose the bearer of the relevant Global Covered Bond shall be treated by the Issuer, the CBC, any Paying Agent and the Security Trustee as the holder of such nominal amount of such Covered Bonds in accordance with and subject to the terms of the relevant Global Covered Bond and the expressions "Covered Bondholder" and "holder of Covered Bonds" and related expressions shall be construed accordingly. In determining whether a particular person is entitled to a particular nominal amount of Covered Bonds as aforesaid, the Security Trustee may rely on such evidence and/or information and/or certification as it shall, in its absolute discretion, think fit and, if it does so rely, such evidence and/or information and/or certification shall, in the absence of manifest error or an error established as such to the satisfaction of the Security Trustee, be conclusive and binding on all concerned. Covered Bonds which are represented by a Global Covered Bond will be transferable only in accordance with the rules and procedures for the time being of Euroclear, Clearstream, Luxembourg, and/or Euroclear Nederland, as the case may be.

Where Covered Bonds represented by a Permanent Global Covered Bond are deposited with Euroclear Nederland, a Covered Bondholder shall not have the right to request delivery (*uitlevering*) of his Covered Bonds under the Wge other than as set out in accordance with the rules and procedures of Euroclear Nederland and the Wge and not in bearer form.

References to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms or as may otherwise be approved by the Issuer, the Principal Paying Agent and the Security Trustee but shall not include Euroclear Nederland.

## **2. STATUS OF THE COVERED BONDS**

The Covered Bonds and any relative Coupons constitute unsubordinated and unsecured obligations of the Issuer, guaranteed by the Guarantee and rank *pari passu* without any preference amongst themselves and at least *pari passu* with all other unsecured and unsubordinated obligations of the Issuer, present and future, other than any obligations preferred by mandatory provisions of applicable law.

## **3. THE GUARANTEE**

Pursuant to the Guarantee, the CBC has as an independent obligation irrevocably undertaken to pay the Guaranteed Amounts when the same shall become Due for Payment. However, the CBC shall have no such obligation under the Guarantee until (i) the occurrence of an Issuer Event of Default, the service by the Security Trustee on the Issuer of an Issuer Acceleration Notice and the service by the Security Trustee on the CBC of a Notice to Pay or (ii) the occurrence of a CBC Event of Default and the service by the Security Trustee of a CBC Acceleration Notice on the Issuer and the CBC. In addition, in respect of each Series of Covered Bonds, if the CBC is obliged to pay, on each CBC Payment Date the Guaranteed Final Redemption Amount, then:

- (a) the obligation of the CBC to pay the Guaranteed Final Redemption Amount shall be deferred to, and shall under the Guarantee be due on, the Extended Due for Payment Date, provided that if on any CBC Payment Date which falls prior to the Extended Due for Payment Date, any moneys are available to the CBC to be paid (or reserved for payment of principal on any Series of Covered Bonds), after the CBC shall under the relevant Priority of Payments have paid or provided for (on the relevant CBC Payment Date) all higher ranking amounts, then the CBC shall (a) give notice thereof to the relevant holders of the Pass-Through Covered Bonds (in accordance with Condition 14 (*Notices*)), the Rating Agencies, the Security Trustee, the Principal Paying Agent and the Registrar (in the case of Registered Covered Bonds) as soon as reasonably practicable and in any event at least two (2) Business Days prior to such CBC Payment Date (whereby such notice shall be deemed to have been given on the first Business Day following the date on which such notice was given by the CBC to the relevant clearing system, if any, and otherwise in accordance with Condition 14 (*Notices*)), and (b) apply such remaining available moneys in payment, in whole or in part, of the Guaranteed Final Redemption Amount pertaining to all Pass-Through Covered Bonds, if applicable *pro rata* by reference to the Principal Amount Outstanding of such Covered Bonds (and to such extent the Guaranteed Final Redemption Amount shall for the purpose of the relevant Priority of Payments and all other purposes be due) on such CBC Payment Date; and
- (b) the CBC shall under the Guarantee owe interest over the unpaid portion of the Guaranteed Final Redemption Amount, which shall accrue and be payable on the basis set out in the applicable Final Terms or, if not set out therein, Condition 5 (*Interest*), all without prejudice to the CBC's obligation to pay any other Guaranteed Amount

(i.e. other than the Guaranteed Final Redemption Amount) when Due for Payment.

The rights under the Guarantee (a) form an integral part of the Covered Bonds, (b) are of interest to a Covered Bondholder only if, to the extent that, and for so long as, it holds Covered Bonds and (c) can only be transferred together with all other rights under the relevant Covered Bond. The obligations of the CBC under the Guarantee are unsubordinated and unguaranteed obligations of the CBC, which are secured (indirectly, through a parallel debt) as set out below.

As security for a parallel debt corresponding to the CBC's obligations under the Guarantee and the other Transaction Documents to which it is a party, the CBC has granted the following security rights to the Security Trustee:

- (i) a first ranking right of pledge (or such other security right as may be applicable) over the Transferred Assets; and
- (ii) a first ranking right of pledge over the CBC's rights under or in connection with the CBC Transaction Documents, the CBC Transaction Accounts and the CBC Back-Up Account.

The holders of the Covered Bonds of each Series will, through the Security Trustee, benefit from the security rights and are deemed to have acknowledged, and are bound by the Parallel Debt Agreement and Trust Deed.

For the purposes of these Terms and Conditions:

**"Extended Due for Payment Date"** means, subject to Condition 7(c) (*Redemption at the option if the Issuer (Issuer Call)*), the date falling thirty-two (32) years after the Maturity Date, as specified as such in the applicable Final Terms; and

**"Pass-Through Covered Bonds"** means (i) each Covered Bond of a Series in respect of which any amount has remained unpaid on the relevant Maturity Date or (ii) after the service of a Notice to Pay and a Breach of Amortisation Test Notice, all Series of Covered Bonds.

#### 4. REDENOMINATION

The Issuer may, without the consent of the Covered Bondholders and the Couponholders, on giving prior notice to the Principal Paying Agent, Euroclear, Clearstream, Luxembourg and, if applicable, Euroclear Nederland and at least thirty (30) days' prior notice to the Covered Bondholders in accordance with Condition 14 (*Notices*), elect that, with effect from the Redenomination Date (as defined below) specified in the notice, the Covered Bonds and the Coupons denominated in the Specified Currency (or Specified Currencies) (each for the purpose of this Condition the **"Old Currency"**) shall be redenominated in another currency (for the purpose of this Condition the **"New Currency"**) being either euro, or, in the event of redenomination upon the occurrence of a Convertibility Event, a currency other than euro, as the case may be.

The election will have effect as follows:

- (i) the Covered Bonds and the Coupons shall be deemed to be redenominated into the New Currency in the denomination of the equivalent of euro 0.01, or its equivalent in another currency, with a principal amount for each Covered Bond equal to the principal amount of that Covered Bond in the Specified Currency, converted into the New Currency at the rate for the conversion of the Old Currency into the New Currency as fixed by the government of the Netherlands, provided that, if the Issuer determines, with the agreement of the Security Trustee, that the market practice at the time of redenomination in respect of the redenomination into the New Currency of internationally offered securities is different from the provisions specified above, such provisions shall be deemed to be amended so as to comply with such market practice and the Issuer shall promptly notify the Covered Bondholders, the stock exchange (if any) on which the Covered Bonds may be listed and the Paying Agents of such deemed amendments;
- (ii) save to the extent that an Exchange Notice (as defined below) has been given in accordance with paragraph (iv) below, the amount of interest due in respect of the Covered Bonds will be calculated by reference to the aggregate principal amount of Covered Bonds presented (or, as the case may be, in respect of which Coupons are presented) for payment by the relevant holder and the amount of such payment shall be rounded down to the nearest equivalent of euro 0.01 or its equivalent in another currency;
- (iii) if Definitive Covered Bonds are required to be issued after the Redenomination Date, they shall be issued at

the expense of the Issuer in the denominations of euro 100,000 or such other amount as may be allowed or required pursuant to the relevant laws which are applicable to (the offering of) such Covered Bonds and notified to the Covered Bondholders;

- (iv) if issued prior to the Redenomination Date, all unmatured Coupons denominated in the Specified Currency (whether or not attached to the Covered Bonds) will become void with effect from the date on which the Issuer gives notice (for the purpose of this Condition the "**Exchange Notice**") to the Covered Bondholders in accordance with Condition 14 (*Notices*) that replacement of Old Currency denominated Covered Bonds and Coupons are available for exchange (provided that such securities are so available) and no payments will be made in respect of them. The payment obligations contained in any Covered Bonds and Coupons so issued will also become void on that date although those Covered Bonds and Coupons will continue to constitute valid exchange obligations of the Issuer. New Currency denominated Covered Bonds and Coupons will be issued in exchange for Covered Bonds and Coupons denominated in the Specified Currency in such manner as the Issuer may specify and as shall be notified to the Covered Bondholders in the Exchange Notice. No Exchange Notice may be given less than fifteen (15) days prior to any date for payment of principal or interest on the Covered Bonds;
- (v) on or after the Redenomination Date, all payments in respect of the Covered Bonds and the Coupons, with a possible exception of payments of interest in respect of periods commencing before the Redenomination Date, will be made solely in the New Currency as though references in the Covered Bonds to the Specified Currency were to the New Currency. Payments will be made in the New Currency by credit or transfer to a New Currency account (or any other account to which the New Currency may be credited or transferred) specified by the payee or, at the option of the payee, by a New Currency cheque;
- (vi) if the Covered Bonds are Fixed Rate Covered Bonds and interest for any period ending on or after the Redenomination Date is required to be calculated for a period ending other than on an Interest Payment Date, it will be calculated by applying the Rate of Interest to each Calculation Amount, multiplying such sum by the applicable Fixed Day Count Fraction (as defined in Condition 5(a) (*Interest on Fixed Rate Covered Bond (up to but excluding the Maturity Date or, if earlier, the date on which a Breach of Amortisation Test Notice is served on the CBC)*)), and rounding the resultant figure to the nearest sub-unit of the relevant New Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. The amount of interest payable in respect of such Fixed Rate Covered Bonds shall be the aggregate of the amounts (determined in the manner provided above) for each Calculation Amount comprising the Specified Denomination without any further rounding;
- (vii) if the Covered Bonds are Floating Rate Covered Bonds, the applicable Final Terms will specify any relevant changes to the provisions relating to interest; and
- (viii) the applicable Final Terms will specify the exact date on which the redenomination will occur in case the Covered Bonds were issued in a currency other than euro and in a country in which TARGET2 does not apply.

For the purpose of this Condition "**Redenomination Date**" means any date for payment of interest or redemption under the Covered Bonds, specified by the Issuer in the notice given to the Covered Bondholders pursuant to paragraph (a) above and which in case of (i) the New Currency being euro, falls on or after the date on which the country of the Specified Currency first participates in the third stage of European economic and monetary union and in case of (ii) the New Currency being a currency other than euro, shall be the date the relevant government of the New Currency accepts payment in the New Currency as legal tender.

## **5. INTEREST**

### **A. Interest on Fixed Rate Covered Bond (up to but excluding the Maturity Date or, if earlier, the date on which a Breach of Amortisation Test Notice is served on the CBC)**

Each Fixed Rate Covered Bond bears interest on its Principal Amount Outstanding from (and including) the interest commencement date as specified in the applicable Final Terms (or, if not specified in the applicable Final Terms, the Issue Date) (an "**Interest Commencement Date**") at the rate(s) per annum equal to the Fixed Rate(s) of Interest. Interest will be payable in arrears on the Interest Payment Date(s) in each year (i) up to (and including) the Maturity Date (if that date does not fall on an Interest Payment Date), or, (ii) if earlier, up to, but excluding the date on which a Breach of Amortisation Test Notice is served on the CBC.

Except as provided in the applicable Final Terms, the amount of interest payable on each Interest Payment Date in

respect of the Fixed Interest Period ending on (but excluding) such date will amount to the Fixed Coupon Amount except if a Breach of Amortisation Test Notice is served on the CBC in which case the interest will be calculated as set out below. Payments of interest on any Interest Payment Date or the Maturity Date will, if so specified in the applicable Final Terms, amount to the Broken Amount so specified.

If a Business Day Convention is specified in the applicable Final Terms and (x) if there is no numerically corresponding day in the calendar month in which an Interest Payment Date should occur or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

- (1) the Following Business Day Convention, such Interest Payment Date (or other date) shall be postponed to the next day which is a Business Day; or
- (2) the Modified Following Business Day Convention, such Interest Payment Date (or other date) shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date (or other date) shall be brought forward to the immediate preceding Business Day; or
- (3) the Preceding Business Day Convention, such Interest Payment Date (or other date) shall be brought forward to the immediate preceding Business Day; or
- (4) No Adjustment, such Interest Payment Date (or other date) shall not be adjusted in accordance with any Business Day Convention.

If "**Unadjusted**" is specified in the applicable Final Terms the number of days in each Interest Period shall be calculated as if the Interest Payment Date were not subject to adjustment in accordance with the Business Day Convention specified in the applicable Final Terms.

If "**Adjusted**" is specified in the applicable Final Terms the number of days in each Interest Period shall be calculated as if the Interest Payment Date is subject to adjustment in accordance with the Business Day Convention specified in the applicable Final Terms.

If interest is required to be calculated for a period starting or ending other than on an Interest Payment Date (the "**Interest Calculation Period**"), such interest shall be calculated by applying the Fixed Rate of Interest to the Calculation Amount, multiplying such sum by the applicable Fixed Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention and multiplying such rounded up figure by a fraction equal to the Specified Denomination of such Covered Bond divided by the Calculation Amount.

For the purposes of these Terms and Conditions (unless defined otherwise in the relevant section or subsection);

**"Fixed Day Count Fraction"** means:

if "**Actual/Actual (ICMA)**" is specified in the applicable Final Terms for the relevant period, it means:

- (a) where the Interest Calculation Period is equal to or shorter than the Determination Period during which it falls, the actual number of days in the Interest Calculation Period divided by the product of (1) the actual number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and
- (b) where the Interest Calculation Period is longer than one Determination Period, the sum of:
  - (A) the actual number of days in such Interest Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the actual number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and
  - (B) the actual number of days in such Interest Calculation Period falling in the next Determination Period divided by the product of (1) the actual number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year;

where:

**"Determination Period"** means the period from and including an Interest Payment Date in any year up to but excluding the next Interest Payment Date;

if **"30/360"** is specified in the applicable Final Terms for the relevant period, the number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (such number of days being calculated on the basis of a year of 360 days with 12 30-day months) (unless (i) the last day of the Fixed Interest Period is the 31st day of a month but the first day of the Fixed Interest Period is a day other than the 30th or the 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month or (ii) the last day of the Fixed Interest Period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month) divided by 360;

**"sub-unit"** means one cent;

**"Calculation Amount"** has the meaning ascribed to it in the applicable Final Terms or if no such amount is specified in the applicable Final Terms, the Specified Denomination;

**"Fixed Interest Period"** means the period from and including an Interest Payment Date (or in the case of a first interest period, the Interest Commencement Date, or if such is not specified in the applicable Final Terms, the Issue Date) to but excluding the next or first Interest Payment Date;

**"Maturity Date"** means, subject to Condition 7(c) (*Redemption at the option of the Issuer (Issuer Call)*) and Condition 7(d) (*Redemption at the option of the Covered Bondholders (Investor Put)*), in respect of a Series of Covered Bonds, the relevant Interest Payment Date which falls no more than thirty (30) years after the Issue Date of such Series and on which the Covered Bonds of such Series are expected to be redeemed at their Principal Amount Outstanding in accordance with these Conditions, as specified in the relevant Final Terms; and

**"Principal Amount Outstanding"** means, on any date, the principal amount of a Covered Bond on the relevant Issue Date, less the aggregate amount of any principal payments in respect of such Covered Bond which have been paid to the relevant Covered Bondholder on or prior to that date.

The applicable Final Terms shall contain provisions (if necessary) relating to the calculation of interest in respect of Interest Payment Dates that fall in the interval between the Issue Date and the First Interest Payment Date or the interval between the Maturity Date and the immediately preceding Interest Payment Date.

**B. Interest on Floating Rate Covered Bonds (up to, but excluding, the Maturity Date or, if earlier, the date on which a Breach of Amortisation Test Notice is served on the CBC)**

*(i) Interest Payment Dates*

Each Floating Rate Covered Bond bears interest on its Principal Amount Outstanding from (and including) the interest commencement date (or, if not specified in the applicable Final Terms, the Issue Date) (an **"Interest Commencement Date"**) at the rate equal to the Rate of Interest payable in arrear, with a floor of 0%, on either:

- (a) the Specified Interest Payment Date(s) in each year; or
- (b) if no express Specified Interest Payment Date(s) is/are specified in the applicable Final Terms, each date (each an **"Interest Payment Date"**) which falls the number of months or other period specified as the Specified Period in the applicable Final Terms after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

Such interest will be payable in respect of each Interest Period. **"Interest Period"** shall, in these Terms and Conditions, mean the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.

If a Business Day Convention is specified in the applicable Final Terms and (x) if there is no numerically corresponding day in the calendar month in which an Interest Payment Date should occur or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention is specified is:

- (1) in any case where Specified Periods are specified in accordance with Condition 5 (B)(i)(b) above, the Floating Rate Convention, such Interest Payment Date (i) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (B) below shall apply *mutatis mutandis* or (ii) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (A) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (B) each subsequent Interest Payment Date shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Interest Payment Date occurred; or
- (2) the Following Business Day Convention, such Interest Payment Date (or other date) shall be postponed to the next day which is a Business Day; or
- (3) the Modified Following Business Day Convention, such Interest Payment Date (or other date) shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date (or other date) shall be brought forward to the immediate preceding Business Day; or
- (4) the Preceding Business Day Convention, such Interest Payment Date (or other date) shall be brought forward to the immediate preceding Business Day; or
- (5) No Adjustment, such Interest Payment Date (or other date) shall not be adjusted in accordance with any Business Day Convention.

If "**Unadjusted**" is specified in the applicable Final Terms the number of days in each Interest Period shall be calculated as if the Interest Payment Date were not subject to adjustment in accordance with the Business Day Convention specified in the applicable Final Terms.

If "**Adjusted**" is specified in the applicable Final Terms the number of days in each Interest Period shall be calculated as if the Interest Payment Date is subject to adjustment in accordance with the Business Day Convention specified in the applicable Final Terms.

In this Condition 5 (*Interest*), "**Business Day**" means a day which is both:

- (a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in any Additional Business Centre specified in the applicable Final Terms; and
- (b) a day on which the TARGET2 is open. In these Terms and Conditions, "TARGET2" means the Trans-European Automated Real-Time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007 or any successor thereof.

(ii) *Rate of Interest*

The Rate of Interest will be determined in the manner specified further in subparagraph (a) or subparagraph (b) below and as determined in the applicable Final Terms.

(a) *ISDA Determination for Floating Rate Covered Bonds*

Where ISDA Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Final Terms) the Margin (if any). For the purposes of this subparagraph (a), "**ISDA Rate**" for an Interest Period means a rate equal to the Floating Rate that would be determined by the Principal Paying Agent under an interest rate swap transaction if the Principal Paying Agent were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the 2006 ISDA Definitions as amended and updated as at the Issue Date of the first Tranche of the Covered Bonds, published by the International Swaps and Derivatives Association, Inc. (the "**ISDA Definitions**") and under which:

- (1) the Floating Rate Option is as specified in the applicable Final Terms;

- (2) the Designated Maturity is the period specified in the applicable Final Terms; and
- (3) the relevant Reset Date is either (i) if the applicable Floating Rate Option is based on EURIBOR, the first day of that Interest Period or (ii) in any other case, as specified in the applicable Final Terms.

For the purposes of this sub-paragraph (a), (i) "**Floating Rate**", "**Calculation Agent**", "**Floating Rate Option**", "**Designated Maturity**" and "**Reset Date**" have the meanings given to those terms in the ISDA Definitions, (ii) the definition of "**Banking Day**" in the ISDA Definitions shall be amended to insert after the words "are open for" in the second line before the word "general" and (iii) "**Euro-zone**" means the region comprised of Member States of the European Union that adopt the single currency in accordance with the EU Treaty.

When this sub-paragraph (a) applies, in respect of each relevant Interest Period the Principal Paying Agent will be deemed to have discharged its obligations under Condition 5(B)(iv) (*Determination of Rate of Interest and Calculation of Floating Interest Amounts*) in respect of the determination of the Rate of Interest if it has determined the Rate of Interest in respect of such Interest Period in the manner provided in this subparagraph (a).

(b) *Screen Rate Determination for Floating Rate Covered Bonds*

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will, subject as provided below, be either:

- (1) the offered quotation (if there is only one quotation on the Relevant Screen Page); or
- (2) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards or, if the relevant Screen Rate is EURIBOR, to the third decimal place, with 0.0005 being rounded upwards) of the offered quotations, (expressed as a percentage rate per annum) for the Reference Rates which appears or appear, as the case may be, on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date. If five or more such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Principal Paying Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations,

plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Principal Paying Agent.

The Agency Agreement contains provisions for determining the Rate of Interest pursuant to this subparagraph (b) in the event that the Relevant Screen Page is not available or if, in the case of (1) above, no such offered quotation appears or, in the case of (2) above, fewer than three such offered quotations appear, in each case as at the time specified in the preceding paragraph.

If the Reference Rate from time to time in respect of Floating Rate Covered Bonds is specified in the applicable Final Terms as being other than EURIBOR, the Rate of Interest in respect of such Covered Bonds will be determined as provided in the applicable Final Terms.

(c) *Replacement Reference Rate*

Notwithstanding the provisions above in this Condition 5(B)(ii), if the Issuer determines at any time prior to, on or following any Interest Determination Date, that a Benchmark Event has occurred, the Issuer will notify the Principal Paying Agent thereof. If prior to the determination of the occurrence of a Benchmark Event by the Issuer, the Principal Paying Agent becomes aware of the occurrence of a Benchmark Event, it will notify the Issuer thereof. The Issuer or the CBC if an Issuer Acceleration Notice and a Notice to Pay are served, will, as soon as reasonably practicable (and in any event prior to the next relevant Interest Determination Date), appoint a Rate Determination Agent, which may, after using reasonable endeavours to appoint and consult with an Independent Adviser, determine in its sole discretion, acting in good faith and in a commercially reasonable manner, a substitute, alternative or successor rate for purposes of determining the relevant Reference Rate (as specified in the applicable Final Terms) on each Interest Determination Date falling on such date or thereafter that is substantially comparable to the Reference Rate or that has been recommended or selected by the monetary authority or similar authority (or working group thereof) in the jurisdiction of the applicable currency. If the Rate Determination Agent has determined a substitute, alternative or successor rate in accordance with the foregoing (such rate, the "**Replacement Reference Rate**") for purposes of determining the Reference Rate on the relevant Interest

Determination Date falling on or after such determination, (A) the Rate Determination Agent will, following consultation with the Independent Adviser (if appointed), also determine changes (if any) to the business day convention, the definition of business day, the interest determination date, the day count fraction and any method for calculating the Replacement Reference Rate, including any Adjustment Spread, in each case in a manner that is consistent with any industry-accepted practices for such Replacement Reference Rate; (B) references to the Reference Rate in these Conditions applicable to the relevant Floating Rate Covered Bonds will be deemed to be references to the relevant Replacement Reference Rate, including any alternative method for determining such rate as described in (A) above (including the Adjustment Spread); and (C) the Rate Determination Agent will give notice of the foregoing as soon as reasonably practicable to the Covered Bondholders (in accordance with Condition 13), the Issuer, the Security Trustee, the CBC and the Principal Paying Agent specifying the Replacement Reference Rate, as well as the details described in (A) above. The party responsible for calculating the Interest Rate pursuant to Condition 5(B) will remain the party responsible for calculating the Interest Rate by making use of the Replacement Reference Rate and the other matters referred to above.

The determination of the Replacement Reference Rate and the other matters referred to above by the Rate Determination Agent will be final and binding on the Issuer, the Security Trustee, the Principal Paying Agent and the Covered Bondholders.

If the Rate Determination Agent is unable to or otherwise does not determine a Replacement Reference Rate or any of the other matters referred to above, then the Reference Rate will not be changed pursuant to this Condition 5(B)(ii)(c). This is without prejudice to the applicability of Condition 5(B)(ii)(a) and (b).

As used in this Condition 5(B)(ii)(c):

**"Adjustment Spread"** means either a spread (which may be positive or negative), or the formula or methodology for calculating a spread, in either case, which the Rate Determination Agent, following consultation with the Independent Adviser (if appointed) and acting in good faith, determines is required to be applied to the Replacement Reference Rate to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to the Covered Bondholders as a result of the replacement of the Reference Rate with the Replacement Reference Rate and is the spread, formula or methodology which:

- (a) is formally recommended in relation to the replacement of the Reference Rate with the Replacement Reference Rate by any competent authority; or (if no such recommendation has been made)
- (b) the Rate Determination Agent determines, following consultation with the Independent Adviser (if appointed) and acting in good faith, is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Reference Rate, where such rate has been replaced by the Replacement Reference Rate; or (if the Rate Determination Agent determines that no such industry accepted standard is recognised or acknowledged)
- (c) the Rate Determination Agent, in its discretion, following consultation with the Independent Adviser (if appointed) and acting in good faith, determines to be appropriate.

**"Benchmark Event"** means:

- (a) the Reference Rate ceases to be an industry accepted rate for debt market instruments (as determined by the Issuer, following consultation with the Independent Adviser (if appointed) and acting in good faith) such as, or comparable to, the Covered Bonds; or
- (b) it has become unlawful or otherwise prohibited (including, without limitation, for the Principal Paying Agent) pursuant to any law, regulation or instruction from a competent authority, to calculate any payments due to be made to any Covered Bondholder using the Reference Rate or otherwise make use of the Reference Rate with respect to the Covered Bonds; or
- (c) the Reference Rate ceasing to be published for a period of at least five (5) Business Days or ceasing to exist; or
- (d) a public statement by the administrator of the Reference Rate that it will, by a specified date within the following six (6) months, cease to publish the Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue the publication of the Reference Rate); or
- (e) a public statement by the administrator of the Reference Rate that the Reference Rate has been or will, by a specified date within the following six (6) months, be permanently or indefinitely discontinued; or

- (f) a public statement by the supervisor of the administrator of the Reference Rate that the Reference Rate will be prohibited from being used or that its use will be subject to restrictions or adverse consequences, in each case within the following six (6) months.

**"Independent Adviser"** means an independent financial institution of international repute or an independent financial adviser with appropriate expertise as reasonably determined by the Rate Determination Agent in its sole discretion.

**"Rate Determination Agent"** means (i) a third party appointed by the Issuer, using commercially best efforts, (ii) if it is not reasonably practicable to appoint such third party, the Issuer, or (ii) or if an Issuer Acceleration Notice and a Notice to Pay are served, the CBC, to determine the Replacement Reference Rate in accordance with this Condition.

(iii) *Minimum and/or Maximum Rate of Interest*

If the applicable Final Terms specifies a Minimum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (ii) above is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest.

If the applicable Final Terms specifies a Maximum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (ii) above is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

(iv) *Determination of Rate of Interest and Calculation of Floating Interest Amounts*

The Principal Paying Agent, in the case of Floating Rate Covered Bonds will at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period.

The Principal Paying Agent will calculate the amount of interest (the **"Floating Interest Amount"**) payable on the Floating Rate Covered Bonds, in respect of each Calculation Amount for the relevant Interest Period. Each Floating Interest Amount shall be calculated by applying the Rate of Interest to each Calculation Amount, multiplying such sum by the applicable Floating Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Floating Rate Covered Bond in definitive form comprises more than one Calculation Amount, the amount of interest payable in respect of such Floating Rate Covered Bond shall be the aggregate of the amounts (determined in the manner provided above) for each Calculation Amount comprising the Specified Denomination without any further rounding.

In this Condition **"Floating Day Count Fraction"** means, in respect of the calculation of an amount of interest for any Interest Period:

- (i) if **"Actual/365"** or **"Actual/Actual ISDA"** is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);
- (ii) if **"Actual/365 (Fixed)"** is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;
- (iii) if **"Actual/360"** is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;
- (iv) if **"30/360"**, **"360/360"** or **"Bond Basis"** is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

**"Y1"** is the year, expressed as a number, in which the first day of the Interest Period falls; which the

**"Y2"** is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

**"M1"** is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M2" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D1" is the first calendar day, expressed as a number, of the Interest Period, unless such number is 31, in which case D1 will be 30; and

"D2" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D1 is greater than 29, in which case D2 will be 30;

- (v) if "30E/360" or "Eurobond Basis" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360 calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y1" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y2" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"M1" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M2" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D1" is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D1 will be 30;

"D2" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case D2 will be 30; and

- (vi) if "30E/360 (ISDA)" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y1" is the year, expressed as a number, in which the first day of the Interest Period falls; and

"Y2" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"M1" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M2" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D1" is the first calendar day, expressed as a number, of the Interest Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D1 will be 30; and

"D2" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D2 will be 30.

- (v) *Notification of Rate of Interest and Floating Interest Amounts*

The Principal Paying Agent will cause the Rate of Interest and each Floating Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer and any stock exchange on which the relevant Floating Rate Covered Bonds are for the time being listed and notice thereof to be published in accordance with Condition 14 (*Notices*) as soon as possible after their determination but in no event later than the fourth London Business Day thereafter. Each Floating Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to each stock exchange on which the relevant Floating Rate Covered Bonds are for the time being listed and to the Covered Bondholders in accordance with Condition 14 (*Notices*). If the Calculation Amount is less than the minimum Specified Denomination the Calculation Agent shall not be obliged to publish each Floating Interest Amount but instead may publish only the Calculation Amount and the Floating Interest Amount in respect of the Covered Bond having the minimum Specified Denomination. For the purposes of this paragraph, the expression "**London Business Day**" means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in London.

- (vi) *Certificates to be final*

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 5(B) (*Interest on Floating Rate Covered Bonds (up*

to, but excluding, the Maturity Date or, if earlier, the date on which a Breach of Amortisation Test Notice is served on the CBC)), whether by the Principal Paying Agent or, if applicable, the Calculation Agent, shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Principal Paying Agent, the Calculation Agent, if applicable, the other Paying Agents and all Covered Bondholders and Couponholders and (in the absence as aforesaid) no liability to the Issuer, the Covered Bondholders or the Couponholders shall attach to the Principal Paying Agent or the Calculation Agent, if applicable, in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

**C. Interest on Fixed Rate Covered Bonds from the Maturity Date or, if earlier, the date a Breach of Amortisation Test Notice has been served on the CBC**

As from the Maturity Date or, if earlier, the date on which a Breach of Amortisation Test Notice is served on the CBC, each Fixed Rate Covered Bond will bear interest on its Principal Amount Outstanding from (and including) the date as specified in the applicable Final Terms as Interest Commencement Date (or, if not specified in the applicable Final Terms, the earlier to occur of (i) the Maturity Date and (ii) the date on which a Breach of Amortisation Test Notice is served on the CBC) ("**Interest Commencement Date**") at the rate(s) per annum equal to the Fixed Rate(s) of Interest. Interest will be payable in arrears on the Interest Payment Dates in each year up to (and including) the Extended Due for Payment Date (if that date does not fall on an Interest Payment Date).

Except as provided in the applicable Final Terms, the amount of interest payable on each Interest Payment Date in respect of the Fixed Interest Period ending on (but excluding) such date will be calculated in respect of each Calculation Amount by applying the fixed Rate of Interest to each Principal Amount Outstanding, multiplying such sum by the applicable Fixed Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the euro, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention and multiplying such rounded up figure by a fraction equal to the Specified Denomination of such Covered Bond divided by the Calculation Amount.

If a Business Day Convention is specified in the applicable Final Terms and (x) if there is no numerically corresponding day in the calendar month in which an Interest Payment Date should occur or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

- (1) the Following Business Day Convention, such Interest Payment Date (or other date) shall be postponed to the next day which is a Business Day; or
- (2) the Modified Following Business Day Convention, such Interest Payment Date (or other date) shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date (or other date) shall be brought forward to the immediate preceding Business Day; or
- (3) the Preceding Business Day Convention, such Interest Payment Date (or other date) shall be brought forward to the immediate preceding Business Day; or
- (4) No Adjustment, such Interest Payment Date (or other date) shall not be adjusted in accordance with any Business Day Convention.

If "**Unadjusted**" is specified in the applicable Final Terms the number of days in each Interest Period shall be calculated as if the Interest Payment Date were not subject to adjustment in accordance with the Business Day Convention specified in the applicable Final Terms.

If "**Adjusted**" is specified in the applicable Final Terms the number of days in each Interest Period shall be calculated as if the Interest Payment Date is subject to adjustment in accordance with the Business Day Convention specified in the applicable Final Terms.

For the purposes of this Condition 5(C) (*Interest from the Maturity Date or, if earlier, the date a Breach of Amortisation Test Notice has been served on the CBC*):

"**Fixed Day Count Fraction**" means:

if "**Actual/Actual (ICMA)**" is specified in the applicable Final Terms for the relevant period, it means:

- (a) where the Interest Calculation Period is equal to or shorter than the Determination Period during which it falls, the actual number of days in the Interest Calculation Period divided by the product of (1) the actual number of

days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and

(b) where the Interest Calculation Period is longer than one Determination Period, the sum of:

(A) the actual number of days in such Interest Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the actual number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and

(B) the actual number of days in such Interest Calculation Period falling in the next Determination Period divided by the product of (1) the actual number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year;

where:

**"Determination Period"** means the period from and including an Interest Payment Date in any year up to but excluding the next Interest Payment Date;

if **"30/360"** is specified in the applicable Final Terms for the relevant period, the number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (such number of days being calculated on the basis of a year of 360 days with 12 30-day months) (unless (i) the last day of the Fixed Interest Period is the 31st day of a month but the first day of the Fixed Interest Period is a day other than the 30th or the 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month or (ii) the last day of the Fixed Interest Period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month) divided by 360;

**"sub-unit"** means one cent; and

**"Fixed Interest Period"** means the period from and including an Interest Payment Date (or in the case of a first interest period, the Interest Commencement Date) to but excluding the next or first Interest Payment Date.

#### **D. Interest on Floating Rate Covered Bonds from the Maturity Date or, if earlier, the date a Breach of Amortisation Test Notice has been served on the CBC**

(i) *Interest Payment Dates*

As from the Maturity Date or, if earlier, the date on which a Breach of Amortisation Test Notice is served on the CBC, each Floating Rate Covered Bond will bear interest on its Principal Amount Outstanding from (and including) the date as specified in the applicable Final Terms as Interest Commencement Date (or, if not specified in the applicable Final Terms, the earlier to occur of (i) the Maturity Date and (ii) the date on which a Breach of Amortisation Test Notice is served on the CBC) ("**Interest Commencement Date**") at the rate equal to the Rate of Interest payable in arrear, with a floor of 0%, on either:

(a) the Specified Interest Payment Date(s) in each year; or

(b) if no express Specified Interest Payment Date(s) is/are specified in the applicable Final Terms, each date (each an "**Interest Payment Date**") which falls the number of months or other period specified as the Specified Period in the applicable Final Terms after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

Such interest will be payable in respect of each Interest Period. "**Interest Period**" shall, in these Terms and Conditions, mean the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.

If a Business Day Convention is specified in the applicable Final Terms and (x) if there is no numerically corresponding day in the calendar month in which an Interest Payment Date should occur or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention is specified is:

- (1) in any case where Specified Periods are specified in accordance with Condition 5 (D)(i)(b) above, the Floating Rate Convention, such Interest Payment Date (i) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (B) below shall apply *mutatis mutandis* or (ii) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (A) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (B) each subsequent Interest Payment Date shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Interest Payment Date occurred; or
- (2) the Following Business Day Convention, such Interest Payment Date (or other date) shall be postponed to the next day which is a Business Day; or
- (3) the Modified Following Business Day Convention, such Interest Payment Date (or other date) shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date (or other date) shall be brought forward to the immediate preceding Business Day; or
- (4) the Preceding Business Day Convention, such Interest Payment Date (or other date) shall be brought forward to the immediate preceding Business Day; or
- (5) No Adjustment, such Interest Payment Date (or other date) shall not be adjusted in accordance with any Business Day Convention.

If "**Unadjusted**" is specified in the applicable Final Terms the number of days in each Interest Period shall be calculated as if the Interest Payment Date were not subject to adjustment in accordance with the Business Day Convention specified in the applicable Final Terms.

If "**Adjusted**" is specified in the applicable Final Terms the number of days in each Interest Period shall be calculated as if the Interest Payment Date is subject to adjustment in accordance with the Business Day Convention specified in the applicable Final Terms.

(ii) *Rate of Interest*

The Rate of Interest will be determined in the manner specified further in subparagraph (a) or subparagraph (b) below and as determined in the applicable Final Terms.

(a) *ISDA Determination for Floating Rate Covered Bonds*

Where ISDA Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Final Terms) the Margin (if any). For the purposes of this subparagraph (a), "**ISDA Rate**" for an Interest Period means a rate equal to the Floating Rate that would be determined by the Principal Paying Agent under an interest rate swap transaction if the Principal Paying Agent were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the 2006 ISDA Definitions as amended and updated as at the Maturity Date or, if earlier, the date on which a Breach of Amortisation Test Notice is served on the CBC, published by the International Swaps and Derivatives Association, Inc. (the "**ISDA Definitions**") and under which:

- (1) the Floating Rate Option is as specified in the applicable Final Terms;
- (2) the Designated Maturity is the period specified in the applicable Final Terms; and
- (3) the relevant Reset Date is either (i) if the applicable Floating Rate Option is based on EURIBOR, the first day of that Interest Period or (ii) in any other case, as specified in the applicable Final Terms.

For the purposes of this sub-paragraph (a), (i) "**Floating Rate**", "**Calculation Agent**", "**Floating Rate Option**", "**Designated Maturity**" and "**Reset Date**" have the meanings given to those terms in the ISDA Definitions, (ii) the definition of "**Banking Day**" in the ISDA Definitions shall be amended to insert after the words "are open for" in the second line before the word "general" and (iii) "**Euro-zone**" means the region comprised of Member States of the European Union that adopt the single currency in accordance with the EU Treaty.

When this sub-paragraph (a) applies, in respect of each relevant Interest Period the Principal Paying Agent will be deemed to have discharged its obligations under Condition 5(D)(iv) (*Determination of Rate of Interest and Calculation of Floating Interest Amounts*) in respect of the determination of the Rate of Interest if it has determined the Rate of Interest in respect of such Interest Period in the manner provided in this subparagraph (a).

(b) *Screen Rate Determination for Floating Rate Covered Bonds*

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will, subject as provided below, be either:

- (1) the offered quotation (if there is only one quotation on the Relevant Screen Page); or
- (2) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards or, if the relevant Screen Rate is EURIBOR, to the third decimal place, with 0.0005 being rounded upwards) of the offered quotations, (expressed as a percentage rate per annum) for the Reference Rates which appears or appear, as the case may be, on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date. If five or more such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Principal Paying Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations, plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Principal Paying Agent.

The Agency Agreement contains provisions for determining the Rate of Interest pursuant to this subparagraph (b) in the event that the Relevant Screen Page is not available or if, in the case of (1) above, no such offered quotation appears or, in the case of (2) above, fewer than three such offered quotations appear, in each case as at the time specified in the preceding paragraph.

If the Reference Rate from time to time in respect of Floating Rate Covered Bonds is specified in the applicable Final Terms as being other than EURIBOR, the Rate of Interest in respect of such Covered Bonds will be determined as provided in the applicable Final Terms.

(c) *Replacement Reference Rate*

Notwithstanding the provisions above in this Condition 5(D)(ii), if the Issuer determines at any time prior to, on or following any Interest Determination Date, that a Benchmark Event (as defined in Condition 5(B)(ii)) has occurred, the Interest Rate will be determined in accordance with Condition 5(B)(ii).

(iii) *Minimum and/or Maximum Rate of Interest*

If the applicable Final Terms specifies a Minimum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (ii) above is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest.

If the applicable Final Terms specifies a Maximum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (ii) above is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

(iv) *Determination of Rate of Interest and Calculation of Floating Interest Amounts*

The Principal Paying Agent, in the case of Floating Rate Covered Bonds will at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period.

The Principal Paying Agent will calculate the amount of interest (the "**Floating Interest Amount**") payable on the Floating Rate Covered Bonds, in respect of each Calculation Amount for the relevant Interest Period. Each Floating Interest Amount shall be calculated by applying the Rate of Interest to each Calculation Amount, multiplying such sum by the applicable Floating Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market

convention. Where the Specified Denomination of a Floating Rate Covered Bond in definitive form comprises more than one Calculation Amount, the amount of interest payable in respect of such Floating Rate Covered Bond shall be the aggregate of the amounts (determined in the manner provided above) for each Calculation Amount comprising the Specified Denomination without any further rounding.

In this Condition "**Floating Day Count Fraction**" means, in respect of the calculation of an amount of interest for any Interest Period:

- (i) if "**Actual/365**" or "**Actual/Actual ISDA**" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);
- (ii) if "**Actual/365 (Fixed)**" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;
- (iii) if "**Actual/360**" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;
- (iv) if "**30/360**", "**360/360**" or "**Bond Basis**" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"**Y1**" is the year, expressed as a number, in which the first day of the Interest Period falls; which the

"**Y2**" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"**M1**" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"**M2**" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"**D1**" is the first calendar day, expressed as a number, of the Interest Period, unless such number is 31, in which case D1 will be 30; and

"**D2**" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D1 is greater than 29, in which case D2 will be 30;

- (v) if "**30E/360**" or "**Eurobond Basis**" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360 calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

where:

"**Y1**" is the year, expressed as a number, in which the first day of the Interest Period falls;

"**Y2**" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"**M1**" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"**M2**" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"**D1**" is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D1 will be 30;

"**D2**" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case D2 will be 30; and

- (vi) if "**30E/360 (ISDA)**" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"**Y1**" is the year, expressed as a number, in which the first day of the Interest Period falls; which the

"**Y2**" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"**M1**" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"**M2**" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"**D1**" is the first calendar day, expressed as a number, of the Interest Period, unless (i) that day is the last day of

February or (ii) such number would be 31, in which case D1 will be 30; and "D2" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless (i) that day is the last day of February but not the Extended Due for Payment Date or (ii) such number would be 31, in which case D2 will be 30.

(v) *Notification of Rate of Interest and Floating Interest Amounts*

The Principal Paying Agent will cause the Rate of Interest and each Floating Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer and any stock exchange on which the relevant Floating Rate Covered Bonds are for the time being listed and notice thereof to be published in accordance with Condition 14 (*Notices*) as soon as possible after their determination but in no event later than the fourth London Business Day thereafter. Each Floating Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to each stock exchange on which the relevant Floating Rate Covered Bonds are for the time being listed and to the Covered Bondholders in accordance with Condition 14 (*Notices*). If the Calculation Amount is less than the minimum Specified Denomination the Calculation Agent shall not be obliged to publish each Floating Interest Amount but instead may publish only the Calculation Amount and the Floating Interest Amount in respect of the Covered Bond having the minimum Specified Denomination. For the purposes of this paragraph, the expression "**London Business Day**" means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in London.

(vi) *Certificates to be final*

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 5(D) (*Interest on Floating Rate Covered Bonds from the Maturity Date or, if earlier, the date a Breach of Amortisation Test Notice has been served on the CBC*), whether by the Principal Paying Agent or, if applicable, the Calculation Agent, shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Principal Paying Agent, the Calculation Agent, if applicable, the other Paying Agents and all Covered Bondholders and Couponholders and (in the absence as aforesaid) no liability to the Issuer, the Covered Bondholders or the Couponholders shall attach to the Principal Paying Agent or the Calculation Agent, if applicable, in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

**E. Accrual of interest**

Each Covered Bond (or in the case of the redemption of part only of a Covered Bond, that part only of such Covered Bond) will cease to bear interest (if any) from the date for its redemption unless, upon due presentation thereof, payment of principal is improperly withheld or refused. In such event, interest will continue to accrue as provided in the Trust Deed.

**6. PAYMENTS**

A. *Method of payment*

Subject as provided below:

- (i) payments in a Specified Currency other than euro and U.S. Dollars will be made by credit or transfer to an account in the relevant Specified Currency (which, in the case of a payment in Japanese Yen to a non-resident of Japan, shall be a non-resident account) maintained by the payee with, or, at the option of the payee, by a cheque in such Specified Currency drawn on, a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively);
- (ii) payments in euro will be made by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or, at the option of the payee, by a euro cheque; and
- (iii) payments in U.S. Dollars will be made by transfer to a U.S. Dollar account maintained by the payee with a bank outside of the United States (which expression, as used in this Condition 6, means the United States of America, including the State and the District of Columbia, its territories, its possessions and other areas subject to its jurisdiction), or by cheque drawn on a United States bank.

In no event will payment be made by a cheque mailed to an address in the United States. Payments will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in the place of payment in

these Terms and Conditions, the Trust Deed, the Agency Agreement and the Final Terms, but without prejudice to the provisions of Condition 8 (*Taxation*) and (ii) any withholding or deduction required pursuant to an agreement described in section 1471(b) of the US IR Code or otherwise imposed pursuant to sections 1471 through 1474 of the US IR Code, any regulations or agreements thereunder, any official interpretations thereof, or any law implementing an intergovernmental agreement thereto. References to Specified Currency will include any successor currency under the applicable law.

**B. *Presentation of Definitive Covered Bonds and Coupons***

Payments of principal in respect of Definitive Covered Bonds will (subject as provided below) be made in the manner provided in paragraph (A) above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Definitive Covered Bonds, and payments of interest in respect of Definitive Covered Bonds will (subject as provided below) be made as aforesaid only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Coupons, in each case at the specified office of any Paying Agent outside the United States.

Fixed Rate Covered Bonds in definitive form should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of five (5) years after the Relevant Date (as defined in Condition 8 (*Taxation*)) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 9 (*Prescription*)) or, if later, five (5) years from the date on which such Coupon would otherwise have become due, but in no event thereafter.

Upon any Fixed Rate Covered Bond in definitive form becoming due and repayable prior to its Maturity Date, all unmatured Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.

Upon the date on which any Floating Rate Covered Bond in definitive form becomes due and repayable in whole, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof. Where any such Covered Bond is presented for redemption without all unmatured Coupons or Talons relating to it, redemption shall be made only against the provision of such indemnity as the Issuer may require.

If the due date for redemption of any Definitive Covered Bond is not an Interest Payment Date, interest (if any) accrued in respect of such Covered Bond from (and including) the preceding Interest Payment Date or, as the case may be, the Interest Commencement Date shall be payable only against surrender of the relevant Definitive Covered Bond.

**C. *Payments in respect of Global Covered Bonds***

Payments of principal and interest (if any) in respect of Covered Bonds represented by any Global Covered Bond will (subject as provided below) be made in the manner specified above in relation to Definitive Covered Bonds and otherwise in the manner specified in the relevant Global Covered Bond against presentation or surrender (as the case may be) of such Global Covered Bond at the specified office of any Paying Agent outside the United States. A record of each payment made against presentation or surrender of any Global Covered Bond, distinguishing between any payment of principal and any payment of interest, will be made on such Global Covered Bond by the Paying Agent to which it was presented and such record shall be prima facie evidence that the payment in question has been made and in respect of a Global Covered Bond in NGN-form the payment is entered *pro rata* in the record of Euroclear and Clearstream, Luxembourg.

**D. *General provisions applicable to payments***

The holder of a Global Covered Bond shall be the only person entitled to receive payments in respect of Covered Bonds represented by such Global Covered Bond and the Issuer or the CBC and the Security Trustee will be discharged by payment to, or to the order of, the holder of such Global Covered Bond in respect of each amount so paid.

Each of the persons shown in the records of Euroclear, Clearstream, Luxembourg or Euroclear Nederland as the beneficial holder of a particular nominal amount of Covered Bonds represented by a Global Covered Bond must look solely to Euroclear, Clearstream, Luxembourg or Euroclear Nederland, as the case may be, for his share of each payment so made by the Issuer or the CBC or the Security Trustee to, or to the order of, the holder of such Global Covered Bond.

E. *Payment Day*

If the date for payment of any amount in respect of any Covered Bond or Coupon is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, "**Payment Day**" means any day which (subject to Condition 9 (*Prescription*)) is a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in:

- a) the relevant place of presentation; and
- b) any Additional Financial Centre specified in the applicable Final Terms.

F. *Interpretation of principal and interest*

Any reference in these Terms and Conditions to principal in respect of the Covered Bonds shall be deemed to include, as applicable:

- (i) any additional amounts which may be payable with respect to principal under Condition 8 (*Taxation*) or under any undertaking or covenant given in addition thereto, or in substitution therefor, pursuant to the Trust Deed;
- (ii) the Final Redemption Amount of the Covered Bonds;
- (iii) the Early Redemption Amount of the Covered Bonds;
- (iv) the Optional Redemption Amount;
- (v) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Covered Bonds; and
- (vi) any Excess Proceeds which may be payable by the Security Trustee to either the CBC or the Covered Bondholders under or in respect of the Covered Bond.

Any reference in these Terms and Conditions to interest in respect of the Covered Bonds shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 8 (*Taxation*) or under any undertaking or covenant given in addition thereto, or in substitution therefor, pursuant to the Trust Deed.

G. *Set-off*

- (i) Any payments under or pursuant to the Covered Bonds shall be made by the Issuer free of set-off and withholding if and to the extent so specified in the applicable Final Terms.
- (ii) If in the Final Terms "German Insurers" are indicated Applicable, each of the Issuer and the CBC hereby waives, for the benefit of all present and future holders of the Registered Covered Bonds issued in such Final Terms, any right to set-off (*verrekenen*, in German: *aufrechnen*) any amount against, any right to retain (*inhouden*, in German: *zurückbehalten*) any amount from, and any right of pledge (*pandrecht*, in German: *Pfandrecht*), including but not limited to any right of pledge created under the Issuer's general banking conditions with regard to, any amount it owes under or in respect of the Registered Covered Bonds and any similar right which may adversely affect the rights under or in respect of Registered Covered Bonds.

If this waiver under (G)(ii) is applicable it (i) applies as far as and as long as the Registered Covered Bonds are part of the committed assets (*Sicherungsvermögen*) of an insurer within the meaning of section 125 of the German Insurance Supervisory Act (*Versicherungsaufsichtsgesetz*) as amended from time to time also in case of an insolvency and (ii) prevails over any present or future agreement with a conflicting content, save in the case of future agreements only, where such future agreement has a conflicting content which explicitly refers to this specific waiver.

## 7. REDEMPTION AND PURCHASE

### (a) *Redemption at maturity*

Unless previously redeemed or purchased and cancelled as specified below and subject to Condition 3 (*The Guarantee*), each Covered Bond will be redeemed by the Issuer at its Final Redemption Amount specified in, or determined in the manner specified in, the applicable Final Terms in the relevant Specified Currency on the Maturity Date (the "**Final Redemption Amount**").

### (b) *Redemption for tax reasons*

The Covered Bonds may be redeemed at the option of the Issuer in whole, but not in part, at any time (if this Covered Bond is not a Floating Rate Covered Bond) or on any Interest Payment Date (if this Covered Bond is a Floating Rate Covered Bond), on giving not less than thirty (30) nor more than sixty (60) days' notice to the Security Trustee and the Principal Paying Agent and, in accordance with Condition 14 (*Notices*), the Covered Bondholders (which notice shall be irrevocable), if the Issuer satisfies the Security Trustee immediately before the giving of such notice that:

- (i) on the occasion of the next payment due under the Covered Bonds, the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 8 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of a Tax Jurisdiction (as defined in Condition 8 (*Taxation*)) or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Covered Bonds of this Series; and
- (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it,

provided that no such notice of redemption shall be given earlier than sixty (60) days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Covered Bonds then due.

Prior to the publication of any notice of redemption pursuant to this Condition 7(b) (*Redemption for tax reasons*), the Issuer shall deliver to the Security Trustee a certificate signed by two authorised signatories of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred and the Security Trustee shall be entitled to accept the certificate as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on the Covered Bondholders and the Couponholders. Covered Bonds redeemed pursuant to this Condition 7(b) (*Redemption for tax reasons*) will be redeemed at their Early Redemption Amount referred to in Condition 7(e) (*Early Redemption Amounts*) below together (if appropriate) with interest accrued to (but excluding) the date of redemption.

### (c) *Redemption at the option of the Issuer (Issuer Call)*

If the Issuer is specified as having the option to redeem the Covered Bonds in the applicable Final Terms, the Issuer may, subject as provided in paragraph (e) below and having given:

- (i) not less than fifteen (15) nor more than thirty (30) days' notice to the Covered Bondholders in accordance with Condition 14 (*Notices*); and
- (ii) not less than fifteen (15) days before the giving of the notice referred to in (i), notice to the Security Trustee, the Principal Paying Agent, the CBC and the Registrar;

(which notices shall be irrevocable and shall specify the date fixed for redemption), redeem all or some only of the Covered Bonds then outstanding on any optional redemption date as specified in the applicable Final Terms ("**Optional Redemption Date**") and at the Optional Redemption Amount(s) specified in the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date, provided that no Issuer Event of Default has occurred and is continuing.

If the Issuer is specified as having the option to redeem the Covered Bonds in the applicable Final Terms and it cannot exercise its option because an Issuer Event of Default has occurred and is continuing, then the CBC

may declare with:

- (i) not less than five (5) (or if the notice period of the Issuer has been shortened to five (5) days or less, the notice period will be one (1) day less than the minimum notice period for the Issuer) nor more than thirty (30) days' notice to the Covered Bondholders in accordance with Condition 14 (*Notices*); and
- (ii) not less than five (5) days (or if the notice period of the Issuer has been shortened to five (5) days or less, the notice period will be one (1) day less than the minimum notice period for the Issuer) before the giving of the notice referred to in (i), notice to the Security Trustee, the Principal Paying Agent, the Issuer and the Registrar;

that all of the Covered Bonds then outstanding of such Series will mature on the Optional Redemption Date and at the Optional Redemption Amount(s) specified in the applicable Final Terms, and that the Maturity Date will be such Optional Redemption Date.

Any redemption pursuant to this Condition 7(c) (*Redemption at the option of the Issuer (Issuer Call)*) must be of a nominal amount not less than the minimum redemption amount ("**Minimum Redemption Amount**") and not more than the maximum redemption amount ("**Maximum Redemption Amount**"), in each case as may be specified in the applicable Final Terms (and subject to Condition 3 (*The Guarantee*)). In the case of a partial redemption of Covered Bonds, the Covered Bonds to be redeemed (the "**Redeemed Covered Bonds**") will be selected individually by lot, in the case of Redeemed Covered Bonds represented by Definitive Covered Bonds, and where applicable in accordance with the rules of Euroclear and/or Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion) and/or Euroclear Nederland, in the case of Redeemed Covered Bonds represented by a Global Covered Bond, in each case, not more than thirty (30) days prior to the date fixed for redemption (such date of selection being hereinafter called for the purposes of this paragraph the "Selection Date"). In the case of Redeemed Covered Bonds (i) represented by Definitive Covered Bonds, a list of the serial numbers and (ii) in the case of Registered Covered Bonds, the nominal amount drawn and the holders thereof, of such Redeemed Covered Bonds will be published in accordance with Condition 14 (*Notices*) not less than fifteen (15) days prior to the date fixed for redemption. The aggregate nominal amount of Redeemed Covered Bonds represented by Definitive Covered Bonds shall bear the same proportion to the aggregate nominal amount of all Redeemed Covered Bonds as the aggregate nominal amount of Definitive Covered Bonds outstanding bears to the aggregate nominal amount of the Covered Bonds outstanding, in each case on the Selection Date, provided that such first mentioned nominal amount shall, if necessary, be rounded downwards to the nearest integral multiple of the Specified Denomination, and the aggregate nominal amount of Redeemed Covered Bonds represented by a Global Covered Bond shall be equal to the balance of the Redeemed Covered Bonds. No exchange of the relevant Global Covered Bond will be permitted during the period from (and including) the Selection Date to (and including) the date fixed for redemption pursuant to this paragraph (c) and notice to that effect shall be given by the Issuer to the Covered Bondholders in accordance with Condition 14 (*Notices*) at least five (5) days prior to the Selection Date.

If the option to redeem the Covered Bonds is exercised by the Issuer or the CBC has given a declaration that the Covered Bonds will mature on the Optional Redemption Date (each in accordance with this Condition 7(c) (*Redemption at the option of the Issuer (Issuer Call)*)), then the Optional Redemption Date will for all purposes in all Transaction Documents be deemed to be the Maturity Date in respect of the Covered Bonds to which it applies instead of the Maturity Date specified as such in the applicable Final Terms to the extent of the amount redeemed or to be redeemed, as the case may be, on such date. The Extended Due for Payment Date in respect of such Covered Bonds will for all purposes in all Transaction Documents be deemed to be thirty-two (32) years after such new Maturity Date instead of the date included in the applicable Final Terms (unless in the section Issuer Call in the applicable Final Terms a specific date is included, in which case such date will apply).

If in the applicable Final Terms it is specified that the manner of determining the interest on some or all Covered Bonds of a Series switches to another manner of determining the interest as of the Maturity Date, such switch will occur on the Maturity Date as determined pursuant to the previous paragraph to the extent of the amount redeemed or to be redeemed, as the case may be, on such date.

(d) *Redemption at the option of the Covered Bondholders (Investor Put)*

Subject as provided in paragraph (e) below, if the Covered Bondholders are specified in the applicable Final Terms as having an option to redeem, upon the holder of any Covered Bond giving to the Issuer in accordance

with Condition 14 (*Notices*) not less than fifteen (15) nor more than thirty (30) days' notice or such other period of notice as is specified in the applicable Final Terms (which notice shall be irrevocable), the Issuer will, upon the expiry of such notice, redeem, subject to, and in accordance with, the terms specified in the applicable Final Terms, in whole (but not in part), such Covered Bond on the Optional Redemption Date and at the Optional Redemption Amount specified in, or determined in the manner specified in, the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date.

If this Covered Bond is in definitive form, to exercise the right to require redemption of this Covered Bond its holder must deliver such Covered Bond at the specified office of any Paying Agent at any time during normal business hours of such Paying Agent falling within the notice period, accompanied by a duly signed and completed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent and in which the holder must specify a bank account (or, if payment is by cheque, an address) to which payment is to be made under this Condition.

If the option to redeem the Covered Bonds is exercised by any Covered Bondholder, then the Optional Redemption Date will for all purposes in all Transaction Documents be deemed to be the Maturity Date in respect of the Covered Bonds to which it applies instead of the Maturity Date specified as such in the applicable Final Terms to the extent of the amount redeemed or to be redeemed, as the case may be, on such date. The Extended Due for Payment Date in respect of such Covered Bonds will for all purposes in all Transaction Documents be deemed to be thirty-two (32) years after such new Maturity Date instead of the date included in the applicable Final Terms (unless in the section Issuer Call in the applicable Final Terms a specific date is included, in which case such date will apply).

If in the applicable Final Terms it is specified that the manner of determining the interest on some or all Covered Bonds of a Series switches to another manner of determining the interest as of the Maturity Date, such switch will occur on the Maturity Date as determined pursuant to the previous paragraph to the extent of the amount redeemed or to be redeemed, as the case may be, on such date.

(e) *Early Redemption Amounts*

For the purpose of paragraph (b) and (d) above and Condition 10 (*Events of Default and Enforcement*), each Covered Bond will be redeemed at its Early Redemption Amount calculated as follows (each, the relevant "**Early Redemption Amount**"):

- (i) in the case of a Covered Bond with a Final Redemption Amount equal to the Issue Price, at the Final Redemption Amount thereof; or
- (ii) in the case of a Covered Bond with a Final Redemption Amount which is or may be less or greater than the Issue Price or which is payable in a Specified Currency other than that in which the Covered Bond is denominated, at the amount specified in, or determined in the manner specified in, the applicable Final Terms or, if no such amount or manner is so specified in the applicable Final Terms, at its nominal amount.

(f) *Purchases*

The Issuer, the CBC and/or any member of the Achmea Group may at any time purchase Covered Bonds (provided that, in the case of Definitive Covered Bonds, all unmaturing Coupons and Talons appertaining thereto are purchased therewith) at any price in the open market or otherwise. If purchases are made by tender, tenders must be available to all Covered Bondholders alike. Covered Bonds purchased in accordance with this Condition 7(f) (*Purchases*) may be held, reissued, resold or, at the option of the Issuer or the CBC and/or such member of the Achmea Group, surrendered to any Paying Agent for cancellation.

(g) *Cancellation*

All Bearer Covered Bonds which are redeemed will forthwith be cancelled (together with all unmaturing Coupons and Talons attached thereto or surrendered therewith at the time of redemption).

(h) *Redemption due to illegality*

The Covered Bonds of all Series may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than thirty (30) nor more than sixty (60) days' notice to the Security Trustee and the Principal Paying Agent and, in accordance with Condition 14 (*Notices*), all Covered Bondholders (which notice shall be irrevocable), if the Issuer satisfies the Security Trustee immediately before the giving of such notice that it has, or will, before the next Interest Payment Date of any Covered Bond of any Series, become unlawful for the Issuer to make any payments under the Covered Bonds as a result of any change in, or amendment to, the applicable laws or regulations or any change in the application or official interpretation of such laws or regulations, which change or amendment has become or will become effective before the next such Interest Payment Date.

Covered Bonds redeemed pursuant to this Condition 7(h) (*Redemption due to illegality*) will be redeemed at their Early Redemption Amount referred to in Condition 7(e) (*Redemption and Purchase - Early Redemption Amounts*) above together (if appropriate) with interest accrued to (but excluding) the date of redemption.

(i) *Certificate*

Prior to the publication of any notice of redemption pursuant to this Condition 7 (*Redemption and Purchase*), the Issuer shall deliver to the Security Trustee a certificate signed by two authorised signatories of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred and the Security Trustee shall be entitled to accept the certificate as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on all Covered Bondholders.

## 8. TAXATION

(a) *General*

All payments of, or in respect of, interest and principal in respect of the Covered Bonds by the Issuer or the CBC, as the case may be, will be made free and clear of, and without withholding or deduction for or account of any present or future taxes or duties, assessments or charges of whatever nature imposed or levied by or on behalf of any Tax Jurisdiction, unless such withholding or deduction is required by law. In the event of a withholding or deduction being made by the Issuer in respect of a payment made by it under the Covered Bonds, the Issuer will pay such additional amounts as shall be necessary in order that the net amounts received by the holders of the Covered Bonds after such withholding or deduction shall equal the respective amounts of interest and principal which would otherwise have been receivable in respect of the Covered Bonds, as the case may be, in the absence of such withholding or deduction; except that no such additional amounts shall be payable by the Issuer with respect to any Covered Bond presented for payment:

- a) outside the Netherlands;
- b) by, or by a third party on behalf of, a holder of a Bearer Covered Bond who is liable to such taxes or duties in respect of such Covered Bond by reason of his having some connection with the Netherlands other than the mere holding of such Bearer Covered Bond; or
- c) more than thirty (30) days after the Relevant Date, except to the extent that the relevant holder would have been entitled to such additional amounts on presenting the same for payment on the expiry of such period of thirty (30) days.

Should any payments made by the CBC under the Guarantee be made subject to any withholding or deduction on account of taxes or duties of whatever nature imposed or levied by or on account of any Tax Jurisdiction the CBC will not be obliged to pay any additional amounts as a consequence.

As used herein:

**"Relevant Date"** in relation to a payment means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Security Trustee or the Principal Paying Agent on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Covered Bondholders in accordance with Condition 14 (*Notices*); and

**"Tax Jurisdiction"** means the European part of the Kingdom of the Netherlands or any political subdivision or

any authority thereof or therein having power to tax.

(b) *FATCA Withholding*

Payments in respect of the Covered Bonds may be subject to FATCA Withholding. Any such amounts withheld or deducted will be treated as paid for all purposes under the Covered Bonds, and no additional amounts will be paid by the Issuer or the CBC on the Covered Bonds with respect to any such withholding or deduction.

## 9. PRESCRIPTION

The Covered Bonds and Coupons will become void unless presented for payment within a period of five (5) years after the Relevant Date therefore.

There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition 9 (*Prescription*) or Condition 6(B) (*Presentation of Definitive Covered Bonds and Coupons*) or any Talon which would be void pursuant to Condition 6(B) (*Presentation of Definitive Covered Bonds and Coupons*).

## 10. EVENTS OF DEFAULT AND ENFORCEMENT

(a) *Issuer Events of Default*

Pursuant to the Trust Deed the Security Trustee at its discretion may, and in relation to the defaults set out in subparagraphs (i) and (v) below, if so directed by a Programme Resolution of the Covered Bonds shall, give an Issuer Acceleration Notice (subject in each case to being indemnified and/or secured to its satisfaction), if any of the following events (each an "**Issuer Event of Default**") shall occur and be continuing:

- (i) a default is made by the Issuer for a period of seven (7) calendar days or more in the payment of any principal or redemption amount of the Covered Bonds of any Series when due, or for a period of fourteen (14) calendar days or more in the payment of any interest of the Covered Bonds of any Series when due; or
  - (ii) a default is made in the performance by the Issuer of any material obligation (other than any obligation for the payment of principal, redemption amount or interest in respect of the Covered Bonds of any Series) under the provisions of the Covered Bonds of any Series or the Trust Deed or any other Transaction Document to which the Issuer is a party which (unless certified by the Security Trustee, in its opinion, to be incapable of remedy) shall continue for more than thirty (30) calendar days after written notification requiring such default to be remedied and indicating that this provision may be invoked if it is not so remedied, shall have been given to the Issuer by the Security Trustee in accordance with the Trust Deed; or
  - (iii) an order is made or an effective resolution passed for the dissolution or winding up of the Issuer (except a dissolution or winding up for the purpose of a reconstruction, amalgamation, merger or following the transfer of all or substantially all of the assets of the Issuer, the terms of which have previously been approved by an Extraordinary Resolution (as defined below) of the holders of the Covered Bonds or which has been effected in compliance with the terms of Condition 15 (*Meetings of Covered Bondholders, Modification and Waiver*)); or
  - (iv) a liquidator, receiver or other similar officer is appointed in relation to the Issuer or in relation to the whole of its assets; or the Issuer initiates or consents to judicial proceedings relating to its bankruptcy (*faillissement*) or equivalent or analogous proceedings under any applicable law, or shall make a conveyance, assignment or assignation for the benefit of, or shall enter into any composition (*akkoord*) with, its creditors generally; or
  - (v) the Issuer is adjudged or found bankrupt (*failliet*) in the interest of all creditors, or equivalent or analogous judgments or measures under any applicable law, are imposed on the Issuer,
- provided that in case an event described in paragraph (ii) above shall occur, the Security Trustee shall only deliver an Issuer Acceleration Notice if it shall have certified in writing to the Issuer that such event is, in its opinion, materially prejudicial to the interests of the Covered Bondholders of any Series.

Upon delivery of an Issuer Acceleration Notice pursuant to this Condition 10(a) (*Issuer Events of Default*), the Security Trustee shall forthwith serve a Notice to Pay on the CBC pursuant to the Guarantee and the CBC shall

be required to make payments of Guaranteed Amounts when the same shall become Due for Payment in accordance with the terms of the Guarantee.

Following the occurrence of an Issuer Event of Default and service of an Issuer Acceleration Notice, the Security Trustee may or shall take such proceedings against the Issuer in accordance with the first paragraph of Condition 10(c) (*Events of Default and Enforcement*).

Following an Issuer Event of Default the Security Trustee shall, within three (3) months, convene a meeting for each Series to discuss the possibility to sell Selected Transferred Assets in the following six (6) months after such meeting. The voting rights for such meeting for Covered Bonds held by any member of the Achmea Group shall be excluded, as set out in Condition 15 (*Meeting of Covered Bondholders, Modification and Waiver*).

The Trust Deed provides that the Excess Proceeds may be paid by the Security Trustee to the CBC and shall be held by the CBC in the CBC Account and/or the CBC Back-Up Account, as the case may be, and shall be used by the CBC in the same manner as all other moneys from time to time standing to the credit of the CBC Account and/or the CBC Back-Up Account, as the case may be. Any Excess Proceeds received by the Security Trustee shall discharge the obligations of the Issuer in respect of the Covered Bonds and Coupons for an amount equal to such Excess Proceeds. The Security Trustee shall not be required to pay such amounts to the CBC. However, the receipt by the Security Trustee of any Excess Proceeds shall not reduce or discharge any of the obligations of the CBC under the Guarantee.

(b) *CBC Events of Default*

The Security Trustee at its discretion may, and, if so directed by a Programme Resolution, shall give a CBC Acceleration Notice (subject in each case to being indemnified and/or secured to its satisfaction), if any of the following events (each a "**CBC Event of Default**") shall occur and be continuing:

- (i) a default is made by the CBC under the Guarantee for a period of seven (7) calendar days or more in the payment of any principal or redemption amount, or for a period of fourteen (14) calendar days or more in the payment of any interest when due; or
- (ii) a default is made in the performance or observance by the CBC of any material obligation binding upon it (other than any obligation for the payment of Guaranteed Amounts in respect of the Covered Bonds of any Series) under the Trust Deed, the Pledge Agreements or any other Transaction Document to which the CBC is a party which (unless certified by the Security Trustee, in its opinion, to be incapable of remedy) shall continue for more than thirty (30) calendar days after written notification requiring such default to be remedied and indicating that this provision may be invoked if it is not so remedied shall have been given to the CBC by the Security Trustee in accordance with the Trust Deed; or
- (iii) an order is made or an effective resolution passed for the dissolution or winding up of the CBC; or
- (iv) the CBC ceases to carry on its business or substantially all its business; or
- (v) a liquidator, receiver or other similar officer is appointed in relation to the CBC or in relation to the whole or any major part of its assets or a conservatory attachment (*conservatoir beslag*) or an executory attachment (*executoriaal beslag*) or other process is levied or enforced upon or sued out against the whole or any major part of its assets or the CBC initiates or consents to judicial proceedings relating to its bankruptcy (*faillissement*) or suspension of payments (*surseance van betaling*), or equivalent or analogous proceedings under any applicable law, or makes a conveyance, assignment or equivalent or assignation for the benefit of, or shall enter into any composition (*akkoord*) with, its creditors generally; or
- (vi) the CBC is adjudged or found bankrupt (*failliet*) or equivalent or analogous judgments or measures under any applicable law are imposed on the CBC; or
- (vii) the Guarantee is not, or is claimed by the CBC not to be, in full force and effect,

provided that in case an event described in paragraph (ii) above shall occur, the Security Trustee shall only deliver a CBC Acceleration Notice if it shall have certified in writing to the CBC that such event is, in its opinion, materially prejudicial to the interests of the Covered Bondholders of any Series.

Following the occurrence of a CBC Event of Default which is continuing and service of a CBC Acceleration Notice, the Security shall become enforceable and the Security Trustee may or shall take proceedings or steps against the Issuer and the CBC in accordance with Condition 10(c) (*Events of Default and Enforcement - Enforcement*) and the Covered Bondholders shall have a claim against the CBC, under the Guarantee, for the

Early Redemption Amount together with accrued interest as provided in the Trust Deed in respect of each Covered Bond.

In these Terms and Conditions:

**"Calculation Date"** means the date falling two (2) Business Days before each CBC Payment Date. The "relevant" Calculation Date in respect of any Calculation Period will be the first Calculation Date falling after the end of that period and the "relevant" Calculation Date in respect of any CBC Payment Date will be the last Calculation Date prior to that CBC Payment Date.

**"Calculation Period"** means the period from the Programme Date to the last day of November 2017 and thereafter, each period from (and including) the first day of each month to the last day of that same month.

**"CBC Payment Date"** means the 28th calendar day of each calendar month, or, if such day is not a Business Day, the next following Business Day unless it would thereby fall into the next month, in which event such CBC Payment Date shall be brought forward to the immediately preceding Business Day.

**"Distribution Compliance Period"** has the meaning given to that term in Regulation S under the Securities Act.

(c) *Enforcement*

The Security Trustee may at any time after service of an Issuer Acceleration Notice (in the case of the Issuer) or a CBC Acceleration Notice (in the case of both the Issuer and the CBC), at its discretion and without further notice, take such proceedings in accordance with the relevant provisions under Dutch law against the Issuer and/or the CBC, as the case may be, to enforce the Security, but it shall not be bound to take any such enforcement proceedings in relation to the Trust Deed, the Covered Bonds or the Coupons, the Security or any other Transaction Document unless (i) it shall have been so directed by a Programme Resolution and (ii) it shall have been indemnified and/or secured to its satisfaction.

(d) *No action by Covered Bondholders or Couponholders*

Subject to the provisions of the Trust Deed, only the Security Trustee may enforce the provisions of the Covered Bonds and the Transaction Documents. Neither the Covered Bondholders nor any other person shall be entitled to proceed directly against the Issuer or the CBC to enforce any provision of the Covered Bonds and/or the Transaction Documents, unless the Security Trustee fails to take any steps to enforce the Security in accordance with the Trust Deed within a reasonable time and such failure is continuing. All limitations and restrictions imposed under or by virtue of the Trust Deed, the Covered Bonds or any other Transaction Document on the Security Trustee in relation to the enforcement of rights and the availability of remedies, shall *mutatis mutandis* also fully apply to such Secured Creditors.

Neither the Covered Bondholders nor the Security Trustee may institute against, or join any person in instituting any bankruptcy, winding-up, reorganisation, arrangement, insolvency or liquidation proceeding against the CBC until the expiry of a period of at least one (1) year after the latest maturing Covered Bond is paid in full. The only remedy of the Security Trustee against the CBC after a CBC Acceleration Notice has been given pursuant to this Condition 10 (*Events of Default and Enforcement*) is to enforce the Security.

(e) *Limited Recourse*

The recourse of the Covered Bondholders and the Couponholders against the CBC pursuant to the Guarantee is limited. Covered Bondholder will have a right of recourse (*verhaalsrecht*) only in respect of the Security and will not have any claim, by operation of law or otherwise, against, or recourse to any of the CBC's other assets.

No amounts under the Covered Bonds and the Transaction Documents shall be due and payable by the CBC or, as the case may be, the Security Trustee, except (i) in accordance with the Trust Deed and (ii) unless and until all amounts thereby required to be paid in priority thereto have been paid or discharged in full.

In the event that the Security has been fully enforced and the proceeds of such enforcement and any other amounts received by the Security Trustee, after payment of all claims ranking in priority to any Covered Bonds or Coupons of any Series in accordance with the Trust Deed, are insufficient to pay in full all amounts

outstanding in respect of the Covered Bonds or Coupons, then the Covered Bondholders or Couponholders shall have no further claim against the CBC or the Security Trustee in respect of such unpaid amount.

## **11. REPLACEMENT OF COVERED BONDS, COUPONS AND TALONS**

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

## **12. PAYING AGENTS AND REGISTRAR**

The names of the initial Paying Agents and the Registrar and their initial specified offices are set out in the Base Prospectus.

The Issuer or the CBC, as the case may be, is entitled, with the prior written approval of the Security Trustee (such approval not to be unreasonably withheld or delayed), to vary or terminate the appointment of any Paying Agent and the Registrar and/or appoint additional or other Paying Agents or Registrars and/or approve any change in the specified office through which any Paying Agent or Registrar acts, provided that:

- (a) there will at all times be a Principal Paying Agent;
- (b) as long as any Registered Covered Bonds are outstanding, there will at all times be a Registrar; and
- (c) so long as the Covered Bonds are listed, quoted and/or traded on or by any competent listing authority, on any stock exchange or quotation system, there will at all times be a Paying Agent with a specified office in such place as may be required by the rules and regulations of the relevant competent authority or stock exchange.

Any variation, termination, appointment or change shall only take effect (other than in the case of a bankruptcy, an insolvency or any equivalent or analogous proceeding, when it shall be of immediate effect) after not less than thirty (30) nor more than forty-five (45) days' prior notice thereof shall have been given to the Covered Bondholders in accordance with Condition 14 (*Notices*).

In acting under the Agency Agreement, the Paying Agents and the Registrar act solely as agents of the Issuer and the CBC and, in certain circumstances specified therein, of the Security Trustee and do not assume any obligation to, or relationship of agency with, any Covered Bondholders or Couponholders. The Agency Agreement contains provisions permitting any entity into which any Paying Agent or the Registrar is merged or converted or with which it is consolidated or to which it transfers all or substantially all of its assets to become the successor paying agent or registrar.

## **13. EXCHANGE OF TALONS**

On and after the Interest Payment Date or the Specified Interest Payment Date or the Specified Period, as the case may be, on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of the Principal Paying Agent or any other Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Covered Bond to which it appertains) a further Talon, subject to the provisions of Condition 9 (*Prescription*). Each Talon shall, for the purposes of these Terms and Conditions, be deemed to mature on the Interest Payment Date or the Specified Interest Payment Date or for the Specified Period (as the case may be) on which the final Coupon comprised in the relative Coupon sheet matures.

## **14. NOTICES**

All notices regarding the Covered Bonds will be deemed to be validly given if published in a daily newspaper of wide circulation in a leading English language newspaper of general circulation (which is expected to be the Financial Times). As long as the Covered Bonds are admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system, such notice shall be published in such place as may be required by the rules and regulations of such competent authority, stock exchange and/or quotation system.

Until any Definitive Covered Bonds are issued and as long as the Global Covered Bond(s) is or are held in its or their

entirety with a depository or a common depository or a common safekeeper on behalf of Euroclear and Clearstream, Luxembourg and/or any other relevant clearing system or with Euroclear Nederland, the requirements of publishing any notices set out in the previous paragraph may be substituted for publication of any notice via such depository or such common depository or such common safekeeper on behalf of Euroclear and Clearstream, Luxembourg and/or any other relevant clearing system and/or with Euroclear Nederland (provided that, in the case of any publication required by a stock exchange, the rules of the stock exchange so permit). Any such notice shall be deemed to have been given to the holders of the Covered Bonds on the second day after the day on which the said notice was given to Euroclear and Clearstream, Luxembourg and/or Euroclear Nederland and/or any other relevant clearing system.

Notices to be given by any Covered Bondholder shall be in writing and given by lodging the same, together (in the case of any Definitive Covered Bonds or Registered Covered Bonds) with the relative Covered Bond or Covered Bonds, with the Principal Paying Agent and/or Registrar. Whilst any of the Covered Bonds are represented by a Global Covered Bond, such notice may be given by any Covered Bondholder to the Principal Paying Agent through Euroclear, Clearstream, Luxembourg and/or Euroclear Nederland, as the case may be, in such manner as the Principal Paying Agent and Euroclear, Clearstream, Luxembourg and/or Euroclear Nederland, as the case may be, may approve for this purpose.

## **15. MEETINGS OF COVERED BONDHOLDERS, MODIFICATION AND WAIVER**

The Trust Deed contains provisions for convening meetings of the Covered Bondholders of any Series to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Covered Bonds of such Series or the related Coupons or of any of the Transaction Documents (subject as provided below and in the Trust Deed). Such a meeting may be convened by the Issuer, the CBC or the Security Trustee and shall be convened by the Issuer if required in writing by Covered Bondholders of a Series holding not less than fifteen (15) per cent. of the aggregate Principal Amount Outstanding of the Covered Bonds of such Series for the time being remaining outstanding. The quorum at any such meeting in respect of any Series for passing an Extraordinary Resolution (other than a Programme Resolution to be taken by an Extraordinary Resolution) is: one or more persons holding or representing not less than seventy-five (75) per cent. of the aggregate Principal Amount Outstanding of the Covered Bonds of such Series for the time being outstanding, or at any adjourned meeting one or more persons being or representing Covered Bondholders of such Series whatever the Principal Amount Outstanding of the Covered Bonds of such Series so held or represented.

Any modification of the Covered Bonds of a Series, which the Security Trustee deems to be materially prejudicial to the interest of Covered Bondholders of other Series or any of the other Secured Creditors, may not become effective, unless the Covered Bondholders of such other Series of Covered Bonds have agreed thereto.

An Extraordinary Resolution passed at any meeting of the Covered Bondholders of a Series shall, subject as provided below, be binding on all the Covered Bondholders of such Series, whether or not they are present at the meeting, and on all Couponholders in respect of such Series. Pursuant to the Trust Deed, the Security Trustee may convene a single meeting of the holders of Covered Bonds of more than one Series if in the opinion of the Security Trustee there is no conflict between the holders of such Covered Bonds, in which event the provisions of this paragraph shall apply thereto *mutatis mutandis*.

In a meeting convened by the Security Trustee for Covered Bondholders of each Series to discuss the possibility to sell Selected Transferred Assets as set out in Condition 10(a) (*Issuer Events of Default*) any member of the Achmea Group holding Covered Bonds shall not have any voting rights on its Covered Bonds in respect of a resolution to sell Selected Transferred Assets and such Covered Bonds held by a member of the Achmea Group shall not be taken into account for the quorum.

Notwithstanding the preceding paragraphs of this Condition 15 (*Meetings of Covered Bondholders, Modification and Waiver*), any resolution to direct the Security Trustee (i) to accelerate the Covered Bonds pursuant to Condition 10 (*Events of Default and Enforcement*); (ii) to take any enforcement action, or (iii) to remove or replace the Security Trustee's Director shall only be capable of being passed by a Programme Resolution. Any such meeting to consider a Programme Resolution may be convened by the Issuer, the CBC or the Security Trustee or by Covered Bondholders of any Series. The quorum at any such meeting for passing a Programme Resolution (including by means of an Extraordinary Resolution) is one or more persons holding or representing more than 50 per cent. of the aggregate Principal Amount Outstanding of the Covered Bonds of all Series for the time being outstanding, or at any adjourned such meeting one or more persons holding or representing Covered Bonds whatever the Principal Amount Outstanding of the Covered Bonds of any Series so held or represented. A Programme Resolution passed at any meeting of the

Covered Bondholders of all Series shall be binding on all Covered Bondholders of all Series, whether or not they are present at the meeting, and on all related Couponholders in respect of such Series.

In connection with any meeting of the holders of Covered Bonds of more than one Series where such Covered Bonds are not denominated in euro, the aggregate Principal Amount Outstanding of the Covered Bonds of any Series not denominated in euro shall be converted into euro at the relevant Structured Swap Rate. In case a *pro rata* allocation of amounts to one or more Series is required, or for determining the maximum amount outstanding under the Programme, any Series not denominated in euro shall also be converted into euro at the relevant Structured Swap Rate.

The Security Trustee, the Issuer and the CBC may also agree, without the consent of the Covered Bondholders or Couponholders of any Series, to:

- (a) any modification of the Covered Bonds of one or more Series, the related Coupons or any Transaction Document, provided that (i) in the opinion of the Security Trustee such modification is not materially prejudicial to the interests of any of the Covered Bondholders of any Series or any of the other Secured Creditors (in which respect the Security Trustee may rely upon the consent in writing of any other Secured Creditor as to the absence of material prejudice to the interests of such Secured Creditor), (ii) it has not been informed in writing by any Secured Creditor (other than any Covered Bondholder(s)) that such Secured Creditor will be materially prejudiced thereby (other than a Secured Creditor who has given its written consent as aforesaid) and (iii) it has received Rating Agency Confirmation in respect of such modification; or
- (b) any modification of the Covered Bonds of any one or more Series, the related Coupons or any Transaction Document which is of a formal, minor or technical nature or is made to correct a manifest error or an error established as such to the satisfaction of the Security Trustee; or
- (c) any modification of the Covered Bonds of one or more Series, the related Coupons, and or any Transaction Documents, required or necessary in connection with any change, after the relevant Issue Date, of mandatory provisions of law or any laws or regulation (including but not limited to the laws and regulations of the Netherlands and the European Union) applicable or relevant with respect to covered bonds (*gedekte obligaties*) to ensure that the Issuer, the CBC and/or Covered Bondholders enjoy the full benefits of such legislation, provided that in the sole opinion of the Security Trustee such modification is not materially prejudicial to interest of any of the Covered Bondholders or any of the other Secured Creditors; or
- (d) any modification of the Covered Bonds of one or more Series, the related Coupons, and or any Transaction Documents, required or necessary to comply with its EMIR obligations;
- (e) any modification to the Transaction Documents which are in the opinion of the Issuer and the Security Trustee necessary in order to transfer title (and if applicable obligations) in respect of Eligible Assets to the CBC and/or to create security in respect thereof in favour of the Security Trustee, provided that (i) in the opinion of the Security Trustee such modification is not materially prejudicial to the interests of any of the Covered Bondholders of any Series or any of the other Secured Creditors (in which respect the Security Trustee may rely upon the consent in writing of any other Secured Creditor as to the absence of material prejudice to the interests of such Secured Creditor), (ii) it has not been informed in writing by any Secured Creditor (other than any Covered Bondholder(s)) that such Secured Creditor will be materially prejudiced thereby (other than a Secured Creditor who has given its written consent as aforesaid) and (iii) the Security Trustee has received Rating Agency Confirmation in respect of such modification; or
- (f) any modification to the Eligibility Criteria which is in the opinion of the Security Trustee not materially prejudicial to the existing Covered Bondholders of any Series and after having notified the Rating Agencies.

The Security Trustee may also agree, without the consent of the Covered Bondholders of any Series, and/or Couponholders or any other Secured Creditor, to the waiver or authorisation of any breach or proposed breach of any of the provisions of the Covered Bonds of any Series or the Transaction Documents, or determine, without any such consent as aforesaid, that any Issuer Event of Default or CBC Event of Default shall not be treated as such, where, in any such case, it is not, in the opinion of the Security Trustee, materially prejudicial to the interests of any of the Secured Creditors (in which respect the Security Trustee may (without further enquiry) rely upon the consent in writing of any other Secured Creditor as to the absence of material prejudice to the interests of such Secured Creditor) provided that (i) the Security Trustee has not been informed by any Secured Creditor (other than any Covered Bondholder(s)) that such Secured Creditor will be materially prejudiced thereby (other than a Secured Creditor who has given its written consent as aforesaid) and (ii) the Security Trustee has received Rating Agency

Confirmation in respect of such waiver, authorisation or determination.

Any such modification, waiver, authorisation or determination shall be binding on all Covered Bondholders of all Series for the time being outstanding, the related Couponholders and the other Secured Creditors, and unless the Security Trustee otherwise agrees, any such modification, waiver, authorisation or determination will be notified by the Issuer to the Covered Bondholders of all Series for the time being outstanding, the other Secured Creditors and the Rating Agencies in accordance with the relevant terms and conditions as soon as practicable thereafter.

The Security Trustee shall not waive, modify or amend, or consent to any waiver, modification or amendment of, any Condition of any Covered Bonds of any Series or any Transaction Documents which (a) would have the effect of altering the amount, timing or the priority of any payments due to or from a Swap Provider, or (b) otherwise materially affects the position of a Swap Provider under its Swap Agreement, unless such Swap Provider has agreed thereto.

In connection with the exercise by it of any of its powers, authorities and discretions (including, without limitation, any modification, waiver, authorisation, determination or substitution), the Security Trustee shall have regard to the general interests of the Covered Bondholders of each Series as a class (but shall not have regard to any interests arising from circumstances particular to individual Covered Bondholders or Couponholders whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such exercise for individual Covered Bondholders, the related Couponholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and the Security Trustee shall not be entitled to require, nor shall any Covered Bondholder or Couponholder be entitled to claim, from the Issuer, the CBC, the Security Trustee or any other person any indemnification or payment in respect of any tax consequences of any such exercise upon individual Covered Bondholders or Couponholders, except to the extent already provided for in Condition 8 (*Taxation*) and/or in any undertaking or covenant given in addition to, or in substitution for, Condition 8 (*Taxation*) pursuant to the Trust Deed.

The Security Trustee shall, as regards all the powers, authorities, duties and discretions vested in it by the Covered Bonds or the other Transaction Documents or, except where expressly provided otherwise, have regard to the interests of both the Covered Bondholders and the other Secured Creditors, but if, in the Security Trustee's sole opinion, there is a conflict between their interests, it will have regard solely to the interests of each Secured Creditor, including, but not limited to, the Covered Bondholders, in accordance with the relevant Priority of Payments.

The Issuer may, without the consent of the holders of the Covered Bonds of any Series or any Coupons relating thereto, or any other Secured Creditor consolidate with, merge or amalgamate into or transfer their respective assets substantially as an entirety to, any corporation organised under Dutch law, or any political subdivision thereof, provided that (i) a certificate of two authorised signatories of the Issuer and the CBC is delivered to the Security Trustee to the effect that immediately after giving effect to such transaction no Issuer Event of Default and no CBC Event of Default, respectively, will have happened and be continuing and (ii) unless the Issuer is the surviving entity, the Issuer shall procure that the surviving or transferee company assumes its obligations as Issuer under the Trust Deed, each other Transaction Document and all of the outstanding Covered Bonds of all Series, in place of the Issuer and (iii) in the case of an assumption of the obligations of the Issuer by a successor or transferee company, the Guarantee of the CBC is fully effective on the same basis in relation to the obligations of such successor or transferee company and (iv) certain other conditions set out in the Trust Deed are met. Upon the assumption of the obligations of the Issuer by such surviving or transferee company, the predecessor Issuer shall (subject to the provisions of the Trust Deed) have no further liabilities under or in respect of the Trust Deed or the outstanding Covered Bonds of each Series then outstanding or any Coupons appertaining thereto and the other Transaction Documents. Any such assumption shall be subject to the relevant provisions of the Trust Deed. The Trust Deed provides that any such assumption shall be notified to the holders of all Series in accordance with the relevant terms and conditions of such Covered Bonds and the other Secured Creditors.

For the purposes hereof:

**"Extraordinary Resolution"** means a resolution at a meeting duly convened and held in accordance with the provisions for meetings of covered bondholders as set out in the Trust Deed, by not less than two-thirds of the votes cast.

**"Programme Resolution"** means either:

- (a) a written resolution of the holders of not less than fifty (50) per cent. of the euro equivalent of the aggregate Principal Amount Outstanding of the Covered Bonds of all Series then outstanding as if they were a single

- Series; or
- (b) an Extraordinary Resolution (with the Covered Bonds of all Series taken together as a single Series).

## 16. SECURITY TRUSTEE

The Trust Deed contains provisions for the indemnification of the Security Trustee and for the Security Trustee's relief from responsibility, including provisions relieving it from taking any action unless indemnified and/or secured to its satisfaction.

The Security Trustee will not be responsible for any loss, expense or liability, which may be suffered as a result of any Transferred Assets, or any deeds or documents of title thereto, being uninsured or inadequately insured or being held by clearing organisations or their operators or by intermediaries such as banks, brokers or other similar persons on behalf of the Security Trustee. The Security Trustee will not be responsible for (i) supervising the performance by the Issuer or any other party to the Transaction Documents of their respective obligations under the Transaction Documents and will be entitled to assume, until it has written notice to the contrary, that all such persons are properly performing their duties; (ii) considering the basis on which approvals or consents are granted by the Issuer or any other party to the Transaction Documents under the Transaction Documents; (iii) monitoring the Transferred Assets, including, without limitation, whether the Transferred Assets are in compliance with the Asset Cover Test or the Amortisation Test; or (iv) monitoring whether Mortgage Receivables (and any other Transferred Assets) satisfy the applicable Eligibility Criteria or such other criteria as may be agreed with the CBC and subject to Rating Agency Confirmation in relation to other Transferred Assets. The Security Trustee will not be liable to any Covered Bondholder or other Secured Creditor for any failure to make or to cause to be made on their behalf the searches, investigations and enquiries which would normally be made by a prudent chargee in relation to the security rights and have no responsibility in relation to the legality, validity, sufficiency and enforceability of the security rights it holds and the Transaction Documents.

## 17. SUBSTITUTION OF THE ISSUER

- (a) The Issuer may, subject to Rating Agency Confirmation and without the consent of the Covered Bondholders or Couponholders in respect of each Series of Covered Bonds on which no payment of principal of or interest on any of the Covered Bonds is in default and after written approval of DNB, be replaced and substituted by any Substituted Debtor as principal debtor in respect of the Covered Bonds and the relative Coupons provided that:
- (i) such documents shall be executed by the Substituted Debtor and the Issuer as may be necessary to give full effect to the substitution (for the purposes of this Condition the "**Documents**") and (without limiting the generality of the foregoing) pursuant to which the Substituted Debtor shall undertake in favour of each Covered Bondholder and Couponholder to be bound by the Terms and Conditions of the Covered Bonds and the provisions of the Transaction Documents as fully as if the Substituted Debtor had been named in the Covered Bonds, and the relative Coupons and the Transaction Documents as the principal debtor in respect of the Covered Bonds and the relative Coupons in place of the Issuer and pursuant to which the Issuer shall guarantee, which guarantee shall be unconditional and irrevocable, (for the purposes of this Condition the "**Substituted Debtors Guarantee**") in favour of each Covered Bondholder and each holder of the relative Coupons the payment of all sums (including any additional amounts payable pursuant to Condition 8 (*Taxation*)) payable in respect of the Covered Bonds and the relative Coupons;
- (ii) where the Substituted Debtor is incorporated, domiciled or resident for taxation purposes in a territory other than the Netherlands, the Documents shall contain a covenant and/or such other provisions as may be necessary to ensure that each Covered Bondholder has the benefit of a covenant in terms corresponding to the provisions of Condition 8 (*Taxation*) with the substitution for the references to the Netherlands of references to the territory in which the Substituted Debtor is incorporated, domiciled and/or resident for taxation purposes. The Documents shall also contain a covenant by the Substituted Debtor and the Issuer to indemnify and hold harmless each Covered Bondholder and Couponholder against all liabilities, costs, charges and expenses, which may be incurred by or levied against such holder as a result of any substitution pursuant to this Condition and which would not have been so incurred or levied had such substitution not been made (and, without limiting the foregoing, such liabilities, costs, charges and expenses shall include any and all taxes or duties which are imposed on any such Covered Bondholder or Couponholder by any political sub-division or taxing authority of any country in which such Covered Bondholder or Couponholder resides or is subject to any such tax or duty and which would not have been so imposed had such substitution not been made);

- (iii) the Documents shall contain a warranty and representation by the Substituted Debtor and the Issuer (a) that each of the Substituted Debtor and the Issuer has obtained all necessary governmental and regulatory approvals and consents for such substitution and the performance of its obligations under the Documents, and that all such approvals and consents are in full force and effect and (b) that the obligations assumed by each of the Substituted Debtor and the Issuer under the Documents are all valid and binding in accordance with their respective terms and enforceable by each Covered Bondholder;
  - (iv) each stock exchange which has Covered Bonds listed thereon shall have confirmed that following the proposed substitution of the Substituted Debtor such Covered Bonds would continue to be listed on such stock exchange;
  - (v) the Substituted Debtor shall have delivered to the Security Trustee or procured the delivery to the Security Trustee of a legal opinion from a leading law firm in the jurisdiction in which the Substituted Debtor is situated to the effect that the Documents and the Substituted Debtor's obligations under the Covered Bonds and Coupons will constitute legal, valid and binding obligations of the Substituted Debtor, such opinion to be dated not more than three (3) days prior to the date of substitution of the Substituted Debtor for the Issuer and to be available for inspection by Covered Bondholders and Couponholders at the specified office of the Principal Paying Agent; and
  - (vi) the Issuer shall have delivered to the Security Trustee or procured the delivery to the Security Trustee of a legal opinion from a leading law firm in the Netherlands to the effect that the Documents (including the Substituted Debtors Guarantee) will constitute legal, valid and binding obligations of the Substituted Debtor and the Issuer, as the case may be, such opinion to be dated not more than three (3) days prior to the date of substitution of the Substituted Debtor for the Issuer and to be available for inspection by Covered Bondholders and Couponholders at the specified office of the Principal Paying Agent.
- (b) In connection with any substitution effected pursuant to this Condition, neither the Issuer nor the Substituted Debtor need have any regard to the consequences of any such substitution for individual Covered Bondholders or Couponholders resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory and no Covered Bondholder or Couponholder, except as provided in Condition 17(a)(ii), shall be entitled to claim from the Issuer or any Substituted Debtor under the Covered Bonds and the relative Coupons any indemnification or payment in respect of any tax or other consequences arising from such substitution.
- (c) Upon the execution of the Documents as referred to in paragraph (a) above, the Substituted Debtor shall be deemed to be named in the Covered Bonds and the relative Coupons as the principal debtor in place of the Issuer and the Covered Bonds and the relative Coupons shall thereupon be deemed to be amended to give effect to the substitution. The execution of the Documents shall operate to release the Issuer as issuer from all of its obligations as principal debtor in respect of the Covered Bonds and the relative Coupons save that any claims under the Covered Bonds and the relative Coupons prior to release shall ensure for the benefit of Covered Bondholders and Couponholders.
- (d) The Documents shall be deposited with and held by the Principal Paying Agent for so long as any Covered Bonds or Coupons remain outstanding and for so long as any claim made against the Substituted Debtor by any Covered Bondholder or Couponholder in relation to the Covered Bonds or the relative Coupons or the Documents shall not have been finally adjudicated, settled or discharged. The Substituted Debtor and the Issuer shall acknowledge in the Documents the right of every Covered Bondholder and Couponholder to the production of the Documents for the enforcement of any of the Covered Bonds or the relative Coupons or the Documents.
- (e) As soon as reasonably practicable and not later than ten (10) Business Days after the execution of the Documents, the Substituted Debtor shall give notice thereof to the Covered Bondholders in accordance with Condition 14 (*Notices*).

## **18. FURTHER ISSUES**

The Issuer shall be at liberty from time to time without the consent of the Covered Bondholders or the Couponholders to create and issue further bonds having terms and conditions the same as the Covered Bonds of any Series or the same

in all respects save for the amount and date of the first payment of interest thereon, issue date and/or purchase price and so that the same shall be consolidated and form a single Series with the outstanding Covered Bonds of such Series.

## 19. GOVERNING LAW AND SUBMISSION TO JURISDICTION

The Covered Bonds and the Transaction Documents (except for the Swap Agreements) are governed by, and shall be construed in accordance with, Dutch law.

Any disputes arising out of or in connection with the Covered Bonds, including any disputes relating to any non-contractual obligations arising out of or in connection with the Covered Bonds shall be submitted to the exclusive jurisdiction of the competent courts of Amsterdam, the Netherlands.

## 20. TERMS AND CONDITIONS OF REGISTERED COVERED BONDS

- 20.1 If the applicable Final Terms specify that Registered Covered Bonds are issued, then the following terms and conditions shall apply in addition to the terms and conditions set out in Conditions 1 to and including 19 above. In the event of any inconsistency between Conditions 1 to and including 19 and this Condition 20 (*Terms and Conditions of Registered Covered Bonds*), this Condition 20 (*Terms and Conditions of Registered Covered Bonds*) will prevail with regard to Registered Covered Bonds.
- 20.2 Registered Covered Bonds are registered claims (*vorderingen op naam*) which will be issued to each holder by a Registered Covered Bonds Deed. The holder of a Registered Covered Bond is the creditor of the relevant registered claim and "**Covered Bondholder**" shall be construed accordingly, provided that if the provision at the end of Condition 20.3 applies, the transferee shall, from the moment the transfer takes effect be treated as a Covered Bondholder for all purposes, without prejudice to any entitlement of the transferor pursuant to Condition 20.5.
- 20.3 Under Dutch law, the valid transfer of Covered Bonds requires, amongst other things, delivery (*levering*) thereof, which in the case of Registered Covered Bonds is effected by assignment (*cessie*) of both the rights under the Registered Covered Bonds and the corresponding rights under the Guarantee by execution of a deed of assignment (*akte*) between the transferor and the transferee and notification (*mededeling*) thereof to the Issuer, the CBC and the Registrar. A form of deed of assignment and notification is attached to each Registered Covered Bonds Deed. Registered Covered Bonds may be transferred in whole, but not in part, provided that the transferor and transferee may otherwise agree in the relevant assignment deed in respect of amounts that have accrued but not yet been paid in respect of the period up to the relevant transfer.
- 20.4 The Issuer shall procure that a register be kept by the Registrar in accordance with the provisions of the Agency Agreement (the "**Register**"). The Registrar shall register details of any holder of Registered Covered Bonds in the Register and amend the Register to reflect any transfer and/or redemption of Registered Covered Bonds.
- 20.5 Payments of principal, interest (if any) and any other amounts in respect of Registered Covered Bonds will be made to the person shown on the Register as being entitled to the relevant amount of principal or interest or other amount at the close of business of the Business Day prior to the due date of such payments (the "**Record Date**"). If any Registered Covered Bondholder transfers any Registered Covered Bonds in accordance with Condition 20.3 and the Trust Deed and such transfer is notified to the Issuer, the CBC, the Registrar and the Principal Paying Agent three (3) Business Days prior to the Record Date, the Issuer, the CBC and the Security Trustee will in respect of the Registered Covered Bond so transferred, be discharged from their respective payment obligations only by payment to or to the order of the transferee. If the notification of transfer of the relevant Registered Covered Bond is made after the Record Date, (i) the risk that the transfer is not timely recorded in the Register is borne by the transferee and (ii) the Issuer, the CBC, the Security Trustee, the Registrar and the relevant Paying Agent shall not be liable as a result of any payment being made to the person shown in the Register in accordance with this Condition.
- 20.6 Notices to holders of Registered Covered Bonds shall be mailed or faxed to them at their respective addresses as recorded in the Register and shall be deemed to have been given on the fourth Business Day (being a day other than a Saturday or a Sunday) following the date of mailing or faxing.

## COVERED BOND LEGISLATION AND COMPLIANCE WITH UCITS AND/OR CAPITAL REQUIREMENTS DIRECTIVE

### *Description of the Dutch Covered Bond Regulations*

In 2008, the Netherlands introduced a legal framework for regulated covered bonds which was replaced as of 1 January 2015 by a new framework. The CB Regulations aim to provide more safeguards to covered bondholders, while respecting other interests that are connected with the issuance of covered bonds, such as avoiding an undesirable degree of asset encumbrance. The Old CB Regulations consisted of a limited, principle based framework that gave issuers a large amount of flexibility. While a considerable amount of flexibility is retained, the new framework contains more detailed provisions to increase transparency and protection for investors.

The CB Regulations apply to the issuance of DNB-registered covered bonds, which are bonds included in the list made publicly available pursuant to article 52(4) of the UCITS Directive or, where such registration has not yet occurred, a covered bond which is registered by DNB in accordance with the CB Regulations. Therefore, like any other issuance of debt instruments and legal transfers of assets made in accordance with Dutch law, the issuance of a DNB-registered covered bond and the legal transfer of cover assets are subject to the provisions of the Dutch Civil Code and the Dutch Bankruptcy Code.

Whereas the Old CB Regulations were part of a government and ministerial decree, the CB Regulations include rules on the level of parliamentary law and form a collection of rules forming part of three layers of legislation: the Wft, the Wft Prudential Rules Decree (*Besluit prudentiële regels Wft*) and the Wft Implementing Regulation (*Uitvoeringsregeling Wft*). The inclusion of rules on parliamentary law level enables a more extensive and proportional sanctions regime, such as fines. Under the Old CB Regulations, the DNB could only eliminate the registration of a covered bond and the issuer if the issuer does not meet the requirements and can order an issuance stop. It had no other sanctioning powers. Under the CB Regulations the first sanction has been eliminated, the registration of a covered bonds issued under a programme cannot be cancelled anymore. DNB could however still eliminate the registration of the issuer and order an issuance stop, after which the issuing bank will not be allowed to issue more covered bonds.

The CB Regulations include various requirements relating to issuers, owners of the asset pool, eligible assets and the contractual arrangements made in respect of such assets. The CB Regulations also require a valid safeguarding or sufficient cover assets for holders of DNB-registered covered bonds. Furthermore, the issuer must be a licensed bank with its registered address in the Netherlands.

As a main principle the CB Regulations require that DNB-registered covered bonds will have to comply with the conditions for preferential treatment of article 52(4) UCITS Directive. In addition the CB Regulations also includes mandatory compliance with article 129 CRR.

The CB Regulations introduce a minimum level of overcollateralisation of 5 per cent. This means that the nominal value of the cover assets must be 105 per cent. of the nominal value of the outstanding covered bonds under the relevant programme (or such other percentage as may be required from time to time under the CB Regulations). An additional collateralisation requirement, which is calculated separately, is that the nominal size of the cover assets taking into account the cut-off rules for collateralised assets of article 129 CRR is at least equal to the nominal value of the outstanding covered bonds. The Issuer as part of the programme undertakes as part of the Asset Cover Test that it will meet the requirements pursuant to the Wft in respect of the collateralisation of the Covered Bonds, including, that (i) the First Regulatory Current Balance Amount will always be at least equal to 105 per cent. (or such other percentage as may be required from time to time under the CB Regulations) of the aggregate Principal Amount Outstanding of the Covered Bonds for so long as Covered Bonds remain outstanding and (ii) the Second Regulatory Current Balance will always be at least equal to 100 per cent. (or such other percentage as may be required from time to time under the CB Regulations) of the aggregate Principal Amount Outstanding of the Covered Bonds for so long as Covered Bonds remain outstanding (see section 16 (*Asset Monitoring*)).

An issuer is required to ensure that the owner of the asset pool maintains a liquidity buffer that covers interest payments, principal payments and senior costs that will be due in the coming six (6) months. If an extension period of at least six (6) months is included, (as in this Programme), no liquidity buffer needs to be held for principal payments. Liquid assets are public sector loans and exposures to institutions as defined in article 129 CRR.

There are strict criteria as to which assets may be included in an asset pool for the purposes of a DNB-registered covered bond and are limited to the assets listed in article 129 (1) CRR under (a), (b), (d) sub (i), (e), (f) sub (i) and (g), i.e. public sector loans, residential real estate loans, commercial real estate loans, and shipping loans, subject to certain limitations.

The issuer must choose which asset class it primarily includes in the programme. In addition, up to 20 per cent. of the outstanding covered bonds under a program may be covered by substitution assets. These are the liquid assets that are allowed under CRR: public sector exposures and exposures to institutions. Residential mortgage backed securities and commercial mortgage backed securities are excluded as cover assets. The Eligibility Criteria require that the Issuer only includes residential real estate loans as primary assets and the definition of Substitution Assets complies with the CB Regulations.

The CB Regulations include rules on valuation of cover assets. As a main rule, cover assets will be valued at their nominal value. Substitution assets will have to be valued at market value according to an internationally accepted accountancy standard. Several categories of assets will be awarded no value when applying the overcollateralisation and liquidity requirements are met:

- defaulted loans, as defined by article 178 CRR;
- assets which are the subject of a sub-participation or similar arrangement up to an amount to which a third party has an entitlement to (part of) such assets; and
- assets that consist of exposures of the CBC on the issuer or entities of the same group.

Issuers will be required to appoint an external accountant as asset monitor which will have to perform an annual check of certain aspects of the administration and valuation process on the cover assets. More specifically, the external accountant has to:

- perform a check on the calculation of the legal overcollateralisation requirements; and
- perform a check on the calculation of the legal liquidity buffer requirement;

In addition the issuer must ensure that an external accountant performs a yearly check on a sample of the files related to the cover assets.

The issuer must maintain a healthy ratio between the outstanding covered bonds and the balance sheet of the issuer (the latter to protect other stakeholders). As a new element, the issuer will be required to perform an annual stress tests to assess whether the healthy ratio will be maintained in adverse scenarios. Risks to be taken into account include credit risk, interest rate risk, currency risk and liquidity risk.

The issuer will also need to have solid and effective strategies and procedures for verifying and procuring the sufficiency of the cover assets, taking into account the composition of the cover assets, the over-collateralisation and the applicable risks and stress tests.

Also, the CB Regulations continue to provide for ongoing administration and reporting obligations towards DNB and include new reporting obligations towards the covered bondholders.

Under the CB Regulations the covered bonds no longer need to have a (minimum) credit rating as was obligatory under the Old CB Regulations.

In addition, on 27 November 2019 the Directive (EU) 2019/2162 of the European Parliament and of the Council on the issue of covered bonds and covered bond public supervision and amending Directives 2009/65/EC and 2014/59/EC (the "**Covered Bond Directive**") and Regulation (EU) 2019/2160 of the European Parliament and of the Council amending Regulation 575/213 as regards exposures in the form of covered bonds (the "**Covered Bond Regulation**"), have been adopted. The Covered Bond Directive and the Covered Bond Regulation aim to foster the development of covered bonds across the European Union. The Covered Bond Directive (i) provides a common definition of covered bonds, which will represent a consistent reference for prudential regulation purposes, (ii) defines the structural features of covered bonds, (iii) defines the tasks and responsibilities for the supervision of covered bonds and (iv) sets out the rules allowing the use of the 'European Covered Bonds' label. The legislative proposals build on the analysis and the advice of the European Banking Authority. The Covered Bond Directive should be implemented in each Member State by 8 July 2021 and should apply at the latest from 8 July 2022.

#### *Compliance with UCITS- and/or Capital Requirements Directive*

The Issuer has applied to DNB for admission of its covered bonds issued under the Programme to the register of DNB in accordance with the CB Regulations and has obtained the Regulated Status. The Issuer will only issue Covered Bonds under this Base Prospectus that obtain the Regulated Status. See also '*Compliance of Covered Bonds with the UCITS Directive and/or CRD IV*' above.

In the Trust Deed the Issuer has undertaken to use its best efforts to procure that the Covered Bonds that have obtained

the Regulated Status, will keep the Regulated Status until their Maturity Date or any earlier date on which such Covered Bonds have been redeemed in full.

The "best efforts" undertakings set out in this section will no longer apply if, as a result of a change of law or regulations, Dutch residential mortgage receivables are insufficient for collateralisation of the Covered Bonds to keep the Regulated Status or are no longer eligible to collateralise covered bonds under the CRR.

## TAXATION IN THE NETHERLANDS

### 1. TAX WARNING

Potential investors and sellers of Covered Bonds should be aware that they may be required to pay stamp taxes or other documentary taxes or fiscal duties or charges in accordance with the laws and practices of the country where the Covered Bonds are transferred or other jurisdictions. In addition, payments of interest on the Covered Bonds, or income derived from the Covered Bonds, may be subject to taxation, including withholding taxes, in the jurisdiction of the Issuer, in the jurisdiction of the holder of Covered Bonds, or in other jurisdictions in which the holder of Covered Bonds is required to pay taxes. Any such tax consequences may have an impact on the net income received from the Covered Bonds.

**Prospective investors should carefully consider the tax consequences of investing in the Covered Bonds and consult their own tax adviser about their own tax situation. Finally, potential investors should be aware that tax regulations and their application by the relevant taxation authorities change from time to time, with or without retroactive effect. Accordingly, it is not possible to predict the precise tax treatment which will apply at any given time.**

### 2. MATERIAL DUTCH TAX CONSIDERATIONS

#### General

*The following summary describes certain material Dutch tax consequences of the acquisition, holding, redemption and disposal of Covered Bonds, which term, for the purpose of this summary, includes Coupons and Talons. This summary does not purport to be a comprehensive description of all Dutch tax considerations that may be relevant to a Covered Bondholder or prospective Covered Bondholder and does not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as trusts or similar arrangements) may be subject to special rules. In view of its general nature, this general summary should be treated with corresponding caution.*

This summary is based on the tax laws of the Netherlands, published regulations thereunder and published authoritative case law, all as in effect on the date of this Base Prospectus, and all of which are subject to change, possibly with retroactive effect. Where the summary refers to "the Netherlands" or "Dutch" it refers only to the part of the Kingdom of the Netherlands located in Europe.

This discussion is for general information purposes only and is not Dutch tax advice or a complete description of all Dutch tax consequences relating to the acquisition, holding, redemption and disposal of the Covered Bonds. Holders or prospective holders of Covered Bonds should consult their own tax advisers regarding the tax consequences relating to the acquisition, holding, redemption and disposal of the Covered Bonds in light of their particular circumstances.

#### Withholding Tax

All payments made by the Issuer under the Covered Bonds may be made free of withholding or deduction of, for or on account of any taxes of whatever nature imposed, levied, withheld or assessed by the Netherlands or any political subdivision or taxing authority thereof or therein.

#### Taxes on income and capital gains

Please note that the summary in this section does not describe the Dutch tax consequences for:

- (i) Covered Bondholders if such holders, and in the case of individuals, such holder's partner or certain of their relatives by blood or marriage in the direct line (including foster children), have a substantial interest (*aanmerkelijk belang*) or deemed substantial interest (*fictief aanmerkelijk belang*) in the Issuer under the Dutch Income Tax Act 2001 (*Wet inkomstenbelasting 2001*). Generally speaking, a holder of securities in a company is considered to hold a substantial interest in such company, if such holder alone or, in the case of individuals, together with such holder's partner (as defined in the Dutch Income Tax Act 2001), directly or indirectly, holds (i) an interest of 5% or more of the total issued and outstanding capital of that company or of 5% or more of the issued and outstanding capital of a certain class of shares of that company; or (ii) rights to acquire, directly or indirectly, such interest; or (iii) certain profit sharing rights in that company that relate to 5% or more of the company's annual profits or to 5% or more of the company's liquidation proceeds. A deemed substantial interest may arise if a substantial interest (or part thereof) in a company has been disposed of, or is deemed to have been disposed of, on a non-recognition basis;
- (ii) pension funds, investment institutions (*fiscale beleggingsinstellingen*), exempt investment institutions (*vrijgestelde beleggingsinstellingen*) (as defined in the Dutch Corporate Income Tax Act 1969; *Wet op de*

*vennootschapsbelasting 1969*) and other entities that are, in whole or in part, not subject to or exempt from Dutch corporate income tax; and

- (iii) Covered Bondholders who are individuals for whom the Covered Bonds or any benefit derived from the Covered Bonds are a remuneration or deemed to be a remuneration for activities performed by such holders or certain individuals related to such holders (as defined in the Dutch Income Tax Act 2001).

#### *Dutch Resident Entities*

Generally speaking, if the Covered Bondholder is an entity that is a resident or deemed to be resident of the Netherlands for Dutch corporate income tax purposes (a "Dutch Resident Entity"), any payment under the Covered Bonds or any gain or loss realized on the disposal or deemed disposal of the Covered Bonds is subject to Dutch corporate income tax at a rate of 16.5% with respect to taxable profits up to €200,000 and 25% with respect to taxable profits in excess of that amount (tax rates and brackets as applicable for 2020).

#### *Dutch Resident Individuals*

If a Covered Bondholder is an individual, resident or deemed to be resident of the Netherlands for Dutch income tax purposes (a "Dutch Resident Individual"), any payment under the Covered Bonds or any gain or loss realized on the disposal or deemed disposal of the Covered Bonds is taxable at the progressive income tax rates (with a maximum of 49.5% in 2019), if:

- (a) the Covered Bonds are attributable to an enterprise from which the Covered Bondholder derives a share of the profit, whether as an entrepreneur (*ondernemer*) or as a person who has a co-entitlement to the net worth (*medegerechtigd tot het vermogen*) of such enterprise without being a shareholder (as defined in the Dutch Income Tax Act 2001); or
- (b) the Covered Bondholder is considered to perform activities with respect to the Covered Bonds that go beyond ordinary asset management (*normaal, actief vermogensbeheer*) or derives benefits from the Covered Bonds that are taxable as benefits from other activities (*resultaat uit overige werkzaamheden*).

*Income from savings and investments.* If the above-mentioned conditions (a) and (b) do not apply to the individual Covered Bondholder, such holder will be taxed annually on a deemed return (with a maximum of 5.33% in 2020) on the individual's net investment assets (*rendementsgrondslag*) for the year, insofar the individual's net investment assets for the year exceed a statutory threshold. The deemed return on the individual's net investment assets for the year is taxed at a rate of 30%. Actual income, gains or losses in respect of the Covered Bonds are as such not subject to Dutch income tax.

The net investment assets for the year are the fair market value of the investment assets less the allowable liabilities on 1 January of the relevant calendar year. The Covered Bonds are included as investment assets. For the net investment assets on 1 January 2020, the deemed return ranges from 1.7991% up to 5.33% (depending on the aggregate amount of the net investment assets on 1 January 2020). The deemed return will be adjusted annually on the basis of historic market yields.

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

A Covered Bondholder that is neither a Dutch Resident Entity nor a Dutch Resident Individual will not be subject to Dutch taxes on income or capital gains in respect of any payment under the Covered Bonds or in respect of any gain or loss realized on the disposal or deemed disposal of the Covered Bonds, provided that:

- (a) such holder does not have an interest in an enterprise or deemed enterprise (as defined in the Dutch Income Tax Act 2001 and the Dutch Corporate Income Tax Act 1969) which, in whole or in part, is either effectively managed in the Netherlands or carried on through a permanent establishment, a deemed permanent establishment or a permanent representative in the Netherlands and to which enterprise or part of an enterprise the Covered Bonds are attributable; and
- (b) in the event the holder is an individual, such holder does not carry out any activities in the Netherlands with respect to the Covered Bonds that go beyond ordinary asset management and does not derive benefits from the Covered Bonds that are taxable as benefits from other activities in the Netherlands.

#### **Gift and inheritance taxes**

##### *Residents of the Netherlands*

Gift or inheritance taxes will arise in the Netherlands with respect to a transfer of the Covered Bonds by way of a gift by, or on the death of, a holder of such Covered Bonds who is resident or deemed resident of the Netherlands at the time of the gift or such holder's death.

*Non-residents of the Netherlands*

No Dutch gift or inheritance taxes will arise on the transfer of Covered Bonds by way of gift by, or on the death of, a Covered Bondholder who is neither resident nor deemed to be resident in the Netherlands, unless:

- (a) in the case of a gift of a Covered Bond 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 calendar days after the date of the gift, while being resident or deemed to be resident in the Netherlands; or
- (b) the transfer is otherwise construed as a gift or inheritance made by, or on behalf of, a person who, at the time of the gift or death, is or is deemed to be resident in the Netherlands.

For purposes of Dutch gift and inheritance taxes, amongst others, a person that holds the Dutch nationality will be deemed to be resident in the Netherlands if such person has been resident in the Netherlands at any time during the ten (10) years preceding the date of the gift or such person's death. Additionally, for purposes of Dutch gift tax, amongst others, a person not holding the Dutch nationality will be deemed to be resident in the Netherlands if such person has been resident in the Netherlands at any time during the twelve (12) months preceding the date of the gift. Applicable tax treaties may override deemed residency.

**Value added tax (VAT)**

No Dutch VAT will be payable by a holder of Covered Bonds on (i) any payment in consideration for the issue of the Covered Bonds or (ii) the payment of interest or principal by the Issuer under the Covered Bonds.

**Other taxes and duties**

No Dutch registration tax, stamp duty or any other similar documentary tax or duty will be payable by a holder of Covered Bonds in respect of (i) the issue of the Covered Bonds or (ii) the payment of interest or principal by the Issuer under the Covered Bonds.

## SUBSCRIPTION AND SALE

The Dealers have, in a Programme Agreement, agreed with the Issuer and the CBC a basis upon which such Dealers or any of them may from time to time agree to purchase Covered Bonds. Any such agreement will extend to those matters stated in the Terms and Conditions and under Form of Conditional Pass-Through Covered Bonds. In the Programme Agreement, the Issuer has agreed to reimburse the Dealers for certain of their expenses in connection with the establishment and any future update of the Programme and the issue of Covered Bonds under the Programme.

### Prohibition of Sales to EEA and UK Retail Investors

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Covered Bonds which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to any retail investor in the European Economic Area or 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 (11) of Article 4(1) of MiFID II; or
  - (ii) a customer within the meaning of IDD, 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 Covered Bonds to be offered so as to enable an investor to decide to purchase or subscribe the Covered Bonds.

### France

Each of the Dealers has represented and agreed that it has only offered or sold and will only offer or sell, directly or indirectly, Covered Bonds in France to qualified investors (*investisseurs qualifiés*) as defined in Article L.411-2 1 of the French *Code monétaire et financier* and it has only distributed or caused to be distributed and will only distribute or cause to be distributed in France to such qualified investors the Base Prospectus, the relevant Final Terms or any other offering material relating to the Covered Bonds

### Italy

The offering of the Covered Bonds has not been registered with the Commissione Nazionale per le Società e la Borsa ("**CONSOB**") pursuant to Italian securities legislation and, accordingly, the Dealers have represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that, save as set out below, it has not offered or sold, and will not offer or sell, any Covered Bond in the Republic of Italy in an offer to the public and that sales of the Covered Bonds in the Republic of Italy shall be effected in accordance with all Italian securities, tax and exchange control and other applicable laws and regulation.

Accordingly, each of the Dealers has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer, sell or deliver any Covered Bond or distribute copies of this Base Prospectus and any other document relating to the Covered Bonds in the Republic of Italy except:

- (1) to "qualified investors", as defined in the Prospectus Regulation; or
- (2) that it may offer, sell or deliver Covered Bonds or distribute copies of any prospectus relating to such Covered Bonds in an offer to the public in the period commencing on the date of publication of such prospectus, provided that such prospectus has been approved in another Relevant Member State and notified to CONSOB, all in accordance with the Prospectus Regulation, Legislative Decree No. 58 of 24 February 1998, as amended (the "Decree No. 58") and CONSOB Regulation No. 11971 of 14 May 1999, as amended ("**Regulation No. 11971**"), and ending on the date which is 12 months after the date of approval of such prospectus; or
- (3) in any other circumstances where an express exemption from compliance with the offer restrictions applies, as provided under the Prospectus Regulation, Decree No. 58 or Regulation No. 11971.

Any such offer, sale or delivery of the Covered Bonds or distribution of copies of this Base Prospectus or any other document relating to the Covered Bonds in the Republic of Italy must be:

- (a) made by investment firms, banks or financial intermediaries permitted to conduct such activities in the Republic of Italy in accordance with Legislative Decree No. 385 of 1 September 1993 as amended, Decree No. 58, CONSOB Regulation No. 20307 of 15 February 2018, as amended and any other applicable laws and regulations;

- (b) in compliance with Article 129 of Legislative Decree No. 385 of 1 September 1993, as amended, pursuant to which the Bank of Italy may request information on the issue or the offer of securities in the Republic of Italy and the relevant implementing guidelines of the Bank of Italy issued on 25 August 2015 (as amended on 10 August 2016); and
- (c) in compliance with any other applicable notification requirement or limitation which may be imposed by CONSOB or the Bank of Italy.

#### *Provisions relating to the secondary market in the Republic of Italy*

Investors should also note that, in any subsequent distribution of the Covered Bonds in the Republic of Italy, the Prospectus Regulation and Decree No. 58 may require compliance with the law relating to public offers of securities. Furthermore, Article 100-bis of Decree No. 58 provides that where the Covered Bonds are placed solely with "qualified investors" and are then systematically resold on the secondary market at any time in the 12 months following such placing, purchasers of Covered Bonds who are acting outside of the course of their business or profession may in certain circumstances be entitled to declare such purchase void and, in addition, to claim damages from any authorised person at whose premises the Covered Bonds were purchased, unless an exemption provided for under the Prospectus Regulation or Decree No. 58 applies.

#### **United Kingdom**

Each Dealer has represented and agreed and each further Dealer appointed will be required to represent and agree that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Covered Bonds in circumstances in which section 21(1) of the FSMA does not or, would not, if the Issuer was not an authorised person, apply to the Issuer or the CBC; 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 Covered Bonds in, from or otherwise involving the United Kingdom.

#### **United States**

The Covered Bonds and the Guarantee 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. The Covered Bonds may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state or local securities laws. Accordingly, the Covered Bonds are being offered and sold only to non-U.S. persons outside the United States in reliance on Regulation S. Terms in this paragraph have the meanings given to them by Regulation S under the Securities Act.

The Covered Bonds that are in bearer form are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to, or for the account or benefit of, a United States person, except in certain transactions permitted by U.S. Treasury regulations. Terms used in this paragraph have the meanings given to them by the US IR Code and U.S. Treasury regulations promulgated thereunder.

Each Dealer has represented and agreed, and each further Dealer appointed will be required to represent and agree, that it will offer, sell or deliver the Covered Bonds (i) as part of its distribution at any time and (ii) otherwise until forty (40) days after the later of the commencement of the offering and the closing date within the United States or to, or from the account or benefit of, U.S. persons only in accordance with Rule 903 of the Securities Act. Each Dealer has also represented and agreed that it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration to which it sells Covered Bonds during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Covered Bonds 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 40 days after the commencement of the offering, an offer or sale of Covered Bonds within the United States by a dealer that is not participating in the offering may violate the registration requirements of the Securities Act.

#### **Japan**

The Covered Bonds have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended; the FIEA) and each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Covered Bonds in Japan or to, or for the benefit of, any resident

of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)) or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

#### **The Netherlands/All issues**

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree that as long as it does not have the benefit of a licence or exemption as an investment firm of the relevant type pursuant to the Wft, it shall not offer any Covered Bonds or distribute this Base Prospectus or any circulars, offer documents or information relating to the Issuer or the Covered Bonds in the Netherlands.

#### **General**

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

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

With regard to each Tranche, the relevant Dealer will be required to comply with any additional restrictions set out in the applicable Final Terms.

## CREDIT RATINGS

It is a condition precedent for the first issue of Covered Bonds under the Programme that the Covered Bonds on issue be assigned the highest rating by one or more Rating Agencies (currently Fitch and Moody's). Each further issue of a Series of Covered Bonds will have ratings equal to the then current rating assigned to the outstanding Series of Covered Bonds.

### Fitch Credit Rating Definitions

*The following text is an extract from FitchRating, Rating Definitions as published by Fitch.*

#### Description Fitch Credit Rating

Ratings of structured finance obligations on the long-term scale consider the obligations' relative vulnerability to default. These ratings are typically assigned to an individual security or tranche in a transaction and not to an issuer.

#### AAA: Highest Credit Quality

'AAA' ratings denote the lowest expectation of default risk. They are assigned only in cases of exceptionally strong capacity for payment of financial commitments. This capacity is highly unlikely to be adversely affected by foreseeable events.

#### AA: Very High Credit Quality

'AA' ratings denote expectations of very low default risk. They indicate very strong capacity for payment of financial commitments. This capacity is not significantly vulnerable to foreseeable events.

#### A: High Credit Quality

'A' ratings denote expectations of low default risk. The capacity for payment of financial commitments is considered strong. This capacity may, nevertheless, be more vulnerable to adverse business or economic conditions than is the case for higher ratings.

#### BBB: Good Credit Quality

'BBB' ratings indicate that expectations of default risk are currently low. The capacity for payment of financial commitments is considered adequate, but adverse business or economic conditions are more likely to impair this capacity.

#### BB: Speculative

'BB' ratings indicate an elevated vulnerability to default risk, particularly in the event of adverse changes in business or economic conditions over time.

#### B: Highly Speculative

'B' ratings indicate that material default risk is present, but a limited margin of safety remains. Financial commitments are currently being met; however, capacity for continued payment is vulnerable to deterioration in the business and economic environment.

#### CCC: Substantial Credit Risk

Default is a real possibility.

#### CC: Very High Levels of Credit Risk

Default of some kind appears probable.

#### C: Exceptionally High Levels of Credit Risk

Default appears imminent or inevitable.

#### D: Default

Indicates a default. Default generally is defined as one of the following:

Failure to make payment of principal and/or interest under the contractual terms of the rated obligation;  
bankruptcy filings, administration, receivership, liquidation or other winding-up or cessation of the business of an issuer/obligor; or  
distressed exchange of an obligation, where creditors were offered securities with diminished structural or economic

terms compared with the existing obligation to avoid a probable payment default.

### **Structured Finance Defaults**

Imminent default, categorized under 'C', typically refers to the occasion where a payment default has been intimated by the issuer and is all but inevitable. This may, for example, be where an issuer has missed a scheduled payment but (as is typical) has a grace period during which it may cure the payment default. Another alternative would be where an issuer has formally announced a distressed debt exchange, but the date of the exchange still lies several days or weeks in the immediate future.

Additionally, in structured finance transactions, where analysis indicates that an instrument is irrevocably impaired such that it is not expected to pay interest and/or principal in full in accordance with the terms of the obligation's documentation during the life of the transaction, but where no payment default in accordance with the terms of the documentation is imminent, the obligation will typically be rated in the 'C' category.

### **Structured Finance Write-downs**

Where an instrument has experienced an involuntary and, in the agency's opinion, irreversible write-down of principal (i.e. other than through amortization, and resulting in a loss to the investor), a credit rating of 'D' will be assigned to the instrument. Where the agency believes the write-down may prove to be temporary (and the loss may be written up again in future if and when performance improves), then a credit rating of 'C' will typically be assigned. Should the write-down then later be reversed, the credit rating will be raised to an appropriate level for that instrument. Should the write-down later be deemed as irreversible, the credit rating will be lowered to 'D'.

### **Notes:**

*In the case of structured finance, while the ratings do not address the loss severity given default of the rated liability, loss severity assumptions on the underlying assets are nonetheless typically included as part of the analysis. Loss severity assumptions are used to derive pool cash flows available to service the rated liability.*

The suffix 'sf' denotes an issue that is a structured finance transaction.

Enhanced Equipment Trust Certificates (EETCs) are corporate-structured hybrid debt securities that airlines typically use to finance aircraft equipment. Due to the hybrid characteristics of these bonds, Fitch's rating approach incorporates elements of both the structured finance and corporate rating methodologies. Although rated as asset-backed securities, unlike other structured finance ratings, EETC ratings involve a measure of recovery given default akin to ratings of financial obligations in corporate finance, as described above.

### **Probability of Claim Ratings**

Rather than expressing an opinion regarding the likelihood of default on the repayment of financial obligations, probability of claim ratings address the likelihood of a claim being made by a protection buyer under an unfunded credit default swap (CDS). Analysis involves assessing stressed loss expectations associated with a particular rating level, which allows a rating opinion to be assigned to the CDS based on its loss coverage attachment points.

The rating also addresses the likelihood of the swap premium being paid in respect of the period for which credit protection is provided. Ratings are assigned using the long-term rating scale to reflect the relative vulnerability of the CDS to a claim being made and the swap premium not being paid following the default of the protection buyer.

A probability of claim rating expresses an opinion exclusively on the probability of a claim being made and the likelihood of the swap premium being paid. In particular, it does not represent a counterparty rating on the CDS provider, or their financial capacity to meet a claim in the event that one is made.

Probability of claim ratings are assigned on the Structured Finance rating scale, except that rating category definitions relate to 'probability of claim risk' rather than 'default risk'. Text regarding 'capacity for payment of financial commitments' in rating category definitions does not apply in the case of probability of claim ratings.

For further information regarding Probability of Claim Ratings, please refer to the report "*Global Structured Finance Rating Criteria*".

### **Moody's Credit Rating Definitions**

*The following text is an extract from the Moody's report "Rating Symbols and Definitions" as published by Moody's..*

## Moody's Global Rating Scales

Ratings assigned on Moody's global long-term and short-term rating scales are forward-looking opinions of the relative credit risks of financial obligations issued by non-financial corporates, financial institutions, structured finance vehicles, project finance vehicles, and public sector entities. Moody's defines credit risk as the risk that an entity may not meet its contractual financial obligations as they come due and any estimated financial loss in the event of default or impairment. The contractual financial obligations addressed by Moody's ratings are those that call for, without regard to enforceability, the payment of an ascertainable amount, which may vary based upon standard sources of variation (e.g., floating interest rates), by an ascertainable date. Moody's rating addresses the issuer's ability to obtain cash sufficient to service the obligation, and its willingness to pay. Moody's ratings do not address non-standard sources of variation in the amount of the principal obligation (e.g., equity indexed), absent an express statement to the contrary in a press release accompanying an initial rating. Long-term ratings are assigned to issuers or obligations with an original maturity of one year or more and reflect both on the likelihood of a default or impairment on contractual financial obligations and the expected financial loss suffered in the event of default or impairment. Short-term ratings are assigned to obligations with an original maturity of thirteen months or less and reflect both on the likelihood of a default or impairment on contractual financial obligations and the expected financial loss suffered in the event of default or impairment. Moody's issues ratings at the issuer level and instrument level on both the long-term scale and the short-term scale. Typically, ratings are made publicly available although private and unpublished ratings may also be assigned.

Moody's differentiates structured finance ratings from fundamental ratings (i.e., ratings on nonfinancial corporate, financial institution, and public sector entities) on the global long-term scale by adding (sf) to all structured finance ratings. The addition of (sf) to structured finance ratings should eliminate any presumption that such ratings and fundamental ratings at the same letter grade level will behave the same. The (sf) indicator for structured finance security ratings indicates that otherwise similarly rated structured finance and fundamental securities may have different risk characteristics. Through its current methodologies, however, Moody's aspires to achieve broad expected equivalence in structured finance and fundamental rating performance when measured over a long period of time.

## Long-Term Rating Scale

**Aaa:** Obligations rated Aaa are judged to be of the highest quality, subject to the lowest level of credit risk.

**Aa:** Obligations rated Aa are judged to be of high quality and are subject to very low credit risk.

**A:** Obligations rated A are judged to be upper-medium grade and are subject to low credit risk.

**Baa:** Obligations rated Baa are judged to be medium-grade and subject to moderate credit risk and as such may possess certain speculative characteristics.

**Ba:** Obligations rated Ba are judged to be speculative and are subject to substantial credit risk.

**B:** Obligations rated B are considered speculative and are subject to high credit risk.

**Caa:** Obligations rated Caa are judged to be speculative of poor standing and are subject to very high credit risk.

**Ca:** Obligations rated Ca are highly speculative and are likely in, or very near, default, with some prospect of recovery of principal and interest.

**C:** Obligations rated C are the lowest rated and are typically in default, with little prospect for recovery of principal or interest.

*Note: Moody's appends numerical modifiers 1, 2, and 3 to each generic rating classification from Aa through Caa. The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of that generic rating category. Additionally, a "(hyb)" indicator is appended to all ratings of hybrid securities issued by banks, insurers, finance companies, and securities firms.\**

*Note: For more information on long-term ratings assigned to obligations in default, please see the definition "Long-Term Credit Ratings for Defaulted or Impaired Securities" in the Other Definitions section of this publication.*

*\* By their terms, hybrid securities allow for the omission of scheduled dividends, interest, or principal payments, which can potentially result in impairment if such an omission occurs. Hybrid securities may also be subject to contractually*

*allowable write-downs of principal that could result in impairment. Together with the hybrid indicator, the long-term obligation rating assigned to a hybrid security is an expression of the relative credit risk associated with that security.*

### **Short-Term Rating Scale**

**P-1:** Issuers (or supporting institutions) rated Prime-1 have a superior ability to repay short-term debt obligations.

**P-2:** Issuers (or supporting institutions) rated Prime-2 have a strong ability to repay short-term debt obligations.

**P-3:** Issuers (or supporting institutions) rated Prime-3 have an acceptable ability to repay short-term obligations.

**NP:** Issuers (or supporting institutions) rated Not Prime do not fall within any of the Prime rating categories.

### **Long-Term and Short-Term Obligation Ratings**

Moody's assigns ratings to long-term and short-term financial obligations. Long-term ratings are assigned to issuers or obligations with an original maturity of one year or more and reflect both on the likelihood of a default on contractually promised payments and the expected financial loss suffered in the event of default. Short-term ratings are assigned to obligations with an original maturity of thirteen months or less and reflect both on the likelihood of a default on contractually promised payments and the expected financial loss suffered in the event of default.

For further information regarding Rating Symbols and Definitions, please refer to the Moody's report "*Rating Symbols and Definitions*".

## 8. ASSET BACKED GUARANTEE

### GUARANTEE

Pursuant to the Guarantee, if (i) an Issuer Acceleration Notice and a Notice to Pay are served or (ii) a CBC Acceleration Notice is served, the CBC will be obliged to pay Guaranteed Amounts when the same become Due for Payment.

The pass-through structure will become relevant after the service of a Notice to Pay on the CBC. The CBC will be obliged to pass any available funds through and apply such funds towards redemption of all Pass-Through Covered Bonds and the CBC will also be obliged to use its best efforts to sell or refinance Selected Transferred Assets on each Refinance Date to enable it to redeem all Pass-Through Covered Bonds prior to the Extended Due for Payment Date, provided that it can sell the Transferred Assets and consequently redeem the Pass-Through Covered Bonds without negatively impacting the Amortisation Test. Failure by the CBC to sell or refinance Selected Mortgage Receivables in the portfolio in accordance with the Asset Monitoring Agreement will not constitute a CBC Event of Default (see further section 16 (*Asset Monitoring*)).

All payments of Guaranteed Amounts by or on behalf of the CBC will be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or other governmental charges of whatever nature, unless such withholding or deduction is required by law. In such event, the CBC will pay the Guaranteed Amounts net of such withholding or deduction and shall account to the appropriate tax authority for the amount required to be withheld or deducted. The CBC will not be obliged to pay any additional amount to the Security Trustee or any Covered Bondholder in respect of the amount of such withholding or deduction.

Payments in respect of the Covered Bonds might be subject to FATCA Withholding. Any FATCA Withholding will be treated as paid for all purposes under the Covered Bonds, and no additional amounts will be paid on the Covered Bonds with respect to any such withholding or deduction.

An Extended Due for Payment Date will apply to each Series of Covered Bonds to be issued under the Programme.

In respect of each Series, if the CBC is obliged under the Guarantee to pay a Guaranteed Final Redemption Amount, then:

- a) the obligation of the CBC to pay the Guaranteed Final Redemption Amount shall be deferred to, and shall under the Guarantee be due on, the Extended Due for Payment Date, provided that if on any CBC Payment Date which falls prior to the Extended Due for Payment Date, any moneys are available to the CBC to be paid (or reserved for payment of principal on any Series of Covered Bonds) after the CBC shall under the relevant Priority of Payments have paid or provided for (on the relevant CBC Payment Date) all higher ranking amounts, then the CBC shall (a) give notice thereof to the relevant holders of the Pass-Through Covered Bonds (in accordance with Condition 14 (*Notices*)), the Rating Agencies, the Security Trustee, the Principal Paying Agent and the Registrar (in the case of Registered Covered Bonds) as soon as reasonably practicable and in any event at least two (2) Business Days prior to such CBC Payment Date (whereby such notice shall be deemed to have been given on the first Business Day following the date on which the notice was given by the CBC to the relevant clearing system, if any, and otherwise in accordance with Condition 14 (*Notices*)) and (b) apply such remaining available moneys in payment, in whole or in part, of the Guaranteed Final Redemption Amount pertaining to all Pass-Through Covered Bonds, if applicable *pro rata* by reference to the Principal Amount Outstanding of such Covered Bonds (and to such extent the Guaranteed Final Redemption Amount shall for the purpose of the relevant Priority of Payments and all other purposes be due) on such CBC Payment Date. If any amount of principal on a Covered Bond remains unpaid on its Maturity Date, such Covered Bond will become a Pass-Through Covered Bond and if a Notice to Pay and a Breach of Amortisation Test Notice have been served, all Covered Bonds will become Pass-Through Covered Bonds; and
- b) the CBC shall under the Guarantee owe interest over the unpaid portion of the Guaranteed Final Redemption Amount, which shall accrue and be payable on the basis set out in the applicable Final Terms or, if not set out therein, Condition 5 (*Interest*),

all without prejudice to the CBC's obligation to pay any other Guaranteed Amount (i.e. other than the Guaranteed Final Redemption Amount) when Due for Payment.

Failure by the CBC to pay Guaranteed Final Redemption Amounts or the balance thereof, as the case may be, on the

Extended Due for Payment Date and/or pay the other Guaranteed Amounts on any Scheduled Payment Date or the Extended Due for Payment Date will (subject to any applicable grace period) be a CBC Event of Default.

Under Dutch law an independent guarantee like the Guarantee is normally regarded as an independent claim and not an accessory right (*afhankelijk recht*) and is unlikely to be an ancillary right (*nevenrecht*) that by operation of law follows the receivables it secures upon transfer thereof. The Issuer and the CBC have been advised that, in the case of Bearer Covered Bonds, such a transfer of the Guarantee can be accomplished by ensuring that the Guarantee forms an integral part of the Covered Bonds. For this reason the Guarantee and the Covered Bonds will provide that the rights under the Guarantee (a) form an integral part of the Covered Bonds, (b) are of interest to a Covered Bondholder only if, to the extent that, and for so long as, it holds Covered Bonds and (c) can only be transferred together with all other rights under the relevant Covered Bond. The Issuer and the CBC have been advised that as a result, in case of a transfer of a Covered Bond to a transferee by way of book-entry transfer (*girale overboeking*) or physical transfer of a Bearer Covered Bond, such transfer includes the corresponding rights under the Guarantee. For Registered Covered Bonds, the rights under the Guarantee are to be separately assigned, together with the corresponding rights under the relevant Registered Covered Bonds.

## SECURITY

### Parallel Debt

In the Parallel Debt Agreement the CBC has irrevocably and unconditionally undertaken to pay to the Security Trustee (the "**Parallel Debt**") an amount equal to the aggregate amount due (*verschuldigd*) by it (i) to the Covered Bondholders under the Covered Bonds, (ii) as fees, costs or other remuneration to the Directors under the Management Agreements, (iii) as fees, costs and expenses to the Servicer under the Servicing Agreement, (iv) as fees, costs and expenses to the Administrator under the Administration Agreement, (v) as fees and expenses to the Paying Agents and the Registrar under the Agency Agreement, (vi) as fees and expenses to the Calculation Agent under the Calculation Agency Agreement, (vii) to the Swap Counterparties under the Swap Agreements (if any), (viii) as fees, costs and expenses to the Asset Monitor under the Asset Monitor Appointment Agreement, (ix) to the CBC Account Bank under the CBC Account Agreement, (x) to the CBC Back-Up Account Bank under the CBC Back-Up Account Agreement, (xi) to the Transferor under the Transaction Documents, (xii) to the Insurance Savings Participant under the Insurance Savings Participation Agreement, (xiii) to the Bank Savings Participant under the Bank Savings Participation Agreement, (xiv) to any custodian appointed in accordance with the Transaction Documents and (xv) to the Back-up Administrator under the Back-up Administration Agreement and (xvi) to such other party designated by the Security Trustee to become a secured creditor. The Parallel Debt constitutes a separate and independent obligation of the CBC and constitutes the Security Trustee's own separate and independent claims (*eigen en zelfstandige vordering*) to receive payment of the Parallel Debt from the CBC. Upon receipt by the Security Trustee of any amount in payment of the Parallel Debt, the payment obligations of the CBC to the Secured Creditors shall be reduced by an amount equal to the amount so received.

### Security Documents - distribution of proceeds

The Parallel Debt is secured by the first ranking security rights created under the Security Documents.

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 amongst the Secured Creditors in accordance with the Post CBC Acceleration Notice Priority of Payments, save for amounts due to the Insurance Savings Participant and the Bank Savings Participant in connection with, in respect of each Savings Mortgage Receivable and Life Mortgage Receivable with a Savings Element, the Insurance Savings Participation and in respect of each Bank Savings Mortgage Receivable, the Bank Savings Participation. The amounts due to the Secured Creditors, other than the Insurance Savings Participant and the Bank Savings Participant, will, broadly, be equal to amounts recovered (*verhaald*) by the Security Trustee (i) on the Mortgage Receivables (other than the Savings Mortgage Receivables, the Life Mortgage Receivables with a Savings Element and the Bank Savings Mortgage Receivables) and other assets pledged to the Security Trustee under any Security Trustee Receivables Pledge Agreement, any Security Trustee Rights Pledge Agreement and any other Pledge Agreements and (ii) (A) on each of the Savings Mortgage Receivables or on each of the Life Mortgage Receivables with a Savings Element which are subject to an Insurance Savings Participation to the extent the amount recovered exceeds the Insurance Savings Participation in the relevant Savings Mortgage Receivable or Life Mortgage Receivable with a Savings Element, respectively, and (B) on each of the Bank Savings Mortgage Receivables which is subject to a Bank Savings Participation to the extent the amount recovered exceeds the Bank Savings Participation in the relevant Bank Savings Mortgage Receivables.

The amounts due to the Insurance Savings Participant will be equal to the Insurance Savings Participation in each of the Savings Mortgage Receivables or Life Mortgage Receivables with a Savings Element or, if the amount recovered is less than the Insurance Savings Participation in such Savings Mortgage Receivable or Life Mortgage Receivable with a Savings Element, an amount equal to the amount actually recovered. The amounts due to the Bank Savings Participant will be equal to the Bank Savings Participation in each of the Bank Savings Mortgage Receivables or, if the amount recovered is less than the Bank Savings Participation in such Bank Savings Mortgage Receivable, an amount equal to the amount actually recovered.

### Security in favour of the Security Trustee in respect of the Mortgage Receivables

Pursuant to the Security Trustee Receivables Pledge Agreement the CBC has undertaken to grant a right of pledge in favour of the Security Trustee on the Mortgage Receivables and the Beneficiary Rights immediately following the transfer thereof to the CBC, which will secure the payment obligations of the CBC to the Security Trustee under the Parallel Debt Agreement and any other Transaction Documents. The pledge on the Mortgage Receivables will not be notified to the Borrowers and the Insurance Company, respectively, except in the event that certain notification events occur relating to the CBC, including the occurrence of a CBC Event of Default, by the Security Trustee. Prior to notification of the pledge to the Borrowers or the Insurance Company, the pledge will be an "undisclosed" right of pledge (*stil pandrecht*) within the meaning of section 3:239 of the Dutch Civil Code.

**Security in favour of the Security Trustee over other Transferred Assets**

The CBC has also undertaken to vest a first ranking right of pledge or such other appropriate first ranking security interest in favour of the Security Trustee on any other Transferred Assets transferred to the CBC on the relevant Transfer Date.

**Security in favour of the Security Trustee over CBC Transaction Documents**

In addition, under the Security Trustee Rights Pledge Agreement a first ranking right of pledge was vested by the CBC in favour of the Security Trustee on the Programme Date over all rights of the CBC under or in connection with the CBC Transaction Documents and in respect of the CBC Transaction Accounts and the CBC Back-Up Account. This right of pledge has been notified to the relevant obligors and will, therefore, be a disclosed right of pledge (*openbaar pandrecht*).

## THE CBC

The CBC was incorporated as a private limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*) under the laws of the Netherlands on 14 September 2017 and it operates under the laws of the Netherlands. The statutory seat (*statutaire zetel*) of the CBC is in Amsterdam, the Netherlands. The registered office of the CBC is at Prins Bernhardplein 200, 1097 JB Amsterdam, the Netherlands and its telephone number is +31 20 521 4777. The CBC is registered with the Business Register of the Chamber of Commerce under number 69602875. The legal entity identifier (LEI) of the CBC is 724500R319WSFOZJ4H59.

The CBC is a special purpose vehicle, which objects are, in the framework of a Conditional Pass-Through Covered Bond Programme of the Issuer, (a) to acquire, purchase, conduct the management of, dispose of and to encumber receivables and other goods under or in connection with loans granted by a third party or by third parties, and to exercise any rights connected to such receivables and other goods, (b) to issue guarantees in favour of holders of covered bonds issued by the Issuer, (c) to on-lend and invest any funds held by the CBC, (d) to hedge 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; and (ii) to grant security rights to third parties or to release security rights and (f) to do anything which, in the widest sense of the words, is connected with or may be conducive to the attainment of these objects.

The CBC has an authorised share capital of euro 1.00 of which euro 1.00 has been issued and is fully paid. All shares of the CBC are held by Stichting Holding Achmea Conditional Pass-Through Covered Bond Company.

Stichting Holding Achmea Conditional Pass-Through Covered Bond Company is a foundation (*stichting*) incorporated under the laws of the Netherlands on 14 September 2017. The objects of Stichting Holding Achmea Conditional Pass-Through Covered Bond Company are to incorporate, to acquire and to hold shares in the capital of the CBC, to conduct the management of and to administer shares in the CBC, to exercise any rights connected to shares in the CBC, to grant loans to the CBC and to alienate and to encumber shares in this company and furthermore, to perform any acts which are related or conducive to the above. The sole managing director of Stichting Holding is Intertrust Management B.V.

### Statement by managing director of the CBC

Up to the date of this Base Prospectus, there has been no significant change in the financial position of the CBC or its group since 31 December 2018 and there has been no material adverse change in the prospects of the CBC since 31 December 2018, the last day of the financial period in respect for which audited financial statements of the CBC have been prepared.

There are no governmental, legal or arbitration proceedings (including any such proceedings of which are pending or threatened of which the CBC is aware) which may have, or have had in the recent past, a significant effect on the CBC's financial position or profitability nor, so far as the CBC is aware, are any such proceedings pending or threatened against the CBC.

The CBC has the corporate power and capacity to issue the Guarantee, to acquire the Transferred Assets and to enter into and perform its obligations under the Transaction Documents (see further '*Terms and Conditions of the Covered Bonds*').

The sole managing director of the CBC 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 director of the CBC has chosen domicile at the office address of Intertrust Management B.V., being Prins Bernhardplein 200, 1097 JB Amsterdam, the Netherlands. Intertrust Management B.V. belongs to the same group of companies as Intertrust Administrative Services B.V. (the Back-up Administrator).

Each of the managing directors of Stichting Holding and the CBC has entered into a management agreement with the entity of which it has been appointed managing director. In these management agreements each of the managing directors agrees and undertakes to, *inter alia*, (i) do all that an adequate managing director should do and refrain from what an adequate managing director should not do, and (ii) refrain from taking any action detrimental to the obligations under any of the Transaction Documents or the then current ratings assigned to the Covered Bonds outstanding. In addition each of the managing directors agrees in the relevant management agreement that it will not enter into any agreement in relation to the CBC other than the Transaction Documents to which it is a party, without the prior written consent of the Security Trustee and subject to Rating Agency Confirmation.

There are no potential conflicts of interest between any duties to the CBC of its managing director and private interests

or other duties of the managing director.

The financial year of the CBC coincides with the calendar year. The first publicly available audited financial statements of the CBC are as of and for the financial year ended 31 December 2018.

## 9. THE SECURITY TRUSTEE

The Security Trustee is a foundation (*stichting*) incorporated under the laws of the Netherlands on 13 October 2017. It has its registered office in Amsterdam, the Netherlands.

The objects of the Security Trustee are (a) to act as security trustee for the benefit of the creditors of the CBC, including the holders of covered bonds to be issued by the CBC, beneficiaries of guarantees issued by the CBC for covered bonds issued by the Issuer and holders of covered bonds issued by the Issuer in whose favour the CBC has issued guarantees, (b) to acquire, hold and administer security rights in its own name, and if necessary to enforce such security rights, for the benefit of the creditors of the CBC, including the holders of covered bonds issued by the CBC and holders of covered bonds issued by the Issuer in whose favour the CBC has issued guarantees, and to perform acts and legal acts, including the acceptance of a parallel debt obligation from the CBC, which is conducive to the holding of the above mentioned security rights, (c) to borrow money, (d) to make donations and (e) to do anything which, in the widest sense of the words, is connected with and/or may be conducive to the attainment of the above. The Security Trustee does not have the intent to make profits.

The sole director of the Security Trustee is IQ EQ Structured Finance B.V., having its registered office at Hoogoorddreef 15, 1101 BA Amsterdam, the Netherlands.

The Security Trustee has agreed to act as security trustee for the holders of the Covered Bonds and to pay any amounts received from the Issuer or the CBC or amounts collected by the Security Trustee under the Security to the Covered Bondholders subject to and pursuant to the Parallel Debt Agreement and the Trust Deed.

In addition, the Security Trustee has agreed to act as security trustee *vis-à-vis* the other Secured Creditors and to pay to such Secured Creditors any amounts received from the Issuer or the CBC or amounts collected by the Security Trustee under the Security subject to and pursuant to the Parallel Debt Agreement and the Trust Deed.

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*) or gross negligence (*grove nalatigheid*), and it shall not be responsible for any act or negligence of persons or institutions selected by it in good faith and with due care.

Without prejudice to the right of indemnity by law given to it, the Security Trustee and every attorney, manager, agent, delegate or other person appointed by it under the Trust Deed shall be indemnified by the Issuer against and shall on first demand be reimbursed in respect of all liabilities and expenses properly incurred by it in the execution or purported execution of the powers of the Trust Deed or of any powers, authorities or discretions vested in it or him pursuant to the Trust Deed and against all actions, proceedings, costs, claims and demands in respect of any matter or thing done or omitted in any way relating to the Trust Deed or otherwise.

As set out in the Trust Deed, the relevant Management Agreement and the Security Trustee's articles of incorporation, the Security Trustee shall not retire or be removed from its duties under the Trust Deed until all amounts payable by the Issuer or the CBC to the Secured Creditors have been paid in full.

However, the Covered Bondholders can resolve to dismiss the Director of the Security Trustee as the director of the Security Trustee by a Programme Resolution, pursuant to the Trust Deed. The Director of the Security Trustee shall only resign from its position as director of the Security Trustee as soon as a suitable person, trust or administration office, reasonably acceptable to the Issuer and the CBC, after having consulted the Secured Creditors, other than the Covered Bondholders, and subject to Rating Agency Confirmation, has been contracted to act as director of the Security Trustee.

## 10. GUARANTEE SUPPORT

### TRANSFERS

As consideration for the CBC issuing the Guarantee, and so as to enable the CBC to meet its obligations under the Guarantee, the Issuer agreed in the Guarantee Support Agreement that it will use its best efforts to transfer or procure the transfer of sufficient Eligible Assets, either directly or indirectly, to the CBC. The transfers are effectuated as follows:

- (a) in the case of Eligible Receivables, by way of undisclosed assignment (*stille cessie*). This takes place through due execution by the Transferor and the CBC of a deed of assignment in the form attached to the Guarantee Support Agreement and offering the same for registration to the Dutch tax authorities (*Belastingdienst*) or by way of a notarial deed incorporating such deed of assignment. Notification (*mededeling*) of the assignment to the Borrowers will only take place if an Assignment Notification Event occurs in respect of the Transferor. Following receipt of notification by the relevant Borrowers, only payment to the CBC will be capable of discharging a Borrower's obligations under the relevant Mortgage Receivable; and/or
- (b) in the case of Eligible Collateral, by way of book-entry transfer (*girale overboeking*) and such further deed shall be executed as required and customary to effect the transfer of such Eligible Collateral.

On the first Transfer Date, the Transferor will transfer to the CBC the respective Eligible Assets. Thereafter:

- (i) the Issuer and the Transferor may at any time offer for transfer further Eligible Assets to the CBC;
- (ii) the Issuer will use its best efforts, upon request of the CBC, to offer to transfer or to procure the transfer of further Eligible Assets to the CBC. The CBC will only make such a request if it (or the Administrator on its behalf) determines that the Asset Cover Test has been breached (or would be breached when at that moment the Asset Cover Test would be performed) under the Asset Monitoring Agreement; and
- (iii) the CBC shall accept each such offer if the relevant conditions precedent set out in the Guarantee Support Agreement have been met, including in the case of the transfer of Mortgage Receivables receipt of a confirmation that the Mortgage Receivables Warranties are true and correct in all material respects and not misleading in any material respect as at the relevant Transfer Date.

If an Assignment Notification Event has occurred, unless the Security Trustee instructs it otherwise, the Transferor shall notify or ensure that the relevant Borrowers and, solely in relation to the Beneficiary Rights, the Insurance Companies are forthwith notified of the assignment of the relevant Mortgage Receivables and the Beneficiary Rights relating thereto.

Each of the CBC and the Security Trustee has the right to make these notifications itself.

The Transferor will undertake that it will use its best efforts upon the occurrence of an Assignment Notification Event to terminate its appointment or the appointment of the relevant originator as beneficiary under the Insurance Policies and to appoint the CBC or the Security Trustee, as the case may be, as first beneficiary under the Insurance Policies.

For as long as no Assignment Notification Event has occurred and no Breach of Asset Cover Test Notice (which is not remedied), no Notice to Pay and no CBC Acceleration Notice has been served, pursuant to the Guarantee Support Agreement, the CBC is not entitled to receive or retain any proceeds from the Transferred Assets; such proceeds will all be received and retained by the Transferor for its own benefit. If an Assignment Notification Event occurs or a Breach of Asset Cover Test Notice (which is not remedied), a Notice to Pay or CBC Acceleration Notice is served on the CBC, pursuant to the Guarantee Support Agreement, the CBC shall, subject to the rights of the Security Trustee as pledgee, be entitled to receive for its own benefit all proceeds of the Transferred Assets to the extent relating to the period following such Assignment Notification Event (unless remedied) or service of such Notice to Pay or CBC Acceleration Notice.

In the Guarantee Support Agreement the Transferor covenants, amongst other things, that if (i) it makes any Further Advance under any mortgage loan agreement, (ii) such Further Advance is secured by the same Mortgage that secures the Mortgage Receivable and (iii) (a) such Further Advance results in an Eligible Receivable, then it will offer to transfer such further Eligible Receivable to the CBC as soon as reasonably practicable and, if possible, prior to the following Calculation Date, or (b) such Further Advance does not result in an Eligible Receivable, then it will request the retransfer of the relevant Mortgage Receivable in accordance with the Guarantee Support Agreement and so long as the Asset Cover Test is not breached upon such retransfer.

In the Guarantee Support Agreement the Transferor furthermore covenants, amongst other things, that the Transferor may amend the terms and conditions of the Mortgage Loans, provided that (i) after such amendment the Mortgage Loan

or, as the case may be, the Mortgage Receivable meets the Eligibility Criteria and (ii) such amendment does not adversely affect the enforceability of the Mortgage Loan or, as the case may be, the Mortgage Receivable and the security rights granted in connection therewith. Therefore, if the Transferor wishes to amend the terms and conditions of the Mortgage Loans in such manner that such Mortgage Loan or, as the case may be, the Mortgage Receivable will no longer meet the Eligibility Criteria, such Mortgage Receivables should first be retransferred to the Transferor prior to such amendment.

Neither the CBC, nor the Security Trustee has made or has caused to be made on its behalf any enquiries, searches or investigations in respect of the Transferred Assets. Instead, each is relying entirely on the Transferor Warranties by the Transferor contained in the Guarantee Support Agreement. The parties to the Guarantee Support Agreement may, with the prior written consent of the Security Trustee, and after having notified the Rating Agencies, amend the Transferor Warranties and the Mortgage Receivables Warranties, including the Eligibility Criteria. The mortgage receivables warranties (the "**Mortgage Receivables Warranties**") are as follows and are given on the relevant Transfer Date by the Transferor in respect of the Eligible Receivables and the Mortgage Receivables to be transferred by it to the CBC:

- (i) each Mortgage Receivable is an Eligible Receivable; and
- (ii) the particulars of the Eligible Receivables set out in Annex 1 to the relevant deed of assignment and pledge, are true, complete and accurate in all material respects and the Outstanding Principal Amount in respect of each Eligible Receivable as at the relevant Transfer Date and the aggregate Outstanding Principal Amount of the Eligible Receivables is correctly stated in the relevant deed of assignment and pledge.

The Programme Agreement provides a mechanism for at the option of the Issuer, members of the Achmea Group wishing to transfer Eligible Assets to the CBC, to accede to the Transaction Documents as a New Transferor, subject always to Rating Agency Confirmation. New Transferors will be required to provide the same covenants, representations and warranties described herein as the initial Transferor. However, New Transferors will, contrary to the Issuer, not have a best efforts undertaking to transfer Eligible Assets if requested by the CBC.

In the Trust Deed, the Security Trustee agrees to, upon receipt of each Asset Cover Report, verify whether such Asset Cover Report states that an Assignment Notification Event or a Breach of Asset Cover Test has occurred.

For the purpose hereof:

**"Assignment Notification Event"** means the earliest to occur of the following events:

- (i) a default is made by the Transferor in the payment on the due date of any amount due and payable by it under any Transaction Document to which it is a party and such failure is not remedied within ten (10) Business Days after notice thereof has been given by the CBC or the Security Trustee to the Transferor;
- (ii) the Transferor fails to duly perform or comply with any of its obligations under any Transaction Document to which it is a party and, if such failure is capable of being remedied, such failure is not remedied within ten (10) Business Days after notice thereof has been given by the CBC or the Security Trustee to the Transferor;
- (iii) the Transferor takes any corporate action or other steps are taken or legal proceedings are started or threatened against it (unless as a consequence of a merger) for its dissolution (*ontbinding*), liquidation (*vereffening*) or legal demerger (*juridische splitsing*) involving the Transferor or for its being converted in a foreign entity, or its assets are placed under administration (*onder bewind gesteld*);
- (iv) the Transferor takes any corporate action, or other steps are taken or legal proceedings are started or threatened against it, for (i) its suspension of payments (*surseance van betaling*), (ii) its bankruptcy (*faillissement*), (iii) any analogous insolvency proceedings under any applicable law or (iv) the appointment of a liquidator, administrator or a similar officer of it or of any or all of its assets;
- (v) a Notice to Pay is served on the CBC;
- (vi) an Issuer Acceleration Notice is served on the Issuer;
- (vii) a CBC Event of Default occurs; or
- (viii) a Security Trustee Pledge Notification Event occurs.

## RETRANSFERS

Pursuant to the Guarantee Support Agreement:

1. Prior to the occurrence of a CBC Event of Default or the service of a Notice to Pay, the Transferor may from time to time request a retransfer from the CBC to it of any Transferred Asset.
2. Prior to the occurrence of a CBC Event of Default, the Issuer shall request a retransfer of the relevant Mortgage Receivable from the CBC to the Transferor if it has an Other Claim, including a Further Advance, such Other Claim or Further Advance, respectively, is secured by the same security rights that secure such Mortgage Receivable and such Other Claim or Further Advance, respectively, does not result in an Eligible Receivable.

The CBC shall in each case comply with such request so long as the Asset Cover Test is not breached upon such retransfer.

If the CBC intends to sell Transferred Assets on terms permitted or required by the Asset Monitoring Agreement, it shall first offer such Transferred Assets for sale on the same terms to the Transferor (or any party appointed by the Transferor) in accordance with the Guarantee Support Agreement.

A retransfer of a Mortgage Receivable will take place in accordance with the Guarantee Support Agreement. A retransfer by the CBC as abovementioned will be effectuated in substantially the same manner as the transfers to the CBC described above. If the retransfer concerns Mortgage Receivables which are transferred to the Transferor further to the Transferor's right of first refusal or the Transferor's right to match (*voorkeursrecht*), the underlying transfer will be concluded through execution and registration of a deed of assignment.

## **ELIGIBLE ASSETS**

The following assets are eligible to be transferred to the CBC by the Transferor pursuant to the Guarantee Support Agreement:

- Eligible Receivables; and
- Eligible Collateral.

## ELIGIBILITY CRITERIA

For a Mortgage Receivable to be an Eligible Receivable it must meet the following eligibility criteria:

### *General*

- a. the Mortgage Receivable and the Beneficiary Rights are duly and validly existing and are not subject to annulment or dissolution as a result of circumstances which have occurred prior to the relevant Transfer Date;
- b. each Mortgage Receivable, the Mortgage, the Borrower Pledge, if any, constitute legal, valid, binding and enforceable obligations of the relevant Borrower in accordance with its terms, subject to any limitations arising from bankruptcy, insolvency and any other laws of general application relating to or affecting the rights of creditors;
- c. each Mortgage Loan (i) has been granted in accordance with all applicable legal requirements, (ii) meets the Code of Conduct on Mortgage Loans (*Gedragcode Hypothecaire Financieringen*) prevailing at the time of origination, (iii) meets the relevant Originator's standard underwriting criteria and procedures in all material respects at the time of origination and (iv) is subject to terms and conditions acceptable at the time of origination to a reasonable Dutch residential mortgage loans to borrower in the Netherlands, which is acting as a reasonable creditor in protection of its own interests;
- d. the maximum Outstanding Principal Amount of each Mortgage Loan, or all Mortgage Loans secured on the same Mortgaged Asset, as the case may be, did not exceed the maximum amount as may be applicable under the relevant regulations at the time of origination and (a) Mortgage Loan originated in and after August 2011 did therefore at origination not exceed 106% (or a lower percentage, as applicable) of the original market value of the relevant mortgaged assets, which outstanding principal amount may, where applicable, be supplemented by the stamp duty payable under the Dutch Legal Transactions (taxation) Act upon its creation, and (b) the Outstanding Principal Amount of the Mortgage Loan originated before August 2011 did not exceed 125% of the foreclosure value of the related Mortgaged Asset at the time of origination, and in case of each of (a) and (b) subject to deviations in accordance with the relevant regulations at the time of origination;
- e. with respect to each of the Mortgage Receivables secured by Mortgage or a long lease (*erfpacht*), the Mortgage Loan (a) has a maturity that is equal to or shorter than the term of the long lease (or, if the maturity date of the Mortgage Loan falls after the maturity date of the long lease, the acceptance conditions used by the Transferor provide that certain provisions should be met as would in such case be required by a reasonable lender) and (b) becomes due if the long lease terminates for whatever reason;
- f. each Borrower is a private individual and a resident of the Netherlands;
- g. each Mortgage Loan is governed by Dutch law;
- h. each Mortgage Loan is denominated in euro;
- i. to the best knowledge of the Transferor, the Borrowers are not in material breach of their Mortgage Loans;
- j. the Mortgage Loan does not have a maturity date beyond 30 years after the Transfer Date;
- k. in relation to each Mortgage Loan, each Mortgage Loan was fully disbursed and no amounts are held in deposit with respect to premia and interest payments (*rente en premiedepots*) except for any Construction Deposits and Bank Savings Deposits.
- l. each Mortgage Loan was originated by an Originator in the Netherlands;
- m. there are no other receivables having the same details, and (i) in the administration of the Transferor the Mortgage Receivables, which are purported to be assigned, can be identified without uncertainty, and (ii) one can determine in the administration of the Transferor without any uncertainty which Beneficiary Rights and ancillary rights belong to which Mortgage Receivables;
- n. none of the savings accounts held by Borrowers with Achmea Bank N.V. have been offered in combination with or as one product with the Mortgage Loans of the relevant Borrower, other than with the Bank Savings Mortgage

Loans;

- o. the conditions applicable to Mortgage Loans originated after 1 January 2003 and originated by Avéro Hypotheken B.V. and FBTO Hypotheken B.V. provide that all payments by the relevant Borrowers should be made without any deduction or set-off;
- p. the Mortgage Loan has not been based on a self-certified income statement of the Borrower;

#### *Transfer*

- q. the Transferor has full right and title (*titel*) to the Mortgage Receivable and the Beneficiary Rights and no restrictions on the assignment of the Mortgage Receivable and the Beneficiary Rights are in effect and the Mortgage Receivable and the Beneficiary Rights are capable of being assigned;
- r. the Transferor has the power to (*beschikkingsbevoegdheid*) assign the Mortgage Receivable and the Beneficiary Rights;
- s. the Mortgage Receivable and the Beneficiary Rights are free and clear of any encumbrances and attachments (*beslagen*) and no option rights have been granted in favour of any third party with regard to the Mortgage Receivable to acquire the Mortgage Receivable and the Beneficiary Rights, other than pursuant to the relevant Transaction Documents;
- t. the Transferor has not been notified and is not aware of anything affecting its title to the Mortgage Receivables;
- u. all Mortgage Loans secured by All Moneys Security Rights (i) provide that in case of assignment or pledge of the Mortgage Receivable the assignee or pledgee will have the benefit of the Mortgage, or (ii) do not contain any specific wording to the extent that the Mortgage of Borrower Pledge will not follow the receivable if it is assigned or pledged to a third party;
- v. each mortgage receivable under the Mortgage Loan (*hypothecaire lening*) which is secured by the same Mortgage is assigned to the CBC pursuant to the Guarantee Support Agreement;
- w. each Mortgage Loan constitutes the entire mortgage loan granted to the relevant Borrower and not merely one or more loan parts (*leningdelen*);

#### *Security*

- x. each Mortgage Receivable is secured by a Mortgage (*hypothekerecht*) governed by Dutch law on a Mortgaged Asset which is located in the Netherlands and is predominantly used for a residential purpose in the Netherlands;
- y. all Mortgages and all Borrower Pledges (i) constitute valid mortgage rights (*hypothekerechten*) and rights of pledge (*pandrechten*) respectively on the Mortgaged Assets purported to be encumbered thereby and the assets which are purported to be pledged by the Borrower Pledges respectively and, to the extent relating to the Mortgages, have been entered in the relevant public register, (ii) have first priority (*eerste in rang*) or, as the case may be, are first and sequentially lower priority mortgage rights and rights of pledge and (iii) were vested for a principal sum which is at least equal to the principal sum of the Mortgage Loan when originated, increased with an amount customary for a prudent lender of Dutch mortgage loans from time to time in respect of interest, penalties and costs, and (iv) are vested on real estate (*onroerende zaak*), an apartment right (*appartementsrecht*), a long lease (*erfpacht*), or a right of superficies (*opstal*) situated in the Netherlands;
- z. each Mortgaged Asset concerned was valued according to the prevailing guidelines of the Originator at the time of origination, which guidelines are in a form as may be reasonably expected from a prudent lender of residential mortgage loans in the Netherlands, provided that for property to be constructed or in construction at the time of application for a Mortgage Loan no valuation is required or performed, rather the loan to value is calculated on the basis of the agreed contract price stated in the relevant construction agreement, increased by, *inter alia*, financing costs and contract extras. No revaluation of the Mortgaged Assets has been made for the purpose of the Programme;
- aa. in relation to each Mortgage Loan or relevant Loan Part which has the benefit of an NHG Guarantee, (i) the NHG Guarantee is granted for the full amount of the relevant Mortgage Loan at origination, excluding, in general, a

Further Advance, (ii) the NHG Guarantee was in compliance with all terms and conditions (*voorwaarden en normen*) applicable to it at the time of origination of the relevant Mortgage Loan and (iii) the Transferor is not aware of any reason why any claim under any NHG Guarantee granted by Stichting WEW in respect of the relevant Mortgage Loan should not be met in full and in a timely manner;

#### *Insurance Policies*

- bb. with respect to each of the Mortgage Receivables to which an Insurance Policy with any of the Insurance Companies is connected, the Transferor has the benefit of the Borrower Insurance Pledge granted by the relevant Borrower and such right of pledge has been notified to the relevant Insurance Companies, which, to the extent required, has been recorded on the relevant Insurance Policy;
- cc. the Mortgage Conditions provide that each of the properties on which a Mortgage has been vested to secure the Mortgage Receivable should at the time of origination of the Mortgage Loan have the benefit of a building insurance policy (*opstalverzekering*) satisfactory to the relevant Originator;

#### *Savings Mortgage Loans*

- dd. each Savings Mortgage Receivable and the Life Mortgage Receivable with a Savings Element has the benefit of a Savings Insurance Policy and a Life Insurance Policy with a Savings Alternative with the Insurance Savings Participant, respectively, and each Life Mortgage Receivable other than the Life Mortgage Receivables with a Savings Element, has the benefit of a Life Insurance Policy (other than a Life Insurance Policy with a Savings Alternative) with any of the Insurance Companies, respectively, and either (i) the Originator has been validly appointed as beneficiary (*begunstigde*) under such Insurance Policies, upon the terms of the relevant Mortgage Loans and the relevant Insurance Policies, which have been notified to the relevant Insurance Companies or (ii) the relevant Insurance Company has been given a Borrower Insurance Proceeds Instruction;

#### *Life Mortgage Loans*

- ee. with respect to Life Mortgage Loans to which a Life Insurance Policy with an Insurance Company is connected other than the Insurance Savings Participant, and, other than Life Mortgage Loans originated by Interpolis Schade Hypotheken or Interpolis BTL Hypotheken with Life Insurance Policies with Interpolis BTL connected thereto (i) there is no connection, whether from a legal or a commercial point of view, between the Life Mortgage Loan and the relevant Life Insurance Policy other than the relevant Borrower Insurance Pledge and the relevant Beneficiary Rights, (ii) the Life Mortgage Loans and the Life Insurance Policies are not marketed as one product or under one name, (iii) the Borrowers were free to choose the relevant Insurance Company and (iv) the Insurance Company is not a group company of the Transferor;

#### *Bank Savings Mortgage Loans*

- ff. all Bank Savings Accounts are held with the Bank Savings Participant;
- gg. with respect to each Bank Savings Mortgage Receivable, the Transferor has the benefit of the Borrower Bank Savings Deposit Pledge and such right of pledge has been notified to the Bank Savings Participant;

#### *Employee Mortgage Loans*

- hh. with respect to each Employee Mortgage Loan, (i) the only connection between the Employee Mortgage Loan and the employment relationship is the right to reduced interest on the Employee Mortgage Loan, (ii) no actual set-off of amounts due under the Employee Mortgage Loan with salary payments is agreed or actually effectuated and (iii) the Borrower has no employment contract with the Transferor; and

#### *Investment Mortgage Loans*

- ii. with respect to Investment Mortgage Loans, the relevant investments held in the name of the relevant Borrower have been validly pledged to the Transferor and the securities are purchased for investment purposes on behalf of the relevant Borrower by an investment firm (*beleggingsonderneming*) in the meaning ascribed thereto in the Wft, such as a securities broker or a portfolio manager, or by a bank, each of which is by law obliged to make adequate arrangements to safeguard the clients' rights to such securities.

## 11. OVERVIEW OF THE DUTCH RESIDENTIAL MORTGAGE MARKET

This section 11 (*Overview of the Dutch Residential Mortgage Market*) is derived from the overview which is available at the website of the Dutch Securitisation Association (<https://www.dutchsecuritisation.nl>) regarding the Dutch residential mortgage market over the period until November 2019. The Issuer confirms that this information has been accurately reproduced and as far as the Issuer is aware and is able to ascertain from information published by the Dutch Securitisation Association, no facts have been omitted which would render the information in this section 11 (*Overview of the Dutch Residential Mortgage Market*) inaccurate or misleading.

The Dutch residential mortgage debt stock is relatively sizeable, especially when compared to other European countries. Since the 1990s, the mortgage debt stock of Dutch households has grown considerably, mainly on the back of mortgage lending on the basis of two incomes in a household, the introduction of tax-efficient product structures such as mortgage loans with deferred principal repayment vehicles and interest-only mortgage loans, financial deregulation and increased competition among originators. Moreover, Loan-to-Value (LTV) ratios have been relatively high, as the Dutch tax system implicitly discouraged amortisation, due to the tax deductibility of mortgage interest payments. After a brief decline between 2012 and 2015, mortgage debt reached a new peak of EUR 720 billion in Q2 2019<sup>6</sup>. This represents a rise of EUR 9.4 billion compared to Q2 2018.

### *Tax system*

The Dutch tax system plays an important role in the Dutch mortgage market, as it allows for almost full deductibility of mortgage interest payments from taxable income. This tax system has been around for a very long time, but financial innovation has resulted in a greater leverage of this tax benefit. From the 1990s onwards until 2001, this tax deductibility was unconditional. In 2001 and 2004, several conditions have been introduced to limit the usage of tax deductibility, including a restriction of tax deductibility to (mortgage interest payments for) the borrower's primary residence and a limited duration of the deductibility of 30 years.

A further reform of the tax system was enforced on 1 January 2013. Since this date, all new mortgage loans have to be repaid in full in 30 years, at least on an annuity basis, in order to be eligible for tax relief (linear mortgage loans are also eligible). The tax benefits on mortgage loans, of which the underlying property was bought before 1 January 2013, have remained unchanged and are grandfathered, even in case of refinancing and relocation. As such, new mortgage originations still include older loan products, including interest-only. However, any additional loan on top of the borrower's grandfathered product structure, has to meet the mandatory full redemption standards to allow for tax deductibility.

Another reform imposed in 2013 to reduce the tax deductibility is to lower the maximum deduction percentage. This used to be equal to the highest marginal tax bracket (52%), but since 2020 the maximum deduction is lowered by 3% per annum (2020: 46%) to 37.10% by 2023.

There are several housing-related taxes which are linked to the fiscal appraisal value ("**WOZ**") of the house, both imposed on national and local level. Moreover, a real estate transfer tax of 2% is applied when a house changes hands. Although these taxes partially unwind the benefits of tax deductibility of interest payments, and several restrictions to this tax deductibility have been applied, tax relief on mortgage loans is still substantial.

### *Loan products*

The Dutch residential mortgage market is characterised by a wide range of mortgage loan products. In general, three types of mortgage loans can be distinguished.

Firstly, the "classical" Dutch mortgage product is an annuity loan. Annuity mortgage loans used to be the norm until the beginning of the 1990s, but they have returned as the most popular mortgage product in recent years. Reason for this return of annuity mortgage loans is the tax system. Since 2013, tax deductibility of interest payments on new loans is conditional on full amortisation of the loan within 30 years, for which only (full) annuity and linear mortgage loans qualify.

Secondly, there is a relatively big presence of interest-only mortgage loans in the Dutch market. Full interest-only mortgage loans were popular in the late nineties and in the early years of this century. Mortgage loans including an interest-only loan part were the norm until 2013, and even today, grandfathering of older tax benefits still results in a considerable amount of interest-only loan origination.

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<sup>6</sup> Statistics Netherlands, household data.

Thirdly, there is still a big stock of mortgage products including deferred principal repayment vehicles. In such products, capital is accumulated over time (in a tax-friendly manner) in a linked account in order to take care of a bullet principal repayment at maturity of the loan. The principal repayment vehicle is either an insurance product or a bank savings account. The latter structure has been allowed from 2008 and was very popular until 2013. Mortgage loan products with insurance-linked principal repayment vehicles used to be the norm prior to 2008 and there is a wide range of products present in this segment of the market. Most structures combine a life-insurance product with capital accumulation and can be relatively complex. In general, however, the capital accumulation either occurs through a savings-like product (with guaranteed returns), or an investment-based product (with non-guaranteed returns).

A typical Dutch mortgage loan consists of multiple loan parts, e.g. a bank savings loan part that is combined with an interest-only loan part. Newer mortgage loans, in particular those for first-time buyers after 2013, are full annuity and often consists of only one loan part. Nonetheless, tax grandfathering of older mortgage loan product structures still results in the origination of mortgage loans including multiple loan parts.

Most interest rates on Dutch mortgage loans are not fixed for the full duration of the loan, but they are typically fixed for a period between 5 and 15 years. Rate term fixings differ by vintage, however. More recently, there has been a bias to longer term fixings (10-20 years). Most borrowers remain subject to interest rate risk, but compared to countries in which floating rates are the norm, Dutch mortgage borrowers are relatively well-insulated against interest rate fluctuations.

#### *Underwriting criteria*

Most of the Dutch underwriting standards follow from special underwriting legislation ("*Tijdelijke regeling hypotheccair krediet*"). This law has been present since 2013 and strictly regulates maximum LTV and Loan-to-Income (LTI) ratios. The current maximum LTV is 100% (including all costs such as stamp duties). The new government coalition has indicated not to lower the maximum LTV further beyond 2018. LTI limits are set according to a fixed table including references to gross income of the borrower and mortgage interest rates. This table is updated annually by the consumer budget advisory organisation "NIBUD" and ensures that income after (gross) mortgage servicing costs is still sufficient to cover normal costs of living.

Prior to the underwriting legislation, the underwriting criteria followed from the Code of Conduct for Mortgage Lending, which is the industry standard. This code, which limits the risk of over crediting, has been tightened several times in the past decade. The 2007 version of the code included a major overhaul and resulted in tighter lending standards, but deviation in this version was still possible under the "explain" clause<sup>7</sup>. In 2011, another revised and stricter version of the Code of Conduct was introduced. Moreover, adherence to the "comply" option was increasingly mandated by the Financial Markets Authority (AFM). Although the Code of Conduct is currently largely overruled by the underwriting legislation, it is still in force. The major restriction it currently regulates, in addition to the criteria in the underwriting legislation, is the cap of interest-only loan parts to 50% of the market value of the residence. This cap was introduced in 2011 and is in principle applicable to all new mortgage contracts. A mortgage lender may however diverge from the cap limitation if certain conditions have been met.

#### Recent developments in the Dutch housing market

The Dutch housing market has shown clear signs of recovery since the second half of 2013. Important factors are among others the economic recovery, high consumer confidence and low mortgage rates.

Existing house prices (PBK-index) in Q3 2019 rose by 1.8% compared to Q2 2019. Compared to Q2 2018 this increase was 6.1%. A new peak was reached this quarter. The average house average price level was 10.3% above the previous peak of 2008. The continued increase in house prices is mostly caused by an increasing supply scarcity in the market.

The number of sales fell less sharply than in earlier quarters, while house prices in fact rose more slowly. Between July and September, houses were on average 6.3 percent more expensive than a year earlier, the fourth quarter in a row with lower rises.

For the first time in eighteen months, the downward trend in sale numbers has been broken. Around 59,000 existing owner-occupied homes were sold in the third quarter, 3.5 percent more than in the same period of 2018. The slight upturn in the moving twelve-month total, actually points to a tentative stabilization of the number of sales at around 215,000 homes. Such a stabilization would not be unusual, because before 2008 the number of sales had also been relatively stable for a long time, when it fluctuated around the 200,000 sales mark. Since then, however, both the number of

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<sup>7</sup> Under the "explain" clause it is in exceptional cases possible to deviate from the loan-to-income and loan-to-value rules set forth in the Code of Conduct.

households and the stock of owner-occupied homes has risen.

### **Forced sales**

Compared to other jurisdictions, performance statistics of Dutch mortgage loans show relatively low arrears and loss rates<sup>8</sup>. The most important reason for default is relationship termination, although the increase in unemployment following the economic downturn in recent years is increasingly also a reason for payment problems. The ultimate attempt to loss recovery to a defaulted mortgage borrower is the forced sale of the underlying property.

For a long time, mortgage servicers opted to perform this forced sale by an auction process. The advantage of this auction process is the high speed of execution, but the drawback is a discount on the selling price. The Land Registry recorded 86 forced sales by auction in Q3 2019, which is (0.29% of total number of sales).

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<sup>8</sup> Comparison of S&P RMBS index delinquency data.

## 12. NHG GUARANTEE PROGRAMME

### NHG Guarantee

In 1960, the Netherlands government introduced the 'municipal government participation scheme', an open ended scheme in which both the Dutch State and the municipalities guaranteed, according to a set of defined criteria, residential mortgage loans made by authorised lenders to eligible borrowers to purchase a primary family residence. The municipalities and the Dutch State shared the risk on a 50/50 basis. If a municipality was unable to meet its obligations under the municipality guarantee, the Dutch State would make an interest free loan to the municipality to cover its obligations. The aim was to promote home ownership among the lower income groups.

Since 1 January 1995 Stichting WEW (a central privatised entity) is responsible for the administration and granting of the NHG Guarantee (*Nationale Hypotheek Garantie*), under a set of uniform rules. The NHG Guarantee covers the outstanding principal, accrued unpaid interest and disposal costs. Irrespective of scheduled repayments or prepayments made on the mortgage loans, the NHG Guarantee is reduced on a monthly basis by an amount which is equal to principal repayment part of the monthly instalment as if the mortgage loan were to be repaid on a thirty year annuity basis. In respect of each mortgage loan, the NHG Guarantee decreases further to take account of scheduled repayments and prepayments under such mortgage loan. Also, amounts paid as savings or investment premium under savings insurance policies or life insurance policies, respectively, are deducted from the amount outstanding on such mortgage loans for purposes of the calculation of the amount guaranteed under the NHG Guarantee (see section 3 (*Risk Factors*)).

### Financing of Stichting WEW

Stichting WEW finances itself, *inter alia*, by a one-off charge to the borrower of 0.90 per cent. of the principal amount of the mortgage loan at origination. Besides this, the scheme provides for liquidity support to Stichting WEW from the Dutch State and the participating municipalities. Should Stichting WEW not be able to meet its obligations under guarantees issued, (i) in respect of all loans issued before 1 January 2011, the Dutch State will provide subordinated interest free loans to Stichting WEW of up to 50 per cent. of the difference between Stichting WEW's own funds and a pre-determined average loss level and municipalities participating in the NHG Guarantee scheme will provide subordinated interest free loans to Stichting WEW of the other 50 per cent. of the difference and (ii) in respect of all loans issued on or after 1 January 2011, the Dutch State will provide subordinated interest free loans to Stichting WEW of up to 100 per cent. of the difference between Stichting WEW's own funds and a pre-determined average loss level. Both the keep well agreement between the Dutch State and Stichting WEW and the keep well agreements between the municipalities and Stichting WEW contain general 'keep well' undertakings of the Dutch State and the municipalities to enable Stichting WEW at all times (including in the event of bankruptcy (*faillissement*), suspension of payments (*surseance van betaling*) or liquidation (*ontbinding*) of Stichting WEW) to meet its obligations under guarantees issued.

### Terms and conditions of the NHG Guarantees

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

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

The NHG has specific rules for the level of credit risk that will be accepted. The credit worthiness of the applicant must be verified with the BKR, a central credit agency used by all financial institutions in the Netherlands. All financial commitments over the past five (5) years that prospective borrowers have entered into with financial institutions are recorded in this register. In addition, as of 1 January 2008 the applicant itself must be verified with the Foundation for Fraud Prevention of Mortgages (*Stichting Fraudepreventie Hypotheken*, "SFH"). If the applicant has been recorded in the SFH system, no NHG Guarantee will be granted.

To qualify for an NHG Guarantee various conditions relating to valuation of the property must be met. In addition, the mortgage loan must be secured by a first ranking mortgage right (or a second ranking mortgage right in case of a further advance). Furthermore, the borrower is required to take out insurance in respect of the mortgaged property against risk of fire, flood and other accidental damage for the full restitution value thereof. The borrower is also required to create a right of pledge in favour of the lender on the rights of the relevant borrower against the insurance company under the relevant life insurance policy connected to the mortgage loan or to create a right of pledge in favour of the lender on the

proceeds of the investment funds. The terms and conditions also require a risk insurance policy which pays out upon the death of the borrower/insured for the period that the amount of the mortgage loan exceeds 80 per cent. of the value of the property.

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

### **Claiming under the NHG Guarantee**

When a borrower is in arrears with payments under the mortgage loan for a period of three (3) months, a lender informs Stichting WEW. When the borrower is in arrears Stichting WEW may approach the lender and/or the borrower to attempt to solve the problem and make the borrower aware of the consequences. If an agreement cannot be reached, Stichting WEW reviews the situation with the lender to endeavour to generate the highest possible proceeds from the property. The situation is reviewed to see whether a private sale of the property, rather than a public auction, would generate proceeds sufficient to cover the outstanding mortgage loan. In case of a private sale permission of Stichting WEW is required unless the property is sold for an amount higher than 95 per cent. of the market value. In case of a forced private sale and an execution sale permission of Stichting WEW is in any case required.

Within one month after receipt of the proceeds of the private or forced sale of the mortgaged property, the lender must make a formal request to Stichting WEW for payment, using standard forms, which request must include all of the necessary documents relating to the original mortgage loan and the NHG Guarantee. After receipt of the claim and all the supporting details, Stichting WEW must make payment within two (2) months. If the payment is late, provided the request is valid, Stichting WEW must pay interest for the late payment period.

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

For mortgage loans originated after 1 January 2014, the mortgage lender will participate for 10 per cent. in any loss claims made under the NHG Guarantee. The lender is not entitled to recover this amount from the borrower.

### **Additional loans**

Furthermore, on 1 July 2005 provisions were added to the NHG Conditions pursuant to which a borrower who is or threatens to be in arrears with payments under the existing mortgage loan may have the right to request Stichting WEW for a second guarantee to be granted by it in respect of an additional mortgage loan to be granted by the relevant lender. The moneys drawn down under the additional loan have to be placed on deposit with the relevant lender and may, up to a maximum period of two years, be used for, *inter alia*, payment of the amounts which are due and payable under the existing mortgage loan, interest due and payable under the additional mortgage loan and the costs made with respect to the granting of the additional mortgage loan. The relevant borrower needs to meet certain conditions, including, *inter alia*, the fact that the financial difficulties are caused by a divorce, unemployment, disability or death of the partner of the borrower.

### **Main NHG underwriting criteria (Normen) as of 1 January 2020 (Normen 2020-1)**

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

- The lender has to perform a BKR check. Only under certain circumstances are registrations allowed.
- As a valid source of income the following qualifies: indefinite contract of employment, temporary contract of employment if the employer states that the employee will be provided an indefinite contract of employment in case of equal performance of the employee and equal business circumstances, a three (3) year history of income statements for workers with flexible working arrangements or during a probational period (*proeftijd*). Self-employed workers need to provide an income statement (*Inkomensverklaring Ondernemer*) which is approved by Stichting WEW. This income statement may not be older than six months on the date of the binding offer of a mortgage loan.
- The maximum loan based on the income of the borrowers is based on the '*financieringslast acceptatiecriteria*' tables and an annuity style redemption (even if the actual loan is (partially) interest only). The mortgage lender shall calculate

the borrowing capacity of a borrower of a mortgage loan with a fixed interest term of less than ten (10) years on the basis of a percentage determined and published by the AFM, or, in case of a mortgage loan with a fixed interest term of ten (10) years or longer or if the mortgage loan is redeemed within the fixed interest term of less than ten (10) years, on the basis of the binding offer.

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

- As of 1 January 2013, for new borrowers the redemption types are limited to Annuity Mortgage Loans and Linear Mortgage Loans with a maximal term of thirty (30) years.
- As of 1 January 2019, the maximum amount of the mortgage loan is dependent on the average house price level in the Netherlands (based on the information available from the Land Registry (*Kadaster*)) multiplied with the statutory loan to value, which is 100 per cent. if there are no energy saving improvements and 106 per cent. if there are energy saving improvements. As a consequence, there are two maximum loan amounts:
  - (i) EUR 310,000 for loans without energy saving improvements (as of 1 January 2020); and
  - (ii) EUR 328,600 for loans with energy saving improvements (as of 1 January 2020).

The loan amount is also limited by the amount of income and the market value of the property. With respect to the latter:

- For the purchase of existing properties, the loan amount is broadly based on the sum of (i) the lower of the purchase price and the market value based on a valuation report, (ii) the costs of improvements and (iii) an amount up to 6 per cent. of the amount under (i) plus (ii). In case an existing property can be bought without paying transfer taxes (*vrij op naam*), the purchase amount under (i) is multiplied by 97 per cent.
- For the purchase of new-build properties, the maximum loan amount is broadly based on the sum of (i) the purchase price and/or construction costs, increased with a number of costs such as interest and loss of interest during the construction period (to the extent not already included in the purchase price or construction costs) and (ii) an amount up to 6 per cent. of the amount under (i) in case of energy saving improvements.

The one-off charge to the borrower of 0.90 per cent. (as of 1 January 2019) of the principal amount of the mortgage loan at origination has been reduced to 0.70 per cent. as of 1 January 2020.

### 13. ORIGINATION & SERVICING OF THE MORTGAGE LOANS

*This section describes the generic origination and servicing procedures applied by Achmea Bank. Where the Mortgage Loans and Loan Parts have the benefit of an NHG Guarantee, the origination procedures prescribed by Stichting WEW are adhered to by Achmea Bank. For further information about such origination procedures, see section 12 (NHG Guarantee Programme) above.*

#### Origination

##### *General*

The Mortgage Loans were each originated by one of the Originators.

The Mortgage Loans were originated either through direct marketing (under the names Centraal Beheer) and through independent intermediaries (under the name Woonfonds Hypotheken).

##### *Procedure of Origination*

The origination procedure starts as soon as Achmea Bank receives a loan application form (HDN)) from either the prospective borrower (execution only) or from an intermediary, such as a mortgage adviser. The data from the form is entered into the respective automated offering-program system. This system evaluates whether the application meets the requirements for a mortgage loan. These requirements cover income, property valuation, borrower information and some general criteria.

When granting mortgage loans, Achmea Bank applies the Ministerial Decree (*Ministeriële Regeling*) and in addition the Code of Conduct on Mortgage Credit (*Gedragscode Hypothecaire Financieringen*) which form the industry body for mortgage lenders.

##### *Ministerial Decree (Tijdelijke regeling hypothecair krediet)*

The Ministerial Decree is applicable to all Dutch financial institutions offering mortgage loans for the purchase, reconstruction or refinancing of the Borrower's property since December 2012. The Ministerial Decree strictly regulates maximum LTV and Loan-to-Income (LTI) ratios. The current maximum LTV is 100 per cent. in 2018 (including all costs such as stamp duties). LTI limits are set according to a fixed table including references to gross income of the borrower and mortgage interest rates. This table is updated annually by the National Institute for Budget guidance (Nibud) and ensures that income after (gross) mortgage servicing costs is still sufficient to cover normal costs of living.

In establishing the loan levels related to income, these tables are used by Achmea Bank. Furthermore, Achmea Bank tests a Borrower's income by modelling the mortgage loan on an annuity base and a thirty (30) year maturity date. Due to implemented changes, this test is performed with an approach on loan part level, instead of on loan level. With this approach, calculations are made based on actual burdens. The total sum is not allowed to be higher than the pre-defined maximum amount. Only under this circumstance, the mortgage loan will be granted.

##### *Code of Conduct on Mortgage Credit (Gedragscode Hypothecaire Financieringen)*

The Code of Conduct has been a guideline since January 2007 for all Dutch financial institutions offering mortgage loans for the purchase, construction, refurbishment or refinancing of the borrower's property. Since 2011 the Code of Conduct has become obligatory. The Code of Conduct stipulates how to determine the maximum loan capacity of the borrower, and operates on a 'comply or explain' basis. This means that each mortgage loan provided needs to comply with the Code of Conduct or an appropriate explanation needs to be provided. The calculation of the maximum loan capacity is based on an annuity calculation (assuming an amortising notional schedule), an interest rate determined quarterly by the 'Contactorgaan Hypothecair Financiers' (Dutch Association of Banks, NVB) and the maximum debt-to-income ratios (housing ratios), which depends on the income of the borrower. Currently, a minimum interest rate of 5 per cent applies to mortgage loans with a fixed rate of interest of up to a term of (ten) 10 years. For mortgage loans with longer fixed rate terms, the actual mortgage loan rates are to be used. Based on this interest rate and the duration of the loan a monthly payment is calculated. The total payments per year should be less than the maximum housing ratio.

### *National Credit Register (BKR)*

A check is completed on every Borrower with the BKR, which check provides positive and negative credit information on all Borrowers with credit histories at financial institutions in the Netherlands. A loan is granted if the Borrower has a positive credit history or when an outstanding negative credit history can be explained and justified.

Moreover, from a regulatory perspective the Dutch Ministry of Finance has developed certain regulations regarding the maximum mortgage amount a Borrower can borrow. The maximum amount of the mortgage is restricted by the income of the Borrower and by the value of the underlying property. The origination process takes these regulations into account.

### *Valuation*

To determine the foreclosure / market value of the property securing the mortgage loan either a valuation report by an independent registered valuer is used. In case of an increase of an existing loan and under strict circumstances, a WOZ value statement is used. In case of new-build property the value is based on a construction or purchase contract.

### *Acceptance*

Once in case the application meets all criteria, a loan proposal is sent to the applicant or to his intermediary/mortgage broker. The proposal remains valid for acceptance for a period of two (2) weeks. If the Borrower accepts the proposal, then after receipt of other relevant documents (such as proof of income and insurance policies) and after successful valuation of the underlying property, the loan will be granted.

The Borrower will then be informed that the loan has been granted and a civil law notary will be advised of the exact terms and conditions of the loan and asked to draft a notarial deed for the mortgage loan. The original deed is kept by the civil law notary, but a digitalised copy of the deed and of all other relevant original documents are stored by Achmea Bank. The civil law notary is also responsible for registering the mortgage with the Land Registry (*Kadaster*).

## **Servicing**

### *Mortgage Administration*

Once a Mortgage Loan has been granted and is registered by the civil law notary, the regular administration of the Mortgage Loan commences. Administration of the Mortgage Loan refers to those activities that occur during the regular transit time of the mortgage, such as changes in interest, making payments out of the construction depot as the construction of the building progresses, administration of (partial) redemption payments, subsequent recalculation of the new interest payments or even termination of the loan if full repayment has been made. The administration of the Mortgage Loans is outsourced to Quion Services B.V.

### *Interest Collections*

Payments are typically scheduled to be received by Achmea Bank on the first business day of each month. The percentage of Borrowers paying by way of direct debit is ninety eight and a half (98.5) per cent. This automated process has a fail rate of approximately one (1.0) per cent. This can be caused by a change in the bank account details of the Borrower of which Achmea Bank may not have been notified or if the account has insufficient funds. The Borrower will receive a first reminder on the second (2nd) business day after non-payment. Payment information is monitored daily by personnel in the Arrears Management department (*Debiteuren Beheer*).

### *Arrears management*

The Arrears Management department handles all contact with the Borrower in terms of payments and arrears. Arrears Management reminder letters are automatically generated by the system and sent out to the Borrower, first on the second (2nd) day after non-payment (the client is also contacted by phone within eight (8) to eleven (11) days) and second within ten (10) days after the first reminder. If the internal analysis reveals significant Borrower's payment problems (including a check at BKR revealing that the borrower has significant problems elsewhere), the file will be transferred immediately to Default Management (*Bijzonder Beheer*). Otherwise, contact with the Borrower will be made by Arrears Management and the account is given active treatment status. Arrears Management works with the Borrower to ascertain whether a solution with regard to his/her payment problem can then be reached. This is mostly done by telephone. In most cases, the borrower makes full payment shortly after this contact or signs a settlement plan. Settlement plans, which must be signed by the Borrower, typically have a three (3) month horizon with exceptional cases allowing for up to eighteen (18) months. To make this plan, detailed information is collected on the Borrower's current job status, actual income, and monthly outflows. Subsequently the agreed plan is closely monitored and deviation leads to the file being transferred to Default Management. Throughout the Arrears Management process, the aim is to come to a solution with the borrower and to continue the relationship with the client. Restructuring the loan-conditions will be looked into and if necessary the Borrower will get free advice from a financial advisor. If the Arrears Management department is unable to contact the

client, a third party will approach the client. Furthermore, if the client has financial problems a “budget coach” will be offered to the client by Achmea Bank.

#### *Default management*

If no contact can be made a third reminder is sent twenty-six (26) days after non-payment. If Arrears Management is unsuccessful in its attempts to get the Borrower out of the arrears situation for more than two (2) months after the first missed payment, the file will also be transferred to Default Management. Whereas Arrears Management tries to get payment but also to keep customer satisfaction in mind, Default Management will use all legal means to receive payment. This can include obtaining a letter of lien of salary (the employer will deduct the agreed amount from the Borrower's salary before salary payment is made, and this deduction is paid directly to the Lender) and/or getting a third party guarantor to assist in payment and guaranteeing future payment.

A joint effort to sell the property is often made. The Borrower can choose to sell his/her house at this stage, which will be accepted by Achmea Bank if revenues from a voluntary sale cover the outstanding debt in full, or if it is expected that foreclosure will realise a lower recovery value. Also at this stage Achmea Bank obtains a notarial power of attorney to sell the house.

If all the above measures are unsuccessful the last step is foreclosure. Default Management will try to minimize foreclosures as much as possible (because of a lower return compared to other means of sale of the property) by extending the period of obtaining private sales and by other means to accomplish a successful private sale, amongst others via a real estate broker.

#### *Foreclosure process*

If a workout plan cannot be negotiated with the Borrower or the Borrower fails to comply with the settlement, the foreclosure process starts. A civil law notary is appointed to initiate the foreclosure process. In general, the decision to foreclose will be taken six (6) to twelve (12) months following the transfer to Default Management. Default Management calculates the best method of maximising the sale value of the property. This could mean that the property is sold either as a private sale or by public (internet) auction. A private sale can, and often does, precede a public auction. When the decision is made to foreclose, the head of the department gives formal instruction to the civil law notary. The date of the sale will be set by the civil law notary within three weeks of this instruction and, usually, will be four to ten weeks after the decision to foreclose (depending on the region and the number of other foreclosures currently being handled). Throughout the foreclosure process, Achmea Bank's management team works according to guidelines set down by Dutch law, the lender and the BKR.

Past case laws in the Netherlands have emphasized that if the outstanding loan is higher than the expected proceeds of the foreclosure of the property, a foreclosure procedure may only be executed if such foreclosure is the final remedy after the bank has exhaustively taken all other possible measures and actions to recover outstanding arrears, in order to minimize the risk that the Borrower will be left with a remaining debt after foreclosure (which might be considered as unreasonable and unlawful).

#### *Debt after sale or foreclosure*

If amounts are still outstanding after the foreclosure process has been completed, Default Management continues to manage the remaining receivables indirectly. The entire file is handed over to a bailiff who will continue to seek payment from the Borrower through all available means, except when there is an agreement with the client about the payment of the outstanding amounts, in which case Default Management and the bailiff will retain the file.

#### *Pre-emptive arrears management*

Arrears Management and Default Management have recently developed pre-emptive arrears management. This should lead to lower arrears and lower losses at default.

Pre-emptive arrears management consists of a check on early warning signals of arrears, for example when:

- a client is getting a divorce;
- a client expects to lose his job;
- a client expects to sell his house with a loss;
- a client having a high loan-to-value.

Borrowers have a possibility to contact Achmea Bank for expected pre-emptive arrears issues. Furthermore, with an analysis of the total mortgage portfolio, Arrears Management and Default management aim to identify certain groups of clients with a potentially higher credit risk. Detailed working process descriptions of all the above steps are available and

used by the Servicer.

## 14. SERVICING AND ADMINISTRATION

### Servicing

The CBC has entered into the Servicing Agreement with Achmea Bank. In the Servicing Agreement Achmea Bank agrees to act as the Servicer in respect of the relevant Mortgage Receivables. The Servicer will agree (i) to provide administration and management services to the CBC on a day-to-day basis in relation to the relevant Mortgage Loans and the relevant Mortgage Receivables, including, without limitation, the collection and recording of payments of principal, interest and other amounts in respect of the relevant Mortgage Receivables and the implementation of arrears procedures including the enforcement of relevant Mortgages, (ii) to communicate with the Borrowers and (iii) to investigate payment delinquencies. An entity which services (*beheert*) and administers (*uitvoert*) loans granted to consumers, such as the CBC, must have a license under the Wft. An exemption from the license requirement is available if such entity outsources the servicing of the loans and the administration thereof to an entity holding a license under the Wft. Pursuant to the Servicing Agreement the CBC has outsourced the servicing and administration of the Mortgage Loans to Achmea Bank in its capacity as Servicer. The Servicer is a licensed bank and is therefore licensed to act as intermediary (*bemiddelaar*) and offeror of credit (*aanbieder van krediet*) under the Wft and the CBC thus benefits from the exemption.

The Servicer will be obliged to service the relevant Mortgage Loans and the relevant Mortgage Receivables with the same level of skill, care and diligence as mortgage loans in its own portfolio.

The Servicer will, in accordance with the terms of the Servicing Agreement, initially appoint Quion Services B.V., as its sub-agent to carry out (part of) the servicing on its behalf. Any sub-contracting in accordance with the Servicing Agreement shall not in any way relieve the Servicer from its obligations under the Servicing Agreement which it shall continue to be liable as if no such appointment had been made and as if the acts and omissions of the sub-agent or sub-servicer were the acts and omissions of the Servicer.

### Administration

In the Administration Agreement the Administrator will agree to provide certain administration, calculation and cash management services to the CBC on a day-to-day basis, including (i) all calculations to be made in respect of the Covered Bonds and the Transaction Documents and (ii) to prepare monthly Asset Cover Reports for the CBC including the relevant calculations in respect of the Asset Cover Test.

### Back-up Administration

In the Back-up Administration Agreement the Back-up Administrator is appointed as substitute administrator to perform certain administration, calculation and cash management services for the CBC on a day-to-day basis, in accordance with and subject to the provisions of the Administration Agreement and the provisions of the Back-up Administration Agreement, under the condition precedent (*opschortende voorwaarde*) that the appointment of Achmea Bank as Administrator under the Administration Agreement has been terminated.

### Termination

The Servicing Agreement and the Administration Agreement may be terminated by the Security Trustee or the CBC (with the consent of the Security Trustee) in certain circumstances (in respect of the relevant party only), including (a) a default by the Servicer and/or the Administrator in the payment on the due date of any payment due and payable by it under the Servicing Agreement or, as the case may be, Administration Agreement, (b) a default is made by the Servicer and/or the Administrator in the performance or observance of any of its other covenants and obligations under the Servicing Agreement or, as the case may be, Administration Agreement, (c) the Servicer and/or the Administrator has taken any corporate action or any steps have been taken or legal proceedings have been instituted or threatened against it for its suspension of payments, or for any analogous insolvency proceedings under any applicable law or for bankruptcy or for the appointment of a receiver or a similar officer of its or any or all of its assets or (d) the Servicer is no longer licensed to act as intermediary (*bemiddelaar*) and offeror (*aanbieder*) under the Wft.

Upon termination of the Servicing Agreement or, as the case may be, the Administration Agreement in respect of the Administrator or the Servicer, the Security Trustee and the CBC undertake to appoint a substitute servicer and/or substitute administrator, as the case may be, and such substitute servicer and/or substitute administrator, as the case may be, shall enter into an agreement with the CBC and the Security Trustee substantially on the terms of the Servicing Agreement or, as the case may be, Administration Agreement, provided that such substitute servicer and/or substitute administrator shall have the benefit of a servicing fee and an administration fee at a level to be then determined. Any such substitute servicer must (i) have experience of administering mortgage loans and mortgages of residential property in the Netherlands and (ii) hold a licence under the Wft. The CBC 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 Security Trustee Rights Pledge Agreement, *mutatis mutandis*, to the satisfaction of the Security Trustee.

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

## 15. PARTICIPATION AGREEMENTS

### General

For as long as no Notice to Pay or CBC Acceleration Notice has been served, pursuant to the Trust Deed, all amounts to be paid and received, respectively by the CBC under the Insurance Savings Participation Agreement and the Bank Savings Participation Agreement will be settled on behalf of the CBC by the Issuer (see further section 18 (*Cashflows*)).

### A. Insurance Savings Participation

Under the Insurance Savings Participation Agreement entered into between the CBC, the Insurance Savings Participant and the Security Trustee, the CBC grants the Insurance Savings Participant a sub-participation in the Savings Mortgage Receivables and the Life Mortgage Receivables with a Savings Element, originated by Transferor.

### Participations

In an Insurance Savings Participation Agreement the Insurance Savings Participant has undertaken to pay to the CBC:

- (i) (a) in respect of Savings Mortgage Receivables and Life Mortgage Receivables with a Savings Element on the Transfer Date on which a Savings Mortgage Receivable or a Life Mortgage Receivables with a Savings Element is transferred to the CBC or (b) in respect of a Savings Switch from any type of Mortgage Loan into a Savings Mortgage Receivable or Life Mortgage Receivable with a Savings Element, on the CBC Payment Date succeeding such Savings Switch, an amount equal to the sum of the Savings Premium in respect of Savings Insurance Policies or a Life Insurance Policy with a Savings Alternative received by the Insurance Savings Participant in relation to such Savings Mortgage Loan or Life Mortgage Loan with a Savings Element with accrued interest up to the first day of the month in which such Transfer Date or CBC Payment Date, as applicable, falls (the "**Initial Insurance Savings Participation**") in relation to each of the Savings Mortgage Receivables and each of the Life Mortgage Receivables with a Savings Element; and
- (ii) on each CBC Payment Date thereafter an amount equal to the amount received by the Insurance Savings Participant as Savings Premium and Savings Investment Premium during the previous month in respect of the relevant Savings Insurance Policies and the Life Insurance Policy with a Savings Alternative, respectively,

provided that in respect of the relevant Savings Mortgage Receivable and the relevant Life Mortgage Receivable with a Savings Element which is subject to an Insurance Savings Participation, no amounts will be paid to the extent that, as a result thereof, the Insurance Savings Participation in the relevant Savings Mortgage Receivable and the relevant Life Mortgage Receivable with a Savings Element would exceed the Outstanding Principal Amount of the relevant Savings Mortgage Receivable or the relevant Life Mortgage Receivable with a Savings Element, respectively.

If and when such payment has been made, as a consequence of such payments the Insurance Savings Participant will acquire the Initial Insurance Savings Participation in each of the relevant Savings Mortgage Receivables or each of the relevant Life Mortgage Receivable with a Savings Element, which is equal to the Initial Insurance Savings Participation in respect of the relevant Savings Mortgage Receivables or Life Mortgage Receivable with a Savings Element increased during each month on the basis of the following formula (the "**Insurance Savings Participation Increase**"):

$(P/H \times R) + S$ , whereby:

- P = the Insurance Savings Participation on the first day of the relevant month in the relevant Savings Mortgage Receivable or the relevant Life Mortgage Receivable with a Savings Element;
- S = the amount received by the CBC from or on behalf of the Insurance Savings Participant in such month in respect of the relevant Savings Mortgage Receivable or the relevant Life Mortgage Receivable with a Savings Element pursuant to the Insurance Savings Participation Agreement;
- H = the Outstanding Principal Amount of the relevant Savings Mortgage Receivable or the relevant Life Mortgage Receivable with a Savings Element on the first day of the relevant month;
- R = the amount of interest, due by the Borrower on the relevant Savings Mortgage Receivable or the relevant Life Mortgage Receivable with a Savings Element and actually received by the CBC in such month.

In consideration for the undertakings of the Insurance Savings Participant described above, the CBC has undertaken to pay to the Insurance Savings Participant on each CBC Payment Date, in respect of each Savings Mortgage Receivable and each Life Mortgage Receivable with a Savings Element, which is subject to an Insurance Savings Participation for

an amount equal to the amounts received during the relevant month or, in the case of a transfer during a month, which falls in the period which commences on the Transfer Date or the date the Life Mortgage Loans are switched from the Investment Alternative to investments in the Savings Alternative and ends on the last day of such month up to the amount received (i) by means of repayment and prepayment under the relevant Savings Mortgage Receivable or the relevant Life Mortgage Receivable with a Savings Element which is subject to an Insurance Savings Participation but excluding any prepayment penalties and interest penalties, if any, and, furthermore, excluding amounts paid as partial prepayments on the relevant Savings Mortgage Receivable or the relevant Life Mortgage Receivable with a Savings Element which is subject to an Insurance Savings Participation, (ii) in connection with the retransfer of a Savings Mortgage Receivable or a Life Mortgage Receivable with a Savings Element which is subject to an Insurance Savings Participation pursuant to the Guarantee Support Agreement to the extent such amounts relate to principal, (iii) in connection with the transfer of a Savings Mortgage Receivable or a Life Mortgage Receivable with a Savings Element which is subject to an Insurance Savings Participation to the extent such amounts relate to principal and (iv) as Net Proceeds on any Savings Mortgage Receivable or any Life Mortgage Receivable with a Savings Element which is subject to an Insurance Savings Participation to the extent such amounts relate to principal, in each case with a maximum of the Insurance Savings Participation (the "**Insurance Savings Participation Redemption Available Amount**").

### **Reduction of Insurance Savings Participation**

If a Borrower invokes a defence, including but not limited to a right of set-off or counterclaim against any person, in respect of a Savings Mortgage Receivable or a Life Mortgage Receivable with a Savings Element, which is subject to an Insurance Savings Participation or if, for whatever reason, the Insurance Savings Participant does not pay the insurance proceeds when due and payable, whether in full or in part, under the relevant Savings Insurance Policy or the relevant Life Insurance Policy with a Savings Alternative, and, as a consequence thereof, the CBC will not have received any amount outstanding prior to such event in respect of such Savings Mortgage Receivable or such Life Mortgage Receivable with a Savings Element, the Insurance Savings Participation of the Insurance Savings Participant in respect of such Savings Mortgage Receivable or Life Mortgage Receivable with a Savings Element will be reduced by an amount equal to the amount which the CBC has failed to so receive. The calculation of the Insurance Savings Participation Redemption Available Amount shall be adjusted accordingly.

### **Enforcement**

If a CBC Acceleration Notice is served by the Security Trustee to the CBC, then and at any time thereafter the Security Trustee on behalf of the Insurance Savings Participant may, and if so directed by the Insurance Savings Participant shall, by notice to the CBC:

- (i) declare that the obligations of the Insurance Savings Participant under the Insurance Savings Participation Agreement are terminated; and
- (ii) declare the Insurance Savings Participation to be immediately due and payable, whereupon it shall become so due and payable, but such payment obligations shall be limited to the Insurance Savings Participation Redemption Available Amount received or collected by the CBC or, in case of enforcement, the Security Trustee under the Savings Mortgage Receivables and the Life Mortgage Receivables with a Savings Element, which are subject to an Insurance Savings Participation.

### **Termination**

If one or more of the Savings Mortgage Receivables or the Life Mortgage Receivables with a Savings Element which are subject to an Insurance Savings Participation are sold by the CBC to a third party or the Transferor pursuant to the Asset Monitoring Agreement or are retransferred to the Transferor, the Insurance Savings Participation in such Savings Mortgage Receivables or such Life Mortgage Receivables with a Savings Element will terminate and the Insurance Savings Participation Redemption Available Amount in respect of such Savings Mortgage Receivables or such Life Mortgage Receivables with a Savings Element will be paid by the CBC to the Insurance Savings Participant. If so requested by the Insurance Savings Participant, the CBC will use its best efforts to ensure that the acquirer of the Savings Mortgage Receivables and/or the Life Mortgage Receivables with a Savings Element which are subject to an Insurance Savings Participation will enter into an insurance savings participation agreement with the Insurance Savings Participant in a form similar to the Insurance Savings Participation Agreement. Furthermore, the Insurance Savings Participation envisaged in the Insurance Savings Participation Agreement shall terminate if at the close of business of any CBC Payment Date the Insurance Savings Participant has received the Insurance Savings Participation in respect of the relevant Savings Mortgage Receivable and/or the relevant Life Mortgage Receivable with a Savings Element.

If, in case of an Life Mortgage Loan with a Savings Element, all or part of the premia accumulated in the relevant Life Insurance Policy with a Savings Alternative are switched to the Investment Alternative, the sub-participation envisaged in the Insurance Savings Participation Agreement shall terminate, in whole or in part, and the Insurance Savings Participation Redemption Available Amount (or part thereof, if applicable) in respect of such Savings Mortgage

Receivable or such Life Mortgage Receivable with a Savings Element will be paid by the CBC to the Insurance Savings Participant, but only if and to the extent that on the relevant CBC Payment Date or any later CBC Payment Date the amounts received by the CBC under the Insurance Savings Participation Agreement are sufficient for this purpose on such date.

## **B. Bank Savings Participation**

Under the Bank Savings Participation Agreement the CBC will grant to each Bank Savings Participant a Bank Savings Participation in the relevant Bank Savings Mortgage Receivables.

### **Bank Savings Accounts**

The conditions applicable to the Bank Savings Mortgage Loans stipulate that amounts paid by the Borrowers will be deposited by the Bank Savings Participant on the relevant Bank Savings Account held with Achmea Bank.

### **Bank Savings Participation**

In the Bank Savings Participation Agreement the Bank Savings Participant has undertaken to pay to the CBC:

- (i) on the Transfer Date on which a Bank Savings Mortgage Receivable is transferred to the CBC, an amount equal to the sum of the Bank Savings Deposits received by the Bank Savings Participant in relation to such Bank Savings Mortgage Receivable with accrued interest up to the first day of the month in which such Transfer Date falls (the "**Initial Bank Savings Participation**"); and
- (ii) on each CBC Payment Date thereafter an amount equal to the amount received by the Bank Savings Participant on the relevant Bank Savings Account in relation to the relevant Bank Savings Mortgage Receivables during the Calculation Period immediately preceding such CBC Payment Date,

provided that no amounts will be paid to the extent that, as a result thereof, the Bank Savings Participation in the relevant Bank Savings Mortgage Receivable would exceed the Outstanding Principal Amount of the relevant Bank Savings Mortgage Receivable.

If and when such payment has been made, as a consequence of such payments the Bank Savings Participant will acquire the Bank Savings Participation in each of the relevant Bank Savings Mortgage Receivables, which is equal to the Initial Bank Savings Participation in respect of the relevant Bank Savings Mortgage Receivables increased during each month on the basis of the following formula (the "**Bank Savings Participation Increase**"):

$(P/H \times R) + S$ , whereby:

P = Bank Savings Participation on the first day of the relevant month;

S = the amount received by the CBC pursuant to the Bank Savings Participation Agreement on the CBC Payment Date immediately succeeding the relevant Calculation Date in respect of the relevant Bank Savings Mortgage Receivable from the Bank Savings Participant;

H = the Outstanding Principal Amount of the relevant Bank Savings Mortgage Receivable on the first day of the relevant month;

R = the amount of interest due by the Borrower on the relevant Bank Savings Mortgage Receivable and actually received by the CBC in respect of such Calculation Period;

In consideration for the undertakings of the Bank Savings Participant described above, the CBC has undertaken to pay to the Bank Savings Participant on each CBC Payment Date in respect of the Bank Savings Mortgage Receivables which are subject to a Bank Savings Participation an amount equal to the amounts received during the relevant month or, in the case of a transfer during a month, which falls in the period which commences on the date on which the condition precedent is fulfilled or if later, the Transfer Date and ends on the last day of such month (i) by means of repayment and prepayment under the relevant Bank Savings Mortgage Receivable which is subject to a Bank Savings Participation but excluding any prepayment penalties and interest penalties, if any, and, furthermore, excluding amounts paid as partial prepayments on the relevant Bank Savings Mortgage Receivable which is subject to a Bank Savings Participation (ii) in connection with the retransfer of a Bank Savings Mortgage Receivable which is subject to a Bank Savings Participation pursuant to the Guarantee Support Agreement to the extent such amounts relate to principal, (iii) in connection with the transfer of a Bank Savings Mortgage Receivable which is subject to a Bank Savings Participation to the extent such amounts relate to principal and (iv) as Net Proceeds on any Bank Savings Mortgage Receivable which is subject to a

Bank Savings Participation to the extent such amounts relate to principal, in each case with a maximum of the relevant Bank Savings Participation (the "**Bank Savings Participation Redemption Available Amount**").

#### **Reduction of Bank Savings Participation**

If a Bank Savings Deposit is automatically set-off with the relevant Bank Savings Mortgage to which it is connected, or a Borrower invokes a defence, including but not limited to a right of set-off or counterclaim against any person in respect of a relevant Bank Savings Mortgage Receivable and if, for whatever reason, the Bank Savings Participant does not pay the amounts due under the relevant Bank Savings Mortgage Receivable, whether in full or in part, and, as a consequence thereof, the CBC will not have received any amount outstanding prior to such event in respect of such relevant Bank Savings Mortgage Receivable, the Bank Savings Participation of the Bank Savings Participant in respect of such relevant Bank Savings Mortgage Receivable, will be reduced by an amount equal to the amount which the CBC has failed to so receive and the calculation of the Bank Savings Participation Redemption Available Amount shall be adjusted accordingly.

#### **Enforcement Notice**

If a CBC Acceleration Notice is served by the Security Trustee to the CBC, then and at any time thereafter the Security Trustee on behalf of any Bank Savings Participant may, and if so directed by the Bank Savings Participant shall, by notice to the CBC:

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

#### **Termination**

If one or more of the relevant Bank Savings Mortgage Receivables are sold by the CBC to a third party or the Transferor pursuant to the Asset Monitoring Agreement or are otherwise retransferred to the Transferor, the Bank Savings Participation in such relevant Bank Savings Mortgage Receivables will terminate and the Bank Savings Participation Redemption Available Amount in respect of the relevant Bank Savings Mortgage Receivables will be paid by the CBC to the Bank Savings Participant. If so requested by the Bank Savings Participant, the CBC will use its best efforts to ensure that the acquirer of the relevant Bank Savings Mortgage Receivables will enter into a bank savings participation agreement with the Bank Savings Participant in a form similar to the Bank Savings Participation Agreement. Furthermore, the Bank Savings Participation envisaged in the Bank Savings Participation Agreement shall terminate if at the close of business of any CBC Payment Date the Bank Savings Participant has received the Bank Savings Participation in respect of the relevant Bank Savings Mortgage Receivables.

## 16. ASSET MONITORING

### ASSET COVER TEST

Under the Asset Monitoring Agreement and the Guarantee Support Agreement, the CBC and the Issuer have undertaken on a reasonable efforts and best efforts basis, respectively, that as at the end of each calendar month *until* the service of a Notice to Pay or CBC Acceleration Notice:

- (i) the Adjusted Aggregate Asset Amount shall be an amount at least equal to the euro equivalent of the aggregate Principal Amount Outstanding of the Covered Bonds at the end of such calendar month (or with respect to item B as defined below under '*Adjusted Aggregate Asset Amount*', up to the date specified in such item (B)), all as calculated on the immediately succeeding Calculation Date;
- (ii) the First Regulatory Current Balance Amount shall be at least equal to 105% (or such other percentage as may be required from time to time under the CB Regulations) of the euro equivalent of the aggregate Principal Amount Outstanding of the Covered Bonds at the end of such calendar month (or with respect to item B as defined below under '*Adjusted Aggregate Asset Amount*', up to the date specified in such item (B)) all as calculated on the immediately succeeding Calculation Date; and
- (iii) the Second Regulatory Current Balance Amount shall be at least equal to 100% (or such other percentage as may be required from time to time under the CB Regulations) of the euro equivalent of the aggregate Principal Amount Outstanding of the Covered Bonds at the end of such calendar month (or with respect to item B as defined below under '*Adjusted Aggregate Asset Amount*', up to the date specified in such item (B)) all as calculated on the immediately succeeding Calculation Date, (item (i) up to and including item (iii), the "**Asset Cover Test**").

Pursuant to the Administration Agreement the Administrator will calculate the Asset Cover Test on each Calculation Date. If at the end of a calendar month (or with respect to item (B) as defined below under '*Adjusted Aggregate Asset Amount*', up to the date specified in item B) the Asset Cover Test has not been met, then the Administrator will promptly notify the CBC thereof under the Asset Monitoring Agreement, and the CBC will promptly notify the Issuer thereof pursuant to the Asset Monitoring Agreement, and the Issuer will undertake its best efforts to transfer or procure the transfer of sufficient further Eligible Receivables to the CBC in accordance with the Guarantee Support Agreement to ensure that the Asset Cover Test is met promptly and in any event at the end of the next succeeding calendar month.

Such a breach of the Asset Cover Test will not constitute an Issuer Event of Default. However, it will prevent the Issuer from issuing any further Series after such Calculation Date, until remedied and, if it is not remedied on the next Calculation Date (such failure to remedy the Asset Cover Test as calculated on the next succeeding Calculation Date being a "**Breach of Asset Cover Test**") the Security Trustee will be entitled to serve a Breach of Asset Cover Test Notice on the Issuer and the CBC. Upon receipt of such a Breach of Asset Cover Test Notice, the Issuer will (continue to) use its best efforts to transfer or procure the transfer of sufficient Eligible Assets to the CBC, either directly or indirectly by it. A Breach of Asset Cover Test may be remedied and after being remedied the Issuer may issue new Series subject to other conditions being met. After the service of a Breach of Asset Cover Test Notice and provided that the Breach of Asset Cover Test has not been remedied, the CBC shall be allowed to retain the proceeds received on the Transferred Assets until the Breach of Asset Cover test is remedied.

As at the date of this Base Prospectus, the Asset Percentage is 93.45%. The Issuer may request the CBC to increase or decrease the Asset Percentage. The CBC will accept any request for a decrease of the Asset Percentage and the Asset Percentage will be adjusted accordingly. The CBC will only accept any request for an increase of the Asset Percentage and the Asset Percentage will only be adjusted accordingly if (i) Fitch has been notified thereof and by the third calendar day after such notification, Fitch has not communicated that such increase of the Asset Percentage will have a negative effect on the then current ratings assigned by it on the Covered Bonds and (ii) in respect of other Rating Agencies, subject to Rating Agency Confirmation from such Rating Agency.

The most recent Asset Percentage will be included in the Investor Report.

In the Administration Agreement, the Administrator agrees to prepare the Asset Cover Reports and to provide certain administration, calculation and cash management services for the CBC on a day-to-day basis, including without limitation, all calculations to be made pursuant to the Conditions in connection with the Covered Bonds, subject to and in accordance with the Administration Agreement. Each Asset Cover Report will be included in the Investor Report. In the Trust Deed, the Security Trustee agrees to, upon receipt of each Asset Cover Report, verify whether such Asset Cover Report states that the Asset Cover Test has been passed or failed and, if failed, whether the following Asset Cover Report states that the Asset Cover Test has been failed for the second time, meaning that a Breach of Asset Cover Test shall

have occurred.

For the purposes hereof:

**"Adjusted Aggregate Asset Amount"** means  $A + B + C - Z$ .

**"A"** means the lower of:

- (a) the sum of all Adjusted Current Balances of all Mortgage Receivables. The "Adjusted Current Balance" of a Mortgage Receivable is the lower of:
  - (i) the Current Balance of such Mortgage Receivable minus  $\alpha$ ; and
  - (ii) the LTV Cut-Off Percentage of the Adjusted Valuation relating to such Mortgage Receivable, minus  $\beta$ ; and
- (b) the Asset Percentage of the Current Balance minus  $\alpha$  of all Mortgage Receivables.

**" $\alpha$ "** means for each Mortgage Receivable the lower of (i) its Current Balance and (ii) the sum of the following elements, to the extent applicable to it:

- (i) if it is a Savings Mortgage Receivable, Life Mortgage Receivable with a Savings Element or a Bank Savings Mortgage Receivable an amount calculated on the basis of a method proposed to the Rating Agencies, related to the built-up of savings, provided that no amount will be deducted for as long as the Insurance Savings Participation Agreement or the Bank Savings Participation Agreement, respectively, is in place;
- (ii) if it was in breach of the Mortgage Receivable Warranties as of the relevant Transfer Date: such amount as is necessary to reduce its Adjusted Current Balance or Current Balance, as the case may be, to zero;
- (iii) if it is three (3) months or more in arrears or it is a Defaulted Receivable: such amount as is necessary to reduce its Adjusted Current Balance or Current Balance, as the case may be, to zero;
- (iv) if the Issuer's rating from Fitch falls below 'A' (long term) or 'F1' (short term), an additional amount in connection with the possible set-off risk pertaining to deposits maintained by Borrowers with the Issuer for mortgage loans issued by the Issuer being equal to (i) the amount deposited with the Issuer by the relevant Borrower minus any amounts which are guaranteed under the Deposit Guarantee Scheme (*depositgarantiestelsel*) from time to time or (ii) such lower amount as long as this will not adversely affect the rating of any Series; and
- (v) if it corresponds to a Construction Deposit: the amount of the Construction Deposit.

**"Construction Deposit"** means in relation to a Mortgage Loan, that part of the Mortgage Loan which the relevant Borrower requested to be disbursed into a blocked account held in his name with the relevant Transferor, the proceeds of which can only be applied towards construction of, or improvements to, the relevant Mortgaged Asset.

**" $\beta$ "** means for each Mortgage Receivable the lower of (i) the LTV Cut-Off Percentage of its Adjusted Valuation and (ii)  $\alpha$  minus L.

**"L"** means for each Mortgage Receivable its Current Balance minus the LTV Cut-Off Percentage of its Adjusted Valuation provided that if the result is negative, L shall be zero and if the result exceeds  $\alpha$ , L shall equal  $\alpha$ .

**"Asset Percentage"** means 93.45% or such other percentage figure as is determined from time to time in accordance with the Asset Monitoring Agreement as described above.

**"Current Balance"** means in relation to an Eligible Receivable at any date, the aggregate (without double counting) of the Net Outstanding Principal Amount, Accrued Interest (unless it concerns calculations for either the Asset Cover Test or the Amortisation Test Aggregate Asset Amount, in which case Accrued Interest will not be included) and Arrears of Interest as at that date.

**"LTV Cut-Off Percentage"** means 80% for all Mortgage Receivables or such other percentage as may be notified to the Rating Agencies from time to time in respect of the relevant Mortgage Receivables, or such lower percentage as is (a) required from time to time for Covered Bonds to qualify as 'covered bonds' as defined in the CRD IV or (b) otherwise determined from time to time in accordance with the Asset Monitoring Agreement.

**"B"** means the amount of any cash standing to the credit of the CBC Transaction Accounts and the CBC Back-Up Account (other than any collateral provided in the form of cash by a Swap Counterparty but including any amounts on the Reserve Account) including on the relevant Calculation Date on which the Asset Cover Test is calculated any Principal Receipts and Interest Receipts (to the extent not required to be paid to a Swap Counterparty) related to the calendar month

preceding such Calculation Date paid by the relevant Borrowers and received by the CBC on its CBC Accounts and the CBC Back-Up Account up to the Business Day immediately preceding such Calculation Date.

"**C**" means the aggregate outstanding principal amount of all Transferred Collateral in Substitution Assets and accrued interest thereon which has not been applied in accordance with the Trust Deed. Substitution Assets will be valued on a monthly basis and be taken into account for their mark-to-market value at a discount based on a methodology notified to the Rating Agencies.

"**Z**" means an amount equal to the Interest Reserve Required Amount.

"**Interest Reserve Required Amount**" means on the date with respect to which the Asset Cover Test is calculated (i.e. the end of each calendar month), the higher of zero and (i) U plus V minus W on such date; or (ii) such lower amount as long as this will not adversely affect the rating of any Series; whereas

"**U**" means the sum of the aggregate amount of interest payable in respect of all Series of Covered Bonds from the relevant date up to and including the relevant Maturity Date minus any amount of interest to be received under a Portfolio Swap Agreement in connection with a Series of Covered Bonds.

"**V**" means the product of:

- (i) the higher of (a) zero; and (b) the difference between (i) the Portfolio Weighted Average Life and (ii) the Series Weighted Average Life,
- (ii) the aggregate Principal Amount Outstanding of all Series on the last day of the previous calendar month multiplied by (1 minus the Portfolio Swap Fraction, if applicable), and
- (iii) the Weighted Average Series Post Maturity Interest Rate.

"**W**" means the Estimated Portfolio Interest Income multiplied by (1 minus the Portfolio Swap Fraction).

"**Series Weighted Average Life**" means the weighted average remaining life (expressed in years) from the relevant date until the relevant Maturity Dates in respect of all outstanding Series.

"**Portfolio Weighted Average Life**" means the expected remaining weighted average life (expressed in years) of all Mortgage Receivables and Substitution Assets.

"**Weighted Average Series Post Maturity Interest Rate**" means the weighted average (expressed as a percentage) of the interest due on all outstanding Series of Covered Bonds, after the Maturity Date.

"**Estimated Portfolio Interest Income**" means on the date with respect to which the Asset Cover Test is determined (i.e. the end of each calendar month), the aggregate amount, as determined by the CBC (or the Administrator on its behalf) (and such estimation, absent manifest error, being final and binding), of future interest receipts on the Mortgage Receivables and future interest income derived from Substitution Assets on such date, and such estimation to be calculated as the sum of:

- (i) all Fixed Interest Loan Payment Amounts;
- (ii) all Variable Interest Loan Payment Amounts; and
- (iii) all Substitution Assets Payment Amounts.

"**Fixed Interest Loan Payment Amount**" means (as determined by the CBC (or the Administrator on its behalf) and such determination, absent manifest error, being final and binding), with respect to each outstanding Mortgage Receivable with a fixed interest rate, the product of (x) the expected weighted average life (expressed in years) of all Mortgage Receivables with a fixed interest rate; and (y) the weighted average interest rate (expressed as a percentage) of all Mortgage Receivables (where upon the interest reset date of such Mortgage Receivable the interest rate is assumed to be reset at the Assumed Mortgage Interest Rate); and (z) the aggregate Outstanding Principal Amount of such Mortgage Receivable.

"**Variable Interest Loan Payment Amount**" means (as determined by the CBC (or the Administrator on its behalf) and such determination, absent manifest error, being final and binding), with respect to each outstanding Mortgage Receivable with a variable interest rate, the product of (x) the expected weighted average life (expressed in years) of all Mortgage Loans with a variable interest rate, (y) the Assumed Mortgage Interest Rate; and (z) the aggregate Outstanding

Principal Amount of such outstanding Mortgage Receivable.

**"Substitution Assets Payment Amount"** means (as determined by the CBC (or the Administrator on its behalf) and such determination, absent manifest error, being final and binding), with respect to each Substitution Asset the sum of the aggregate interest expected to be received up to and including the maturity date of the respective Substitution Asset.

**"Original Market Value"** in relation to any Mortgaged Asset the foreclosure value (*executiewaarde*) given to that Mortgaged Asset by the most recent valuation addressed to the Transferor that transferred the relevant Mortgage Receivable to the CBC, divided by 0.90 or such other factor as required from time to time by the applicable rules and regulations or any internal requirement of the Transferor in relation thereto or, as applicable, the market value (*marktwaarde*) given to that Mortgaged Asset by the most recent valuation addressed to the Transferor that transferred the relevant Mortgage Receivable to the CBC.

**"Adjusted Valuation"** in relation to any Mortgaged Asset at any date means:

- (a) where the Original Market Value of that Mortgaged Asset is equal to or greater than the Adjusted Market Value as at that date, the Adjusted Market Value; or
- (b) where the Original Market Value of that Mortgaged Asset is less than the Adjusted Market Value as at that date, the Original Market Value plus 90% (or, if a different percentage is required or sufficient from time to time for the Covered Bonds to qualify as "covered bonds" as defined in the CRR and the Issuer wishes to apply such different percentage, then such different percentage) of the difference between the Adjusted Market Value and the Original Market Value.

**"Adjusted Market Value"** in relation to any property at any date means the Original Market Value of that property increased or decreased as appropriate by the increase or decrease in the Automated Valuation Adjustment since the date of the Original Market Value.

**"Automated Valuation Adjustment"** means the increases or decreases, as the case may be, of house prices as calculated and estimated by Calcasa B.V. as automated valuation provider in relation to residential properties in the Netherlands.

**"Selected Mortgage Receivables"** means Mortgage Receivables to be sold or refinanced by the CBC pursuant to the terms of the Asset Monitoring Agreement.

**"Assumed Mortgage Interest Rate"** means a mortgage interest rate of 1.00 per cent., which interest rate may be amended from time to time by the CBC and the Issuer, subject to the prior written consent of the Security Trustee and notification thereof to the Rating Agencies.

**"First Regulatory Current Balance Amount"** means an amount equal to sum of (i) the aggregate amount of the Current Balance of the Mortgage Receivables, excluding any Defaulted Receivables, and (ii) the Substitution Assets Amount, or in each case such other amount as must be calculated in accordance with the CB Regulations.

**"Substitution Assets Amount"** means an amount equal to the sum of (i) B (as defined above) and (ii) C (as defined above), less any cash standing to the credit of the CBC Transaction Accounts and the CBC Back-Up Account held with an entity within the Achmea Group, which amount will be limited to a maximum of 20%, or such other percentage as required under the CB Regulations, of the euro equivalent of the aggregate Principal Amount Outstanding of the Covered Bonds.

**"Second Regulatory Current Balance Amount"** means an amount equal to the sum of (A) the aggregate balance of all Mortgage Receivables, excluding any Defaulted Receivables, whereby the balance is determined for each such Mortgage Receivable as the lower of (i) the Current Balance of the Mortgage Receivable, and (ii) the Regulatory Cut-Off Percentage of the Adjusted Valuation relating to such Mortgage Receivable and (B) the Substitution Assets Amount, or in each case such other amount as must be calculated in accordance with the CB Regulations.

**"Regulatory Cut-Off Percentage"** means 80% for all Mortgage Receivables (or such other percentage as may be required from time to time under the CB Regulations).

## AMORTISATION TEST

Under the Asset Monitoring Agreement and the Guarantee Support Agreement, the CBC must ensure that as at the end of each calendar month following service of a Notice to Pay (but prior to service of a CBC Acceleration Notice),

- (i) the Amortisation Test Aggregate Asset Amount shall be an amount at least equal to the euro equivalent of the aggregate Principal Amount Outstanding of the Covered Bonds as at the end of such calendar month (or with respect to item B as defined below under '*Amortisation Test Aggregate Asset Amount*', up to the date specified in such item B), all as calculated on the immediately succeeding Calculation Date;
- (ii) the First Regulatory Current Balance Amount shall be at least equal to 105% (or such other percentage as may be required from time to time under the CB Regulations) of the euro equivalent of the aggregate Principal Amount Outstanding of the Covered Bonds at the end of such calendar month (or with respect to item B as defined below under '*Amortisation Test Aggregate Asset Amount*', up to the date specified in such item B) all as calculated on the immediately succeeding Calculation Date; and
- (iii) the Second Regulatory Current Balance Amount shall be at least equal to 100% (or such other percentage as may be required from time to time under the CB Regulations) of the euro equivalent of the aggregate Principal Amount Outstanding of the Covered Bonds at the end of such calendar month (or with respect to item B as defined below under '*Amortisation Test Aggregate Asset Amount*', up to the date specified in such item B) all as calculated on the immediately succeeding Calculation Date, (item (i) up to and including item (iii), the "**Amortisation Test**").

If on any Calculation Date following the service of a Notice to Pay the Amortisation Test is not met per the end of the previous month, then that shall constitute a "**Breach of the Amortisation Test**" and the CBC (or the Administrator on its behalf) shall immediately notify the Security Trustee thereof, and the Security Trustee shall be entitled to serve a Breach of Amortisation Test Notice on the Issuer and the CBC.

For this purpose:

"**Amortisation Test Aggregate Asset Amount**" means  $A + B + C - Z$ .

"**A**" means the sum of all Amortisation Test Current Balances of all Mortgage Receivables. The "**Amortisation Test Current Balance**" of a Mortgage Receivable is the lower of:

- (i) the Current Balance of such Mortgage Receivable minus  $\alpha$ ; and
- (ii) the LTV Cut-Off Percentage (relating to such Mortgage Receivable) times the Adjusted Valuation, minus  $\beta$ .

" $\alpha$ " means for each Mortgage Receivable the lower of (i) its Current Balance and (ii) the sum of the following elements, to the extent applicable to it:

- (i) if it is a Savings Mortgage Receivable, Life Mortgage Receivable with a Savings Element or a Bank Savings Mortgage Receivable an amount calculated on the basis of a method proposed to the Rating Agencies, related to the built-up of savings in connection with such Savings Mortgage Receivable, Life Mortgage Receivable with a Savings Element or Bank Savings Mortgage Receivable, provided that no amount will be deducted for as long as the Insurance Savings Participation Agreement or the Bank Savings Participation Agreement, respectively, is in place in relation to the Savings Mortgage Receivable, Life Mortgage Receivable with a Savings Element or Bank Savings Mortgage Receivable, respectively;
- (ii) if it was in breach of the Mortgage Receivable Warranties as of the relevant Transfer Date: such amount as is necessary to reduce its Adjusted Current Balance or Current Balance, as the case may be, to zero; and
- (iii) if it is 3 months or more in arrears or it is a Defaulted Receivable: such amount as is necessary to reduce its Adjusted Current Balance or Current Balance, as the case may be, to zero.

" $\beta$ " means for each Mortgage Receivable the lower of (i) the LTV Cut-Off Percentage of its Adjusted Valuation and (ii)  $\alpha$  minus L.

"L" means for each Mortgage Receivable its Current Balance minus the LTV Cut-Off Percentage of its Adjusted Valuation provided that if the result is negative, L shall be zero and if the result exceeds  $\alpha$ , L shall equal  $\alpha$ .

"B" means the amount of any cash standing to the credit of the CBC Transaction Accounts and the CBC Back-Up Account (other than any collateral provided in the form of cash by a Swap Counterparty but including any amounts on the Reserve

Account) including on the relevant Calculation Date on which the Amortisation Test is calculated any Principal Receipts and Interest Receipts (to the extent not required to be paid to a Swap Counterparty) related to the calendar month preceding such Calculation Date paid by the relevant Borrowers and received by the CBC on its CBC Accounts and the CBC Back-Up Account up to the Business Day immediately preceding such Calculation Date.

"**C**" means the aggregate outstanding principal amount of all Transferred Collateral in Substitution Assets and accrued interest thereon which has not been applied in accordance with the Trust Deed (to the extent not included in B). Substitution Assets will be valued on a monthly basis and be taken into account for their mark-to-market value at a discount based on a methodology notified to the Rating Agencies.

"**Z**" means an amount equal to the Interest Reserve Required Amount.

"**Interest Reserve Required Amount**" means on the date on which the Amortisation Test is calculated, the higher of zero and (i) U plus V minus W; or (ii) such lower amount as long as this will not adversely affect the rating of any Series; whereas

"**U**" means the sum of the aggregate amount of interest payable in respect of all Series of Covered Bonds from the date of the relevant calculation up to and including the relevant Maturity Date.

"**V**" means the product of:

- (i) the higher of (a) zero; and (b) the difference between (i) the Portfolio Weighted Average Life and (ii) the Series Weighted Average Life,
- (ii) the aggregate Principal Amount Outstanding of all Series on the last day of the previous calendar month, and
- (iii) the Weighted Average Series of Post Maturity Interest Rate.

"**W**" means the Estimated Portfolio Interest Income.

"**First Regulatory Current Balance Amount**" means an amount equal to sum of (i) the aggregate amount of the Current Balance of the Mortgage Receivables, excluding any Defaulted Receivables, and (ii) the Substitution Assets Amount, or in each case such other amount as must be calculated in accordance with the CB Regulations.

"**Substitution Assets Amount**" means an amount equal to the sum of (i) B (as defined above) and (ii) C (as defined above), less any cash standing to the credit of the CBC Transaction Accounts and the CBC Back-Up Account held with an entity within the Achmea Group, which amount will be limited to a maximum of 20%, or such other percentage as required under the Wft, of the euro equivalent of the aggregate Principal Amount Outstanding of the Covered Bonds.

"**Second Regulatory Current Balance Amount**" means an amount equal to the sum of (A) the aggregate balance of all Mortgage Receivables, excluding any Defaulted Receivables, whereby the balance is determined for each such Mortgage Receivable as the lower of (i) the Current Balance of the Mortgage Receivable and (ii) the Regulatory Cut-Off Percentage of the Adjusted Valuation relating to such Mortgage Receivable and (B) Substitution Assets Amount, or in each case such other amount as must be calculated in accordance with the CB Regulations.

"**Regulatory Cut-Off Percentage**" means 80% for all Mortgage Receivables (or such other percentage as may be required from time to time under the CB Regulations).

## SALE OR REFINANCING OF SELECTED ASSETS

The Asset Monitoring Agreement provides that, if an Issuer Event of Default occurs and a Notice to Pay has been served on the CBC, the CBC shall undertake its best efforts to sell or refinance Selected Transferred Assets as soon as possible upon the earliest to occur on or after such Issuer Event of Default of (i) any amount remaining unpaid in respect of a Series on the Maturity Date, (ii) any Maturity Date of a Series of Covered Bonds falling within a period of six (6) calendar months of such date and (iii) the service of a Breach of Amortisation Test Notice. If an Issuer Event of Default has occurred and a Notice to Pay and a Breach of Amortisation Test Notice have been served, all Covered Bonds become Pass-Through Covered Bonds.

The CBC shall first offer all the Selected Transferred Assets for sale to the Transferor after the occurrence of an Issuer Event of Default. If, for whatever reason, the Transferor informs the CBC, within a period of twenty (20) Business Days after such event has occurred, that it will not repurchase the Selected Transferred Assets, the CBC shall offer the Selected Transferred Assets to a third party or third parties.

If, after the non-exercise of the right of first refusal of the Transferor, the CBC receives an offer from a third party to purchase the Selected Transferred Assets, the CBC will notify the Transferor of such offer and, within five (5) business days after such notice, the Transferor has the right to match the offer to purchase the Selected Transferred Assets on the same terms and conditions as the offer of such third party and, if the Transferor offers to purchase the Selected Transferred Assets on the same terms and conditions as the offer of such third party, the CBC shall accept such offer of the Transferor.

The CBC will undertake its best efforts to sell or refinance Selected Mortgage Receivables in the portfolio in accordance with the Asset Monitoring Agreement (as described below) on (or directly after) every sixth (6th) CBC Payment Date after the first Refinance Date, subject to the rights of first refusal and the right to match enjoyed by the Transferor to purchase the Selected Transferred Assets pursuant to the Guarantee Support Agreement. Failure by the CBC to sell or refinance Selected Mortgage Receivables in the portfolio in accordance with the Asset Monitoring Agreement (as described below) will not constitute a CBC Event of Default. The proceeds from any such sale or refinancing will, in the case of each Mortgage Receivable, and in respect of a Savings Mortgage Receivable or a Life Mortgage Receivable with a Savings Element to which an Insurance Savings Participation applies or a Bank Savings Mortgage Receivable to which a Bank Savings Participation applies, after deduction of an amount equal to such Insurance Savings Participation or Bank Savings Participation, respectively, form part of the Available Principal Funds.

If the CBC undertakes to sell or refinance Selected Mortgage Receivables as abovementioned, the Asset Monitoring Agreement provides that the CBC shall ensure that Selected Mortgage Receivables will be selected on a random basis as described in the Asset Monitoring Agreement, provided that no more Selected Mortgage Receivables will be selected than are necessary for the estimated sale or refinancing proceeds to equal the Adjusted Required Redemption Amount as reduced by or increased with, as the case may be, any swap termination payment due by the CBC to the relevant Swap Counterparty, or by the relevant Swap Counterparty to the CBC, in connection with the termination of the Swap Agreement related to the relevant Series or a relevant part thereof (if any), and the aggregate Current Balance of such Selected Mortgage Receivables shall never exceed the Adjusted Required Redemption Amount multiplied by A/B,

where:

**"Adjusted Required Redemption Amount"** means an amount equal to the Required Redemption Amount of all Pass-Through Covered Bonds less amounts standing to the credit of the CBC Account and the CBC Back-Up Account and the principal amount of any Substitution Assets (excluding all amounts to be applied on the following CBC Payment Date to repay higher ranking amounts in the CBC Priority of Payments).

**"Required Redemption Amount"** means in respect of a Series, the aggregate Principal Amount Outstanding of such Series.

**"A"** means an amount equal to the aggregate of the Current Balance of all Mortgage Receivables and the market value of all other Transferred Assets.

**"B"** means the euro equivalent of the Required Redemption Amount in respect of all Series then outstanding less the euro equivalent of the Required Redemption Amount in respect of all Series outstanding which has been provided for in cash.

Any sale or refinance and subsequent redemption of the respective bonds in the circumstances described above must not result in a deterioration of the quotient of (i) the Amortisation Test Aggregate Asset Amount; and (ii) the Principal Amount Outstanding of all Series outstanding.

If the CBC undertakes to sell or refinance Selected Mortgage Receivables, the CBC will offer the Selected Mortgage Receivables for sale to purchasers for the best terms available at that time considering the then current market circumstances, but in any event for an amount not less than the Adjusted Required Redemption Amount as reduced by or increased with, as the case may be, any swap termination payment due by the CBC to the relevant Swap Counterparty, or by the relevant Swap Counterparty to the CBC, in connection with the termination of the Swap Agreement related to the relevant Series or a relevant part thereof (if any), plus, in the case of Savings Mortgage Receivables, Life Mortgage Receivables with a Savings Element and Bank Savings Mortgage Receivables which are subject to an Insurance Savings Participation or a Bank Savings Participation, respectively, an amount equal to the aggregate Insurance Savings Participations and the Bank Savings Participations.

If, up to and including the Refinance Date immediately preceding the first Extended Due for Payment Date of any Series outstanding, the Selected Mortgage Receivables have not been sold or refinanced (in whole or in part) for an amount equal to the Adjusted Required Redemption Amount (as reduced by or increased with, as the case may be, any swap termination payment due by the CBC to the relevant Swap Counterparty, or by the relevant Swap Counterparty to the CBC, in connection with the termination of the Swap Agreement related to the relevant Series or a relevant part thereof (if any)), plus, in the case of Savings Mortgage Receivables, Life Mortgage Receivables with a Savings Element and Bank Savings Mortgage Receivables which are subject to an Insurance Savings Participation or a Bank Savings Participation, respectively, an amount equal to the aggregate Insurance Savings Participations and the Bank Savings Participations, the CBC will undertake its best efforts to sell or refinance Selected Mortgage Receivables on the next Refinance Date.

If, on the Refinance Date immediately preceding to the first Extended Due for Payment Date of any Series outstanding, the Selected Mortgage Receivables have not been sold or refinanced (in whole or in part) for an amount equal to the Adjusted Required Redemption Amount (as reduced by or increased with, as the case may be, any swap termination payment due by the CBC to the relevant Swap Counterparty, or by the relevant Swap Counterparty to the CBC, in connection with the termination of the Swap Agreement related to the relevant Series or a relevant part thereof (if any)), plus, in the case of Savings Mortgage Receivables, Life Mortgage Receivables with a Savings Element and Bank Savings Mortgage Receivables which are subject to an Insurance Savings Participation or a Bank Savings Participation, respectively, an amount equal to the aggregate Insurance Savings Participations and the Bank Savings Participations, then each month up to and including such Extended Due for Payment Date the CBC will (i) offer the Selected Mortgage Receivables for sale for the best terms available at that time considering the then current market circumstances, including but not limited to the best price reasonably available, or (ii) seek to refinance the Selected Mortgage Receivables on the best terms available at that time considering the then current market circumstances, both (i) and (ii) subject to the consent of the Security Trustee, notwithstanding that such amount may be less than the Adjusted Required Redemption Amount (plus, in the case of (a) each Savings Mortgage Receivable or Life Mortgage Receivable with a Savings Element to which an Insurance Savings Participation applies, an amount equal to the relevant Insurance Savings Participation and (b) each Bank Savings Mortgage Receivable to which a Bank Savings Participation applies, an amount equal to the relevant Bank Savings Participation).

The CBC is permitted or required to sell to the third party or the Transferor a random part of any portfolio of Selected Mortgage Receivables. The sale price of such part of the portfolio (as a proportion of the Adjusted Required Redemption Amount) shall be at least equal to the proportion that such part of the portfolio bears to the relevant portfolio of Selected Mortgage Receivables.

If the CBC intends to sell Selected Mortgage Receivables to a third party, it may appoint a Portfolio Manager. The CBC shall pay to the Portfolio Manager a success fee, which may consist of a percentage of the portfolio as agreed between the CBC and the Portfolio Manager and which shall only be payable upon sale of such portfolio.

In respect of any sale or refinancing of Selected Mortgage Receivables following the service of an Issuer Acceleration Notice, but prior to the service of a CBC Acceleration Notice, or upon the service of a Breach of Amortisation Test Notice, the CBC will instruct the Portfolio Manager to use all best efforts to procure that Selected Mortgage Receivables are sold as quickly as reasonably practicable (in accordance with the recommendations of the Portfolio Manager) taking into account the market conditions at that time and the scheduled repayment dates of the Covered Bonds and the terms of the Guarantee Support Agreement and the Asset Monitoring Agreement.

### **General Sales Requirements**

The CBC shall ensure that the purchaser to which it sells the Selected Mortgage Receivables shall on or before the date of such purchase represent that it has not been granted a suspension of payments (*surseance van betaling verleend*), been declared bankrupt (*failliet verklaard*) or become subject to analogous insolvency proceedings under applicable law or otherwise be limited in its rights to dispose of its assets.

The terms of any sale and purchase agreement with respect to the sale of Selected Mortgage Receivables or the terms of any refinancing will be subject to the prior written approval of the Security Trustee.

If purchasers accept the offer or offers from the CBC, the CBC will, subject to the foregoing paragraph, enter into a sale and purchase agreement with the relevant purchasers which will require, amongst other things, a cash payment from the relevant purchasers.

Any such sale or any refinancing will not include any representations or warranties from the CBC in respect of the Selected Mortgage Receivables unless expressly agreed by the Security Trustee.

After a CBC Acceleration Notice has been served on the CBC, the Security Trustee may institute such proceedings or take such action as it thinks fit against the Issuer and the CBC to enforce its rights under the Trust Deed and the Security in accordance with the terms of the Trust Deed.

#### **Sale of Substitution Assets**

The Asset Monitoring Agreement provides that the CBC (or the Administrator on its behalf) shall sell all Substitution Assets as quickly as reasonably practicable, subject to the pre-emption rights enjoyed by the Transferor pursuant to the Guarantee Support Agreement, following service of an Issuer Acceleration Notice, a Notice to Pay or a Breach of Amortisation Test Notice.

Such sale or refinance of Substitution Assets and subsequent redemption of the respective bonds shall not result in a deterioration of the quotient of (i) the Amortisation Test Aggregate Asset Amount; and (ii) the Principal Amount Outstanding of all Series outstanding.

## ASSET MONITOR

Under the terms of the Asset Monitor Appointment Agreement, the Asset Monitor has been appointed as an independent auditor to perform the role as Asset Monitor. The Asset Monitor has agreed, subject to due receipt of the information to be provided by the Administrator to the Asset Monitor, to conduct agreed upon procedures on the arithmetic accuracy of certain calculations performed by the Administrator in respect of the Asset Cover Test, the Amortisation Test and the Liquidity Reserve Required Amount with a view to confirmation of the accuracy of such calculations as required by and in accordance with the Wft.

The Asset Monitor will conduct such agreed upon procedures (i) prior to the service of a Notice to Pay or a CBC Acceleration Notice, in respect of the Asset Cover Test conducted by the Administrator on or before the Calculation Date immediately preceding each anniversary of the Programme Date; (ii) following the service of a Notice to Pay, in respect of the Amortisation Test conducted by the Administrator on or before each Calculation Date; and (iii) in respect of the Liquidity Reserve Required Amount calculated by the Administrator on or before the Calculation Date immediately preceding each anniversary of the Programme Date.

Following a determination by the Asset Monitor of any material errors in the arithmetic accuracy of the calculations performed by the Administrator such that (a) the Asset Cover Test has been failed on the applicable Calculation Date (in respect of the previous month's end) (where the Administrator had recorded it as being satisfied) or (b) the Adjusted Aggregate Asset Amount or the Amortisation Test Aggregate Asset Amount is misstated by an amount exceeding 1% of the Adjusted Aggregate Asset Amount or the Amortisation Test Aggregate Asset Amount, as applicable, the Asset Monitor will be required to conduct such agreed upon procedures for each of the four consecutive Calculation Dates thereafter. If the agreed upon procedures in relation to the Liquidity Reserve Required Amount reveals errors in the relevant calculations and consequently, such test has failed, then the Asset Monitor shall promptly notify the CBC, the Administrator, the Security Trustee and the Issuer thereof.

The Asset Monitor is entitled, in the absence of manifest error, to assume that all information provided to it by the Administrator for the purpose of conducting such agreed upon procedures is true and correct and is complete and not misleading, and is not required to conduct an audit or other similar examination in respect of such information or otherwise take steps to verify the accuracy or completeness of such information. The Asset Monitor Report will be delivered by the Asset Monitor to, *inter alia*, the Administrator, the CBC, the Issuer and the Security Trustee in accordance with the Asset Monitor Appointment Agreement. If the calculations performed by the Administrator have not been performed correctly, the Asset Monitor Report shall set out the correct calculation of the Asset Cover Test, the Amortisation Test or the Liquidity Reserve Required Amount, as applicable.

Under the terms of the Asset Monitor Appointment Agreement the CBC will pay to the Asset Monitor a fee per test for the agreed upon procedures to be performed by the Asset Monitor.

The Asset Monitor may, at any time, resign from its appointment under the Asset Monitor Appointment Agreement upon providing the CBC, the Security Trustee and the Issuer with sixty (60) days' prior written notice. If a replacement asset monitor has not been found by the CBC within sixty (60) days of notice of resignation by the Asset Monitor, the Asset Monitor shall immediately use its best endeavours to seek a replacement (such replacement to be approved by the Security Trustee, such approval not to be unreasonably withheld) which agrees to perform the duties (or substantially similar duties) of the Asset Monitor set out in the Asset Monitor Appointment Agreement. Any replacement asset monitor should in any event be an accountancy firm of international standing. The resignation of the Asset Monitor shall not be effective unless a replacement asset monitor has been found.

The CBC may, at any time, but subject to the prior written consent of the Security Trustee, terminate the appointment of the Asset Monitor by providing at least thirty (30) days' prior written notice to the Asset Monitor, provided that such termination may not be effected unless and until a replacement asset monitor has been found by the CBC which agrees to perform the duties (or substantially similar duties) of the Asset Monitor set out in the Asset Monitor Appointment Agreement.

If a replacement asset monitor has not been found by the CBC within thirty (30) days of the giving of notice of termination by the CBC, the Asset Monitor may identify a replacement approved by the Security Trustee (such approval not to be unreasonably withheld) which agrees to perform the duties of the Asset Monitor set out in the Asset Monitor Appointment Agreement.

In the Trust Deed the Security Trustee agrees to, upon receipt of each Asset Cover Report, verify whether it states that

the Asset Cover Test or Amortisation Test, as the case may be, has been passed or failed.

**Annual agreed upon procedures in relation to the cover pool**

Under the terms of the Trust Deed and pursuant to the Wft, the Issuer has undertaken to request, at least once a year, an independent auditor to perform a selected agreed upon procedure on a sample of randomly selected mortgage files.

## 17. SWAPS

### General

The CBC is only permitted to enter into swap agreements with (a) Achmea Bank (with appropriate collateralisation requirements if at such time Achmea Bank is no longer an Eligible Swap Counterparty) or (b) third party Eligible Swap Counterparties, as the case may be. The Security Trustee shall be a party to such Swap Agreements only for the purposes of taking certain benefits and assuming certain obligations with respect to making determinations on behalf of the CBC. An Issuer Event of Default will not constitute an event of default or a termination event under any Swap Agreement.

Rating downgrade language acceptable to the Rating Agencies will be included in the Swap Agreements in relation to the Swap Counterparties.

Upon the termination of a Swap Agreement, the CBC or any Swap Counterparty may be liable to make a termination payment to the other party in accordance with the provisions of the relevant Swap Agreement. The amount of this early termination payment will be calculated and made in euro or such other currency as may be agreed. In the event that such a termination payment is payable by the CBC following the service of an Issuer Acceleration Notice, such amount in respect of Swap Agreements will in most cases (see the applicable priority of payments below) rank ahead of any principal amounts due on the Covered Bonds except where default by, or downgrade of, the relevant Swap Counterparty has caused the relevant Swap Agreement to terminate.

### *Portfolio Swap Agreements*

There may be differences between the amounts of interest (i) received in respect of the Mortgage Receivables (the rates applicable to which may, for instance, include variable rates of interest, discounted rates of interest, fixed rates of interest or rates of interest which track a base rate), the other Transferred Assets and the CBC Transaction Accounts and the CBC Back-Up Account and (ii) payable in respect of the outstanding Covered Bonds or a rate payable under any Structured Swap Agreement and/or any Interest Swap Agreement. The CBC may at the instruction of the Issuer elect to enter into Portfolio Swap Agreements in order to hedge certain mismatches in respect of one or more Series or all Series of Covered Bonds, whereby the revenue scheduled to be received on all Transferred Assets and the CBC Transaction Accounts and the CBC Back-Up Account multiplied by the Portfolio Swap Fraction is exchanged for a fixed or floating rate of interest on the relevant Series of Covered Bonds or a rate payable under any Structured Swap Agreement and/or any Interest Swap Agreement.

### *Interest Swap Agreements*

There may be differences between the amounts of interest (fixed or floating) (i) received in respect of the Mortgage Receivables (the rates applicable to which may, for instance, include variable rates of interest, discounted rates of interest, fixed rates of interest or rates of interest which track a base rate), the other Transferred Assets and the CBC Transaction Accounts and the CBC Back-Up Account and (ii) payable in respect of the outstanding Covered Bonds. The CBC may at the instruction of the Issuer elect to enter into Interest Swap Agreements in order to hedge certain mismatches in respect of one or more Series.

### *Structured Swap Agreements*

If a Series is issued in a currency other than euro there is a mismatch between (i) the interest and principal received in respect of the Mortgage Receivables, the other Transferred Assets and the CBC Transaction Accounts and the CBC Back-Up Account and (ii) the interest and principal payable in respect of the outstanding Covered Bonds and the CBC will be required to enter into a Structured Swap to provide a hedge against the variance between:

- (a) (i) any (fixed or floating) interest basis as determined by the Issuer; and
- (a) (ii) euro; and
- (b) (i) the rate of interest payable by the CBC in respect of a Series; and
- (b) (ii) the currency of a Series.

The CBC may opt to include a currency hedge in a Portfolio Swap Agreement instead of entering into a Structured Swap for a Series.

## 18. CASHFLOWS

- A. For as long as no Assignment Notification Event has occurred or a Breach of Asset Cover Test Notice is served (which is not remedied) and no Notice to Pay or CBC Acceleration Notice has been served, pursuant to the Guarantee Support Agreement, the CBC is not entitled to receive or retain any proceeds from the Transferred Assets; such proceeds will all be received and retained by the Transferor for its own benefit. Pursuant to the Trust Deed, the following will then apply:
- (i) all costs and expenses of the CBC, including but not limited to any costs and expenses of the Security Trustee and the Stichting Holding and other amounts due listed under item (a) up to and including (d) of the CBC Priority of Payments, but excluding any negative interest amounts and expenses already paid in accordance with the CBC Account Agreement and the CBC Back-Up Account Agreement, will be paid on behalf of the CBC by the Issuer for its own account as consideration for the CBC issuing the Guarantee;
  - (ii) all amounts to be paid and received, respectively by the CBC under the Insurance Savings Participation Agreement, the Bank Savings Participation Agreement and/or any Swap Agreement will be paid and received, respectively on behalf of the CBC by the Issuer for its own account, except that any Swap Collateral Amounts will be delivered directly by the relevant Swap Counterparty to the CBC irrespective of whether any Assignment Notification Event has occurred or any Breach of Asset Cover Test Notice is served (which is not remedied) or Notice to Pay or CBC Acceleration Notice has been served at such time and, accordingly, any payments or deliveries to be made in respect of the Collateral Return Payments shall be made directly by the CBC to the relevant Swap Counterparty; and
  - (iii) on each CBC Payment Date the CBC (or the Administrator on its behalf) will distribute all amounts (if any) then standing to the credit of the CBC Transaction Accounts (except for any collateral provided by a Swap Counterparty and the balance standing to the credit of the Reserve Account) and the CBC Back-Up Account to the Issuer to the extent such will not result in a breach of the Asset Cover Test.
- B. If an Assignment Notification Event occurs or a Breach of Asset Cover Test Notice (which is not remedied) or a Notice to Pay or CBC Acceleration Notice is served on the CBC, pursuant to the Guarantee Support Agreement, the CBC shall, subject to the rights of the Security Trustee as pledgee, be entitled to receive for its own benefit all proceeds of the Transferred Assets to the extent relating to the period following such Assignment Notification Event or service of a Breach of Asset Cover Test Notice (which is not remedied) or a Notice to Pay or a CBC Acceleration Notice. Pursuant to the Trust Deed, the following will apply:
- (i) if an Assignment Notification Event has occurred or a Breach of Asset Cover Test Notice has been served (which is not remedied) (but no Notice to Pay or Issuer Acceleration Notice or CBC Acceleration Notice has been served), all costs, expenses and all amounts to be paid and received under the Swap Agreements, the Insurance Savings Participation Agreements and/or the Bank Savings Participation Agreement will continue to be settled on behalf of the CBC by the Issuer (except that Collateral Return Payments shall be made directly to the relevant Swap Provider) and all amounts standing to the credit of the CBC Transaction Accounts (except for Swap Collateral Amounts and the Reserve Account) and the CBC Back-Up Account will after payment of costs be distributed as set out abovementioned, provided that after a Breach of Asset Cover Test Notice is served no amounts will be distributed until such breach is remedied;
  - (ii) if an Issuer Acceleration Notice and a Notice to Pay have, but no CBC Acceleration Notice has, been served, the CBC (or the Administrator on its behalf) will apply the Available Revenue Funds and the Available Principal Funds in accordance with the CBC Priority of Payments and pay the Insurance Savings Participation Redemption Available Amounts to the Insurance Savings Participant and the Bank Savings Participation Redemption Available Amount to the Bank Savings Participant; and
  - (iii) if a CBC Acceleration Notice has been served, all moneys received or recovered by the Security Trustee or any other Secured Creditor and all moneys held by or on behalf of the CBC will be applied in accordance with the Post CBC Acceleration Notice Priority of Payments except for any Insurance Participation Redemption Available Amounts which will be paid to the Savings Participant and except for any Bank Savings Participation Available Amount which will be paid to the Bank Savings Participant and except for any collateral to be provided by a Swap Counterparty which shall first be subject to the provisions set out in the relevant Swap Agreement.

### **Reserve Account**

Pursuant to the Trust Deed, on the Programme Date and on each date thereafter the Issuer will be required to credit to the Reserve Account an amount equal to the higher of (i) the Reserve Account Required Amount and (ii) Liquidity Reserve

Required Amount.

**Payments with respect to Covered Bonds and Swap Agreements during a CBC Payment Period (other than on the CBC Payment Date on which the CBC Payment Period commences)**

Following the service of an Issuer Acceleration Notice and a Notice to Pay, pursuant to the Trust Deed, the Available Revenue Funds and the Available Principal Funds (less any amounts payable to third parties incurred by the CBC in its ordinary course of its business, which may be paid on each day by the CBC) will be applied in accordance with the CBC Priority of Payments on each CBC Payment Date, which dates will occur monthly. Payments in respect of interest and principal on a Series of Covered Bonds and, in respect of Swap Agreements, may however become due and payable on other days than on the relevant CBC Payment Date during a CBC Payment Period. Such amounts will be payable by the CBC on the date on which such payments become due and payable as follows:

- (i) in respect of a Series of Covered Bonds to the extent that the CBC has entered into a Swap Agreement with respect to such Series of Covered Bonds, from the amounts received under the relevant Swap Agreement connected to such Series after the CBC Payment Date on which the relevant CBC Payment Period commenced;
- (ii) from the amounts reserved for such Series of Covered Bonds or such Swap Agreement pursuant to item (e) or (f) of the CBC Priority of Payments (as applicable) on the CBC Payment Date on which the relevant CBC Payment Period commenced; and
- (iii) in respect of a Series of Covered Bonds to the extent not so paid in full following application of the funds available in accordance with (i) and (ii) above, from the amounts as were credited to the CBC Transaction Accounts and the CBC Back-Up Account in accordance with item (i) of the CBC Priority of Payments on the CBC Payment Date on which the relevant CBC Payment Period commenced.

**Cash Collection Arrangements**

Payments by the Borrowers under the Mortgage Loans are due on the first day of each calendar month, interest being payable in arrears. All payments made by the Borrowers in respect of Mortgage Receivables must be paid into the Collection Foundation Accounts maintained by the Collection Foundation with the Foundation Accounts Providers. The Collection Foundation Accounts are also used for the collection of moneys paid in respect of mortgage loans other than the Mortgage Loans and in respect of other moneys belonging to entities of the Achmea Group and other Previous Outstanding Transaction SPVs and Previous Outstanding Security Trustees *vis-à-vis* the relevant Collection Foundation.

If at any time the unsecured, unsubordinated and unguaranteed debt obligations of the relevant Foundation Accounts Provider are assigned a rating of less than the Collection Bank Required Ratings (as defined below), the Collection Foundations, will as soon as reasonably possible, but at least within 30 calendar days either (i) transfer the relevant Collection Foundation Accounts to an alternative bank with at least the Collection Bank Required Ratings or (ii) ensure that payments to be made by the relevant Foundation Accounts Provider in respect of amounts received on a Collection Foundation Account relating to Mortgage Receivables will be guaranteed by a third party with at least the Collection Bank Required Ratings, or (iii) implement any other actions agreed at that time with the relevant credit rating agency.

**"Collection Bank Required Rating"** means the rating of (i) 'Prime-1' (short-term) by Moody's, (ii) 'F1' (short-term issuer default rating) and 'A' (long-term issuer default rating) by Fitch Ratings Ltd.

In the event of a transfer to an alternative bank as referred to under (i) above, the Collection Foundation shall enter into a pledge agreement – and create a right of pledge over such bank account in favour of the Issuer and the Previous Outstanding Transaction SPVs and the Security Trustee and the Previous Outstanding Transaction Security Trustees separately – upon terms substantially the same as the Collection Foundation Account Pledge Agreement.

For the purposes hereof:

**"Available Principal Funds"** means on a Calculation Date an amount equal to the aggregate of (without double counting):

- (i) the amount of Principal Receipts received during the previous calendar month;
- (ii) any amounts of principal received from any Substitution Asset (not forming part of the Available Revenue Funds);
- (iii) the principal amount of any Transferred Collateral in the form of cash (other than pursuant to a Swap Agreement) received during the previous calendar month;
- (iv) any amount required to be transferred to the CBC Account and/or the CBC Back-Up Account in accordance with item (i) of the CBC Priority of Payments (for the purpose of determining such amount this item (iv) will not be included in the Available Principal Funds for determining the amount available for application to such item (i));

- (v) all amounts in respect of principal (if any) received or to be received by the CBC under the Transaction Documents (other than the Insurance Savings Participation Agreement and the Bank Savings Participation Agreement, and other than any Swap Collateral Amounts posted under the Swap Agreements) on the relevant CBC Payment Date (or in the CBC Payment Period immediately preceding the relevant CBC Payment Date but excluding the preceding CBC Payment Date), except for any payments in respect of principal received under the Structured Swap Agreements that have been (or will be) applied towards payment of a Series of Covered Bonds;
- (vi) any amounts received in the preceding calendar month as Excess Proceeds to the extent such proceeds do not relate to interest; and
- (vii) any amounts reserved on the immediately preceding CBC Payment Date to the extent not applied towards payment of the relevant Series of Covered Bonds or the relevant Swap Agreement or a higher ranking item than payment of the relevant Series of Covered Bonds or the relevant Swap Agreement in the CBC Priority of Payments prior to the relevant CBC Payment Date to the extent relating to principal.

**"Available Revenue Funds"** means on a Calculation Date an amount equal to the aggregate of (without double counting):

- (i) the amount of Interest Receipts received during the previous calendar month;
- (ii) other net income of the CBC including all amounts of interest received on the CBC Transaction Accounts (excluding the Swap Cash Collateral Account) and the CBC Back-Up Account and the Substitution Assets in the preceding calendar month;
- (iii) all amounts in respect of interest received or to be received by the CBC under the Swap Agreements on the relevant CBC Payment Date (or in the CBC Payment Period immediately preceding the relevant CBC Payment Date but excluding the preceding CBC Payment Date), except for any payments in respect of interest received under the Swap Agreements (other than the Portfolio Swap Agreements) that have been (or will be) applied towards payment of a Series of Covered Bonds and, for the avoidance of doubt, excluding Swap Collateral Amounts;
- (iv) any amounts on the Reserve Account released in accordance with the Trust Deed;
- (v) any amounts received as Excess Proceeds in the CBC Payment Period immediately preceding the relevant CBC Payment Date to the extent such proceeds do not relate to principal;
- (vi) any amounts to the extent not relating to principal, reserved on the immediately preceding CBC Payment Date to the extent not applied towards payment of the relevant Series of Covered Bonds or the relevant Swap Agreement or a higher ranking item than payment of the relevant Series of Covered Bonds or the relevant Swap Agreement in the CBC Priority of Payments prior to the relevant CBC Payment Date;
- (vii) any Excess Swap Replacement Amounts as shall be standing to the credit of the Swap Replacement Ledger on the relevant CBC Payment Date; and
- (viii) any other amounts standing to the credit of the CBC Account and/or the CBC Back-Up Account, to the extent not relating to principal, not excluded by virtue of (i) to (vii) above;

less

- (ix) on the first CBC Payment Date of each year, an amount equal to 10 per cent. of the annual fixed operational expenses of the CBC, with a minimum of euro 2,500.

**"Liquidity Reserve Required Amount"** means, on any date, such amount as required for registered covered bonds pursuant to the CB Regulations to meet the interest payment obligations under the Covered Bonds for the following six (6) months or such other amount as required as liquidity pursuant to the CB Regulations.

**"Reserve Account Required Amount"** means the sum of:

- (i) the higher of:
  - (a) the aggregate of the expected interest payments for each Series for the immediately succeeding three (3) months, as calculated as:
    - (A) if no Swap Agreement has been entered into or if such Swap Agreement has been terminated in relation to a Series (or part thereof), the aggregate amount of the Scheduled Interest due falling in the next following three CBC Payment Periods, or
    - (B) if a Swap Agreement has been entered into in relation to a Series or a part of such Series (which has not been terminated) with a party other than the Issuer, the amount payable by the CBC (or the Issuer on its

behalf) pursuant to such Swap Agreement in the three following CBC Payment Periods for such Series prior to netting of any payments thereunder (excluding any Collateral Return Payments as may fall due thereunder), plus, in the case of a partial hedge, any amount described in (A) not covered by such hedge;

(C) if a Swap Agreement has been entered into in relation to a Series or a part of such Series (which has not been terminated) with the Issuer, the higher of (i) the aggregate Scheduled Interest and (ii) the amount payable by the CBC (or the Issuer on its behalf) pursuant to such Swap Agreement in the three following CBC Payment Periods for such Series prior to netting of any payments thereunder (excluding any Collateral Return Payments as may fall due thereunder), plus, in the case of a partial hedge, any amount described in (A) not covered by such hedge; and

(b) the aggregate of the accrued interest for all Series since the last Interest Payment Date of each respective Series (or in case of the first interest period for a Series, the Issue Date);

as calculated on the later to occur of each Calculation Date and the last issue date; and

(ii) 0.03 per cent. of the euro equivalent of the Principal Amount Outstanding of the Covered Bonds on such Calculation Date (or, as applicable, such last issue date); and

(iii) EUR 30,000.

## CBC PRIORITY OF PAYMENTS

On each CBC Payment Date following the occurrence of an Issuer Event of Default and service of an Issuer Acceleration Notice and a Notice to Pay, but prior to the service of a CBC Acceleration Notice, the Available Revenue Funds and the Available Principal Funds (less any amounts payable to third parties incurred by the CBC in the ordinary course of its business, which may be paid on each day by the CBC) will be applied or reserved (in respect of the immediately following CBC Payment Period (which, for the avoidance of doubt, in this priority of payments commences on such CBC Payment Date)), as the case may be, in the following order of priority (the "**CBC Priority of Payments**"), in each case only if and to the extent that payments or provisions of a higher priority have been made in full:

- (a) *first*, in or towards satisfaction of all amounts due and payable or to become due and payable to the Security Trustee in the immediately following CBC Payment Period under the provisions of the Trust Deed;
- (b) *second*, in or towards satisfaction of taxes owing by the CBC to any tax authority accrued and unpaid (to the extent such amounts cannot be paid out of item (ix) of the Available Revenue Funds);
- (c) *third*, in or towards satisfaction *pro rata* and *pari passu* according to the respective amounts owing thereto of any remuneration and any costs, charges, liabilities and expenses then due and payable to the Paying Agents or the Registrar under or pursuant to the Agency Agreement and to any Calculation Agent under any Calculation Agency Agreement or Agency Agreement;
- (d) *fourth*, in or towards satisfaction *pro rata* and *pari passu* according to the respective amounts owing thereto of:
  - (i) any remuneration then due and payable to the Servicer and any costs, charges, liabilities and expenses then due or to become due and payable to the Servicer in the immediately following CBC Payment Period under the provisions of the Servicing Agreement;
  - (ii) any remuneration then due and payable to the Administrator and any costs, charges, liabilities and expenses then due or to become due and payable to the Administrator in the immediately following CBC Payment Period under the provisions of the Administration Agreement;
  - (iii) any remuneration then due and payable to the Back-up Administrator and any costs, charges, liabilities and expenses then due or to become due and payable to the Back-up Administrator in the immediately following CBC Payment Period under the provisions of the Back-up Administration Agreement;
  - (iv) any amounts (if any) due and payable to the CBC Account Bank (including any costs and negative interest) pursuant to the terms of the CBC Account Agreement;
  - (v) any amounts (if any) due and payable to the CBC Back-Up Account Bank (including any costs and negative interest) pursuant to the terms of the CBC Back-Up Account Agreement;
  - (vi) any amounts (including costs and expenses) due and payable to the Directors; and
  - (vii) any amounts due and payable to the Asset Monitor (other than the amounts referred to in paragraph (k) below) pursuant to the terms of the Asset Monitor Appointment Agreement;
- (e) *fifth*, to each Portfolio Swap Counterparty in or towards satisfaction or to be reserved for payment *pro rata* and *pari passu* in accordance with the respective amounts owing thereto of all amounts (including any termination payment due and payable by the CBC under the relevant Portfolio Swap Agreement to the extent *not* paid from any Swap Replacement Amounts, but excluding any Excluded Swap Termination Amount) then due to it or as will become due and payable to it in the immediately following CBC Payment Period under the relevant Portfolio Swap Agreement;
- (f) *sixth*, in or towards satisfaction or to be reserved for payment *pro rata* and *pari passu* in accordance with the respective amounts owing thereto of:
  - (i) all amounts (including any termination payment due and payable by the CBC under the relevant Swap Agreement to the extent not paid from any Swap Replacement Amounts but excluding any Excluded Swap Termination Amount) then due to each Swap Counterparty or as will become due and payable to such Swap Counterparty in the immediately following CBC Payment Period under the relevant Swap Agreement (other than to a Portfolio Swap Counterparty, which is paid under item (e) above, and other than to a Structured Swap Counterparty in relation to principal, which is paid under item (h) below); and
  - (ii) all Scheduled Interest that is Due for Payment or will become Due for Payment in the immediately succeeding CBC Payment Period under the Guarantee in respect of any Series of Covered Bonds, except in case such amounts are scheduled to be paid in the relevant CBC Payment Period from amounts received (or to be received) under any Swap Agreement connected to such Series, provided that such exemption does not apply

if amounts are scheduled to be paid in the immediately succeeding CBC Payment Period from amounts received (or to be received) under any Swap Agreement connected to such Series but the Administrator determines in its sole discretion that such amounts may not be available as scheduled due to the potential non-performance by a Swap Counterparty of its obligations pursuant to the relevant Swap Agreement;

- (g) *seventh*, in or towards satisfaction of any sums required to replenish the Reserve Account up to the amount of the higher of the Reserve Account Required Amount and the Liquidity Reserve Required Amount;
- (h) *eighth*, in or towards satisfaction or to be reserved for payment, *pro rata* and *pari passu* according to the respective amounts owing thereto:
  - (i) of amounts in respect of principal then due and payable or as will become due and payable in the immediately succeeding CBC Payment Period to each Structured Swap Counterparty under the relevant Structured Swap Agreement (but excluding any Excluded Swap Termination Amount);
  - (ii) of all Scheduled Principal that is Due for Payment or will become Due for Payment in the immediately succeeding CBC Payment Period under the Guarantee in respect of any Series of Covered Bonds, except in case such amounts are scheduled to be paid in the relevant CBC Payment Period from amounts received (or to be received) under any Swap Agreement connected to such Series, provided that such exemption does not apply if amounts are scheduled to be paid in the immediately succeeding CBC Payment Period from amounts received (or to be received) under any Swap Agreement connected to such Series but the Administrator determines in its sole discretion that such amounts may not be available as scheduled due to the potential non-performance by a Swap Counterparty of its obligations pursuant to the relevant Swap Agreement;
- (i) *ninth*, to deposit the remaining moneys in the CBC Account and/or the CBC Back-Up Account for application on the next following CBC Payment Date in accordance with this priority of payments, until the Covered Bonds have been fully repaid or provided for (such that the Required Redemption Amount has been accumulated in respect of each outstanding Series);
- (j) *tenth*, in or towards satisfaction *pro rata* and *pari passu* according to the respective amounts owing thereto of any Excluded Swap Termination Amount due and payable by the CBC to the relevant Swap Counterparty under the relevant Swap Agreement;
- (k) *eleventh*, in or towards satisfaction of any indemnity amount due to the Transferor pursuant to the Guarantee Support Agreement and certain costs, expenses and indemnity amounts due by the CBC to the Asset Monitor pursuant to the Asset Monitor Appointment Agreement; and
- (l) *twelfth*, thereafter any remaining moneys will be paid to the Issuer.

## POST CBC ACCELERATION NOTICE PRIORITY OF PAYMENTS

Under the terms of the Trust Deed, each of the Secured Creditors agrees that all moneys received or recovered by the Security Trustee (or any other Secured Creditor and paid to the Security Trustee in accordance with the Parallel Debt Agreement) (whether in the administration, liquidation of the CBC or otherwise) following the occurrence of a CBC Event of Default and service of a CBC Acceleration Notice, the Security shall become enforceable, less an amount to which the Insurance Savings Participant and the Bank Savings Participant shall be entitled (which shall be equal to (A) the Insurance Savings Participation in each of the Savings Mortgage Receivables and each of the Life Mortgage Receivables with a Savings Element to which the Insurance Savings Participation Agreement apply or, if the amount recovered in respect of such Savings Mortgage Receivable or Life Mortgage Receivable with a Savings Element is less than the Insurance Savings Participation, an amount equal to the amount actually recovered, or (B) the Bank Savings Participation in each of the Bank Savings Mortgage Receivables to which the Bank Savings Participation Agreements apply or, if the amount recovered in respect of such Bank Savings Mortgage Receivable is less than the Insurance Savings Participation, an amount equal to the amount actually recovered) and except for Swap Collateral Amounts (which shall first be subject to the provisions set out in the relevant Swap Agreement) will be applied following the enforcement of the security rights in the following order of priority (the "**Post CBC Acceleration Notice Priority of Payments**"), in each case only if and to the extent that payments or provisions of a higher priority have been made in full:

- (a) *first*, in or towards satisfaction of all amounts due and payable or to become due and payable to the Security Trustee under the provisions of the Trust Deed;
- (b) *second*, in or towards satisfaction *pro rata* and *pari passu* according to the respective amounts owing thereto, of any remuneration and any costs, charges, liabilities and expenses then due and payable to the Paying Agents or the Registrar under or pursuant to the Agency Agreement and to any Calculation Agent under any Calculation Agency Agreement or Agency Agreement;
- (c) *third*, in or towards satisfaction *pro rata* and *pari passu* according to the respective amounts owing thereto, of:
  - (i) any remuneration then due and payable to the Servicer and any costs, charges, liabilities and expenses then due or to become due and payable to the Servicer under the provisions of the Servicing Agreement;
  - (ii) any remuneration then due and payable to the Administrator and any costs, charges, liabilities and expenses then due or to become due and payable to the Administrator under the provisions of the Administration Agreement;
  - (iii) any remuneration then due and payable to the Back-up Administrator and any costs, charges, liabilities and expenses then due or to become due and payable to the Back-up Administrator under the provisions of the Back-up Administration Agreement;
  - (iv) any amounts (if any) due and payable to the CBC Account Bank (including any costs and negative interest) pursuant to the terms of the CBC Account Agreement;
  - (v) any amounts (if any) due and payable to the CBC Back-Up Account Bank (including any costs and negative interest) pursuant to the terms of the CBC Back-Up Account Agreement; and
  - (vi) amounts (including costs and expenses) due to the Directors;
- (d) *fourth*, to each Portfolio Swap Counterparty in or towards satisfaction, *pro rata* and *pari passu* in accordance with the respective amounts owing thereto, of any amounts due under the relevant Portfolio Swap Agreement (including any termination payment due and payable by the CBC under the relevant Portfolio Swap Agreement to the extent not paid from any Swap Replacement Amounts but excluding any Excluded Swap Termination Amount);
- (e) *fifth*, in or towards satisfaction, *pro rata* and *pari passu* according to the respective amounts owing thereto, of any amounts due and payable:
  - (i) to the Swap Counterparties under the relevant Swap Agreements (other than under a Portfolio Swap Agreement, which is paid under item (d) above, and other than to a Structured Swap Counterparty in relation to principal, which is paid under item (f) below) (including, but not limited to, any termination payment due and payable by the CBC under the relevant Swap Agreement to the extent not paid from any Swap Replacement Amounts but excluding any Excluded Swap Termination Amounts); and
  - (ii) to the Covered Bondholders *pro rata* and *pari passu* in respect of interest due and payable on each Series in accordance with the Guarantee;
- (f) *sixth*, in or towards satisfaction, *pro rata* and *pari passu* according to the respective amounts thereof:
  - (i) of amounts in respect of principal then due and payable or as will become due and payable to each Structured Swap Counterparty under the relevant Structured Swap Agreement (but excluding any Excluded Swap

- Termination Amount); and
- (ii) of any amounts due and payable to the Covered Bondholders pro rata and *pari passu* in respect of principal due and payable on each Series in accordance with the Guarantee;
  - (g) *seventh*, in or towards satisfaction *pro rata* and *pari passu* according to the respective amounts owing thereto, of any Excluded Swap Termination Amounts due and payable by the CBC to the relevant Swap Counterparty under the relevant Swap Agreement, or to the relevant Portfolio Swap Counterparty under the relevant Portfolio Swap Agreement;
  - (h) *eighth*, in or towards satisfaction of certain costs, expenses and indemnity amounts due by the CBC to the Asset Monitor pursuant to the Asset Monitor Appointment Agreement;
  - (i) *ninth*, thereafter, any remaining moneys will be paid to the Issuer.

The Security Trustee shall give notice to the Covered Bondholders in accordance with Condition 14 (*Notices*) of the date fixed for any payment under the Priorities of Payments. Any payment to be made in respect of the Covered Bonds or Coupons of any Series by the Issuer, the CBC or the Security Trustee may be made in the manner provided in the Conditions, the Agency Agreement and the Trust Deed and any payment so made shall discharge (*kwijten*) the Security Trustee to the extent made.

## **CBC TRANSACTION ACCOUNTS, SWAP REPLACEMENT LEDGER, CBC BACK-UP ACCOUNT AND CUSTODY**

### **CBC Account**

Pursuant to the terms of the CBC Account Agreement entered into on the Programme Date between the CBC, Citibank Europe plc, Netherlands Branch as CBC Account Bank and the Security Trustee, the CBC will maintain, with the CBC Account Bank, the CBC Account:

- into which are paid all amounts received by the CBC in respect of Transferred Assets; and
- moneys standing to the credit of which will on each CBC Payment Date be applied by the Administrator in accordance with the relevant Priority of Payments as described above in more detail.

### **CBC Account Bank Rating**

If the CBC Account Bank cease to be rated the relevant ratings (as required at the date of this Base Prospectus being at least the Requisite Credit Rating) then the CBC shall use its reasonable efforts to, within the Relevant Remedy Period, unless the Rating Agencies have confirmed that the then current ratings of the Covered Bonds will not be adversely affected as a result thereof:

- procure the opening of new accounts under the terms of a new CBC Account Agreement substantially on the same terms as the CBC Account Agreement with a financial institution having at least the Requisite Credit Rating; or
- obtain a guarantee of the obligations of the CBC Account Bank under the CBC Account Agreement in accordance with terms acceptable to the Security Trustee, acting reasonably, from a financial institution having at least the Requisite Credit Rating.

### **Interest Rate CBC Transaction Accounts**

Pursuant to the CBC Account Agreement, the CBC Account Bank has agreed to pay interest on the CBC Transaction Accounts Funds at the rate determined in accordance with the CBC Account Agreement. In the event that the interest rate in respect of any of the CBC Transaction Accounts is less than zero, such interest amounts will be payable by the CBC, or the Issuer on behalf of the CBC, to the CBC Account Bank.

### **Additional Accounts**

The CBC and the CBC Account Bank may from time to time agree to create additional accounts for the purpose of making deposits with a different interest rate in the name of the CBC with the CBC Account Bank (provided that the Security Trustee has consented in writing). Any such additional accounts will be kept separate from the CBC Account to which it is connected. The CBC may only transfer amounts from such additional accounts to the relevant CBC Account to which it is connected and any amount to be transferred to such additional accounts may only be transferred from the relevant CBC Account.

In the event the CBC is obliged to open any other accounts than the CBC Account, the CBC Account Bank will, on the instructions of the CBC, open such new accounts under the terms of this CBC Account Agreement in the name of the CBC.

### **Reserve Account**

Pursuant to the Trust Deed, the CBC will be required to open the Reserve Account which will be credited by the Issuer with an amount equal to the higher of (i) the Reserve Account Required Amount and (ii) the Liquidity Reserve Required Amount.

In case the Available Revenue Funds and the Available Principal Funds are, on a CBC Payment Date, insufficient to meet items (a) to (f) inclusive of the CBC Priority of Payments, all amounts credited to the Reserve Account will be available on such CBC Payment Date to meet items (a) to (f) inclusive of the CBC Priority of Payments and will be released accordingly and form part of the Available Revenue Funds.

In the Interim Period all amounts credited to the Reserve Account will be available to meet any amount of interest due on any Series of Covered Bonds in such Interim Period and will be released accordingly to pay directly, outside any Priority of Payments, any amount of Scheduled Interest due on the Covered Bonds. If the amount credited to the Reserve Account exceeds the higher of (i) the Reserve Account Required Amount and (ii) the Liquidity Reserve Required Amount, such excess will be released and will form part of the Available Revenue Funds.

### **Swap Replacement Ledger**

The CBC shall maintain the Swap Replacement Ledger to which it shall credit the Swap Replacement Amounts. Pursuant to the Administration Agreement, the CBC has agreed that it shall only debit to the Swap Replacement Ledger the

following amounts:

- (i) those amounts payable to the replacement Swap Counterparty by the CBC in consideration of the entry into between the CBC and such replacement Swap Counterparty of a swap transaction to replace any Swap Agreement, to the extent that Swap Replacement Amounts have been received by the CBC in respect to such swap transaction as is being so replaced; and
- (ii) those amounts payable by the CBC to a Swap Counterparty in respect of the termination of any Swap Agreement, to the extent that Swap Replacement Amounts have been received by the CBC in respect to such swap transaction as is being so terminated,

provided that any Excess Swap Replacement Amounts debited to the Swap Replacement Ledger under paragraphs (i) or (ii) above shall be debited from the Swap Replacement Ledger and shall form part of the Available Revenue Funds on the immediately succeeding CBC Payment Date and shall be distributed on such CBC Payment Date accordingly.

#### **CBC Back-Up Account**

Pursuant to the terms of the CBC Back-Up Account Agreement entered into on the Programme Date between the CBC, Rabobank as CBC Back-Up Account Bank and the Security Trustee, the CBC will maintain with the CBC Back-Up Account Bank the CBC Back-Up Account. Pursuant to the CBC Back-Up Account Agreement the CBC agreed, at the request of the Issuer, to transfer from time to time amounts standing to the credit of the CBC Transaction Accounts to the CBC Back-Up Account. The Issuer may at its discretion request such transfer.

If at any time the CBC Back-Up Account Bank's rating is less than the Requisite Credit Rating or any of its ratings are withdrawn by any of the Credit Rating Agencies, the CBC Back-Up Account Bank shall use its reasonable efforts to, within the Relevant Remedy Period, unless the Rating Agencies have confirmed that the then current rating of the Covered Bonds will not be adversely affected as a result thereof, within the Relevant Remedy Period, (a) to obtain a guarantee of its obligations under the CBC Back-Up Account Agreement in accordance with terms acceptable to the Security Trustee, acting reasonably, from a financial institution having at least the Requisite Credit Rating, or (b) to take any other action acceptable to the Security Trustee to maintain the then current ratings assigned to the Covered Bonds, or (c) ensure that the amounts standing to the credit of the CBC Back-Up Account are retransferred to the relevant CBC Transaction Account.

#### **Interest rate CBC Back-Up Account**

Pursuant to the CBC Back-Up Account Agreement, the CBC Back-Up Account Bank has agreed to pay interest on the balance standing from time to time to the credit of the CBC Back-Up Account at the rate determined in accordance with the CBC Back-Up Account Agreement. In the event that the interest rate in respect of the CBC Back-Up Account is less than zero, such interest amounts will be payable by the CBC, or the Issuer on behalf of the CBC, to the CBC Back-Up Account Bank.

#### **Custody**

The CBC shall appoint a custodian to provide custody services in relation to certain securities which qualify as Substitution Assets or other collateral in the form of securities which are transferred to the CBC. Such securities and such other collateral in the form of securities will be serviced in accordance with a custody agreement.

## 19. DOCUMENTS INCORPORATED BY REFERENCE

The following documents, which have previously been published or are published simultaneously with this Base Prospectus and have been approved by the AFM or filed with it, shall be deemed to be incorporated in, and to form part of, this Base Prospectus:

- (a) a copy of the articles of association (*statuten*) of the Issuer ((in the original Dutch language), which can be obtained from: [https://www.achmeabank.nl/\\_cache/achmea-bank/media/einot54791/Statuut\\_Achmea\\_Bank.pdf?hash=3463ec883810dd86](https://www.achmeabank.nl/_cache/achmea-bank/media/einot54791/Statuut_Achmea_Bank.pdf?hash=3463ec883810dd86);
- (b) a copy of the articles of association (*statuten*) of the CBC (in the original Dutch language as well as an English translation), which can be obtained from: [https://www.achmeabank.nl/\\_cache/achmea-bank/media/diutc94395/True\\_copy\\_Deed\\_of\\_incorporation\\_Achmea\\_Conditional\\_Pass\\_Through\\_Covered\\_Bond\\_Company\\_BV.PDF?hash=b3aca527402119f0](https://www.achmeabank.nl/_cache/achmea-bank/media/diutc94395/True_copy_Deed_of_incorporation_Achmea_Conditional_Pass_Through_Covered_Bond_Company_BV.PDF?hash=b3aca527402119f0);
- (c) the English language publicly available audited consolidated financial statements as of and for the financial year ended 31 December 2017 and 31 December 2018 of the Issuer, which can be obtained from: [https://www.achmeabank.nl/\\_cache/achmea-bank/media/amqjy55334/Annual\\_Report\\_Achmea\\_Bank\\_2017.pdf?hash=b96c75eb3987f1d5](https://www.achmeabank.nl/_cache/achmea-bank/media/amqjy55334/Annual_Report_Achmea_Bank_2017.pdf?hash=b96c75eb3987f1d5) and [https://www.achmeabank.nl/\\_cache/achmea-bank/media/hkfus79389/Annual\\_report\\_Achmea\\_Bank\\_2018.pdf?hash=d22dc2b2922b9064](https://www.achmeabank.nl/_cache/achmea-bank/media/hkfus79389/Annual_report_Achmea_Bank_2018.pdf?hash=d22dc2b2922b9064), respectively;
- (d) the English language publicly available press release regarding the financial results for the period ended 30 June 2019 of the Issuer, which can be obtained from: <https://www.achmeabank.nl/nieuws/achmea-bank-reports-a-positive-result-and-retains-a-strong-liquidity-position>;
- (e) the English language publicly available audited financial statements as of and for the financial year ended 31 December 2018 of the CBC, which can be obtained from: [https://www.achmeabank.nl/\\_cache/achmea-bank/media/zewxo94391/FS\\_2018\\_CPT\\_CBC\\_Annual\\_Report.pdf?hash=be34e5b15a6191eb](https://www.achmeabank.nl/_cache/achmea-bank/media/zewxo94391/FS_2018_CPT_CBC_Annual_Report.pdf?hash=be34e5b15a6191eb);
- (f) the terms and conditions set out on (i) pages 98 up to and including 132 of the base prospectus dated 2 November 2017, under the header "Terms and Conditions of Conditional Pass-Through Covered Bonds", which can be obtained from: [https://www.achmeabank.nl/\\_cache/achmea-bank/media/dsxfu94394/Terms\\_and\\_Conditions\\_dated\\_November\\_2017.pdf?hash=849666b8dc2c8148](https://www.achmeabank.nl/_cache/achmea-bank/media/dsxfu94394/Terms_and_Conditions_dated_November_2017.pdf?hash=849666b8dc2c8148); and
- (g) the terms and conditions set out on (i) pages 102 up to and including 139 of the base prospectus dated 16 January 2019, under the header "*Terms and Conditions of Conditional Pass-Through Covered Bonds*", which can be obtained from: [https://www.achmeabank.nl/\\_cache/achmea-bank/media/tkopa94392/Terms\\_and\\_Conditions\\_dated\\_January\\_2019.pdf?hash=5e6dee1ba90ec8b8](https://www.achmeabank.nl/_cache/achmea-bank/media/tkopa94392/Terms_and_Conditions_dated_January_2019.pdf?hash=5e6dee1ba90ec8b8).

The parts of the base prospectus dated 2 November 2017 and 16 January 2019 which are not incorporated by reference are either not relevant for investors or covered elsewhere in this Base Prospectus.

The Issuer will provide, without charge, to each person to whom a copy of this Base Prospectus has been delivered, upon the oral or written request of such person, a copy of any or all of the documents which are deemed to be incorporated herein by reference. Written or oral requests for such documents should be directed to the Issuer at its office set out at the end of this Base Prospectus.

Any non-incorporated parts of a document referred to herein are either deemed not relevant for an investor or are otherwise covered elsewhere in this Base Prospectus.

Any information contained in or accessible through any website, including <https://www.achmeabank.nl/>, does not form a part of the Base Prospectus and has not been scrutinised or approved by the AFM, unless specifically stated in the Base Prospectus, in any supplement hereto or in any document incorporated or deemed to be incorporated by reference in this Base Prospectus that all or any portion of such information is incorporated by reference in the Base Prospectus. Any statements on the Issuer's competitive position included in a document which is incorporated by reference herein and where no external source is identified are based on the Issuer's internal assessment of generally available information.

## 20. GENERAL INFORMATION

### Authorisation

The establishment of the Programme and the issue of Covered Bonds under the Programme from time to time have been duly authorised by a resolution of the Board of Managing Directors of the Issuer dated 26 October 2017, 30 October 2018 and 2 March 2020 and pursuant to the authorisation of the Supervisory Board of the Issuer of 21 September 2017, 31 October 2018 and 4 March 2020. All consents, approvals, authorisations or other orders of all regulatory authorities required by the Issuer under the laws of the Netherlands have been given for the issue of Covered Bonds and for the Issuer to undertake and perform its obligations under the Transaction Documents.

The issuing of the Guarantee has been duly authorised by a resolution of the Board of Managing Directors of the CBC dated 18 October 2017, 1 November 2018 and 2 March 2020.

### Listing of Covered Bonds

Application may be made for Covered Bonds issued under the Programme to be listed on the official list of Euronext Amsterdam during the period of twelve (12) months from the date of this Base Prospectus. Notice of any terms and conditions not contained herein which are applicable to the Covered Bonds will be set out in the Final Terms which, with respect to such Covered Bonds to be listed on Euronext Amsterdam, will be delivered to Euronext Amsterdam on or before the date of issue. Covered Bonds issued under the Programme may also be listed on any other stock exchange specified in the applicable Final Terms or be unlisted.

### Documents Available

During the life of this Base Prospectus, copies of the following documents will be available (i) in electronic form, free of charge, during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) from the registered office of the Security Trustee and from the specified office of the Principal Paying Agent and (ii) will be made available on <https://www.achmeabank.nl/investeerdere/funding/cpt-covered-bond>:

- (i) the deed of incorporation (*oprichtingsakte*), including the Articles of Association of the Issuer, the Security Trustee and the CBC;
- (ii) the Pledge Agreements;
- (iii) the Administration Agreement;
- (iv) the Back-up Administration Agreement;
- (v) the Servicing Agreement;
- (vi) the CBC Account Agreement;
- (vii) the Trust Deed;
- (viii) the Parallel Debt Agreement;
- (ix) the Agency Agreement;
- (x) the Guarantee Support Agreement;
- (xi) the Asset Monitoring Agreement;
- (xii) the Asset Monitor Appointment Agreement;
- (xiii) the Master Definitions Agreement;
- (xiv) the Insurance Savings Participation Agreement;
- (xv) the Bank Savings Participation Agreement;
- (xvi) the Management Agreements; and
- (xvii) the CBC Back-Up Account Agreement.

The Issuer's publicly available reviewed (unaudited) semi-annual financial statements for the period ended 30 June 2019 and the Issuer's publicly available audited annual consolidated financial statements for the years ended 2017 and 2018 (i) are available, free of charge, at the specified offices of the Issuer and (ii) will be made available on <https://www.achmeabank.nl/investeerdere/funding/cpt-covered-bond>.

A copy of the Issuer's most recent articles of association (*statuten*) (in the original Dutch language) (i) is available, free of charge, at the office of the Issuer and (ii) will be made available on <https://www.achmeabank.nl/investeerdere/funding/cpt-covered-bond>.

The CBC's publicly available audited annual financial statements for the year ended 2017 and 2018 (i) is available, free of charge, at the specified offices of the CBC and (ii) will be made available on <https://www.achmeabank.nl/investeerdere/funding/cpt-covered-bond>.

A copy of the CBC's articles of association (*statuten*) (in the original Dutch language as well as an English translation) is available, free of charge, at the office of the CBC.

A copy of all Final Terms will be made available on <https://www.achmeabank.nl/investeerders/funding/cpt-covered-bond>.

### **Clearing Systems**

Application will be made for the Covered Bonds to be accepted for clearance through Euroclear and Clearstream, Luxembourg or Euroclear Nederland, or any other agreed clearing system, as the case may be. The appropriate common code, ISIN and security code allocated by Euroclear and Clearstream, Luxembourg or Euroclear Nederland, or any other agreed clearing system, as the case may be, will be specified in the applicable Final Terms.

The address of Euroclear is 1 Blvd du Roi Albert II, Brussels 1210, Belgium. The address of Clearstream, Luxembourg is 42 Avenue JF Kennedy, L-1855 Luxembourg, Luxembourg. The address of Euroclear Netherlands is Herengracht 459-469, 1017 BS Amsterdam, the Netherlands

### **Significant/Material Change**

Up to the date of this Base Prospectus, there has been no significant change in the financial position of the Issuer or its group since 30 June 2019 and there has been no material adverse change in the prospects of the Issuer since 31 December 2018, the last day of the financial period in respect for which audited financial statements of the Issuer have been prepared.

### **Legal and Arbitration Proceedings**

Save as disclosed in this Base Prospectus, there are no governmental, legal or arbitration proceedings, (including any such proceedings which are pending or threatened, of which the Issuer is aware), which may have, or have had during the 12 months prior to the date of this Base Prospectus, a significant effect on the financial position or profitability of the Issuer.

### **Auditors**

PricewaterhouseCoopers Accountants N.V. ("**PwC**"), an independent registered public accounting firm located at Thomas R. Malthusstraat 5, 1066 JR Amsterdam, the Netherlands, audited the Issuer's financial statements as of and for the financial years ended 31 December 2017 and 31 December 2018, in accordance with generally accepted auditing standards in the Netherlands and issued unqualified auditors' reports for the financial years ended 31 December 2017 and 31 December 2018. PwC has audited the CBC's financial statements as of and for the financial year ended 31 December 2017 and 31 December 2018 in accordance with generally accepted auditing standards in the Netherlands and issued an unqualified auditors' report for the financial year ended 31 December 2017 and 31 December 2018.

The auditor signing the auditor's report on behalf of PwC is a member of the Netherlands Institute of Chartered Accountants (*Nederlandse Beroepsorganisatie van Accountants*).

### **Post-issuance information**

A monthly report on the Covered Bonds under this Programme will be published on and can be obtained at: [www.achmeabank.com](http://www.achmeabank.com).

## 21. GLOSSARY OF DEFINED TERMS

<b>ABN AMRO Bank</b>	means ABN AMRO Bank N.V. or its successor or successors.
<b>Accrued Interest</b>	means in relation to any Mortgage Receivable and as at any date interest on such Mortgage Receivable (not being interest which is currently payable on such date) which has accrued from and including the scheduled interest payment date under the associated Mortgage Loan immediately prior to the relevant date up to and including that date.
<b>Achmea Bank</b>	means Achmea Bank N.V. or its successor or successors.
<b>Achmea Group</b>	means the group formed by Achmea B.V. and its subsidiaries ( <i>dochtermaatschappijen</i> ).
<b>Adjusted Aggregate Asset Amount</b>	has the meaning ascribed thereto in the section 16 ( <i>Asset Monitoring</i> ) under ' <i>Asset Cover Test</i> ' of this Base Prospectus.
<b>Adjusted Required Redemption Amount</b>	has the meaning ascribed thereto in section 16 ( <i>Asset Monitoring</i> ) under ' <i>Sale or Refinancing of Selected Assets</i> ' of this Base Prospectus.
<b>Adjustment Spread</b>	has the meaning ascribed thereto in Condition 5(B)(ii)(c).
<b>Administration Agreement</b>	means the administration agreement dated the Programme Date between the Administrator, the CBC and the Security Trustee as the same may be amended and/or supplemented and/or restated and/or novated or otherwise modified from time to time.
<b>Administrator</b>	means Achmea Bank N.V. or its successor or successors.
<b>AFM</b>	means the Dutch Authority for the Financial Markets ( <i>Stichting Autoriteit Financiële Markten</i> ).
<b>Agency Agreement</b>	means the agency agreement entered into between the Issuer, the CBC, the Security Trustee and the Principal Paying Agents and the Registrar as the same may be amended and/or supplemented and/or restated and/or novated or otherwise modified from time to time.
<b>Agent</b>	means NautaDutilh N.V.
<b>All Moneys Mortgage</b>	means any mortgage right ( <i>hypothekerecht</i> ) which secures not only the loan granted to the Borrower to purchase the mortgaged property, but also any other liabilities and any moneys that the Borrower, now or in the future, may owe to the Transferor either (i) regardless of the basis of such liability or (ii) under or in connection with the credit relationship ( <i>kredietrelatie</i> ) of the Borrower and the Transferor.
<b>All Moneys Pledge</b>	means any pledge ( <i>pandrecht</i> ) which secures (i) not only the loan granted to the Borrower to purchase the mortgaged property, but also any other liabilities and moneys that the Borrower, now or in the future, may owe to the Transferor either (i) regardless of the basis of such liability or (ii) under or in connection with the credit relationship ( <i>kredietrelatie</i> ) of the Borrower and the Transferor.
<b>All Moneys Security Rights</b>	means any and All Moneys Mortgages and All Moneys Pledges jointly.
<b>Amortisation Test</b>	has the meaning ascribed thereto in section 16 ( <i>Asset Monitoring</i> ) under ' <i>Amortisation Test</i> ' of this Base Prospectus.

<b>Amortisation Test Aggregate Asset Amount</b>	has the meaning ascribed thereto in section 16 ( <i>Asset Monitoring</i> ) under ' <i>Amortisation Test</i> ' of this Base Prospectus.
<b>Annuity Mortgage Loan</b>	means a mortgage loan or part thereof in respect of which the Borrower pays a fixed monthly instalment, made up of an initially high and thereafter decreasing interest portion and an initially low and thereafter increasing principal portion, and calculated in such manner that such mortgage loan will be fully redeemed at its maturity.
<b>Arranger</b>	means Coöperatieve Rabobank U.A. or its successor or successors.
<b>Arrears of Interest</b>	means in relation to any Mortgage Receivable and as at any date, interest which is due and payable and unpaid up to and including that date.
<b>Asset Cover Report</b>	means the asset cover report prepared each month by the Administrator for the CBC which includes the relevant calculations in respect of the Asset Cover Test.
<b>Asset Cover Test</b>	has the meaning ascribed thereto in section 16 ( <i>Asset Monitoring</i> ) under ' <i>Asset Cover Test</i> ' of this Base Prospectus.
<b>Asset Monitor</b>	means KPMG Accountants N.V. or its successor or successors.
<b>Asset Monitor Appointment Agreement</b>	means the asset monitor appointment agreement dated the Programme Date between the Asset Monitor, the Issuer, the Administrator, the CBC and the Security Trustee as the same may be amended and/or supplemented and/or restated and/or novated or otherwise modified from time to time.
<b>Asset Monitor Report</b>	means the agreed upon procedures report prepared by the Asset Monitor which includes the results of the tests conducted by the Asset Monitor in accordance with the Asset Monitor Appointment Agreement.
<b>Asset Monitoring Agreement</b>	means the asset monitoring agreement dated the Programme Date between the Administrator, the Issuer, the CBC and the Security Trustee as the same may be amended and/or supplemented and/or restated and/or novated or otherwise modified from time to time.
<b>Asset Percentage</b>	means 93.45% or such other percentage figure as is determined from time to time in accordance with the Asset Monitoring Agreement as described above.
<b>Assignment Notification Event</b>	means any of the events specified as such in section 10 ( <i>Guarantee Support</i> ) of this Base Prospectus.
<b>Assumed Mortgage Interest Rate</b>	has the meaning ascribed thereto in section 16 ( <i>Asset Monitoring</i> ) under ' <i>Asset Cover Test</i> ' of this Base Prospectus.
<b>Available Principal Funds</b>	has the meaning ascribed thereto in section 18 ( <i>Cashflows</i> ) of this Base Prospectus.
<b>Available Revenue Funds</b>	has the meaning ascribed thereto in section 18 ( <i>Cashflows</i> ) of this Base Prospectus.
<b>Back-up Administration Agreement</b>	means the back-up administration agreement entered into on the Programme Date between the CBC, the Back-up Administrator, the Administrator and the Security Trustee as the same may be amended and/or supplemented and/or restated and/or novated or otherwise modified from time to time.
<b>Back-up Administrator</b>	means Intertrust Administrative Services B.V. or its successor or successors.

<b>Bank Savings Account</b>	means, in respect of a Bank Savings Mortgage Loan, a blocked savings account in the name of a Borrower held with the Bank Savings Participant.
<b>Bank Savings Deposit</b>	means, in relation to a Bank Savings Mortgage Loan, the balance standing to the credit of the relevant Bank Savings Account.
<b>Bank Savings Deposit Instalment</b>	means, in respect each Bank Savings Mortgage Receivable, a deposit transferred by the Borrower in the Bank Savings Account which is connected to such Bank Savings Mortgage Receivable which deposit is calculated in such a way that the Bank Savings Mortgage Receivable can be redeemed with the Bank Savings Deposit at maturity.
<b>Bank Savings Mortgage Loans</b>	means a mortgage loan or part thereof in respect of which the Borrower is not required to repay the principal until maturity but instead makes a deposit into the relevant Bank Savings Account.
<b>Bank Savings Mortgage Receivables</b>	means the Mortgage Receivable resulting from a Bank Savings Mortgage Loan.
<b>Bank Savings Participant</b>	means Achmea Bank N.V. or its successor or successors.
<b>Bank Savings Participation</b>	means, on any CBC Payment Date, in respect of each Bank Savings Mortgage Receivables an amount equal to the Initial Bank Savings Participation in respect of such Bank Savings Mortgage Receivable increased with each Bank Savings Participation Increase up to (and including) the Calculation Period immediately preceding such CBC Payment Date, but not exceeding the Outstanding Principal Amount of such Bank Savings Mortgage Receivable.
<b>Bank Savings Participation Agreement</b>	means the bank savings participation agreement between the CBC, the Security Trustee and the Bank Savings Participant dated the Programme Date as the same may be amended and/or supplemented and/or restated and/or novated or otherwise modified from time to time.
<b>Bank Savings Participation Fraction</b>	means an amount equal to the net amount received or recovered multiplied by the Bank Savings Participation divided by the Outstanding Principal Amount of such Bank Savings Mortgage Receivable.
<b>Bank Savings Participation Increase</b>	has the meaning ascribed thereto in section 15 ( <i>Participation Agreements</i> ) of this Base Prospectus.
<b>Bank Savings Participation Redemption Available Amount</b>	has the meaning ascribed thereto in section 15 ( <i>Participation Agreements</i> ) of this Base Prospectus.
<b>Base Prospectus</b>	means this base prospectus dated 5 March 2020.
<b>Bearer Covered Bonds</b>	means the Covered Bonds in bearer form.
<b>Benchmark Event</b>	has the meaning ascribed thereto in Condition 5(B)(ii)(c).
<b>Beneficiary Rights</b>	means all rights and/or claims which the Transferor has <i>vis-à-vis</i> the Insurance Company in respect of an Insurance Policy, under which the Transferor has been appointed by the Borrower as beneficiary ( <i>begunstigde</i> ) in connection with the relevant Mortgage Receivable.
<b>Borrower</b>	means the debtor or debtors, including any jointly and severally liable co-debtor or

co-debtors, of a Mortgage Loan.

<b>Borrower Bank Savings Deposit Pledge</b>	means a pledge ( <i>pandrecht</i> ) originally created in favour of the Transferor on the rights of the relevant pledgor against Achmea Bank in relation to the Bank Savings Account to secure the relevant Mortgage Receivable.
<b>Borrower Insurance Pledge</b>	means a pledge ( <i>pandrecht</i> ) originally created in favour of the Transferor on the rights of the relevant pledgor against the Insurance Company under the relevant Insurance Policy securing the relevant Mortgage Receivable.
<b>Borrower Insurance Proceeds Instruction</b>	means the irrevocable instruction by the beneficiary under an Insurance Policy to the Insurance Company to apply the insurance proceeds towards repayment of the same debt for which the relevant Borrower Insurance Pledge was created.
<b>Borrower Investment Account</b>	means, in respect of an Investment Mortgage Loan, an investment account in the name of the relevant Borrower.
<b>Borrower Investment Pledge</b>	means a right of pledge ( <i>pandrecht</i> ) on the rights of the relevant Borrower in connection with the Borrower Investment Account in relation to Investment Mortgage Loans.
<b>Borrower Pledge</b>	means a right of pledge ( <i>pandrecht</i> ) securing the relevant Mortgage Receivable, including a Borrower Bank Savings Deposit Pledge, a Borrower Insurance Pledge and a Borrower Investment Pledge.
<b>Breach of Amortisation Test</b>	has the meaning ascribed thereto in section 16 ( <i>Asset Monitoring</i> ) under ' <i>Amortisation Test</i> ' of this Base Prospectus.
<b>Breach of Amortisation Test Notice</b>	means the notice from the Security Trustee to the CBC and the Issuer in writing stating that a Breach of Amortisation Test has occurred and that all Covered Bonds become Pass-Through Covered Bonds.
<b>Breach of Asset Cover Test</b>	has the meaning ascribed thereto in section 16 ( <i>Asset Monitoring</i> ) under ' <i>Asset Cover Test</i> ' of this Base Prospectus.
<b>Breach of Asset Cover Test Notice</b>	means a notice served by the Security Trustee addressed to the Issuer and the CBC informing them that a Breach of Asset Cover Test has occurred (i.e. the Asset Cover Test is breached for the second time in a row) and that, until remedied, no new Covered Bonds may be issued and that certain payments will not be made to the Issuer.
<b>BRRD</b>	means Directive 2014/59/EU of the European Parliament and of the Council establishing a framework for the recovery and resolution of credit institutions and investment firms.
<b>Business Day</b>	means (i) a day on which banks are generally open for business in Amsterdam and London, provided that such day is also a day on which TARGET 2 or any successor thereto is operating credit or transfer instructions in respect of payments in euro, or (ii), if used in or by reference to Condition 5 ( <i>Interest</i> ), such day as determined in accordance with Condition 5 ( <i>Interest</i> ) and the applicable Final Terms.
<b>Calculation Agency Agreement</b>	means the Agency Agreement and any further calculation agency agreement (if any) similar to the form attached to the Agency Agreement.
<b>Calculation Agent</b>	means in relation to the Covered Bonds of any Series, the institution appointed as calculation agent in relation to such Covered Bonds pursuant to the Calculation Agency Agreement (Schedule 3 to the Agency Agreement) or the Agency Agreement.

<b>Calculation Amount</b>	has the meaning ascribed thereto in the applicable Final Terms.
<b>Calculation Date</b>	has the meaning ascribed thereto in Condition 10(b) ( <i>Events of Default and Enforcement</i> ).
<b>Calculation Period</b>	has the meaning ascribed thereto in Condition 10(b) ( <i>Events of Default and Enforcement</i> ).
<b>Cap</b>	means the maximum interest rate that may apply to a Floating Rate Covered Bond.
<b>CB Regulations</b>	means the applicable Dutch covered bond law and regulations relating to the legal requirements for registered covered bonds ( <i>geregistreerde gedekte obligaties</i> ) as amended from time to time and as currently included in the Wft and regulations relating thereto.
<b>CBC</b>	means Achmea Conditional Pass-Through Covered Bond Company B.V. or its successor or successors.
<b>CBC Acceleration Notice</b>	means a notice from the Security Trustee in writing to the CBC, copied to the Issuer, that each Covered Bond of each Series is, and each Covered Bond of each Series shall as against the Issuer (if not already due and repayable against it following an Issuer Event of Default) and, through the Guarantee, as against the CBC, thereupon immediately become, due and repayable at its Early Redemption Amount together with accrued interest as provided in the Trust Deed.
<b>CBC Account</b>	means the bank account of the CBC designated as such in the CBC Account Agreement.
<b>CBC Account Agreement</b>	means the CBC account agreement entered into on the Programme Date between the CBC, the CBC Account Bank and the Security Trustee as the same may be amended and/or supplemented and/or restated and/or novated or otherwise modified from time to time.
<b>CBC Account Bank</b>	means Citibank Europe plc, Netherlands Branch or its successor or successors.
<b>CBC Back-Up Account</b>	means the bank account of the CBC designated as such in the CBC Back-Up Account Agreement.
<b>CBC Back-Up Account Agreement</b>	means the CBC back-up account agreement entered into on the Programme Date between the CBC, the CBC Back-Up Account Bank and the Security Trustee as the same may be amended and/or supplemented and/or restated and/or novated or otherwise modified from time to time.
<b>CBC Back-Up Account Bank</b>	means Rabobank or its successor or successors.
<b>CBC Event of Default</b>	means any of the events specified as such in Condition 10(b) ( <i>Events of Default and Enforcement</i> ).
<b>CBC Payment Date</b>	has the meaning ascribed thereto in Condition 10(b) ( <i>Events of Default and Enforcement</i> ).
<b>CBC Payment Period</b>	means each period from (and including) a CBC Payment Date to (but excluding) the next CBC Payment Date.
<b>CBC Priority of Payments</b>	has the meaning ascribed thereto in section 18 ( <i>Cashflows</i> ) of this Base Prospectus.
<b>CBC Transaction</b>	means the CBC Account, the Reserve Account and the Swap Cash Collateral

<b>Accounts</b>	Account.
<b>CBC Transaction Documents</b>	means (i) the Guarantee Support Agreement, (ii) the Servicing Agreement, (iii) the Administration Agreement, (iv) the Insurance Savings Participation Agreement, (v) the Bank Savings Participation Agreement, (vi) the Asset Monitor Appointment Agreement; (vii) the Agency Agreement; (viii) the CBC Account Agreement; (ix) the CBC Back-Up Account Agreement and (x) the Back-up Administration Agreement and (xi) any other document of which the rights of the CBC under such document will be pledged to the Security Trustee pursuant to the Security Trustee Rights Pledge Agreement.
<b>Clearstream, Luxembourg</b>	means Clearstream Banking, S.A.
<b>Collar</b>	means the structure in which both a Cap and a Floor apply to a Floating Rate Covered Bond.
<b>Collateral Market Value</b>	means the market value of the relevant Transferred Collateral on any date.
<b>Collection Foundation</b>	means Stichting Incasso Achmea Hypotheken, a foundation ( <i>stichting</i> ) organised under the laws of the Netherlands and with its statutory seat in Amsterdam or its successor or successors.
<b>Collection Foundation Accounts</b>	means the bank account maintained by the Collection Foundation.
<b>Collection Foundation Pledge Agreement</b>	means the pledge agreement between, among others, the Issuer, the Security Trustee, the Previous Outstanding Transaction SPVs, the Previous Outstanding Transaction Security Trustees dated 1 June 2018, or, the pledge agreement or pledge agreements entered into by one or more of the aforementioned parties in replacement of the relevant collection foundation accounts pledge agreement or collection foundation accounts pledge agreements in force at that time, and/or in addition to the existing collection foundation accounts pledge agreements in force at that time.
<b>Compensation Schemes</b>	means the Netherlands and other jurisdictions deposit guarantee schemes and similar funds.
<b>Conditions</b>	means in respect of a Series or Tranche the Terms and Conditions as supplemented, amended and/or disapplied by the relevant Final Terms.
<b>CONSOB</b>	means Commissione Nazionale per le Società e la Borsa.
<b>Construction Deposit</b>	means in relation to a Mortgage Loan, that part of the Mortgage Loan which the relevant Borrower requested to be disbursed into a blocked account held in his name with the relevant Transferor, the proceeds of which can only be applied towards construction of, or improvements to, the relevant Mortgaged Asset.
<b>Convertibility Event</b>	means the (indirect or direct) determination by the national government of the country in the currency of which the Covered Bonds were issued, or in respect of the euro the Netherlands, that such currency is substituted by another currency.
<b>Couponholders</b>	means the holders of the Coupons.
<b>Coupons</b>	means the interest coupons appertaining to the Covered Bonds.
<b>Covered Bondholders</b>	means the holders for the time being of the Covered Bonds.
<b>Covered Bonds</b>	means the conditional pass-through covered bonds issued or to be issued under

the Programme.

<b>CRA Regulation</b>	means Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies (as amended).
<b>CRD IV</b>	means the CRD IV Directive and the CRR together.
<b>CRD IV Directive</b>	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.
<b>CRR</b>	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 and any implementing technical standards issued by the European Banking Authority or any successor body, from time to time.
<b>CRR Status</b>	means that the Programme and/or Covered Bonds issued thereunder, as applicable, comply with the requirements set out in article 129 of the CRR and its relevant implementing measures or its successor regulations.
<b>CRS</b>	means Common Reporting Standard.
<b>Current Balance</b>	means in relation to an Eligible Receivable at any date, the aggregate (without double counting) of the Net Outstanding Principal Amount, Accrued Interest (unless it concerns calculations for either the Asset Cover Test or the Amortisation Test Aggregate Asset Amount, in which case Accrued Interest will not be included) and Arrears of Interest as at that date.
<b>Day Count Fraction</b>	has the meaning ascribed thereto in as defined in Condition 5 ( <i>Interest</i> ).
<b>Dealers</b>	means Rabobank and any additional dealer appointed in respect of Covered Bonds under the Programme from time to time, which appointment may be for a specific issue or on an ongoing basis.
<b>Defaulted Receivable</b>	<p>means any Mortgage Receivable (other than any Mortgage Receivable in respect of which payment is disputed (in whole or in part, with or without justification) by the Borrower owing such Mortgage Receivable or any Mortgage Receivable which has been written off by the Transferor as irrecoverable for accounting purposes in accordance with the Transferor's general accounting practices) in respect of which:</p> <ul style="list-style-type: none"><li>(i) a declaration has been made by the Transferor that such Mortgage Receivable is irrecoverable;</li><li>(ii) legal proceedings have been commenced for its recovery;</li><li>(iii) the related Borrower is declared bankrupt (<i>failliet verklaard</i>) or has been granted a suspension of payments (<i>surseance van betaling</i>) or debt rescheduling arrangement (<i>schuldsaneringsregeling</i>) or equivalent or analogous events or proceedings have occurred in relation to the relevant Borrower; or</li><li>(iv) the relevant Borrower has not paid (including, without limitation, payments made by third parties on behalf of the Borrower) by the end of the calendar month during which such Mortgage Receivable becomes more than 90 days overdue for payment from the original date on which such Mortgage Receivable is due and payable.</li></ul>
<b>Definitive Covered Bonds</b>	means Covered Bonds in definitive form in respect of any Series of Covered Bonds.

<b>Delivery Event</b>	means the event that Euroclear Nederland has been closed for business for a continuous period of fourteen (14) days (other than by reason of holiday, statutory or otherwise) or has announced an intention to cease business permanently or has in fact done so and no successor clearing system is available, provided that a Permanent Global Covered Bond may be delivered ( <i>uitgeleverd</i> ) pursuant to the Dutch Securities Giro Transfer Act ( <i>Wet giraal effectenverkeer</i> ).
<b>Deposit Agreement</b>	means the deposit agreement entered into between the CBC, the Security Trustee, the Issuer, the Transferor and the Agent as the same may be amended and/or supplemented and/or restated and/or novated or otherwise modified from time to time.
<b>Deposit Guarantee Scheme</b>	means the Dutch Deposit Guarantee Scheme ( <i>depositogarantiestelsel</i> ).
<b>Directors</b>	means Intertrust Management B.V., the sole director of the CBC, Intertrust Management B.V., the sole director of the Stichting Holding and IQ EQ Structured Finance B.V., the sole director of the Security Trustee.
<b>DNB</b>	means the Dutch Central Bank ( <i>De Nederlandsche Bank N.V.</i> ).
<b>DNB-registered covered bonds</b>	means covered bonds registered with DNB.
<b>Due for Payment</b>	means, with respect to a Guaranteed Amount, (i) prior to the service of a CBC Acceleration Notice, the Scheduled Payment Date in respect of such Guaranteed Amount or, if later, the day which is two (2) Business Days after service of an Issuer Acceleration Notice and a Notice to Pay on the CBC or (ii) after the service of a CBC Acceleration Notice, the date on which the CBC Acceleration Notice is served (or, in either case, if such day is not a Business Day, the first following Business Day).
<b>Dutch Civil Code</b>	means the Dutch Civil Code ( <i>Burgerlijk Wetboek</i> ) as amended from time to time.
<b>Early Redemption Amount</b>	has the meaning ascribed thereto in Condition 7(e) ( <i>Redemption and Purchase</i> ).
<b>ECB</b>	means the European Central Bank.
<b>EEA</b>	means the European Economic Area.
<b>Eligibility Criteria</b>	means the eligibility criteria set out in section 10 ( <i>Guarantee Support</i> ) of this Base Prospectus, which are all subject to amendment from time to time, provided that Rating Agency Confirmation is obtained in respect of such amendment.
<b>Eligible Assets</b>	means the Eligible Receivables and the Eligible Collateral.
<b>Eligible Collateral</b>	means euro denominated cash and/or Substitution Assets.
<b>Eligible Receivable</b>	means a mortgage receivable or a mortgage loan to which it relates which complies with the Eligibility Criteria as at the relevant Transfer Date.
<b>Eligible Swap Counterparty</b>	means a financial institution which is permitted under Dutch law to enter into derivative contracts with Dutch entities and whose (i) counterparty risk assessment by Moody's is not lower than the minimum counterparty risk assessment as would be sufficient to maintain the then current ratings of the Covered Bonds, based on the criteria of Moody's as amended from time to time and (ii) rating is not lower than 'F1' (short-term issuer default rating) or 'A' (derivative counterparty rating or, if such

	derivative counterparty rating is not assigned, long-term issuer default rating) by Fitch.
<b>EMIR</b>	means EU Regulation 648/2012 on OTC derivatives, central counterparties and trade repositories (commonly known as the European Market Infrastructure Regulation).
<b>Employee Mortgage Loan</b>	a Mortgage Loan granted to a Borrower who is an employee of Achmea Group.
<b>Enforcement Date</b>	means the date of an enforcement notice.
<b>ESMA</b>	means the European Securities and Markets Authority.
<b>EU Treaty</b>	means the treaty on the functioning of the European Union, as amended.
<b>EURIBOR</b>	means the Euro-zone inter-bank offered rate.
<b>euro</b>	means the currency introduced at the start of the third stage of European economic and monetary union pursuant to the EU Treaty.
<b>Euroclear</b>	means Euroclear Bank S.A./N.V.
<b>Euroclear Nederland</b>	means Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V.
<b>Euronext Amsterdam</b>	means Euronext in Amsterdam, the regulated market of Euronext Amsterdam N.V.
<b>Eurosystem</b>	means the central banking system for the euro.
<b>Excess Proceeds</b>	means all moneys (including Swap Collateral) received by the Security Trustee from the Issuer or any administrator, liquidator, trustee or other similar official appointed in relation to the Issuer following the service of an Issuer Acceleration Notice and a Notice to Pay but prior to a CBC Acceleration Notice.
<b>Excess Swap Replacement Amounts</b>	means any excess proceeds in the event that any Swap Agreement has been replaced and the Swap Replacement Amounts received by the CBC with respect to such transaction as is being so replaced exceed the amounts debited to the Swap Replacement Ledger pursuant to the Administration Agreement in respect of the replacement of such transaction (or the relevant Series will be redeemed or has been redeemed with the proceeds of a sale of Transferred Assets and the Swap Agreement has been terminated in connection with such redemption).
<b>Exchange Date</b>	means the date, not earlier than forty (40) days (nor (if the Temporary Global Covered Bond has been deposited with Euroclear Nederland) more than 90 days) after the issue date of the Covered Bonds (or the "restricted period" within the meaning of U.S. Treasury Regulations section 1.163-5(c)(2)(i)(D)(7)) on which interest in the Temporary Global Covered Bonds will be exchangeable for interests in the Permanent Global Covered Bonds.
<b>Exchange Event</b>	means that (i) the Covered Bonds become immediately due and repayable by reason of a CBC Event of Default or (ii) the Issuer has been notified that Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention to cease business permanently or have in fact done so and no successor clearing system is available or (iii) the Issuer or the CBC has or will become subject to adverse tax consequences which would not be suffered if the Covered Bonds represented by the Permanent Global Covered Bond, were in definitive form.

<b>Exchange Notice</b>	has the meaning ascribed thereto in Condition 4 ( <i>Redenomination</i> ).
<b>Excluded Swap Termination Amount</b>	means, in relation to a Swap Agreement, an amount equal to the amount of any termination payment due and payable to the relevant Swap Counterparty as a result of (a) an Event of Default or Termination Event (each as defined in such Swap Agreement) where the relevant Swap Counterparty is the Defaulting Party or the sole Affected Party or (b) a downgrade with respect to such Swap Counterparty.
<b>Extended Due for Payment Date</b>	means, subject to Condition 7(c) ( <i>Redemption at the option of the Issuer (Issuer Call)</i> ), the date falling thirty-two (32) years after the Maturity Date, as specified as such in the applicable Final Terms.
<b>Extraordinary Resolution</b>	has the meaning ascribed thereto in Condition 15 ( <i>Meeting of Covered Bondholders, modification and waiver</i> ).
<b>FATCA</b>	means sections 1471 through 1474 of the US IR Code of 1986.
<b>FATCA Withholding</b>	means any withholding or deduction required pursuant to an agreement described in section 1471(b) of the US IR Code or otherwise imposed pursuant to sections 1471 through 1474 of the US IR Code, any regulations or agreements thereunder, any official interpretations thereof or any law implementing an intergovernmental agreement thereto.
<b>FFI</b>	means the relevant non-U.S. financial institution pursuant to FATCA.
<b>FIEA</b>	means the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended).
<b>Final Redemption Amount</b>	means the final redemption amount specified in, or determined in the manner specified in, the applicable Final Terms in euro on the Maturity Date.
<b>Final Terms</b>	means any duly completed final terms in the form as set out in section 7 ( <i>Conditional Pass-Through Covered Bonds</i> ) of this Base Prospectus.
<b>First Regulatory Current Balance Amount</b>	has the meaning ascribed thereto in section 16 ( <i>Asset Monitoring</i> ) of this Base Prospectus.
<b>Fitch</b>	means Fitch Ratings Limited.
<b>Fixed Rate Coupon</b>	means Coupons which will bear interest at a fixed rate, payable on such date or dates as set forth in the applicable Final Terms.
<b>Fixed Rate Covered Bonds</b>	means Covered Bonds which will bear interest at a fixed rate, payable on such date or dates as set forth in the applicable Final Terms.
<b>Floating Interest Amount</b>	means the amount of interest payable on the Floating Rate Covered Bonds, in respect of each Calculation Amount for the relevant Interest Period.
<b>Floating Rate Covered Bonds</b>	means Covered Bonds which will bear interest at a floating rate, payable on such date or dates as set forth in the applicable Final Terms.
<b>Floor</b>	means a minimum interest rate that may apply to Floating Rate Covered Bonds.
<b>FSB</b>	means the Financial Stability Board.
<b>FSMA</b>	means the United Kingdom Financial Services and Markets Act 2000.
<b>Further Advance</b>	means either (i) further advances made under a Mortgage Loan which will be

secured by the same Mortgage as the loan previously disbursed under such Mortgage Loan (*verhoogde inschrijving*) and (ii) further advances made under a Mortgage Loan which will also be secured by a second or sequentially lower ranking Mortgage as the loan previously disbursed under such Mortgage Loan (*verhoging*) or (iii) a withdrawal of moneys which were previously repaid to redeem the Mortgage Loan (*heropname*).

<b>Further Advance Receivable</b>	means any and all rights of the Transferor under or in connection with a Further Advance.
<b>Global Covered Bonds</b>	means any Temporary Global Covered Bond or Permanent Global Covered Bond.
<b>Guarantee</b>	means the irrevocable and independent undertaking issued pursuant to the Trust Deed by the CBC to pay the Guaranteed Amounts when the same becomes Due for Payment.
<b>Guarantee Support Agreement</b>	means the guarantee support agreement entered into on the Programme Date between the CBC, the Transferor and the Security Trustee as the same may be amended and/or supplemented and/or restated and/or novated or otherwise modified from time to time.
<b>Guaranteed Amounts</b>	means, in respect of a Series: <ul style="list-style-type: none"><li>(a) with respect to any Scheduled Payment Date falling prior to the service of a CBC Acceleration Notice, the sum of the Scheduled Interest and Scheduled Principal payable on such Scheduled Payment Date; or</li><li>(b) with respect to any date after the service of a CBC Acceleration Notice, an amount equal to the aggregate of (i) the relevant Early Redemption Amount specified in the Terms and Conditions as being payable on that date and (ii) all accrued and unpaid interest and all other amounts due and payable in respect of the Covered Bonds and all amounts payable by the CBC under the Trust Deed, provided that any Guaranteed Amounts representing interest paid after the Maturity Date shall be paid on such dates and at such rates as specified in the applicable Final Terms.</li></ul>
<b>Guaranteed Final Redemption Amount</b>	means the Guaranteed Amount relating to Scheduled Principal payable on the Maturity Date or, if earlier, after service of a Breach of Amortisation Test Notice.
<b>ICSDs</b>	means one of the International Central Securities Depositories.
<b>IGA</b>	means an intergovernmental agreement in relation to FATCA.
<b>Independent Adviser</b>	has the meaning ascribed thereto in Condition 5(B)(ii)(c).
<b>Initial Bank Savings Participation</b>	has the meaning ascribed thereto in section 15 ( <i>Participation Agreements</i> ) of this Base Prospectus.
<b>Initial Insurance Savings Participation</b>	has the meaning ascribed thereto in section 15 ( <i>Participation Agreements</i> ) of this Base Prospectus.
<b>Insurance Company</b>	means any insurance company established in the Netherlands (other than the Insurance Savings Participant).
<b>Insurance Distribution Directive</b>	means Directive (EU) 2016/97 of the European Parliament and of the Council of 20 January 2016 on insurance distribution.
<b>Insurance Policy</b>	means a Life Insurance Policy, a Savings Insurance Policy or a Life Insurance Policy with a Savings Alternative or another insurance policy entered into as security for the Mortgage Loan.

<b>Insurance Savings Participant</b>	means Achmea Pensioen- en Levensverzekeringen N.V. or its successor or successors.
<b>Insurance Savings Participation</b>	has the meaning ascribed thereto in section 15 ( <i>Participation Agreements</i> ) of this Base Prospectus.
<b>Insurance Savings Participation Agreement</b>	means the insurance savings participation agreement between the CBC, the Security Trustee and the Insurance Savings Participant dated the Programme Date as the same may be amended and/or supplemented and/or restated and/or novated or otherwise modified from time to time.
<b>Insurance Savings Participation Fraction</b>	means an amount equal to the net amount received or recovered multiplied by the Insurance Savings Participation divided by the Outstanding Principal Amount of such Savings Mortgage Receivable or such Life Mortgage Receivable with a Savings Element.
<b>Insurance Savings Participation Increase</b>	has the meaning ascribed thereto in section 15 ( <i>Participation Agreements</i> ) of this Base Prospectus.
<b>Insurance Savings Participation Redemption Available Amount</b>	has the meaning ascribed thereto in section 15 ( <i>Participation Agreements</i> ) of this Base Prospectus.
<b>Interest Calculation Period</b>	means, in relation to the calculation of interest, a period starting or ending other than on an Interest Payment Date.
<b>Interest Commencement Date</b>	means the interest commencement date as specified in the applicable Final Terms.
<b>Interest Payment Date</b>	means each date which falls the number of months or other period specified as the Specified Period in the applicable Final Terms after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.
<b>Interest Receipts</b>	means: <ul style="list-style-type: none"> <li>(i) interest and fees and other amounts received by the CBC in respect of the Mortgage Receivables (including any penalties for late payments), other than Principal Receipts, less (A) in respect of each Savings Mortgage Receivable or Life Mortgage Receivable with a Savings Element which is subject to an Insurance Savings Participation, an amount equal to the net amount received or recovered multiplied by the Insurance Savings Participation Fraction and (B) in respect of each Bank Savings Mortgage Receivable which is subject to a Bank Savings Participation, an amount equal to the net amount received or recovered multiplied by the Bank Savings Participation Fraction;</li> <li>(ii) prepayment penalties received or recovered by the CBC in respect of the Mortgage Receivables; and</li> <li>(iii) any amounts received as Net Proceeds to the extent such proceeds do not relate to principal less (A) in respect of each Savings Mortgage Receivable or Life Mortgage Receivable with a Savings Element which is subject to an Insurance Savings Participation, an amount equal to the net amount received or recovered multiplied by the Insurance Savings Participation Fraction and (B) in respect of each Bank Savings Mortgage Receivable which is subject to a Bank Savings Participation, an amount equal to the net amount received or recovered multiplied by the Bank Savings Participation Fraction.</li> </ul>
<b>Interest Swap Agreement</b>	means any interest swap agreement entered into by the CBC and the Interest Swap Counterparty as the same may be amended and/or supplemented and/or restated

and/or novated or otherwise modified from time to time.

<b>Interest Swap Counterparty</b>	means any swap counterparty under any Interest Swap Agreement.
<b>Interim Period</b>	means the period from the day of the service of a Notice to Pay up to the immediately succeeding CBC Payment Date.
<b>Interpolis BTL</b>	means Achmea Pensioen- en Levensverzekeringen N.V. in its capacity as the legal successor of N.V. Interpolis BTL.
<b>Interpolis BTL Hypotheken</b>	means Achmea Bank N.V. in its capacity as the legal successor of Interpolis BTL Hypotheken B.V.
<b>Interpolis Schade Hypotheken</b>	means Achmea Bank N.V. in its capacity as the legal successor of Interpolis Schade Hypotheken B.V.
<b>Investment Alternative</b>	means in respect of a Life Mortgage Loan with the possibility of a Savings Element, the alternative whereby the Savings Investment Premiums are invested in investment funds (and not in the Savings Alternative).
<b>Investor Report</b>	means the investor report, drawn up by the Administrator following the end of each calendar month in the form set out in a Schedule to the Administration Agreement and delivered to, <i>inter alia</i> , the CBC and the Security Trustee two (2) Business Days prior to the immediately succeeding CBC Payment Date.
<b>Investor's Currency</b>	means the principal denominated currency or currency unit of an investor's financial activities.
<b>Issue Date</b>	means, in respect of a Series or Tranche, the date on which such Covered Bonds have been or will be issued as set out in the relevant Final Terms.
<b>Issue Price</b>	means, in respect of a Series or Tranche, the price for which such Covered Bonds have been or will be issued as set out in the relevant Final Terms.
<b>Issuer</b>	means Achmea Bank or its successor or successors.
<b>Issuer Acceleration Notice</b>	means a notice from the Security Trustee in writing to the Issuer that each Covered Bond of each Series is, and each such Covered Bond shall thereupon immediately become, due and repayable as against the Issuer (but not against the CBC) at its Early Redemption Amount together with accrued interest as provided in the Trust Deed.
<b>Issuer Event of Default</b>	means any of the events specified as such in Condition 10(a) ( <i>Events of Default and Enforcement</i> ).
<b>Italian Banking Act</b>	means the Italian Legislative Decree No. 385 of 1 September 1993, as amended.
<b>Italian Financial Services Act</b>	means the Italian Legislative Decree No. 58 of 24 February 1998, as amended.
<b>Life Insurance Policy</b>	means an insurance policy taken out by any Borrower comprised of a risk insurance element and a capital insurance element which pays out a certain amount on an agreed date or, if earlier, upon the death of the insured life.
<b>Life Insurance Policy with the possibility of a Savings Alternative</b>	means an insurance policy taken out by any Borrower with the Insurance Savings Participant, in connection with a Life Mortgage Loan, comprised of a risk insurance element and a capital insurance element which pays out a certain amount on an agreed date or, if earlier, upon the death of the insured life whereby the Borrower

	may choose whether the capital premium is invested in a Savings Alternative or an Investment Alternative.
<b>Life Mortgage Loan with the possibility of a Savings Element</b>	means a mortgage loan or part thereof in respect of which the Borrower is not required to repay principal until maturity, but instead pays on a monthly basis a premium to the Insurance Savings Participant under a Life Insurance Policy with the possibility of a Savings Element.
<b>Life Mortgage Loans</b>	means a mortgage loan or part thereof in respect of which the Borrower is not required to repay until maturity, but instead pays on a monthly basis a premium to the Insurance Company.
<b>Life Mortgage Receivable</b>	means the Mortgage Receivable resulting from a Life Mortgage Loan.
<b>Life Mortgage Receivables with a Savings Element</b>	means the Mortgage Receivable resulting from a Life Mortgage Loan with a Savings Element.
<b>Linear Mortgage Loan</b>	means a mortgage loan or part thereof in respect of which the Borrower each month pays a fixed amount of principal towards redemption of such mortgage loan (or relevant part thereof) until maturity.
<b>Liquidity Reserve Required Amount</b>	has the meaning ascribed thereto in section 18 ( <i>Cashflows</i> ) of this Base Prospectus.
<b>Listing Agent</b>	ABN AMRO Bank N.V. or its successor or successors.
<b>Loan Parts</b>	means one or more loan parts ( <i>leningdelen</i> ) of which a mortgage loan consists.
<b>LTV Cut-Off Percentage</b>	has the meaning ascribed thereto in section 16 ( <i>Asset Monitoring</i> ) of this Base Prospectus.
<b>Management Agreements</b>	means the management agreement entered into by each of the CBC, the Security Trustee and Stichting Holding with the relevant Director as the same may be amended and/or supplemented and/or restated and/or novated or otherwise modified from time to time.
<b>Margin</b>	means the relevant margin (if any) relating to a floating rate as specified in the applicable Final Terms as being the Margin.
<b>Master Definitions Agreement</b>	means the master definitions agreement entered into between, amongst others, the Issuer, the Transferor, the CBC, the Security Trustee and the Arranger dated the Programme Date as the same may be amended and/or supplemented and/or restated and/or novated or otherwise modified from time to time.
<b>Maturity Date</b>	has the meaning ascribed thereto in Condition 5 ( <i>Interest</i> ).
<b>Maximum Redemption Amount</b>	means the maximum redemption amount as specified in the applicable Final Terms.
<b>Member States</b>	means the Member States of the European Union.
<b>MiFID II</b>	means Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU.
<b>MiFIR</b>	means EU Regulation 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending EU Regulation

648/2012.

<b>Minimum Redemption Amount</b>	means the minimum redemption amount as specified in the applicable Final Terms.
<b>Moody's</b>	means Moody's Investors Service Ltd., and includes any successor to its rating business.
<b>Mortgage</b>	means a mortgage right ( <i>hypotheekrecht</i> ) securing the relevant Mortgage Receivables.
<b>Mortgage Conditions</b>	means, in relation to a Mortgage Loan, the terms and conditions applicable to such Mortgage Loan, as set forth in the relevant mortgage deed and/or in any loan document, offer document or any other document and/or in any applicable general terms and conditions for mortgages of the Transferor, as from time to time in effect.
<b>Mortgage Credit Directive</b>	means Directive 2014/17/EU of the European Parliament and of the Council of 4 February 2014 on credit agreements for consumers relating to residential immovable property and amending Directives 2008/48/EC and 2013/36/EU and Regulation (EU) No 1093/2010.
<b>Mortgage Deed</b>	means notarially certified copies of the notarial deeds constituting the Mortgage Loans.
<b>Mortgage Loans</b>	means the mortgage loans granted by the Transferor to the relevant Borrower which may consist of one or more loan part ( <i>leningdelen</i> ) as set forth in the relevant list of mortgage loans attached to the relevant deed of assignment and pledge, to the extent the relating mortgage receivable is not retransferred, sold or otherwise disposed of by the CBC.
<b>Mortgage Receivables</b>	means any and all rights of the Transferor (and after assignment of such rights to the CBC, the CBC) against the Borrower under or in connection with a Mortgage Loan, including any and all claims of the Transferor (or the CBC after assignment) on the Borrower as a result of the Mortgage Loan being terminated, dissolved or declared null and void.
<b>Mortgage Receivables Warranties</b>	has the meaning ascribed thereto in section 10 ( <i>Guarantee Support</i> ) of this Base Prospectus.
<b>Mortgaged Asset</b>	means (i) a real property ( <i>onroerende zaak</i> ), (ii) an apartment right ( <i>appartementsrecht</i> ) or (iii) a long lease ( <i>erfpachtsrecht</i> ) situated in the Netherlands on which a Mortgage is vested.
<b>Net Foreclosure Proceeds</b>	means (i) the proceeds of a foreclosure on a Mortgage, (ii) the proceeds of foreclosure on any other collateral securing the relevant Mortgage Receivable, (iii) the proceeds, if any, of collection of any insurance policy in connection with the relevant Mortgage Receivable, including fire insurance policy and Insurance Policy, (iv) the proceeds of the NHG Guarantee and any other guarantees or sureties, and (v) the proceeds of foreclosure on any other assets of the relevant Borrower, in each case after deduction of foreclosure costs in respect of such Mortgage Receivable.
<b>Net Outstanding Principal Amount</b>	means in relation to a Mortgage Receivable, at any date, the Outstanding Principal Amount of the relevant Mortgage Loan less (A) if it is a Savings Mortgage Loan or a Life Mortgage Loan with a Savings Element subject to an Insurance Savings Participation, an amount equal to the Insurance Savings Participation on such date and (B) if it is a Bank Savings Mortgage Loan subject to a Bank Savings Participation, an amount equal to the Bank Savings Participation on such date.

<b>Net Proceeds</b>	means in respect of a Mortgage Receivable the sum of (a) the proceeds of a foreclosure on the Mortgage, (b) the proceeds of foreclosure on any other collateral securing the Mortgage Receivable, (c) the proceeds, if any, of collection of any insurance policies in connection with the Mortgage Receivable, including but not limited to life insurance and fire insurance, (d) the proceeds of any guarantees or sureties in relation to the relevant Mortgage Receivables, and (e) the proceeds of foreclosure on any other assets of the relevant debtor, after deduction of foreclosure costs.
<b>New Transferor</b>	means any member of the Achmea Group which at the option of the Issuer accedes to the Programme and the Transaction Documents as new transferor.
<b>NGN form</b>	means the new global note form.
<b>NGN Temporary Global Covered Bond</b>	means each Temporary Global Covered Bond which is intended to be issued in NGN form.
<b>NHG Guarantee</b>	means a guarantee ( <i>borgtocht</i> ) under the NHG Conditions granted by Stichting WEW or a guarantee pursuant to the municipality guarantee ( <i>gemeentegarantie</i> ).
<b>NHG Mortgage Loan Receivable</b>	means the Mortgage Receivable resulting from an NHG Mortgage Loan.
<b>Notice to Pay</b>	means the notice from the Security Trustee in writing to the CBC to pay pursuant to the Guarantee.
<b>Old CB Regulations</b>	means the Dutch covered bond law and regulations relating to the legal requirements for the issuance of legal covered bonds as applicable prior to 1 January 2015.
<b>Optional Redemption Amount</b>	means the optional redemption amount(s) (if any) of the Covered Bonds as specified in the applicable Final Terms.
<b>Optional Redemption Date</b>	means the optional redemption date as specified in the applicable Final Terms.
<b>Original Market Value</b>	means in relation to any Mortgaged Asset the foreclosure value ( <i>executiewaarde</i> ) given to that Mortgaged Asset by the most recent valuation addressed to the Transferor that transferred the relevant Mortgage Receivable to the CBC, divided by 0.90 or such other factor as required from time to time by the applicable rules and regulations or any internal requirement of the Transferor in relation thereto or, as applicable, the market value ( <i>marktwaarde</i> ) given to that Mortgaged Asset by the most recent valuation addressed to the Transferor that transferred the relevant Mortgage Receivable to the CBC.
<b>Originator</b>	means (i) Avéro Hypotheken B.V., Centraal Beheer Hypotheken B.V., Centraal Beheer Woninghypotheken B.V., FBTO Hypotheken B.V. and Woonfonds Nederland B.V., in each case merged into the Transferor, (ii) Interpolis Schade Hypotheken B.V. and Interpolis BTL Hypotheken B.V., in each case acquired by and merged into the Transferor and (iii) the Transferor.
<b>Other Claims</b>	means any claim the Transferor has against the Borrower, other than a Mortgage Receivable, which is secured by the same Mortgage and/or Borrower Pledge.
<b>Outstanding Principal Amount</b>	means in respect of a Mortgage Receivable, on any date the (then remaining) aggregate principal sum ( <i>hoofdsom</i> ) due by the relevant Borrower under the relevant Mortgage Loan, including any Further Advance Receivable transferred to the CBC, and after the foreclosure of the relevant Mortgage Receivable resulting in a loss being realised, zero.

<b>Parallel Debt</b>	has the meaning ascribed thereto in section 8 ( <i>Asset Backed Guarantee</i> ) under ' <i>Security</i> ' of this Base Prospectus.
<b>Parallel Debt Agreement</b>	means the parallel debt agreement entered into by, <i>inter alia</i> , the CBC and the Security Trustee dated the Programme Date as the same may be amended and/or supplemented and/or restated and/or novated or otherwise modified from time to time.
<b>Pass-Through Covered Bonds</b>	means (i) each Covered Bond of a Series in respect of which any amount has remained unpaid on the relevant Maturity Date or (ii) after the service of a Notice to Pay and a Breach of Amortisation Test Notice, all Series of Covered Bonds.
<b>Paying Agents</b>	means the Principal Paying Agent and any paying agent appointed under the Agency Agreement.
<b>Permanent Global Covered Bonds</b>	means a permanent global covered bond in respect of a Series without interest coupons attached.
<b>Pledge Agreements</b>	means the Security Trustee Rights Pledge Agreement, the Security Trustee Receivables Pledge Agreement and any other agreement pursuant to which security is granted to the Security Trustee on any Transferred Asset other than the Mortgage Receivables and the Beneficiary Rights relating thereto entered into with the Security Trustee, as the same may be amended and/or supplemented and/or restated and/or novated or otherwise modified from time to time.
<b>Pledge Notification Event</b>	means any of the events specified in the Security Trustee Receivables Pledge Agreement.
<b>Portfolio Manager</b>	means a portfolio manager appointed by the CBC to arrange the sale of Selected Mortgage Receivables to a third party.
<b>Portfolio Swap Agreement</b>	means any portfolio swap agreement entered into by the CBC and the relevant Portfolio Swap Counterparty as the same may be amended and/or supplemented and/or restated and/or novated or otherwise modified from time to time.
<b>Portfolio Swap Counterparty</b>	means any swap counterparty under any Portfolio Swap Agreement.
<b>Portfolio Swap Fraction</b>	means the fraction to be calculated in relation to the relevant Portfolio Swap Agreement by dividing (i) the Principal Amount Outstanding of the relevant Series of Covered Bonds by (ii) the Principal Amount Outstanding of all outstanding Covered Bonds.
<b>Post CBC Acceleration Notice Priority of Payments</b>	has the meaning ascribed thereto in section 18 ( <i>Cashflows</i> ) of this Base Prospectus.
<b>Previous Outstanding Transaction Security Trustees</b>	means Stichting Security Trustee DMPL XII, Stichting Security Trustee DRMP I, Stichting Security Trustee DRMP II, Stichting Security Trustee SRMP I, Stichting Trustee Achmea Covered Bond Company and Stichting Trustee Achmea Bank.
<b>Previous Outstanding Transaction SPVs</b>	means Dutch Mortgage Portfolio Loans XII B.V., Dutch Residential Mortgage Portfolio I B.V., Dutch Residential Mortgage Portfolio II B.V., Securitised Residential Mortgage Portfolio I B.V. and Achmea Covered Bond Company B.V.
<b>PRIIPs Regulation</b>	means Regulation (EU) No 1286/2014 of the European Parliament and the Council of 26 November 2014 on key information documents for packaged retail and insurance-based investment products.

<b>Principal Amount Outstanding</b>	has the meaning ascribed thereto in Condition 5 ( <i>Interest</i> ) of this Base Prospectus.
<b>Principal Paying Agent</b>	means ABN AMRO Bank N.V. or its successor or successors.
<b>Principal Receipts</b>	means: <ul style="list-style-type: none"> <li>(i) any amount received as principal under the Mortgage Receivables (as repayment, prepayment, sale, refinancing, including payments of arrears, Accrued Interest and Arrears of Interest as at the relevant Transfer Date of a Receivable, but excluding prepayment penalties) less (A) in respect of each Savings Mortgage Receivable and each Life Mortgage Receivable with a Savings Element which is subject to an Insurance Savings Participation, the Insurance Savings Participation in such Savings Mortgage Receivable or such Life Mortgage Receivable with a Savings Element and (B) in respect of each Bank Savings Mortgage Receivable which is subject to a Bank Savings Participation, the Bank Savings Participation in such Bank Savings Mortgage Receivable;</li> <li>(ii) any amounts received or recovered as Net Proceeds to the extent relating to principal less (A) in respect of each Savings Mortgage Receivable and each Life Mortgage Receivable with a Savings Element which is subject to an Insurance Savings Participation, the Insurance Savings Participation in such Savings Mortgage Receivable or such Life Mortgage Receivable with a Savings Element and (B) in respect of each Bank Savings Mortgage Receivable which is subject to a Bank Savings Participation, the Bank Savings Participation in such Bank Savings Mortgage Receivable; and</li> <li>(iii) any amounts received as Bank Savings Participation Increase and Insurance Savings Participation Increase and Initial Bank Savings Participation and the Initial Insurance Savings Participation.</li> </ul>
<b>Priority of Payments</b>	means the CBC Priority of Payments and the Post CBC Acceleration Notice Priority of Payments.
<b>Programme</b>	means the EUR 5,000,000,000 Conditional Pass-Through Covered Bond Programme of the Issuer.
<b>Programme Agreement</b>	means the programme agreement dated the Programme Date between, <i>inter alia</i> , the Issuer, the CBC, the Arranger and the Dealers as the same may be amended and/or supplemented and/or restated and/or novated or otherwise modified from time to time.
<b>Programme Date</b>	means 2 November 2017.
<b>Programme Resolution</b>	has the meaning ascribed thereto in Condition 15 ( <i>Meeting of Covered Bondholders, modification and waiver</i> ).
<b>Prospectus Regulation</b>	means Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71 and includes any commission delegated regulation thereunder.
<b>Rabobank</b>	Coöperatieve Rabobank U.A. or its successor or successors.
<b>Rate Determination Agent</b>	has the meaning ascribed thereto in Condition 5(B)(ii)(c).
<b>Rate of Interest</b>	means the rate of interest payable from time to time in respect of the Floating Rate Covered Bonds.

<b>Rating Agencies</b>	means any rating agency (or its successor) who, at the request of the Issuer assigns, and for as long as it assigns, one or more ratings to the Covered Bonds under the Programme from time to time, which at the date of this Base Prospectus includes Fitch and Moody's.
<b>Rating Agency Confirmation</b>	<p>means, with respect to a matter which requires Rating Agency Confirmation under the Transaction Documents, (A) a notification to each Rating Agency and (B) in respect of each Rating Agency other than Fitch (unless Fitch can provide a confirmation or an indication, as referred to under (a) and (b) below respectively, pursuant to its policies):</p> <ul style="list-style-type: none"> <li>(a) a confirmation, in a form and substance satisfactory to the Security Trustee, from such Rating Agency that its then current ratings of the Covered Bonds will not be adversely affected by or withdrawn as a result of the relevant matter (a "<b>confirmation</b>"), or</li> <li>(b) if no confirmation is forthcoming from such Rating Agency, a written indication, by whatever means of communication, from such Rating Agency that it does not have any (or any further) comments in respect of the relevant matter (an "<b>indication</b>"); or</li> <li>(c) if no confirmation and no indication is forthcoming from such Rating Agency and such Rating Agency has not communicated that the then current ratings of the Covered Bonds 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: <ul style="list-style-type: none"> <li>(i) a written communication, by whatever means, from such 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</li> <li>(ii) if such Rating Agency has not communicated that it requires more time or information to analyse the relevant matter, evidence that 30 days have passed since such Rating Agency was notified of the relevant matter and that reasonable efforts were made to obtain a confirmation or an indication from such Rating Agency.</li> </ul> </li> </ul>
<b>Recalcitrant Holders</b>	means investors that do not provide information sufficient to determine whether the investor is a U.S. person or should otherwise be treated as holding a "reportable account" in relation to FATCA.
<b>Recast Deposit Guarantee Directive</b>	means the (recast) EU Directive on deposit guarantee schemes (2014/49/EU).
<b>Receivables Proceeds Distribution Agreement</b>	means receivables proceeds distribution agreement between, amongst others, the Issuer, the Security Trustee, the Collection Foundation, the Previous Outstanding Transaction SPVs, the Previous Outstanding Transaction Security Trustees originally dated 28 May 2010, as amended from time to time.
<b>Record Date</b>	means, in relation to Registered Covered Bonds, the close of business of the Business Day prior to the due date on which payments of principal, interest (if any) and other amounts will be made to the person shown on the Register as being entitled to the relevant amount of principal or interest or other amount.
<b>Redeemed Covered Bonds</b>	means, in case of a partial redemption, the Covered Bonds to be redeemed.
<b>Refinance Date</b>	means the date on which the CBC shall sell or refinance the Selected Transferred Asset after the occurrence of an Event of Default.
<b>Register</b>	means the register kept by the Registrar and in which the details, transfers and amendments in relation to the Registered Covered Bonds are registered by the

	Registrar in accordance with the Agency Agreement.
<b>Registered Covered Bonds</b>	means the Covered Bonds in registered form.
<b>Registered Covered Bonds Deed</b>	means a deed of issuance of Registered Covered Bonds issued pursuant to the Trust Deed.
<b>Registrar</b>	means Citibank N.A., London Branch.
<b>Regulated Status</b>	means the status of being compliant with the requirements for the legal covered bonds as set out in the CB Regulations.
<b>Regulation S</b>	means the Regulation S under the Securities Act.
<b>Relevant Remedy Period</b>	means the maximum remedy period from time to time, as required to sustain the then current rating of the Covered Bonds, as of the date of the Programme Date being (a) in case of a loss of the Requisite Credit Rating by Moody's, thirty (30) calendar days and/or (b) in case of a loss of the Requisite Credit Rating by Fitch, thirty (30) calendar days.
<b>Relevant Screen Page</b>	means the screen page specified in the applicable Final Terms.
<b>Replacement Reference Rate</b>	has the meaning ascribed thereto in Condition 5(B)(ii)(c).
<b>Required Redemption Amount</b>	means in respect of a Series, the aggregate Principal Amount Outstanding of such Series.
<b>Requisite Credit Rating</b>	means in respect of the ratings other than the ratings of an Eligible Swap Counterparty, (a) the minimum ratings as set out in the criteria of Moody's from time to time regarding the capacity of the relevant counterparty under the Programme as would be sufficient to maintain the then current ratings of the Covered Bonds, which is at the Programme Date a rating being equal to 'Prime-1' (short-term) and (b) in respect of Fitch a rating being equal to 'F1' (short-term issuer default rating) or 'A' (long-term issuer default rating) by Fitch or, in respect of an account bank 'F1' (short-term issuer default rating) or 'A' (deposit rating or, if such deposit rating is not assigned, long-term issuer default rating) or (c) such other lower rating or ratings as may be agreed by the Security Trustee, the CBC and the Issuer.
<b>Reserve Account</b>	means the bank account of the CBC designated as such in the CBC Account Agreement.
<b>Reserve Account Required Amount</b>	has the meaning ascribed thereto in section 18 ( <i>Cashflows</i> ) of this Base Prospectus.
<b>RTS</b>	means regulatory technical standards.
<b>Savings Alternative</b>	means in respect of a Life Mortgage Loan with the possibility of a Savings Element, the alternative whereby the Savings Investment Premiums are used to build up a savings deposit.
<b>Savings Insurance Policy</b>	means an insurance policy taken out by any Borrower, in connection with a Savings Mortgage Loan, comprised of a risk insurance element and a capital insurance element which pays out a certain amount on an agreed date or, if earlier, upon the death of the insured life.
<b>Savings Investment Premium</b>	means the premiums to be invested under a Life Insurance Policy with the possibility of a Savings Alternative in respect of a Life Mortgage Loan.

<b>Savings Mortgage Loan</b>	means a mortgage loan or part thereof in respect of which the Borrower is not required to repay principal until maturity, but instead pays on a monthly basis a premium to the Insurance Savings Participant under a Savings Insurance Policy.
<b>Savings Mortgage Receivable</b>	means a Mortgage Receivable resulting from a Savings Mortgage Loan.
<b>Savings Premium</b>	means the savings part of the premium due and any extra saving amounts paid by the relevant Borrower, if any, to the Insurance Company on the basis of the Savings Insurance Policy.
<b>Savings Switch</b>	means, in respect of a Savings Mortgage Loan or a Life Mortgage Loan with Savings Alternative, the switch of whole or part of the premiums accumulated in the relevant Savings Insurance Policy or Life Insurance Policy with a Savings Alternative into the value of a Life Insurance Policy, other than a Life Insurance Policy with a Savings Alternative.
<b>Scheduled Interest</b>	means, in respect of a Series, any amount of scheduled interest payable (i) under the Covered Bonds as specified in Condition 5 ( <i>Interest</i> ) (but excluding (a) any additional amounts relating to premiums, default interest or interest upon interest payable by the Issuer following an Issuer Event of Default and (b) any additional amounts the Issuer would be obliged to pay as a result of any gross-up in respect of any withholding or deduction made under the circumstances set out in Condition 8 ( <i>Taxation</i> )), for this purpose disregarding any Excess Proceeds received by the Security Trustee on account of scheduled interest and on-paid to the CBC in accordance with the Trust Deed, or (ii) under the Guarantee as specified in Condition 3(b) ( <i>The Guarantee</i> ).
<b>Scheduled Payment Date</b>	means, in respect of a Series, each Interest Payment Date and the Maturity Date as specified in (i) in the case of Scheduled Interest, Condition 5 ( <i>Interest</i> ) or Condition 3(b) ( <i>The Guarantee</i> ), as the case may be, or (ii) in the case of Scheduled Principal, Condition 7(a) ( <i>Redemption at Maturity</i> ).
<b>Scheduled Principal</b>	means, in respect of a Series, any amount of scheduled principal payable under the Covered Bonds as specified in Condition 7(a) ( <i>Redemption at Maturity</i> ) (but excluding (a) any additional amounts relating to prepayments, early redemption, broken funding indemnities, penalties, premiums or default interest payable by the Issuer following an Issuer Event of Default and (b) any additional amounts the Issuer would be obliged to pay as a result of any gross-up in respect of any withholding or deduction made under the circumstances set out in Condition 8 ( <i>Taxation</i> )), for this purpose disregarding any Excess Proceeds received by the Security Trustee on account of scheduled principal and on-paid to the CBC in accordance with the Trust Deed.
<b>Second Regulatory Current Balance Amount</b>	has the meaning ascribed thereto in section 16 ( <i>Asset Monitoring</i> ) under 'Asset Cover Test' of this Base Prospectus.
<b>Secured Creditors</b>	means (i) the Covered Bondholders, (ii) the Directors, (iii) the Servicer, (iv) the Administrator, (v) the Paying Agents, (vi) the Registrar, (vii) the Calculation Agent, (viii) the Swap Counterparties (if any), (ix) the Asset Monitor, (x) the CBC Account Bank, (xi) the CBC Back-Up Account Bank, (xii) the Transferor, (xiii) the Back-up Administrator, (xiv) the Insurance Savings Participant, (xv) the Bank Savings Participant and (xvi) such other party designated by the Security Trustee to become a secured creditor.
<b>Securities Act</b>	means the U.S. Securities Act of 1933, as amended.

<b>Security</b>	means the Transferred Assets and the rights of the CBC under or in connection with the CBC Transaction Documents relating to the CBC, pledged by the CBC in favour of the Security Trustee.
<b>Security Documents</b>	means all deeds and/or other documents under which the CBC creates first ranking security in favour of the Security Trustee over the Transferred Assets and certain other assets of the CBC.
<b>Security Trustee</b>	means Stichting Security Trustee Achmea Conditional Pass-Through Covered Bond Company or its successor or successors.
<b>Security Trustee Receivables Pledge Agreement</b>	means the security trustee receivables pledge agreement entered into on the Programme Date between the CBC and the Security Trustee as the same may be amended and/or supplemented and/or restated and/or novated or otherwise modified from time to time.
<b>Security Trustee Rights Pledge Agreement</b>	means the security trustee rights pledge agreement entered into on the Programme Date between the CBC, the Security Trustee, the Transferor, the Servicer, the Administrator, CBC Account Bank, the CBC Back-Up Account Bank, the Asset Monitor, the Registrar and the Paying Agent as the same may be amended and/or supplemented and/or restated and/or novated or otherwise modified from time to time.
<b>Security Trustee's Director</b>	means IQ EQ Structured Finance B.V. and/or such other person(s) who may be appointed as director(s) ( <i>bestuurder</i> ) of the Security Trustee from time to time.
<b>Selected Transferred Assets</b>	means the Transferred Assets that are randomly selected by the CBC pursuant to the terms of the Asset Monitoring Agreement on a Refinance Date.
<b>Series</b>	means a Tranche of Covered Bonds together with any further Tranche or Tranches of Covered Bonds which are (i) expressed to be consolidated and form a single series and (ii) identical in all respects (including as to listing) except for their respective Issue Dates, Interest Commencement Dates and/or Issue Prices.
<b>Servicer</b>	means Achmea Bank N.V. in its capacity as servicer, in respect of the relevant Mortgage Receivables originated by it or in respect of which it has been appointed as Servicer under the Servicing Agreement or its successor or successors.
<b>Servicing Agreement</b>	means the servicing agreement entered into on the Programme Date between the CBC, the Servicer and the Security Trustee as the same may be amended and/or supplemented and/or restated and/or novated or otherwise modified from time to time.
<b>Solvency II</b>	means European Parliament legislative resolution of 22 April 2009 on the amended proposal for a directive of the European Parliament and of the Council on the taking-up and pursuit of the business of Insurance and Reinsurance.
<b>Specified Currency</b>	means the currency as specified in the applicable Final Terms.
<b>Specified Denomination</b>	means the denomination as specified in the applicable Final Terms.
<b>Specified Interest Payment Date</b>	means the specified interest payment date as specified in the applicable Final Terms.
<b>SRM</b>	means single resolution mechanism.
<b>SRM Regulation</b>	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 (Single Resolution Mechanism) and as amended from time to time.

<b>Stabilising Manager</b>	means the appointed stabilising manager in connection with the relevant issue of Covered Bonds.
<b>Standardised Approach</b>	means section 2 (Standardised Approach) of the CRR (as amended, varied and/or supplemented from time to time), as applicable.
<b>Stichting Holding</b>	means Stichting Holding Achmea Conditional Pass-Through Covered Bond Company or its successor or successors.
<b>Stichting WEW</b>	means Stichting Waarborgfonds Eigen Woningen (WEW).
<b>Structured Swap Agreement</b>	means any structured swap agreement entered into by the CBC and the Structured Swap Counterparty as the same may be amended and/or supplemented and/or restated and/or novated or otherwise modified from time to time.
<b>Structured Swap Counterparty</b>	means any swap counterparty under any Structured Swap Agreement.
<b>Structured Swap Rate</b>	means the currency exchange rate set out in any Structured Swap Agreement.
<b>Sub-servicer</b>	means the sub-servicer as appointed by the Servicer in accordance with the terms of the Servicing Agreement as its sub-agent to carry out part of the servicing.
<b>Substituted Debtor</b>	means any directly or indirectly wholly owned subsidiary of the Issuer which replaces or substitutes the Issuer as principal debtor in respect of the Covered Bonds and the relative Coupons subject to and in accordance with Condition 17 ( <i>Substitution of the Issuer</i> ).
<b>Substitution Assets</b>	<p>means the classes of assets denominated in euro from time to time eligible under the CRR and/or the Wft to collateralise covered bonds including (on the date of this Base Prospectus) and subject to certain limitations:</p> <ul style="list-style-type: none"><li>(a) exposures to or guaranteed by central governments, central banks or international organisations in accordance with article 129(1)(a) CRR;</li><li>(b) exposures to or guaranteed by public sector entities, regional governments or local authorities in accordance with article 129(1)(b) CRR;</li><li>(c) exposures to institutions in accordance with article 129(1)(c) CRR; and</li><li>(d) exposures for which DNB has waived the application of article 129(1)(c) CRR in accordance with article 129(1) CRR third paragraph,</li></ul> <p>which assets on an aggregate basis are subject to a limit of 20 per cent., or such other percentage as required under the Wft, of the aggregate Principal Amount Outstanding of the Covered Bonds.</p>
<b>Swap Agreements</b>	means any Portfolio Swap Agreement, any Interest Swap Agreement and any Structured Swap Agreement.
<b>Swap Cash Collateral Account</b>	means the bank account of the CBC designated as such in the CBC Account Agreement.
<b>Swap Collateral</b>	means any collateral to be provided under the Swap Agreement.
<b>Swap Collateral Amounts</b>	means any collateral to be provided by a Swap Counterparty following its downgrade.
<b>Swap Counterparty</b>	means the Portfolio Swap Counterparty or Portfolio Swap Counterparties and/or the

	Interest Swap Counterparty or Interest Swap Counterparties and/or the Structured Swap Counterparty or Structured Swap Counterparties.
<b>Swap Replacement Amounts</b>	means (a) those amounts received from any replacement Swap Counterparty in consideration of the entry into between the CBC and such replacement Swap Counterparty of a swap transaction to replace any Swap Agreement and (b) those amounts received from any Swap Counterparty in respect of any Swap Agreement which has terminated for any reason.
<b>Swap Replacement Ledger</b>	means the swap replacement ledger held by the CBC in relation to the Swap Replacements Amounts.
<b>Talons</b>	means, if indicated in the Final Terms, talons for further Coupons.
<b>Tax Event</b>	means (i) any action taken by a relevant taxing authority or brought in a court of competent jurisdiction, or (ii) any change in tax law, in both cases after the date of the relevant Swap Agreement, due to which the relevant Swap Counterparty will, or there is a substantial likelihood that it will, be required to pay to the CBC additional amounts for or on account of tax.
<b>Temporary Global Covered Bond</b>	means a temporary global covered bond in respect of a Series of Covered Bonds without interest coupons attached.
<b>Terms and Conditions</b>	means the terms and conditions set forth in section 7 ( <i>Conditional Pass-Through Covered Bonds</i> ) of the Base Prospectus.
<b>Tranche</b>	means a tranche of a Series.
<b>Transaction Documents</b>	means the Pledge Agreements, the Administration Agreement, the Back-up Administration Agreement, the Servicing Agreement, the CBC Account Agreement, the CBC Back-Up Account Agreement, the Trust Deed, the Parallel Debt Agreement, the Agency Agreement, the Guarantee Support Agreement, each Deed of Assignment and Pledge, the Receivables Proceeds Distribution Agreement, the Collection Foundation Account Pledge Agreement, the Asset Monitoring Agreement, the Asset Monitor Appointment Agreement, the Master Definitions Agreement, the Programme Agreement, the Deposit Agreement, the Swap Agreements (if any), any Calculation Agency Agreement (if any), the Insurance Savings Participation Agreements and the Bank Savings Participation Agreement and the Management Agreements.
<b>Transfer Date</b>	means the date of transfer of any Eligible Assets to the CBC in accordance with the Guarantee Support Agreement.
<b>Transferor</b>	means Achmea Bank or its successor or successors.
<b>Transferor Warranties</b>	means the representations and warranties given by the Transferor with respect to it as set out in the Guarantee Support Agreement including the Mortgage Receivables Warranties.
<b>Transferred Assets</b>	means the Mortgage Receivables and the Beneficiary Rights relating thereto and the Transferred Collateral.
<b>Transferred Collateral</b>	means any Eligible Collateral transferred or purported to be transferred to the CBC pursuant to the Guarantee Support Agreement, to the extent not redeemed, retransferred, sold or otherwise disposed, or agreed to be disposed, of by the CBC.
<b>Trust Deed</b>	means the trust deed entered into by the Issuer, the CBC, the Stichting Holding and the Security Trustee dated the Programme Date.

<b>UK</b>	means the United Kingdom;
<b>U.S.-Netherlands IGA</b>	means the intergovernmental agreement entered into on 18 December 2013 between the Netherlands and the United States in relation to FATCA.
<b>UCITS Directive</b>	means Directive 2009/65/EC (as amended by Directive 2014/91/EU) on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities.
<b>US IR Code</b>	U.S. Internal Revenue Code of 1986 (as amended).
<b>Wft</b>	means the Dutch Financial Supervision Act ( <i>Wet op het financieel toezicht</i> ), as amended from time to time.
<b>Wge</b>	means the Dutch Securities Giro Transfer Act ( <i>Wet giraal effectenverkeer</i> ).

**REGISTERED OFFICES**

**ISSUER, TRANSFEROR AND SERVICER**

**Achmea Bank N.V.**

Spoorlaan 298  
5017 JZ Tilburg  
The Netherlands

**ARRANGER AND DEALER**

**Coöperatieve Rabobank U.A.**

Croeselaan 18  
3521 CB Utrecht  
The Netherlands

**CBC**

**Achmea Conditional Pass-Through Covered Bond Company B.V.**

Prins Bernhardplein 200  
1097 JB Amsterdam  
The Netherlands

**SECURITY TRUSTEE**

**Stichting Security Trustee Achmea Conditional Pass-Through Covered Bond Company**

Hoogoorddreef 15,  
1101 BA Amsterdam  
The Netherlands

**LEGAL ADVISER AND TAX ADVISER**

**to the Issuer:**

**NautaDutilh N.V.**

Beethovenstraat 400  
1082 PR Amsterdam  
The Netherlands

**to the Arranger and Dealer:**

**Clifford Chance LLP**

IJsbaanpad 2  
1076 CV Amsterdam  
The Netherlands

**PRINCIPAL PAYING AGENT AND LISTING AGENT**

**ABN AMRO Bank N.V.**

Gustav Mahlerlaan 10  
1082 PP Amsterdam  
The Netherlands

**REGISTRAR**

**Citibank N.A., London Branch**

Citigroup Centre  
Canada Square  
Canary Wharf  
E14 5LB London  
United Kingdom

**CBC ACCOUNT BANK**

**Citibank Europe plc, Netherlands Branch**

Schiphol Boulevard 257  
WTC D Tower 8th Floor  
1118 BH Schiphol  
The Netherlands

**CBC BACK-UP ACCOUNT BANK**

**Coöperatieve Rabobank U.A.**

Croeselaan 18  
3521 CB Utrecht  
The Netherlands

**ASSET MONITOR**

**KPMG Accountants N.V.**

Laan van Langerhuize 1  
1186 DS Amstelveen  
The Netherlands

**AUDITORS TO THE CBC**

**PricewaterhouseCoopers Accountants N.V.**

Thomas R. Malthusstraat 5  
1066 JR Amsterdam  
The Netherlands

**AUDITORS TO THE ISSUER**

**PricewaterhouseCoopers Accountants N.V.**

Thomas R. Malthusstraat 5  
1066 JR Amsterdam  
The Netherlands