



**ACHMEA BANK N.V.**

*(incorporated with limited liability in The Netherlands with its statutory seat in The Hague)*

**€10,000,000,000 Medium Term Note Programme**

This Base Prospectus has been approved by the Central Bank of Ireland (the "**Central Bank**"), as competent authority under Directive 2003/71/EC and amendments thereto, including Directive 2010/73/EU (the "**Prospectus Directive**"). The Central Bank only approves this Base Prospectus as meeting the requirements imposed under Irish and EU law pursuant to the Prospectus Directive. Such approval relates only to Notes (as defined below) which are to be admitted to trading on the regulated market of the Stock Exchange (as defined below) or other regulated markets for the purpose of Directive 2004/39/EC (the "**Markets in Financial Instruments Directive**") in any Member State of the European Economic Area. This Base Prospectus constitutes a "**base prospectus**" for the purpose of the Prospectus Directive.

Under this €10,000,000,000 medium term note programme (the "**Programme**"), Achmea Bank N.V. (the "**Issuer**" or the "**Bank**", as the case may be) may from time to time issue medium term notes (the "**Notes**"). The price and amount of the Notes to be issued under the Programme will be determined by the Issuer and the relevant Dealer(s) (as defined below) at the time of issue in accordance with prevailing market conditions.

The Notes may be issued on a continuing basis to one or more of the Dealers specified in "*Key Features of the Programme – Dealers*" and any additional Dealer appointed under the Programme from time to time by the Issuer (each a "**Dealer**" and together the "**Dealers**"), which appointment may be for a specific issue or on an ongoing basis. The Dealer or Dealers subscribing or intending to subscribe the issue of any Notes is or are referred to as the "**relevant Dealer(s)**" in respect of those Notes.

Application has been made to Irish Stock Exchange plc (the "**Stock Exchange**") for Notes issued under the Programme to be admitted to the official list (the "**Official List**") and trading on its regulated market. The Notes may be listed on such other or further stock exchange(s) or market(s) as may be agreed between the Issuer and the relevant Dealer(s). The Issuer may also issue unlisted Notes. References in this Base Prospectus to Notes being "listed" (and all related references) shall mean that such Notes have been admitted to trading and have been listed on the Stock Exchange or such other or further stock exchange(s) or market which may be agreed.

Each Tranche of Notes will be issued on the terms set out herein under "*Terms and Conditions of the Notes*" (the "**Conditions**") as completed by a document specific to such Tranche called final terms (the "**Final Terms**"). This Base Prospectus must be read and construed together with any supplements hereto and with any information incorporated by reference herein and, in relation to any Tranche of Notes, must be read and construed together with the relevant Final Terms. Notice of the aggregate nominal amount of the relevant Notes, interest (if any) payable in respect of such Notes, the issue price of such Notes and any other terms and conditions not contained herein which are applicable to each Tranche of Notes will be set out in the Final Terms, which, with respect to such Notes to be listed, will be delivered to the Stock Exchange or such other or further stock exchange(s) or market on or before the date of issue of such Tranche and deposited with the Central Bank and the relevant competent authorities of other Member States.

The Notes have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") or with any securities regulatory authority of any state or other jurisdiction of the United States, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. The Notes may be offered and sold outside the United States to non-U.S. persons in reliance on Regulation S ("**Regulation S**") under the Securities Act. For a description of these and certain further restrictions on offers, sales and transfers of Notes, see "*Subscription and Sale*".

The Notes of each Tranche will be in bearer form or in registered form. Bearer Notes will (unless otherwise specified in the applicable Final Terms) initially be represented by a Global Note (as defined in "*Form of Notes*"). Global Notes will be deposited on or about the relevant Issue Date (as specified in the applicable Final Terms) with either (i) in the case of a Global Note which is not intended to be issued in New Global Note ("**NGN**") form, as specified in the applicable Final Terms, a depositary or a common depositary for Euroclear Bank S.A./N.V. as operator of the Euroclear System ("**Euroclear**") and/or Clearstream Banking, S.A., Luxembourg ("**Clearstream, Luxembourg**") and/or for any other agreed clearing system or with *Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V.* ("**Euroclear Netherlands**"), or (ii) in the case of a Global Note which is intended to be issued in NGN form, as specified in the applicable Final Terms, a common safekeeper for Euroclear and/or Clearstream, Luxembourg. Registered Notes will (unless otherwise specified in the applicable Final Terms) initially be represented by a Global Registered Note (as defined in "*Form of Notes*") registered in the name of, and deposited with, a depositary or a common depositary on behalf of Euroclear and/or Clearstream, Luxembourg and/or any other agreed clearing system, or with Euroclear Netherlands. The Issuer may agree with the relevant Dealer that Notes may be issued in a form not contemplated by the Conditions set out herein, in which event a supplement to this Base Prospectus, if appropriate, will be made available which will describe the effect of the agreement reached in relation to such Notes.

**Arranger**  
**DEUTSCHE BANK**  
**Dealer**  
**DEUTSCHE BANK AG, LONDON BRANCH**

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## KEY FEATURES OF THE PROGRAMME

*This part must be read as an introduction to the Programme and does not purport to be complete and is taken from, and is qualified in all respects by, the remainder of this Base Prospectus and, in relation to the terms and conditions of any particular Tranche of Notes, the applicable Final Terms.*

*Any decision to invest in the Notes should be based on a consideration of this Base Prospectus as a whole, including any amendment and supplement hereto and the documents incorporated herein by reference.*

*Words and expressions defined elsewhere in this Base Prospectus shall have the same meaning in this section.*

**Issuer:** Achmea Bank N.V. a public company with limited liability (*naamloze vennootschap*) incorporated under the laws of The Netherlands, having its corporate seat (*statutaire zetel*) in The Hague, The Netherlands and its registered office at Spoorlaan 298, 5017 JZ Tilburg, The Netherlands and registered with the Commercial Register (*Handelsregister*) of the Dutch Chamber of Commerce under number 27154399 (the "**Issuer**").

**Guarantor:** None.

**Risk Factors:** There are certain factors that may affect the Issuer's ability to fulfil its obligations under Notes issued under the Programme. These include the fact that the Issuer's results can be adversely affected by (i) general economic conditions, (ii) competition, (iii) regulatory change and (iv) standard banking risks including changes in interest and foreign exchange rates and operational, credit, market, liquidity, legal risks and certain factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme. See "*Risk Factors*".

**Arranger:** Deutsche Bank Aktiengesellschaft.

**Dealer:** Deutsche Bank AG, London Branch.

**Principal Paying Agent:** ABN AMRO Bank N.V.

**Irish Paying Agent:** The Bank of New York Mellon SA/NV, Dublin Branch.

**Listing Agent:** The Bank of New York Mellon SA/NV, Dublin Branch.

**Registrar:** ABN AMRO Bank N.V.

**Programme Size:** Up to €10,000,000,000 (or its equivalent in other currencies, calculated as described in the Programme Agreement) outstanding at any time. The Issuer may increase the amount of the Programme in accordance with the terms of the Programme Agreement.

**Listing:** Application has been made to the Stock Exchange for the Notes to be issued under the Programme to be admitted to trading and listed on the Stock Exchange. The Notes may also be listed on further stock exchange(s) and/or markets as may be agreed between the Issuer and the relevant Dealer(s) in relation to each Series. Notes issued under the Programme may also be unlisted.

The applicable Final Terms will state whether the relevant Notes 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).

**Form of Notes:** Each Note will be a Bearer or Registered Note.

Each Tranche of Bearer Notes will (unless otherwise specified in the applicable Final Terms) initially be represented by a Temporary Global Note. Each Temporary Global Note (i) which is intended to be issued in NGN form, as specified in the applicable Final Terms, will be deposited on or around the relevant Issue Date with a common safekeeper for Euroclear and/or Clearstream, Luxembourg or (ii) which is not intended to be issued in NGN form may be deposited on or around the relevant Issue Date with a depository or a common depository for Euroclear and/or Clearstream, Luxembourg and/or for any other agreed clearing system or with Euroclear Netherlands. A Temporary Global Note will be exchangeable as described therein for a Permanent Global Note or, if so specified in the applicable Final Terms, for Definitive Notes. A Permanent Global Note is exchangeable for Definitive Notes in accordance with its terms, all as described in "*Form of Notes*" below.

Each Tranche of Registered Notes will be in the form of either Individual Note Certificates or a Global Registered Note, in each case as specified in the applicable Final Terms. Each Global Registered Note will be deposited on or around the relevant Issue Date with a depository or a common depository for Euroclear and/or Clearstream, Luxembourg and/or any other agreed clearing system, or with Euroclear Netherlands and registered in the name of a nominee for such depository or in the name of Euroclear Netherlands and will be exchangeable for Individual Note Certificates in accordance with its terms, all as described in "*Form of Notes*" below.

Delivery (*uitlevering*) of Definitive Notes represented by a Global Note or Individual Note Certificates represented by a Global Registered Note delivered to Euroclear Netherlands shall only be possible in the limited circumstances as described in the Securities Giro Act, as amended from time to time (*Wet giraal effectenverkeer*, the "**Wge**"), and such delivery will be made in accordance with the Wge and the rules and regulations of Euroclear Netherlands.

Any interest in a Global Note will be transferable only in accordance with the rules and procedures for the time being of (i) Euroclear and Clearstream, Luxembourg, (ii) Euroclear Netherlands and/or (iii) any other agreed clearing system, as the case may be.

<b>Specified Currencies:</b>	Subject to any applicable legal or regulatory restrictions, such currencies as may be agreed between the Issuer and the relevant Dealer(s) (as set out in the applicable Final Terms).
<b>Maturities:</b>	Any maturity as may be agreed between the Issuer and the relevant Dealer(s) of not less than one year, 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 or the relevant Specified Currency.
<b>Issue Price:</b>	Notes 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>Redemption:</b>	Notes may be redeemable at the Redemption Amount as set forth in the relevant Final Terms. Notes may also be redeemable in two or more instalments on such dates and in such manner as may be specified in the relevant Final Terms.
<b>Optional Redemption:</b>	Notes may be redeemed before their stated maturity at the option of the Issuer (either in whole or in part) and/or the Noteholders to the extent (if

at all) specified in the relevant Final Terms.

- Early Redemption:** Except as described in "*Optional Redemption*" above, early redemption will only be permitted for tax reasons as described in Condition 9(b) (*Redemption and Purchase Redemption for tax reasons*).
- Denomination of Notes:** Notes will be issued in such denominations as may be specified in the relevant Final Terms, save that Notes which are to be 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 require the publication of a prospectus under the Prospectus Directive will be issued with a minimum denomination of €100,000 or its equivalent in another currency.
- Fixed Rate Notes:** Notes that bear interest at a fixed rate ("**Fixed Rate Notes**") will be payable on such date or dates as may be agreed between the Issuer and the relevant Dealer(s) and will be calculated on the basis of such Day Count Fraction (as defined in "*Terms and Conditions of the Notes*") as set out in the applicable Final Terms.
- Floating Rate Notes:** Notes that bear interest at a floating rate ("**Floating Rate Notes**") will bear interest at a rate determined:
- (i) on the basis of a reference rate appearing on the agreed screen page of a commercial quotation service; or
  - (ii) on such other basis as may be agreed between the Issuer and the relevant Dealer(s) (as set out in the applicable Final Terms).
- The margin (if any) relating to such floating rate will be set out in the applicable Final Terms.
- Zero Coupon Notes:** Notes may be issued under the Programme which constitute a claim for a fixed sum against the Issuer and in respect of which interest either is not due during their tenor or on which no interest is due at any time (such Notes, "**Zero Coupon Notes**"). Zero Coupon Notes may be offered and sold at a discount to their nominal amount.
- Taxation:** All payments in respect of the Notes will be made without withholding or deduction of taxes imposed by any Tax Jurisdiction, subject to certain exemptions. In the event that any such withholding or deduction is made, the Issuer will, save in certain limited circumstances, be required to pay additional amounts to cover the amounts so deducted or, if the Issuer elects, it may redeem the Series affected.
- Cross Default:** The Notes will have the benefit of a cross default as described in Condition 13 (*Events of Default*).
- Negative Pledge:** The Notes will have the benefit of a negative pledge as described in Condition 5 (*Negative Pledge*).
- Status of the Notes:** The Notes constitute unsecured and unsubordinated obligations of the Issuer and rank *pari passu* without any preference among themselves and with all other present and future unsecured and unsubordinated obligations of the Issuer, save for those preferred by mandatory and/or overriding provisions of law.
- Clearing:** Euroclear and/or Clearstream, Luxembourg, Euroclear Netherlands and/or any other agreed clearing system.
- Distribution:** Notes may be distributed outside the United States to persons other than U.S. persons (as such terms are defined in Regulation S under the

Securities Act) by way of private or public placement and in each case on a syndicated or non-syndicated basis.

**Selling Restrictions:**

There are selling restrictions in relation to the United States, the European Economic Area, the United Kingdom, France, Italy, Japan, The Netherlands and Ireland and such other restrictions as may apply in connection with the offering and sale of a particular Tranche or Series. See "*Subscription and Sale*".

**Substitution of the Issuer:**

The Issuer may, if certain conditions have been fulfilled, with the consent of the Noteholders or Couponholders which will be deemed to have been given in respect of each issue of Notes on which no payment of principal or interest on any of the Notes is in default, be replaced and substituted by either (a) any directly or indirectly wholly owned subsidiary of the Issuer or (b) Achmea B.V. (or any successor parent company of the Issuer) as principal debtor in respect of the Notes and the relative Coupons.

**Governing Law:**

The Notes will be governed by, and construed in accordance with, Dutch law.

## RISK FACTORS

*The Issuer believes that the following factors may affect its ability to fulfil its obligations in respect of Notes issued under the Programme. Most of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring. In addition, factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme are also described below.*

*The Issuer believes that the factors described below represent the principal risks inherent in investing in Notes issued under the Programme, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with any Notes may occur for other reasons not known to the Issuer or which may not be deemed material enough as at the date of this Base Prospectus. The Issuer does not represent that the statements below regarding the risks of holding any Notes are exhaustive.*

*Prospective investors should read the detailed information set out elsewhere in this Base Prospectus and incorporated by reference herein and reach their own views prior to making any investment decision. Before making an investment decision with respect to any Notes, prospective investors should also consult their stockbroker, bank manager, lawyer, accountant or other financial, legal and tax advisers and carefully review the risks inherent in an investment in any Notes issued under the Programme and consider such an investment decision in the light of the prospective investor's personal circumstances.*

### **Factors that may affect the Issuer's ability to fulfil its obligations under Notes issued under the Programme**

#### ***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.

#### ***Market and economic conditions can adversely affect the results of the Issuer***

The Issuer's business segment is affected by market conditions, which can cause results to fluctuate from year to year as well as on a long-term basis. These market conditions include, without limitation, fluctuations in interest rates, monetary policy, consumer and business spending and demographics.

In addition, despite recent improvements in the financial position of many European countries, the peripheral European financial system continues to be weak and could deteriorate further and there remains a risk that financial difficulties may result in certain European countries exiting the Eurozone. Similarly, on 23 June 2016 the United Kingdom voted to leave the European Union in a referendum. At this stage both the terms and the exact timing of the United Kingdom's exit from the European Union are unclear and the nature of the relationship of the United Kingdom with the remaining European Union has yet to be discussed and negotiations with the European Union on the terms of the exit have yet to commence. This uncertainty could result in increased volatility in the currency markets and could have a material and adverse impact on the Dutch and other European economies. In addition, the Issuer could be adversely affected in a number of ways including through exposure to fluctuations in the equity, fixed income and property markets which could result in a material adverse effect on its returns on invested assets and the value of its investment portfolio or its solvency position.

### ***Mortgage loans are subject to credit, liquidity and interest rate risks***

Mortgage loans constitute a significant portion of the Issuer's total loan portfolio. As per 31 December 2016, mortgage loans accounted for 77% 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. The above may have an adverse effect on the Issuer's financial condition and/or results of operations.

### ***Changes to Dutch tax treatment of interest on Mortgage Loans 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 period allowed for this is restricted to a term of 30 years. Since 2004, the tax deductibility of mortgage interest payments has been restricted under the so-called additional borrowing regulation (*Bijleenregeling*). On the basis of this regulation, if a home owner acquires a new home and realises a surplus value on the sale of his old home in respect of which interest payments were deducted from taxable income, the interest deductibility is limited to the interest that relates to an amount equal to the purchase price of the new home less the net surplus value realised in the sale of the old home. Special rules apply to moving home owners that do not or cannot (immediately) sell their previous home.

As of 1 January 2013, interest deductibility in respect of mortgage loans originated after 1 January 2013 is restricted and is only available in respect of mortgage loans which amortise over 30 years or less and are repaid on at least an annuity basis.

In addition to these changes further restrictions on the interest deductibility have entered into force as of 1 January 2014. The tax rate against which the mortgage interest may be deducted will be gradually reduced as of 1 January 2014. For taxpayers in the highest income tax rate bracket the interest deductibility will be reduced by 0.5% per year (i.e. 50% in 2017) down to 38% in 2042.

These changes and any other or further changes in the tax treatment could ultimately have an adverse impact on the ability of borrowers to pay interest and principal on their mortgage loans. In addition, changes in tax treatment may lead to different prepayment behaviour by borrowers on their mortgage loans resulting in higher or lower prepayment rates of such mortgage loans. Finally, changes in tax treatment may have an adverse effect on the value of the mortgaged assets.

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

The Issuer faces liquidity risk. Liquidity risk refers to the risk 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 portfolio 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. 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.



On the other hand the Issuer faces a liquidity risk in relation the savings deposits held by it. A substantial part of the savings deposits held by the Issuer, generated under the Centraal Beheer Achmea and FBTO labels, is used to fund the Issuer's long term assets such as its mortgage portfolio. As at 31 December 2016, the Issuer held EUR 5.9 billion of savings (2015: EUR 5.9 billion). As most 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.

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

The use of securitisation of the mortgage portfolio and the issue of covered bonds and secured euro medium term notes has resulted in the transfer of a substantial part of the assets on the Bank's balance sheet in connection with such transactions (see "*Achmea Bank*", "*Funding 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 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 Noteholders.

As set out above, the Issuer has entered in securitisation transactions in respect of its mortgage portfolio and has entered into a covered bonds programme and a secured euro medium term notes programme. 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 it must transfer substantial new assets in connection with such transactions either as swap collateral or otherwise, it has to repurchase some or all of the mortgage portfolio transferred in relation to such transactions and it must pay substantial fees in relation thereto. The above may have a negative effect on the amount of assets available for Noteholders to take recourse on.

***The Issuer forms part of a group***

The Issuer forms part of the Achmea Group (as defined herein) and its operations are interdependent on and may be affected by developments concerning Achmea B.V. and Achmea Group. See for a description of Achmea B.V. and the Achmea Group the chapter "*Business Description of Achmea Group*".

***Volatility in interest rates may negatively affect the Issuer's financial position or result from operations***

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.

***While the Issuer manages its operational risks, these risks remain an inherent part of all of the Issuer's businesses***

The operational risks that the Issuer faces include the possibility of inadequate or failed internal or external processes or systems, human error, regulatory breaches, employee misconduct or external events such as fraud and changes in the regulatory framework. These events may result in financial loss and may harm the Issuer's reputation. Additionally, the loss of key personnel or inability to attract and retain staff could adversely affect the Issuer's operations and results.

The Issuer attempts to keep operational risks at appropriate levels by maintaining a well-controlled environment in light of the characteristics of its business, the markets and the regulatory environments in which it operates. While these control measures mitigate operational risks they may not be fully effective and cannot eliminate them completely.

***The Issuer has significant counterparty risk exposure and exposure to systemic risk***

The Issuer's business is subject to general 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. 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. These parties 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. In view of the current global economic outlook, the Issuer may continue to see adverse changes in the credit quality of its borrowers and counterparties, for example, as a result of their inability to refinance their indebtedness, with increasing delinquencies, defaults and insolvencies across a range of sectors (such as the personal and banking and financial institution sectors) and in a number of geographies. This trend has led to and may continue to lead to further impairment charges, higher costs, additional write-downs and losses for the Issuer.

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. 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.

Furthermore, in the past, the general credit environment has been at times adversely affected by significant instances of fraud. Concerns about, or a default by, one institution could lead to significant liquidity problems, losses or defaults by other institutions because the commercial soundness of many financial institutions may be closely related as a result of their credit, trading, clearing or other relationships. This risk is sometimes referred to as "**systemic risk**" and may adversely affect financial intermediaries, such as clearing agencies, clearing houses, banks, securities firms and exchanges with whom the Issuer interacts on a daily basis, and could have an adverse effect on the Issuer's business.

#### ***Risks related to the Issuer's portfolio***

On 7 July 2015, the Issuer acquired a substantial part of the loan activities from Staalbankiers, the private banking entity within Achmea Group. The following activities have been transferred:

- a loan portfolio with a net book value of EUR 1.1 billion at the moment of transfer;
- an existing CHF 200 million loan issued by Achmea B.V. to Staalbankiers and related hedges; and
- Staalbankiers' entire loan department, procedures, policies and servicing contracts.

The loan portfolio differs in characteristics from the Issuer's typical mortgage loans and therefore has changed the characteristics of the loan portfolio of the Issuer to a certain extent. The majority, EUR 693 million, consists of residential real estate mortgage loans secured by mainly Dutch real estate. EUR 324 million is secured by commercial real estate, of which EUR 72 million in loans to real estate management companies. EUR 40 million is secured by other types of collateral. Part of the loans is denominated in Swiss Francs, CHF 0.4 billion.

On 15 December 2016 the Issuer reached an agreement with Staalbankiers to acquire the remainder of the Staalbankiers loan portfolio. The transfer will be effected in stages, commencing on 15 December 2016, and is scheduled to be completed by 30 June 2017. The Issuer received the necessary declaration of no objection from the Dutch Central Bank on 5 December 2016. The carrying amount of the acquired portfolio is EUR 245 million. In addition to the loans, the Issuer will be acquiring linked savings accounts for an amount of EUR 57 million. The purchase price is equal to the carrying amount.

As a result of the acquisition of a large number of loans with a floating interest rate, the Issuer may have become more exposed to changes in interest rates, which could have an adverse impact on its financial position.

The mortgage loans included in the loan portfolio which result from private banking activities may differ from mortgage loans advanced to regular retail clients. The loans can be significantly higher than average mortgage loans in The Netherlands, making the exposure 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 to 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 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 substantial part of the loans are mortgage loans denominated in Swiss Francs, making the Issuer exposed to currency risks. The Issuer may to a certain extent mitigate this risk by entering into a Swiss Franc loan and hedging arrangements in relation to the currency exposure, but there is no assurance that this will cover all risks. In addition, Swiss Franc mortgage loans have generally been advanced to private individuals which 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 more strict than in other cases as a result of the currency risk in relation to the 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 of 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.

A part of the increased risks as set out above may have been mitigated through a capital injection of EUR 170.5 million to the Issuer by Achmea B.V. for the acquisition of the loan portfolio of Staalbankiers in July 2015 and an additional capital injection of EUR 33.5 million for the remainder of the Staalbankiers loan portfolio acquisition in December 2016 and the capped guarantee issued by Achmea B.V. to the Issuer to cover specific risks, including credit risk and currency risk, related to this loan portfolio. However there can be no guarantee that the capital injection and/or the guarantee will cover all risks nor that Achmea B.V. will always be able to comply with its obligations under the guarantee.

In connection with the acquisition of the loan portfolio from Staalbankiers, the administration and servicing of these loans has been outsourced to Stater N.V., a third party mortgage loan servicer. The servicing and reporting may differ from the standards the Issuer applies and this could affect the performance of the portfolio and could result if the Issuer receiving insufficient information on the loan portfolio, *inter alia*, in relation to its reporting obligations and management of the portfolio. In addition, there could be a risk that Stater is no longer able to perform part or all of its services.

***Catastrophic events, terrorist attacks and similar events could have a negative impact on the business and results of the Issuer***

Catastrophic events, terrorist attacks and similar events, as well as the responses thereto, may create economic and political uncertainties, which could have a negative impact on economic conditions in the regions in which the Issuer operates and, more specifically, on the business and results of the Issuer in ways that cannot be predicted.

***The Issuer's results of operations can be affected by significant adverse regulatory developments 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.

The Issuer is required to hold a license for its operations and is subject to regulation and supervision by authorities in The Netherlands such as the Dutch Central Bank (*De Nederlandsche Bank N.V.*, "**DNB**"), the Dutch Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten*, "**AFM**") and in all other jurisdictions in which it operates. Extensive regulations are already in place and new regulations and guidelines are introduced relatively frequently. Regulators and supervisory authorities seem to be taking an increasingly strict approach to regulation and the enforcement thereof that may not be to the Issuer's benefit. A breach of any regulations by the Issuer could lead to intervention by supervisory

authorities and the Issuer could come under investigation and surveillance, and be involved in judicial or administrative proceedings. The Issuer may also become subject to new regulations and guidelines that may require additional investments in systems and people and compliance with which may place additional burdens, costs or restrictions on the Issuer.

In light of the responses to the global economic and financial crisis, financial institutions have been confronted with a succession of new legislation and regulations, including, in particular, rules and regulations regarding capital adequacy, liquidity, leverage, accounting and other factors affecting banks (as discussed further below). Other recent and future prudential, conduct of business and more general regulatory initiatives that may affect the Issuer include, but are not limited to: (i) the European Market Infrastructure Regulation (EMIR), which imposes mandatory central clearing, certain risk mitigation requirements, as well as reporting obligations, in respect of (OTC) derivative transactions, (ii) the Mortgage Credit Directive (2014/17/EU), which, as implemented in Dutch law, introduced new requirements aiming to increase consumer protection relating to mortgage credit agreements, for instance with respect to pre-contractual information, the way of calculating the annual percentage rate of charge, early repayment and arrears, and foreclosure, (iii) the PRIIPS Regulation, which will provide that manufacturers and distributors of certain investment products will have to produce and/or provide a 'Key Information Document', (iii) MiFID II and the accompanying regulation (MiFIR), which will give more extensive powers to supervisory authorities, increases market infrastructure, reporting and transparency requirements, introduces more robust investor protection, a harmonised position-limits regime for commodity derivatives and the possibility to impose higher fines in case of infringement of its requirements and, finally, (iv) the fourth Anti Money Laundering Directive and accompanying regulation which will provide, among others, for refined rules on customer due diligence requirements.

Specifically, as regards the recent and future capital adequacy, liquidity and leverage requirements relevant for the Issuer, in December 2010 the Basel Committee on Banking Supervision (the "**Basel Committee**") published its final standards on the revised capital adequacy framework known as "**Basel III**". These standards are significantly more stringent than the previous requirements. In order to facilitate the implementation of the Basel III capital and liquidity standards for banks and investment firms, on 20 July 2011 the European Commission proposed a legislative package to strengthen the regulation of the banking sector. On 26 June 2013 the Council and the European Parliament adopted the package known as "**CRD IV**". CRD IV has replaced the former Capital Requirements Directives (2006/48 and 2006/49) with a directive (Directive 2013/36/EU, "**CRD IV Directive**") and a regulation (Regulation (EU) 575/2013, "**CRR**") which aim to create a sounder and safer financial system. The CRD IV Directive governs amongst other things the access to deposit-taking activities while the CRR establishes the majority of prudential requirements institutions need to respect. The CRR is effective as of 1 January 2014, and has direct effect in The Netherlands. The CRD IV Directive was implemented in Dutch law as per 1 August 2014. A number of the requirements introduced under CRD IV will be phased in over a period of time or further supplemented through the Regulatory and Implementing Technical Standards produced by the European Banking Authority (the "**EBA**").

CRD IV, in implementing Basel III, is intended to increase the quality and quantity of capital, to require increased capital against derivative positions and to introduce a capital conservation buffer, a counter-cyclical buffer, a new liquidity framework as well as a leverage ratio and a liquidity coverage ratio. The Issuer cannot fully predict what impact the new rules and regulations will have on its business until the final rules and regulations are adopted and implemented and what the scope of these rules and regulations will be. Any new or changed regulations may adversely affect the Issuer's business and/or results of operations. If - for example - the Issuer is unable to raise the requisite Tier 1 and Tier 2 capital, it may be required to further reduce the amount of its risk-weighted assets on its balance sheet and engage in the disposition of core and other non-core businesses, which may not occur on a timely basis or achieve prices which would otherwise be attractive to the Issuer. Any change that limits the Issuer's ability to manage effectively its balance sheet and capital resources going forward (including, for example, reductions in profits and retained earnings as a result of write-downs or otherwise, increases in risk-weighted assets, delays in the disposal of certain assets or the inability to syndicate loans as a result of market conditions, a growth in unfunded pension exposures or otherwise) or to access funding sources, could have a material adverse impact on its financial condition, regulatory capital position and liquidity provision.

There can be no assurance that the Basel Committee will not amend or supplement the Basel III framework. For example, the Basel Committee has published proposals to further strengthen the risk-weighted capital framework, including in relation to credit risk, market risk and operational risk (see

below). Further, the Basel III framework may be implemented in a manner that is different from that which is currently envisaged or may impose more onerous requirements on the Issuer. At the end of 2015 and following a first consultative document published in December 2014, the Basel Committee published a second consultative document concerning revisions to the standardised approaches for credit, operational and market risk, and the introduction of capital floors. The revisions form part of the Basel Committee's broader review of the capital framework to balance simplicity and risk sensitivity, and to promote comparability by reducing variability in risk-weighted assets across banks and jurisdictions. The main proposals under the initial 2014 consultative document concerned new standardised credit risk RWA (REA) calculation rules, which included (i) introduction of new risk drivers, (ii) introduction of higher risk weights, and (iii) removal of external ratings from the framework. In addition, the initial 2014 proposals required banks to apply advanced approaches to risk categories, applying the higher of (i) the RWA (REA) floor based on (new) standardised approaches and (ii) the RWA (REA) floor based on advanced approaches in the denominator of their ratios. Consistent with the 2014 proposals, the Basel Committee maintains its stance on the removal of internal models and own estimates of haircuts for calculating capital requirements under the standardized approaches. However, as part of the revised 2015 proposals, the Basel Committee has decided, *inter alia*, to reintroduce the use of external ratings, in a non-mechanistic manner, for exposures to banks and corporates. The 2015 proposals also include alternative approaches for jurisdictions that do not allow the use of external ratings for regulatory purposes. Although timing for adoption, content and impact of these proposals remain subject to considerable uncertainty, the implementation of the standardized RWA (REA) floors would have a significant impact on the calculation of the Issuer's risk weighted assets due to the substantial difference in RWA (REA) calculated on the basis of advanced approaches and such calculation on the basis of new standardized rules for mortgages, and, to a lesser extent, exposures to corporates. In the first quarter of 2016 the Basel Committee published a consultative paper proposing changes to the internal ratings-based ("**IRB**") approaches. The Basel Committee proposes, amongst others, to remove the option to use the IRB approaches for certain exposure classes, to introduce probability of default (PD) and loss given default (LGD) floors for exposure classes that are still permitted under IRB approach, a greater use of supervisory Credit Conversion Factors (CCF) and constraints on exposure at default (EAD) estimation processes. On 6 April 2016, the Basel Committee issued a consultative document on the revision to the Basel III leverage ratio framework. Among the areas subject to proposed revision in this consultative document are the change in the calculation of the derivative exposures and the credit conversion factors for off-balance sheet items.

On 23 November 2016, the European Commission published legislative proposals to amend and supplement certain provisions of, *inter alia*, CRD IV, CRR, the BRRD (as defined below) and the SRM (as defined below) (the "**EU Banking Reform Proposals**"), including measures to further strengthen the resilience of EU banks. The EU Banking Reform Proposals are wide-ranging and cover multiple areas, including revisions in the Pillar 2 framework, a binding 3% leverage ratio, the introduction of a binding detailed net stable funding ratio, permission for reducing own funds and eligible liabilities, macroprudential tools, a new category of "non-preferred" senior debt, revisions in the MREL framework and the transposition of the fundamental review of the trading book (FRTB) conclusions into EU legislation. As such, the EU Banking Reform Proposals may have significant effects on the Issuer (including with regard to the MREL it must maintain) and for the Notes (including with regard to their redeemability, their ranking in insolvency and their being at risk of being bailed-in). The EU Banking Reform Proposals also contemplate that Member States adopt legislation to create a new class of so-called non-preferred senior debt. Such debt would be bail-inable during resolution only after capital instruments but before other senior liabilities. It is uncertain whether the EU Banking Reform Proposals will come into effect, and if so, whether that will be in their current form. Furthermore, until the EU Banking Reform Proposals are in final form, it is uncertain how these proposals will affect the Issuer and/or Noteholders.

In addition, at the end of 2015, the ECB started a targeted review of internal models ("**TRIM**") to assess whether the internal models currently used by banks comply with regulatory requirements, and whether they are reliable and comparable. Banks may use internal models to determine their Pillar 1 own funds requirements. The ECB will initially check all banks that fall under its direct supervision and that use approved Pillar 1 internal models. The ECB has indicated that TRIM could result in increases in capital needs for individual banks. Although the Issuer, which is not under the direct supervision of the ECB, is not expected to be in scope of the project, it remains uncertain if, and to what extent TRIM's findings may directly or indirectly affect the Issuer in the future. TRIM is expected to be finalised in 2019.

As regards accounting rules relevant for the Issuer, the Issuer's consolidated financial statements are prepared in accordance with IFRS as adopted in the EU, which is periodically revised or expanded. Accordingly, from time to time the Issuer is required to adopt new or revised accounting standards issued by recognised bodies, including the International Accounting Standards Board (the "**IASB**"). 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.

For example, in July 2014 the IASB published the final version of IFRS 9 Financial Instruments. IFRS 9 replaces IAS 39 Financial Instruments: Recognition and Measurement, and the mandatory effective date is 1 January 2018. IFRS 9 will change the requirements for classification and measurement, impairments and hedge accounting.

The Issuer is currently assessing the impact of implementing IFRS 9. A significant impact on the financial statements, including equity, is expected in relation to impairments. Under the impairment requirements of IFRS 9, credit risk provision will be based on expected losses rather than solely incurred losses and should incorporate forward looking information. As a result, credit risk provisions will increase and will likely become more volatile. The impact on transition from IAS 39 to IFRS 9 will largely be dependent on the (macro) economic circumstances at the moment of transition and the assets held by the Issuer at that time.

#### ***Risk related to the Dutch Intervention Act, BRRD, SRM and Revised State Aid Guidelines***

In 2012, the Dutch government adopted banking legislation dealing with ailing banks (Special Measures Financial Institutions Act, *Wet bijzondere maatregelen financiële ondernemingen*, the "**Dutch Intervention Act**"). Pursuant to the Dutch Intervention Act, substantial new powers were granted to DNB and the Dutch Minister of Finance enabling them to deal with, *inter alia*, ailing Dutch banks prior to insolvency.

The national framework for intervention by DNB with respect to banks has been replaced by the SRM (see below) and the law implementing the resolution framework set out in the BRRD (see below). However, the powers granted to the Dutch Minister of Finance under the Dutch Intervention Act remain. The Dutch Minister of Finance may take measures or expropriate assets and liabilities, claims against, or securities issued by or with the consent of a financial firm (*financiële onderneming*) or its parent, in each case if it has its corporate seat in The Netherlands, if in the Minister of Finance's opinion the stability of the financial system is in serious and immediate danger as a result of the situation in which the firm finds itself.

On 12 June 2014, a directive providing for the establishment of a European-wide framework for the recovery and resolution of credit institutions and investment firms (2014/59/EU, "**BRRD**") was published in the Official Journal of the European Union. The BRRD is currently in force and EU Member States were required to adopt and publish the laws, regulations and administrative provisions necessary to comply with the BRRD by 31 December 2014. The measures set out in the BRRD (including the Bail-in Tool, as defined below) have been implemented in national law with effect from 26 November 2015.

The BRRD sets out a common European recovery and resolution framework which is composed of three pillars: preparation (by requiring banks to draw up recovery plans and resolution authorities to draw up resolution plans), early intervention powers and resolution powers. In addition, BRRD provides preferential ranking on insolvency for certain deposits that are eligible for protection by deposit guarantee schemes (including the uninsured element of such deposits and, in certain circumstances, deposits made in non-EEA branches of EEA credit institutions). The stated aim of BRRD is, similar to the Dutch Intervention Act, to provide relevant authorities with common tools and powers to address banking crises pre-emptively in order to safeguard financial stability and minimize taxpayers' exposure to losses.

For banks established in a Member State participating in the Single Supervisory Mechanism, such as the Issuer, the BRRD is implemented by the directly binding 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 (the "**SRM**"). The SRM establishes a single European resolution board (the "**Resolution Board**") having resolution powers over the institutions that are subject to the SRM, in particular institutions which are deemed

significant under the Single Supervisory Mechanism, thus replacing or exceeding the powers of the national resolution authorities within the euro area. 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). However, the Resolution Board may take over the role of the NRA with respect to the Issuer in certain circumstances set out in the SRM. In such case, the Resolution Board has the authority to exercise the specific resolution powers pursuant to the SRM which are similar to those of the NRA under the BRRD and SRM. The resolution tools available for the Resolution Board include the sale of business tool, the bridge institution tool, the asset separation tool and the Bail-in Tool as further specified in the SRM.

The SRM and BRRD apply not only to banks, but may also apply to certain investment firms, group entities 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 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.

The Resolution Board may apply interpretations of BRRD or recovery and resolution strategies that differ from those applied by the relevant NRA. Any change in the interpretation or strategy may affect the resolution plans for the Issuer, as prepared by the relevant NRA.

If the Issuer would infringe or, due to a rapidly deteriorating financial condition, would be likely to infringe capital or liquidity requirements in the near future, the supervisory authorities will have the power to impose early intervention measures. A rapidly deteriorating financial condition could, for example, occur in case of a deterioration of the Issuer's liquidity situation, increasing level of leverage and non-performing loans. Intervention measures include the power to require changes to the legal or operational structure of the institution, changes to the institutions' business strategy, the Issuer's managing board to convene a general meeting of shareholders, set the agenda and require certain decisions to be considered for adoption by the general meeting.

If the Issuer were to reach a point of non-viability, the relevant resolution authority could take pre-resolution measures. These measures include the write down and cancellation of shares, and the write down of capital instruments or conversion of capital instruments into shares. A write down or conversion into shares of capital instruments could adversely affect the rights and effective remedies of Noteholders and the market value of their Notes could be negatively affected.

The BRRD and SRM provide resolution authorities with broader powers to implement resolution measures with respect to banks which meet the conditions for resolution, which may include (without limitation) the sale of the bank's business to a third party or a bridge institution, the separation of assets, the Bail-in Tool, the replacement or substitution of the bank as obligor in respect of debt instruments, modifications to the terms of debt instruments and discontinuing the listing and admission to trading of financial instruments. The Bail-in Tool comprises a more general power for resolution authorities to write down the claims of unsecured creditors of a failing bank and to convert unsecured debt claims into equity.

Subject to certain exceptions, as soon as any of these proposed proceedings have been initiated by the relevant resolution authority, as applicable, the relevant counterparties of such bank would not be entitled to invoke events of default or set off their claims against the bank for this purpose. The application of resolution measures may lead to additional measures. For example, in connection with the nationalisation of SNS Reaal N.V. pursuant to the Dutch Intervention Act, a one-off resolution levy for all banks was proposed by the Dutch Minister of Finance.

When applying the resolution tools and exercising the resolution powers, including the preparation and implementation thereof, the resolution authorities are not subject to (i) requirements to obtain approval or consent from any person either public or private, including but not limited to the holders of shares or debt instruments, or from any other creditors, and (ii) procedural requirements to notify any person including any requirement to publish any notice or prospectus or to file or register any document with any other authority, that would otherwise apply by virtue of applicable law, contract, or otherwise. In particular, the resolution authorities can exercise their powers irrespective of any restriction on, or requirement for consent for, transfer of the financial instruments, rights, assets or liabilities in question that might otherwise apply.

### *Resolution Fund*

The SRM provides for a single resolution fund ("**Resolution Fund**") that will be financed by banking groups included in the SRM. The Issuer will only be eligible for contribution to loss absorption by the Resolution Fund after a resolution action is taken if shareholders, the holders of relevant capital instruments and other eligible liabilities have made a contribution (by means of a write down, conversion or otherwise) to loss absorption and recapitalization equal to an amount not less than 8% of the total liabilities (including own funds and measured at the time of the resolution action). This means that the Issuer must hold on to sufficient own funds and liabilities eligible for write down and conversion in order to have such access to the single resolution fund in case of a resolution. This may have an impact on the Issuer's capital and funding costs.

### *State Aid*

On 10 July 2013, the European Commission announced the adoption of its temporary state aid rules for assessing public support to financial institutions during the crisis (the "**Revised State Aid Guidelines**"). The Revised State Aid Guidelines impose stricter burden-sharing requirements, which require banks with capital needs to obtain additional contributions from equity holders and capital instrument holders before resorting to public recapitalizations or asset protection measures. The European Commission has applied the principles set out in the Revised State Aid Guidelines from 1 August 2013. The European Commission has made it clear that any burden sharing imposed on subordinated debt holders will be made in line with principles and rules set out in BRRD.

The Dutch Intervention Act, BRRD, SRM, the EU Banking Reform Proposals and the Revised State Aid Guidelines may increase the Issuer's cost of funding and thereby have an adverse impact on the Issuer's funding ability, financial position and results of operations. In case of a capital shortfall, the Issuer would first be required to carry out all possible capital raising measures by private means, including the conversion of junior debt into equity, before one is eligible for any kind of restructuring State aid.

### *FSB Standard for Total Loss-Absorbing Capacity*

In November 2015, the Financial Stability Board (the "**FSB**") published the final total loss-absorbing capacity ("**TLAC**") standard intended to enhance the loss-absorbing capacity of global systemically important banks ("**G-SIBs**") in resolution. The TLAC standard seeks to ensure that G-SIBs will have sufficient loss absorbing capacity available in a resolution of such an entity, in order to minimise any impact on financial stability, ensure the continuity of critical functions and avoid exposing taxpayers to loss. The TLAC standard also includes a specific termsheet for TLAC which attempts to define an internationally agreed standard.

The TLAC standard requires all G-SIBs to maintain a minimum Pillar 1 level of TLAC eligible capital of 16% of risk exposure amount (in addition to minimum regulatory capital requirements and buffer requirements), and at a minimum of 6% Basel III leverage ratio denomination, with effect from 1 January 2019 (18% respectively 6.75% with effect from 1 January 2022). The TLAC standard states that G-SIBs will be required to pre-position such loss-absorbing capacity amongst "material sub-groups" on an intra-group basis. The FSB has also proposed that the minimum TLAC requirement should be satisfied before any surplus common equity is available to satisfy CRD IV buffers and the TLAC standard provides the possibility for local regulators to impose a Pillar II TLAC requirement over and above the Pillar 1 minimum. Based on the most recently updated FSB list of G-SIBs published in November 2016, the Issuer does not currently constitute a G-SIB. However, the EU or Dutch legislator could impose similar requirements on non-G-SIBs. See also the EU Banking Reform Proposals as referred to above.

According to TLAC standard, TLAC may comprise Tier 1 and Tier 2 capital (for the purposes of CRD IV), along with other TLAC-eligible liabilities which can be effectively written down or converted into equity during the resolution of the G-SIB. All TLAC is required to be subordinated to "excluded liabilities", which includes insured deposits and any other liabilities that cannot be effectively written down or converted to equity by the relevant resolution authority. Similar requirements are also reflected in the EU Banking Reform Proposals (see the risk factor "*The Issuer's results of operations can be affected by significant adverse regulatory developments including changes in regulatory capital and liquidity requirements*" above).



### *RTS on the minimum requirement for own funds and eligible liabilities under BRRD and SRM*

Pursuant to the SRM and BRRD, banks are required to meet at all times a minimum amount of own funds and eligible liabilities ("**MREL**") expressed as a percentage of the total liabilities and own funds to ensure that the Bail-in Tool and other resolution tools are effective. The competent resolution authority shall establish a level of minimum MREL on a bank-by-bank basis based on assessment criteria to be set out in technical regulatory standards. On 23 May 2016 the European Commission adopted the regulatory technical standards ("**RTS**") on the criteria for determining the MREL under BRRD (Commission Delegated Regulation (EU) 2016/1450 with regard to regulatory technical standards specifying the criteria relating to the methodology for setting MREL). The RTS provide for resolution authorities to allow institutions a transitional period to reach the applicable MREL requirements.

Unlike the FSB's standard, the RTS do not set a minimum EU-wide level of MREL, and the MREL requirement applies to all credit institutions, not just to those identified as being of a particular size or of systemic importance. Each resolution authority is required to make a separate determination of the appropriate MREL requirement for each resolution group within its jurisdiction, depending on the resolvability, risk profile, systemic importance and other characteristics of each institution.

The MREL requirement for each institution will be comprised of a number of key elements, including the required loss absorbing capacity of the institution (which will, as a minimum, equate to the institution's capital requirements under CRD IV, including applicable buffers), and the level of recapitalisation needed to implement the preferred resolution strategy identified during the resolution planning process. Other factors to be taken into consideration by resolution authorities when setting the MREL requirement include: the extent to which an institution has liabilities in issue which are excluded from contributing to loss absorption or recapitalisation; the risk profile of the institution; the systemic importance of the institution; and the contribution to any resolution that may be made by deposit guarantee schemes and resolution financing arrangements.

Items eligible for inclusion in MREL will include an institution's own funds (within the meaning of CRD IV), along with "eligible liabilities", meaning liabilities which *inter alia*, are issued and fully paid up, have a maturity of at least one year (or do not give the investor a right to repayment within one year), and do not arise from derivatives.

Whilst there are a number of similarities between the MREL requirement and the FSB's TLAC standard, there are also certain differences, including the timescales for implementation. The RTS suggests that the MREL requirements can nevertheless be implemented for G-SIBs in a manner that is "consistent with" the international framework, and contemplates a possible increase in the MREL requirement over time in order to provide for an adequate transition to compliance with the TLAC requirements (which are currently projected to apply from January 2019). Further convergence in the detailed requirements of the two regimes is expected, as proposed by EBA in its final report on the implementation and design of the MREL framework of 14 December 2016 (the "**EBA Final MREL Report**") and by the European Commission in its EU Banking Reform Proposals. However, it is still uncertain to what extent the regimes will converge and what the final requirements will look like.

#### *Intended TLAC and MREL alignment*

The EBA Final MREL Report contains a number of recommendations to amend the current MREL framework. The EU Banking Reform Proposals contain the legislative proposal of the European Commission for the amendment of the MREL framework and the implementation of the TLAC standards. The EU Banking Reform Proposals propose the amendment of a number of aspects of the MREL framework to align it, *inter alia*, with the TLAC standard. To maintain coherence between the MREL rules applicable to G-SIBs and those applicable to non-G-SIBs, the EU Banking Reform Proposals also propose a number of changes to the MREL rules applicable to non-G-SIBs, including (without limitation) the criteria for the eligibility of liabilities for MREL. While the EU Banking Reform Proposals propose for a minimum harmonised or "Pillar 1" MREL requirement for G-SIBs, in the case of non-G-SIBs it is proposed that MREL requirements will be imposed on a bank-specific basis. The EU Banking Reform Proposals further provide for the resolution authorities to give guidance to an institution to have own funds and eligible liabilities in excess of the requisite levels for certain purposes.

### *Risks relating to the FSB standard, RTS and the EU Banking Reform Proposals*

Both the FSB standard and the RTS may be subject to change and further implementation. On 23 November 2016, the European Commission announced the EU Banking Reform Proposals which intend to implement TLAC and clarify its interaction with MREL. However, the EU Banking Reform Proposals are to be considered by the European Parliament and the Council of the European Union and therefore remain subject to change. As a result, it is not possible to give any assurances as to the ultimate scope, nature, timing and of any resulting obligations, or the impact that they will have on the Issuer once implemented. If the EU Banking Reform Proposals are implemented in their current form however, it is possible that the Issuer may have to issue a significant amount of additional MREL eligible liabilities in order to meet the new requirements within the required timeframes. 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.

#### ***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***

As of the date hereof, Standard & Poor's Credit Market Services Europe Limited's ("**S&P**") long-term counterparty credit rating of the Issuer is 'A-', with a negative outlook and its short-term counterparty credit rating of the Issuer is 'A-2', with a negative outlook. Fitch Ratings Ltd. ("**Fitch**") has assigned an "A"/Stable/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 negative outlook as of 21 February 2017. 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 an similar adverse effect on the Issuer's financial condition and/or results of operations.

#### ***An interruption, failure or breach of the Issuer's operational systems may result in lost business or other losses***

The Issuer aims to limit its operational risks as far as possible by means of an internal control system based on a single set of procedures and instructions which apply throughout the Group. Back-up and contingency facilities are in place for the relevant information and data processing and storage systems. In particular, as with most other banks, the Issuer relies heavily on communication and information systems to conduct its business. Any failure or interruption or breach in security of these systems could result in errors in the Issuer's management information and information reported to supervisory authorities and failures or interruptions in client relationship management, general ledger, deposit, servicing and/or loan organisation systems.

#### ***The Issuer's risk management policies and procedures may not be fully effective***

The Issuer's policies and procedures to identify, monitor and manage risks may not be fully effective. Some of the actions taken to address various risks include but are not limited to entering into hedging transactions, prescribing limits on the amount of rate risk, liquidity risk and credit risk per counterparty that the Issuer may incur in its lending activities and fully securing loans. Some of these and other methods of managing risks employed by the Issuer are based upon the Issuer's use of observed historical market behaviour. As a result, these methods may not predict future risk exposures, which could be significantly greater than historical measures indicate. Other risk management methods depend upon evaluation of information regarding markets, clients or other matters that are publicly available or otherwise accessible to the Issuer. This information may not in all cases be accurate, up-to-date or properly evaluated. Management of operational, legal and regulatory risk requires, among other things, policies and procedures to properly record and verify a large number of transactions and events, and these policies and procedures may not be fully effective.

### ***The Issuer may be required to make additional pension contributions***

Achmea Interne Diensten N.V. determines the pension cost under the International Financial Reporting Standards ("**IFRS**") (i.e. the International Accounting Standard 19 ("**IAS 19**")) for all Achmea Group (as defined in "*Achmea Bank N.V.*") employees, including employees of the Issuer, on an annual basis. The pensions for Achmea Group employees are insured within Achmea Pensioen- en Levensverzekeringen N.V. Achmea Interne Diensten N.V. pays the premiums to the insurer and, in turn, charges the IFRS pension cost to the various Achmea Group business units. In this system, all Achmea Group business units, including the Issuer, contribute a premium equal, in aggregate, to the IFRS pension cost. All IAS 19 liabilities are recognised on the balance sheet of Achmea Interne Diensten N.V.

Pension costs are determined under several economic and geographical assumptions. Changes in these assumptions will change the pension cost and consequently may increase the contribution by the Issuer to Achmea Interne Diensten N.V.

### ***Forecasts and Estimates***

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.

### ***License Requirements***

The Dutch Financial Markets Supervision Act (*Wet op het financieel toezicht*, the "**FMSA**") imposes among other things a license requirement on entities that extend (consumer) mortgage credit. This applies to the Issuer, and if the Issuer's license to carry out this activity were to be revoked or suspended, or if other regulatory action is taken against the Issuer, this could severely affect the business and results of operations of the Issuer and its ability to fulfil its obligations under the Notes.

### ***Risk related to interest rate averaging***

The Issuer 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 Issuer.

### ***Risk related to prepayment penalties charged by the Issuer***

In The Netherlands borrowers of mortgage loans may generally prepay their mortgage loans before the maturity date. If the prepayment exceeds a certain amount in a year and does not result from certain predefined events, such as a sale of the mortgaged property, the provider of a mortgage loan may charge a prepayment penalty. A prepayment penalty may also be charged in case the borrower applies for interest rate averaging.

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*).

According to the AFM these guidelines are applicable to all prepayment penalties charged as of 14 July 2016, the AFM expects providers of mortgage loans to review whether the prepayment penalties charged since then were calculated in accordance with the principles of the guidelines. If, after recalculation, the prepayment penalty is deemed too high, the difference must be repaid to the borrower of the mortgage loan. If the recalculation shows that the charge was correct or too low, the previous calculation will stand and the prepayment penalty will remain unchanged. The Issuer intends to notify any affected borrower of mortgage loans and repay such borrowers the difference. The Issuer expects that the repayment obligations in line with the guidelines will have a limited impact on its financial position.

It can however not be ruled out that also prepayment penalties charged before 14 July 2016 are also considered to be unfair and/or deemed too high on the basis of the same reasoning or on the basis of other legal requirements. In such case also prepayment penalties charged before 14 July 2016 have to be repaid. In press releases some consumer organisations have argued that a recalculation of prepayment penalties charged over the past five years should be investigated and potentially be repaid to the borrowers. Should prepayment penalties charged before 14 July 2016 need to be repaid by the Issuer, the financial impact on its financial position will increase.

### **Factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme**

#### ***The Notes may not be a suitable investment for all investors***

Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Base Prospectus or any applicable supplement;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;
- (iv) understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets; and
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some Notes are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the potential investor's overall investment portfolio.

#### **Risks related to the structure of a particular issue of Notes**

Notes issued under the Programme will either be fungible with an existing Series or have different terms to an existing Series (in which case they will constitute a new Series). All Notes issued from time to time will rank *pari passu* with each other in all respects.

A wide range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of the most common of such features.

#### ***Some Notes may be subject to optional redemption by the Issuer***

Some Notes may be subject to optional redemption by the Issuer, as specified in the Final Terms relating to such Notes. An optional redemption feature of Notes is likely to limit their market value. During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. 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 Notes 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.

#### ***Fixed/Floating Rate Notes***

Fixed/Floating Rate Notes may bear interest at a rate that the Issuer may elect to convert from a fixed rate to a floating rate, or from a floating rate to a fixed rate. The Issuer's ability to convert the interest rate will affect the secondary market and the market value of the Notes since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Issuer converts from a fixed rate to a floating rate, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the Issuer converts from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing rates on its Notes.

#### ***A reset of the interest rate could affect the market value of an investment in the Notes***

Fixed Rate Notes may bear interest at an initial Rate of Interest subject to one or more resets during the tenor of the Notes. Such reset rate could be less than the initial Rate of Interest and could affect the market value of an investment in the Notes.

#### ***Notes issued at a substantial discount or premium***

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

#### **Risks related to Notes generally**

Set out below is a brief description of certain risks relating to the Notes generally.

#### ***Foreign Account Tax Compliance withholding may affect payments on the ICSDs***

"Code" means the U.S. Internal Revenue Code of 1986, as amended, and regulations thereunder, "FATCA" means Sections 1471 through 1474 of the Code, and "FATCA Withholding" means any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the Code or otherwise imposed pursuant to Sections 1471 through 1474 of the Code (or any regulations thereunder or official interpretations thereof) or an intergovernmental agreement between the United States and another jurisdiction facilitating the implementation thereof (or any law implementing such an intergovernmental agreement).

Whilst the Notes are in global form and held within Euroclear Bank S.A./N.V., Clearstream Banking, S.A. and Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V. (together, the "ICSDs"), in all but the most remote circumstances, it is not expected that FATCA will affect the amount of any payment received by the ICSDs. However, FATCA may affect payments made to custodians or intermediaries in the subsequent payment chain leading to the ultimate investor if any such custodian or intermediary generally is unable to receive payments free of FATCA Withholding. It also may affect payment to any ultimate investor that is a financial institution that is not entitled to receive payments free of FATCA Withholding, or an ultimate investor that fails to provide its broker (or other custodian or intermediary from which it receives payment) with any information, forms, other documentation or consents that may be necessary for the payments to be made free of FATCA Withholding. Investors should choose the custodians or intermediaries with care (to ensure each is compliant with FATCA or other laws or agreements related to FATCA), provide each custodian or intermediary with any information, forms, other documentation or consents that may be necessary for such custodian or intermediary to make a payment free of FATCA Withholding. Investors should consult their own tax adviser to obtain a more detailed explanation of FATCA and how FATCA may affect them. The Issuer's obligations under the Notes are discharged once it has paid the common depository or common safekeeper for the ICSDs (as registered holder of the Notes) and the Issuer has therefore no responsibility for any amount thereafter transmitted through hands of the ICSDs and custodians or intermediaries.

### ***Certain decisions of Noteholders***

Any resolution of Noteholders in respect of the Notes of a Series must be passed at a single meeting of all Noteholders of that Series then outstanding, as set out in more detail in Condition 17 (*Meetings of Noteholders; Modification and Waiver*). A validly adopted resolution of Noteholders will be binding on all Noteholders and Couponholders of that Series including Noteholders and Couponholders who did not attend and vote at the relevant meeting and Noteholders of that Series who voted against such resolution.

### ***The Notes are subject to substitution***

The Issuer may, with the consent of the Noteholders or Couponholders which will be deemed to have been given in respect of each issue of Notes on which no payment of principal or interest on any of the Notes is in default be replaced and substituted by either (A) any directly or indirectly wholly owned subsidiary of the Issuer or (B) Achmea B.V. as principal debtor in respect of the Notes and the relative Coupons, as set out in more detail in Condition 20 (*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 Notes and the relative Coupons. Accordingly, a substitution of the Issuer may affect the interests of Noteholders and Couponholders generally.

### ***Consequences of denomination of a minimum Specified Denomination plus higher integral multiple***

In relation to any issue of Notes which have a denomination consisting of a minimum Specified Denomination (as specified in the applicable Final Terms) plus a higher integral multiple of another smaller amount, it is possible that the Notes may be traded in amounts that are not integral multiples of such minimum Specified Denomination. In such a case, a Noteholder who, as a result of trading such amounts, holds a principal amount of less than the minimum Specified Denomination in its account with the relevant clearing system at the relevant time (i) may not be able to transfer such Note and (ii) may not receive a Definitive Note in respect of such holding (should Definitive Notes be printed) and would need to purchase a principal amount of Notes such that its holding amounts to a Specified Denomination.

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

Potential investors in Notes issued under the Programme should consider the tax consequences of investing in the Notes and consult their own tax adviser about their own tax situation.

### ***Notes held in global form***

The Bearer Notes which are in NGN form (as specified in the applicable Final Terms), will be held by a common safekeeper for Euroclear and/or Clearstream, Luxembourg and the Bearer Notes which are not in NGN form (as specified in the applicable Final Terms) will initially be held by a depositary or a common depositary for Euroclear and/or Clearstream, Luxembourg or by Euroclear Netherlands, or in either case by or on behalf of any other agreed clearing system, and in each case in the form of a Global Note which will be exchangeable for Definitive Notes only in the limited circumstances as more fully described in the relevant Global Note and in "*Form of Notes*" below. Unless otherwise specified in the applicable Final Terms, the Registered Notes will be deposited with a depositary or a common depositary for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system or delivered to Euroclear Netherlands and registered in the name of a nominee for such depositary or common depositary or of Euroclear Netherlands and in each case in the form of a Global Registered Note which will be exchangeable for Individual Note Certificates only in the limited circumstances as more fully described in the relevant Global Registered Note and in "*Form of Notes*" below.

For as long as a Note is represented by a Global Note or a Global Registered Note held by the common safekeeper, depositary or common depositary on behalf of Euroclear and/or Clearstream, Luxembourg or by Euroclear Netherlands or (a depositary or a common depositary on behalf of) any other agreed clearing system, payments of principal, interest (if any) and any other amounts in respect of such Global Note or Global Registered Note will be made through Euroclear and/or Clearstream, Luxembourg and/or Euroclear Netherlands or any other agreed clearing system, (as the case may be) against presentation or surrender (as the case may be) of the relevant Global Note or Global Registered Note and, in the case of a Temporary Global Note, certification as to non-U.S. beneficial ownership. The holder of the relevant Global Note or Global Registered Note, being the common safekeeper, depositary or common depositary for Euroclear and/or Clearstream, Luxembourg or Euroclear Netherlands, or (depositary for) any other

agreed clearance system, shall be treated by the Issuer and any Paying Agent as the sole holder of the relevant Notes represented by such Global Note or Registered Global Note with respect to the payment of principal, interest (if any) and any other amounts payable in respect of the Notes.

Each of the persons shown in the records of Euroclear and/or Clearstream, Luxembourg and/or Euroclear Netherlands and/or any other relevant clearing system (as the case may be) as being entitled to an interest in a Global Note or a Global Registered Note (each an "**Accountholder**") must look solely to Euroclear and/or Clearstream, Luxembourg and/or Euroclear Netherlands and/or such other relevant clearing system (as the case may be) for such Accountholder's share of each payment made by the Issuer to the holder of such Global Note or Global Registered Note and in relation to all other rights arising under such Global Note or Global Registered Note. The extent to which, and the manner in which, Accountholders may exercise any rights arising under the Global Note or Global Registered Note will be determined by the respective rules and procedures of Euroclear and/or Clearstream, Luxembourg and/or Euroclear Netherlands and/or any other relevant clearing system from time to time. For so long as the relevant Notes are represented by a Global Note or Global Registered Note, Accountholders shall have no claim directly against the Issuer in respect of payments due under the Notes and such obligations of the Issuer will be discharged by payment to the holder of such Global Note or Global Registered Note.

Notes which are represented by a Global Note or a Global Registered Note will be transferable only in accordance with the rules and procedures for the time being of Euroclear and/or Clearstream, Luxembourg or Euroclear Netherlands or any other agreed clearing system, as the case may be.

Delivery (*uitlevering*) of Definitive Notes represented by a Global Note or Individual Note Certificates represented by a Global Registered Note delivered to Euroclear Netherlands shall only be possible in the limited circumstances as described in the Securities Giro Act, as amended from time to time (*Wet giraal effectenverkeer*, the "**Wge**"), and such delivery will be made in accordance with the Wge and the rules and regulations of Euroclear Netherlands.

#### ***Registered Notes***

Payments of principal, interest (if any) and any other amounts in respect of Registered Notes will be made to the person shown on the Register as the holder of the Registered Notes (in respect of Registered Notes represented by Individual Note Certificates) at the opening of business on the fifteenth day or (in respect of Registered Notes represented by a Global Registered Note) at the close of business (in the relevant clearing system) on the Clearing System Business Day falling prior to the due date of such payments. If any Registered Noteholder transfers any Registered Notes in accordance with the Conditions and the Agency Agreement and such transfer is notified to the Issuer prior to the close of business on the Record Date, the Issuer will in respect of the Registered Note so transferred, be discharged from its payment obligations only by payment to or to the order of the transferee. If the notification of transfer of the relevant Registered Note is made after the close of business on 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 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 the Conditions. The Registrar shall fulfil certain obligations of the Principal Paying Agent in relation to payments in respect of the Registered Notes.

To the extent that Dutch law is applicable, one of the requirements for a valid transfer of a Note is a valid delivery (*levering*) of that Note. Investors should be aware that delivery of a Registered Note requires the execution of an assignment deed (*akte van cessie*) between the assignor and the assignee and, if it concerns a notified assignment, notification thereof by the assignor or the assignee to the Issuer.

#### ***Notes in NGN form***

Bearer Notes may be issued in NGN form, and with the intention that they be deposited as eligible collateral in respect of monetary policy of the central banking system for the euro (the "**Eurosystem**") and intra-day credit operations by the Eurosystem with one of the international central securities depositories and/or central securities depositories that fulfil the minimum standard as common safekeeper required for such institutions by the European Central Bank (the "**ECB**"). This form of Notes and intention do not, however, necessarily mean that each Note in NGN form will be recognised as such eligible collateral, either upon issuance or at any or all times during their existence. Such recognition will depend upon satisfaction of all Eurosystem eligibility criteria at the relevant time and there can be no

assurance that such Notes will be so recognised. Notes which do not qualify as eligible collateral for Eurosystem purposes may be of less value to investors than those which do.

### ***Base Prospectus to be read together with applicable Final Terms***

The Conditions apply to the different types of Notes which may be issued under the Programme. The full terms and conditions applicable to each Tranche of Notes can be reviewed by reading the Conditions as set out in full in this Base Prospectus, which constitute the basis of all Notes to be offered under the Programme, together with the applicable Final Terms which applies and/or disappplies and supplements the Conditions of the Programme in the manner required to reflect the particular terms and conditions applicable to the relevant Series of Notes (or Tranche thereof).

### ***Changes of law***

The structure of the issue of the Notes and the ratings which are to be assigned to them are based on the laws of The Netherlands in effect as at the date of this Base Prospectus. No assurance can be given as to the impact of any possible change to the laws of The Netherlands or administrative practice in The Netherlands after the date of this Base Prospectus. Such changes in law include, but are not limited to, the introduction of or amendments to a variety of statutory resolution and loss absorption tools which may affect the rights of Noteholders. Such tools may include the ability to write down sums otherwise payable on such Notes (see the risk factor entitled "*Banking legislation dealing with ailing banks give regulators resolution powers (including powers to write down debt)*" below).

### ***Banking legislation dealing with ailing banks gives regulators resolution powers (including powers to write down debt)***

Pursuant to the Dutch Intervention Act, substantial new powers were granted to the Dutch Minister of Finance enabling the Dutch Minister of Finance to deal with, *inter alia*, ailing Dutch banks prior to insolvency (as described under the risk factor "*Risk related to the Dutch Intervention Act, BRRD, SRM and Revised State Aid Guidelines*" above). These powers (including the expropriation of liabilities of, or claims against, a bank), if exercised with respect to the Issuer, may impact the Notes and will, subject to certain exceptions, lead to counterparties of the Issuer including Noteholders not being entitled to invoke events of default or set off their claims and risking to lose all or a substantial part of their investment in the Notes.

In addition to the tools currently in the Dutch Intervention Act, the BRRD and the SRM provide resolution authorities with broader powers to implement resolution measures with respect to banks which meet the conditions for resolution, which include (without limitation) the sale of the bank's business, the separation of assets, the replacement or substitution of the bank as obligor in respect of debt instruments, modifications to the terms of debt instruments (including altering the maturity and/or the amount of interest payable and/or imposing a temporary suspension on payments) and discontinuing the listing and admission to trading of financial instruments. Furthermore, BRRD and the SRM provide resolution authorities the power to ensure that capital instruments and certain liabilities absorb losses when the issuing institution meets the conditions for resolution, through the write-down or conversion to equity of such instruments (the "**Bail-In Tool**").

These powers and tools are designed to be used prior to insolvency of the Issuer and Noteholders may not be able to anticipate the exercise of any resolution power by the relevant authority. These powers and tools are intended to be used prior to the point at which any insolvency proceedings with respect to the Issuer could have been initiated. Although the applicable legalisation provides for conditions to the exercise of any resolution powers and EBA guidelines set out the objective elements for determining whether an institution is failing or likely to fail, it is uncertain how the relevant authority would assess such conditions in any particular pre-insolvency scenario affecting the Issuer and in deciding whether to exercise a resolution power. The relevant authority is also not required to provide any advance notice to the Noteholders of its decision to exercise any resolution power. Therefore, the Noteholders may not be able to anticipate a potential exercise of any such powers nor the potential effect of any exercise of such powers on the Issuer or the Noteholders' rights under the Notes.

Any financial public support is only to be considered as a final resort as resolution authorities are required to first assess and exploit, to the maximum extent practicable, the use of the resolution powers mentioned above, including the Bail-In Tool.



However, resolution authorities are required to exercise the Bail-In Tool in a way that results in (i) common equity Tier 1 instruments being written down first in proportion to the relevant losses and (ii) thereafter, the principal amount of other capital instruments (including Tier 2 instruments) being written down or converted into common equity Tier 1 on a permanent basis and (iii) thereafter, eligible liabilities (which the Notes may be) being written down or converted in accordance with a set order of priority (subject to certain exceptions). The point at which the resolution authority determines that an institution meets the conditions for resolution is defined as:

- (i) the Issuer failing or likely to fail, which means (i) the Issuer has incurred/is likely to incur in the near future losses depleting all or substantially all its own funds, and/or (ii) the assets are/will be in the near future less than its liabilities, and/or (iii) the Issuer is/will be in the near future unable to pay its debts as they fall due, and/or (iv) the Issuer requires public financial support (except in limited circumstances);
- (ii) there is no reasonable prospect that a private action or supervisory action would prevent the failure within a reasonable timeframe; and
- (iii) a resolution action is necessary in the public interest.

Noteholders may have only very limited rights to challenge and/or seek a suspension of any decision of the relevant authority to exercise its (pre-)resolution powers or to have that decision reviewed by a judicial or administrative process or otherwise. Application of any of the measures described above shall not constitute an Event of Default under the Notes and Noteholders will have no further claims in respect of the amount so written down or subject to conversion or otherwise as a result of the Bail-In Tool. Accordingly, if the Bail-In Tool is in effect and the resolution authority decides to exercise the write down power, this may result in claims of Noteholders being written down or converted into equity. Furthermore, it is possible that pursuant to other resolution or recovery rules which may in the future be applicable to the Issuer, new powers may be given to DNB or another relevant authority which could be used in such a way as to result in the debt instruments of the Issuer, such as the Notes absorbing losses or otherwise affecting the rights and effective remedies of Noteholders in the course of any resolution of the Issuer.

The determination that all or part of the nominal amount of the Notes will be subject to the Bail-In Tool may be inherently unpredictable and may depend on a number of factors which may be outside of the Issuer's control. Accordingly, trading behaviour in respect of Notes which are subject to the Bail-In is not necessarily expected to follow trading behaviour associated with other types of securities. Any indication that the Notes will become subject to the Bail-In Tool could have an adverse effect on the market price of the relevant Notes. Potential investors should consider the risk that a Noteholder may lose all of its investment in such Notes, including the principal amount plus any accrued but unpaid interest, in the event that the Bail-In Tool is applied. In addition, even in circumstances where a claim for compensation is established under the 'no creditor worse off' safeguard in accordance with a valuation performed after the resolution action has been taken, it is unlikely that such compensation would be equivalent to the full losses incurred by the Noteholders in the resolution and there can be no assurance that Noteholders would recover such compensation promptly.

There remains uncertainty regarding the ultimate nature and scope of the powers and measures described above and how they would affect the Issuer and the Noteholders. See for example the EU Banking Reform Proposals in the risk factor entitled "*The Issuer's results of operations can be affected by significant adverse regulatory developments including changes in regulatory capital and liquidity requirements*". Accordingly, it is not yet possible to assess the full impact of the Dutch Intervention Act, the BRRD or the SRM. The Notes may however be part of the claims and debts in respect of which the resolution authorities could use the Bail-in Tool.

The Dutch Intervention Act and BRRD or the SRM could negatively affect the position of certain categories of the Issuer's Noteholders and the credit rating attached to certain categories of Notes then outstanding, in particular if and when any of the above proceedings would be commenced against the Issuer. The rights and effective remedies of the Noteholders, as well as their market value, may be affected by any such proceedings.

## **Risks related to the market generally**

Set out below is a brief description of the principal market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk.

### ***Limited liquidity of the Notes***

Illiquidity may have a severely adverse effect on the market value of Notes. Even if application is made to list Notes on a stock exchange, there can be no assurance that a secondary market for any of the Notes will develop, or, if a secondary market does develop, that it will provide the Noteholders with liquidity or that any such liquidity will continue for the life of the Notes. A decrease in the liquidity of an issue of Notes may cause, in turn, an increase in the volatility associated with the price of such issue of Notes. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities. Any investor in the Notes must be prepared to hold such Notes for an indefinite period of time or until redemption of the Notes. If any person begins making a market for the Notes, it is under no obligation to continue to do so and may stop making a market at any time.

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

The Issuer will pay principal and interest on the Notes in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than 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 (1) the Investor's Currency-equivalent yield on the Notes, (2) the Investor's Currency-equivalent value of the principal payable on the Notes and (3) the Investor's Currency-equivalent market value of the Notes.

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.

### ***Interest rate risks***

Investment in Fixed Rate Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the Fixed Rate Notes.

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

Any ratings assigned to the Notes 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 Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the relevant rating agency at any time.

A rating assigned to any Notes by a rating agency may provide an indication of the probability of default and the recovery given a default of the debt instrument, or of the expected loss posed to investors. Other non-credit risks may not have been addressed in awarding such rating, but may have significant effect on yield to investors.

Any expected ratings of Notes will be set out in the applicable Final Terms for each Series. 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 Notes has declined or is in question. If any rating assigned to the Notes is lowered or withdrawn, the market value of the Notes may be reduced.

***Legal investment considerations may restrict certain investments***

The investment activities of certain investors are subject to investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

***Obligations under the Notes***

The Notes will not represent an obligation or be the responsibility of the Arranger or the Dealers or any other party to the Programme, their officers, members, directors, employees, security holders or incorporators, other than the Issuer. The Issuer will be liable solely in its corporate capacity for its obligations in respect of the Notes, and such obligations will not be the obligations of its officers, members, directors, employees, security holders or incorporators.

## IMPORTANT INFORMATION

The Issuer accepts responsibility for the information contained in this Base Prospectus. To the best of the knowledge and belief of the Issuer (having taken all reasonable care to ensure that such is the case) 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 is 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 accepts responsibility accordingly.

Save for the Issuer, no other party has separately verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Arranger, the Dealers or any of their respective affiliates as to the accuracy or completeness of the information contained in or incorporated into this Base Prospectus or any other information provided by the Issuer in connection with the Programme. Neither the Arranger nor the Dealers accepts any liability in relation to the information contained or incorporated by reference in this Base Prospectus or any other information provided by the Issuer in connection with the Programme. This Base Prospectus must be read and construed together with any supplements hereto and with any information incorporated by reference herein and, in relation to any Tranche of Notes, must be read and construed together with the relevant Final Terms.

The Notes have not been approved or disapproved by the U.S. Securities and Exchange Commission, any state securities commission in the United States or any other U.S. regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the accuracy or adequacy of this Base Prospectus. Any representation to the contrary is unlawful. The Notes have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Terms used in the preceding sentence have the meanings given to them by Regulation S. For a description of these and certain further restrictions on offers, sales and transfers of Notes, see "*Subscription and Sale*". Bearer Notes are in bearer form and are therefore subject to U.S. tax law requirements. Subject to certain exceptions, the Notes may not be offered, sold or delivered within the United States or its possessions or to United States persons. Terms used in the preceding sentence have the meanings given to them by the Code.

No person is or has been authorised by the Issuer, the Arranger or any of the Dealers 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 Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the Arranger, or any of the Dealers.

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

Neither the delivery of this Base Prospectus or any Final Terms nor the offering, sale or delivery of any Note shall, in any circumstance, create any implication that the information contained in this Base Prospectus is true subsequent to the date hereof or the date upon which this Base Prospectus has been most recently amended or supplemented or that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the prospects or financial or trading position of the Issuer since the date thereof or, if later, the date upon which this Base Prospectus has been most recently amended or supplemented or that any other information supplied in connection with the Programme is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same. The Arranger and the Dealers expressly do not undertake to review the financial condition or affairs of the Issuer during the life of the Programme or to advise any investor in

the Notes of any information coming to their attention. The Issuer has no obligation to update this Base Prospectus, except when required by and in accordance with the Prospectus Directive.

Neither this Base Prospectus nor any Final Terms constitutes an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Base Prospectus and the offer or sale of Notes may be restricted by law in certain jurisdictions. The Issuer, the Arranger and the Dealers do not represent that this Base Prospectus may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer, the Arranger or the Dealers which would permit a public offering of any Notes or distribution of this Base Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Base Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Base Prospectus or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Base Prospectus and the offering and sale of Notes. In particular, there are selling restrictions in relation to the United States, the European Economic Area, the United Kingdom, France, Italy, Japan, The Netherlands and Ireland and such other restrictions as may apply, see "*Subscription and Sale*".

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 Notes and which arises or is noticed between the time when this Base Prospectus has been approved and when trading of any Series or Tranche of Notes on a regulated market begins, in respect of Notes issued on the basis of this Base Prospectus.

This Base Prospectus has been prepared on the basis that any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**") will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of Notes. Accordingly any person making or intending to make an offer in that Relevant Member State of Notes which are the subject of an offering contemplated in this Base Prospectus as completed by Final Terms in relation to the offer of those Notes may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case in relation to such offer. Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Notes in circumstances in which an obligation arises for the Issuer or any Dealer to publish or supplement a prospectus for such offer. The expression "**Prospectus Directive**" means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU) and includes any relevant implementing measures in the Relevant Member State.

**PROHIBITION OF SALES TO EEA RETAIL INVESTORS** - The Notes are not intended, from 1 January 2018, to be offered, sold or otherwise made available to and, with effect from such date, should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU ("**MiFID II**"); (ii) a customer within the meaning of Directive 2002/92/EC ("**IMD**"), 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 Directive. Consequently no key information document required by Regulation (EU) No 1286/2014 (the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

In connection with the issue and distribution of any Tranche of Notes, the Dealer or Dealers (if any) named as the Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) in the applicable Final Terms may over-allot Notes or effect transactions with a view to supporting the market price of the Notes of the Series of which such Tranche forms part 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 final terms of the offer of the relevant

Tranche of Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the Issue Date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager(s) (or person(s) acting on behalf of any Stabilising Manager(s)) in accordance with all applicable laws and rules prevailing at the relevant time.

All references in this document to euro, EUR and € refer to the currency introduced at the start of the third stage of European economic and monetary union, and as defined in Article 2 of Council Regulation (EC) No 974/98 of 3 May 1998 on the introduction of the euro, as amended, references to Sterling and £ refer to pounds sterling, references to U.S. Dollars and \$ refer to United States dollars, references to JPY and ¥ refer to Japanese Yen and references to CHF and SFr refer to Swiss Franc.

S&P's long-term counterparty credit rating of the Issuer is 'A-', with a negative outlook and the short-term counterparty credit rating of the Issuer is 'A-2', with a negative outlook. S&P is established in the European Economic Area and registered under Regulation (EU) No 1060/2009, as amended (the "**CRA Regulation**"). Fitch has assigned a "A"/Stable/F-1 in respect of the Issuer. Fitch is established in the European Economic Area and registered under the CRA Regulation. Notes issued under this Programme may be rated or unrated, as specified in the applicable Final Terms. Whether or not each credit rating applied for in relation to a relevant Tranche of Notes will be (1) issued by a credit rating agency established in the European Economic Area and registered (or which has applied for registration and not been refused) under the CRA Regulation, or (2) issued by a credit rating agency which is not established in the European Economic Area but will be endorsed by a CRA which is established in the European Economic Area and registered under the CRA Regulation or (3) issued by a credit rating agency which is not established in the European Economic Area but which is certified under the CRA Regulation will be disclosed in the Final Terms. In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the European Union and registered under the CRA Regulation, unless the rating is provided by a credit rating agency operating in the European Economic Area before 7 June 2010 which has submitted an application for registration in accordance with the CRA Regulation and such registration is not refused.

A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

## INCORPORATION BY REFERENCE; DEFINITIONS & INTERPRETATION

### INCORPORATION BY REFERENCE

The following documents published or issued on or prior to the date hereof are incorporated into, and form part of, this Base Prospectus:

- (a) the Issuer's publicly available audited annual consolidated financial statements for the years ended 31 December 2015 and 31 December 2016;
- (b) the terms and conditions (including the form of final terms) set out on pages 28-38 and 39-63 of the base prospectus prepared by the Issuer in connection with the Programme dated 3 June 2016 (the "**2016 Conditions**");
- (c) the terms and conditions (including the form of final terms) set out on pages 25-34 and 35-57 of the base prospectus prepared by the Issuer in connection with the Programme dated 7 April 2015 (the "**2015 Conditions**"),

save that any statement contained herein or any of the documents incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Base Prospectus to the extent that a statement contained in any document which is subsequently incorporated by reference herein by way of a supplement to this Base Prospectus prepared in accordance with Article 16 of the Prospectus Directive modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Base Prospectus.

Any information contained in any of the documents specified above which is not incorporated by reference in this Base Prospectus is either not relevant to investors or is covered elsewhere in this Base Prospectus.

The Issuer and the Paying Agents will provide, without charge, to each person to whom a copy of this Base Prospectus has been delivered, upon the request of such person, a copy of any or all of the documents deemed to be incorporated herein by reference. Requests for such documents should be directed either to the Issuer or the Paying Agents, at their respective offices set out at the end of this Base Prospectus.

The Issuer's publicly available audited annual consolidated financial statements for the years ended 31 December 2015 and 31 December 2016 are also available on:

<http://www.achmeabank.com/Downloads/Annual%20Report%20Achmea%20Bank%202015.pdf>  
<http://www.achmeabank.com/Downloads/Jaarrekening%20Achmea%20Bank%202016.pdf>

The 2016 Conditions are also available on:

[http://www.ise.ie/debt\\_documents/Base%20Prospectus\\_99656a49-c09a-4211-a5ec-3f1a1e5df496.pdf](http://www.ise.ie/debt_documents/Base%20Prospectus_99656a49-c09a-4211-a5ec-3f1a1e5df496.pdf)

The 2015 Conditions are also available on:

[http://www.ise.ie/debt\\_documents/Base%20Prospectus\\_a665bc89-d7e3-449e-ba43-c2782c58b2c5.pdf](http://www.ise.ie/debt_documents/Base%20Prospectus_a665bc89-d7e3-449e-ba43-c2782c58b2c5.pdf)

### DEFINITIONS & INTERPRETATION

Capitalised terms which are used but not defined in any section of this Base Prospectus, will have the meaning attributed thereto in any other section of this Base Prospectus.

The language of this Base Prospectus is English. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law.

## **USE OF PROCEEDS**

The euro equivalent of the net proceeds from each issue of Notes will be used by the Issuer for general corporate purposes.



## FORM OF FINAL TERMS

Set out below is the form of Final Terms which, will be completed for each Tranche of Notes issued under the Programme.

[Date]

**Achmea Bank N.V.**  
(incorporated with limited liability in The Netherlands with its statutory seat in The Hague)

**Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes] (the "Notes")  
under the €10,000,000,000  
Medium Term Note Programme**

The Base Prospectus referred to below (as completed by these Final Terms) has been prepared on the basis that any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**") will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Member State, from the requirement to publish a prospectus for offers of the Notes. Accordingly any person making or intending to make an offer in that Member State of the Notes may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Notes in any other circumstances.

[The Notes are not intended to be offered, sold or otherwise made available to and, with effect from such date, should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU ("**MiFID II**"), (ii) a customer within the meaning of Directive 2002/92/EC ("**IMD**"), 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 Directive. Consequently no key information document required by Regulation (EU) No 1286/2014 (the "**PRIIPS Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPS Regulation.]\*

[In accordance with the Prospectus Directive, no prospectus is required in connection with the issuance of the Notes described herein.]\*†

The expression "**Prospectus Directive**" means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU) and includes any relevant implementing measures in the Relevant Member State.

### PART A – CONTRACTUAL TERMS

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "**Conditions**") set forth in the Base Prospectus dated 4 April 2017 [and the supplemental Base Prospectus dated [•] which [together] constitute[s] a base prospectus (the "**Base Prospectus**") [for the purposes of the Prospectus Directive]‡. [This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Base

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\* Include this language in case of offers as of 1 January 2018.

† Include this sentence in case of exempt offers which will not be listed or admitted to trading on a regulated market.

‡ Delete this language in case of exempt offers which will not be listed or admitted to trading on a regulated market.

Prospectus.]<sup>§</sup> [This document does not constitute "Final Terms" for the purposes of the Prospectus Directive and must be read in conjunction with the Base Prospectus.]<sup>\*\*</sup>]

*[The following alternative language applies if the first tranche of an issue which is being increased was issued under a base prospectus with an earlier date and the relevant terms and conditions from that base prospectus with an earlier date were incorporated by reference in this Base Prospectus.]*

[Terms used herein shall be deemed to be defined as such for the purposes of the [2015]/[2016] Conditions (the "**Conditions**") in the Base Prospectus dated [*original date*] which are incorporated by reference herein. These Final Terms contain the final terms of the Notes and must be read in conjunction with the Base Prospectus dated [*current date*] [and the supplemental Base Prospectus dated [*date*]] which [together] constitute[s] a base prospectus (the "**Base Prospectus**") for the purposes of the Prospectus Directive, save in respect of the Conditions which are set forth in the base prospectus dated [*original date*] and are incorporated by reference in the Base Prospectus. [This document constitutes the Final Terms relating to the issue of Notes described herein for the purposes of Article 5.4 of the Prospectus Directive.] [This document does not constitute "Final Terms" for the purposes of the Prospectus Directive.]<sup>††</sup>]

Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus is available for viewing [at [www.achmeabank.com](http://www.achmeabank.com)] [and] during normal business hours at [*address*] [and copies may be obtained from [*address*]] free of charge. Any information contained in or accessible through any website, including [[www.achmeabank.com](http://www.achmeabank.com)], does not form a part of the Base Prospectus, 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.

*[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 guidance for completing the Final Terms.]*

- |    |   |   |
|----|---|---|
| 1. | Issuer:   | Achmea Bank N.V.  |
| 2. | (i) Series Number:                              | [•]   |
|    | [(ii) Tranche Number:                           | [•]]  |
|    | [(iii) Date on which the Notes become fungible: | [Not Applicable/The Notes shall be consolidated, form a single series and be interchangeable for trading purposes with the [ <i>insert description of the Series</i> ] on [ <i>insert date/the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph 21 below [which is expected to occur on or about [<i>insert date</i>]]].]</i> |
| 3. | Specified Currency or Currencies:               | [•]   |
| 4. | Aggregate Nominal Amount:                       | [•]   |
|    | (i) Series:                                     | [•]   |

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<sup>§</sup> Delete this language in case of exempt offers which will not be listed or admitted to trading on a regulated market.

<sup>\*\*</sup> Include this sentence in case of exempt offers which will not be listed or admitted to trading on a regulated market.

<sup>††</sup> Include this sentence in case of exempt offers which will not be listed or admitted to trading on a regulated market.

- [(ii) Tranche: [•]]
5. Issue Price: [•] per cent. of the Aggregate Nominal Amount [plus accrued interest from [insert date] (in the case of fungible issues only, if applicable)]
6. (i) Specified Denominations: [•]
- Where multiple denominations above EUR 100,000 (or equivalent) are being used (when Notes are admitted to trading on a regulated market) the following sample wording should be followed: "[EUR 100,000] (or the relevant higher denomination) and integral multiples of [EUR 1,000] in excess thereof up to and including [EUR 99,000] (or twice the relevant higher denomination minus the smallest denomination). No Notes in definitive form will be issued with a denomination above [EUR 199,000] (or twice the relevant higher denomination minus the smallest denomination)"*
- (ii) Calculation Amount: [•]
7. (i) Issue Date: [•]
- (ii) Interest Commencement Date: [Specify/Issue Date/Not Applicable]
8. Maturity Date: [Specify date or (for Floating Rate Notes) the Interest Payment Date falling in or nearest to the relevant month and year]
9. Interest Basis: [[•] per cent. Fixed Rate]
- [[Specify reference rate] +/- [•] per cent. Floating Rate]
- [Zero Coupon]
- (see paragraph [14/15/16] below)
10. Redemption/Payment Basis: Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at [100] per cent. of their nominal amount.
11. Change of Interest Redemption/Payment Basis: or [Applicable/Not Applicable] [Specify the date when any fixed to floating rate change occurs or refer to paragraphs 14 and 15 below and identify there.]
12. Put/Call Options: [Not Applicable]
- [Investor Put]
- [Issuer Call]
- [(further particulars specified below)]
13. [(i) Status of the Notes: [Senior]
- [(ii) [Date [Board] approval for issuance of Notes obtained:] [•]
- (N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche*

of Notes. If not applicable, delete this subparagraph (ii.)

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

14. **Fixed Rate Note Provisions** [Applicable/Not Applicable]
- (If not applicable, delete the remaining subparagraphs of this paragraph)*
- (i) Rate[(s)] of Interest: *(Insert the relevant wording for each interest period:)*
- [[•]% per annum]/[the aggregate of [•] per cent. and the Mid Swap Rate [per annum/[•]] [determined by the Agent]/[•] [[From (and including) [•] up to ([and including/but excluding]) [•]] [and from (and including) [•] up to ([and including/but excluding]) [•]] [payable in arrears on each Interest Payment Date.]
- ["Mid Swap Rate" means the annual mid swap rate for [Euro][U.S. Dollar] swap transaction with a maturity of [•] years, expressed as a percentage, displayed on Bloomberg ICAE screen page [•] (or such other page as may replace that page on Bloomberg, or such other service as may be designated by the [Managers]/[Dealer] in consultation with the Issuer) at [•] [a.m./p.m.] ([•] time) on the [second] Business Day prior to [•].]
- (ii) Interest Payment Date(s): [•] in each year [adjusted in accordance with *[specify Business Day Convention]*]/not adjusted]]
- (iii) Fixed Coupon Amount[(s)]: [•] per Calculation Amount
- (iv) Broken Amount(s): [Not Applicable] / [•] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [•]
- (v) Day Count Fraction: [Actual/Actual (ICMA) / Actual/Actual (ISDA) / Actual/365 (Fixed) / Actual/360 / 30/360 / 30E/360 / 30E/360 (ISDA)]
- (vi) [Determination Dates: [•] in each year *(insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon. N.B. only relevant where Day Count Fraction is Actual/Actual (ICMA))*]]
15. **Floating Rate Note Provisions** [Applicable/Not Applicable]
- (If not applicable, delete the remaining subparagraphs of this paragraph)*
- (i) Interest Period(s): [•]
- (ii) Specified Period: [•]
- (Specified Period and Specified Interest Payment Dates are alternatives. A Specified Period, rather than Specified Interest Payment Dates, will only be*

*relevant if the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention. Otherwise, insert "Not Applicable")*

(iii) Specified Interest Payment Dates: [Not Applicable/[•], subject to adjustment in accordance with the Business Day Convention set out in (v) below]

*(Specified Period and Specified Interest Payment Dates are alternatives. If the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention, insert "Not Applicable")*

(iv) [First Interest Payment Date]: [•]

(v) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention]

(vi) Additional Business Centre(s): [Not Applicable/give details]

(vii) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination/ISDA Determination]

(viii) Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the [Principal Paying Agent]): [Not Applicable/ [Name] shall be the Calculation Agent (no need to specify if the Principal Paying Agent is to perform this function)]

(ix) Screen Rate Determination: [Applicable/Not Applicable]

*(If not applicable, delete the remaining sub-paragraphs of this paragraph. If applicable, only fill in the remaining sub-paragraphs.)*

(a) Reference Rate: [Specify] [LIBOR/ EURIBOR]

(b) Interest Determination Date(s): [•]

(c) Relevant Screen Page: [Specify] [Reuters LIBOR 01/ EURIBOR 01]

(d) Relevant Time: [•]

(e) Relevant Financial Centre: [London/Euro-zone (where Euro-zone means the region comprised of the countries whose lawful currency is the euro)]

(x) ISDA Determination: [Applicable/Not Applicable]

*(If not applicable, delete the remaining sub-paragraphs of this paragraph. If applicable, only fill in the remaining sub-paragraphs.)*

(a) Floating Rate Option: [•]

(b) Designated Maturity: [•]

(c) Reset Date: [•]

- (d) ISDA Definitions: [2006]
- (xi) Margin(s): [+/-][•] per cent. per annum
- (xii) Minimum Rate of Interest: [•] per cent. per annum
- (xiii) Maximum Rate of Interest: [•] per cent. per annum
- (xiv) Day Count Fraction: [Actual/Actual (ICMA) / Actual/Actual (ISDA) / Actual/365 (Fixed) / Actual/360 / 30/360 / 30E/360 / 30E/360 (ISDA)]

16. **Zero Coupon Note Provisions** [Applicable/Not Applicable]

*(If not applicable, delete the remaining subparagraphs of this paragraph)*

- (i) Amortisation/Accrual Yield: [•] per cent. per annum
- (ii) Reference Price: [•]
- (iii) Day Count Fraction: [30/360 / Actual/Actual (ICMA/ISDA)]

**PROVISIONS RELATING TO REDEMPTION**

17. **Call Option** [Applicable/Not Applicable]

*(If not applicable, delete the remaining subparagraphs of this paragraph)*

- (i) Optional Redemption Date(s): [•]
- (ii) Optional Redemption Amount(s) of each Note: [•] per Calculation Amount
- (iii) Notice period: [•]
- (iii) If redeemable in part:
  - (a) Minimum Redemption Amount: [•] per Calculation Amount
  - (b) Maximum Redemption Amount: [•] per Calculation Amount

18. **Put Option** [Applicable/Not Applicable]

*(If not applicable, delete the remaining subparagraphs of this paragraph)*

- (i) Optional Redemption Date(s): [•]
- (ii) Optional Redemption Amount(s) of each Note: [•] per Calculation Amount
- (iii) Notice period: [•]

19. **Final Redemption Amount of each Note:** [•] per Calculation Amount

*(N.B. If the Final Redemption Amount is other than*

*100 per cent. of the nominal value, the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulations will apply.)*

20. Early Redemption Amount(s) (Tax) or Early Termination Amount(s): [•] per Calculation Amount
21. Condition 20 (*Substitution of the Issuer*) applies: [Yes/No]

#### **GENERAL PROVISIONS APPLICABLE TO THE NOTES**

22. Form of Notes: Bearer Notes:
- [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes on [•] days' notice/at any time/in the limited circumstances specified in the Permanent Global Note] [and [in respect of a Permanent Global Note deposited with Euroclear Netherlands] only in the limited circumstances as described in the Securities Giro Act (*Wet giraal effectenverkeer*) and in accordance with the rules and regulations of Euroclear Netherlands]
- [Temporary Global Note exchangeable for Definitive Notes on [•] days' notice]
- [Permanent Global Note exchangeable for Definitive Notes on [•] days' notice/at any time/in the limited circumstances specified in the Permanent Global Note] [and [in respect of a Permanent Global Note deposited with Euroclear Netherlands] only in the limited circumstances as described in the Securities Giro Act (*Wet giraal effectenverkeer*) and in accordance with the rules and regulations of Euroclear Netherlands]
- [Registered Notes]
- [Global Registered Note exchangeable for Individual Note Certificates in the limited circumstances described in the Global Registered Note] [and [in respect of a Global Registered Note deposited with Euroclear Netherlands] only in the limited circumstances as described in the Securities Giro Act (*Wet giraal effectenverkeer*) and in accordance with the rules and regulations of Euroclear Netherlands]]
23. New Global Note: [Yes/No]
24. Additional Financial Centre(s): [Not Applicable/*give details.*]
- (Note that this paragraph relates to the date and place of payment, and not interest period end dates, to which sub paragraphs 14(ii) and 15(v).)*
25. Talons for future Coupons to be attached to Definitive Notes (and dates on which payments, talons may be required if, on exchange

such Talons mature):

into definitive form, more than 27 coupon payments  
are left.]

**RESPONSIBILITY**

The Issuer accepts responsibility for the information contained in these Final Terms. [*Relevant third party information*] has been extracted from (*specify source*). The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by (*specify source*), no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of **ACHMEA BANK N.V.:**

By: .....  
Duly authorised



## PART B – OTHER INFORMATION

### 1. LISTING AND ADMISSION TO TRADING

(i) Listing: [Irish Stock Exchange/*specify relevant regulated market* / None]

(ii) Admission to trading: [Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the [regulated market of the Irish Stock Exchange]/ [*specify relevant regulated market*] with effect from [•].] [Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the [regulated market of the Irish Stock Exchange]/ [*specify relevant regulated market*]] with effect from [•].] [Not Applicable.]

*(Where documenting a fungible issue need to indicate that original Notes are already admitted to trading.)*

(iii) Estimate of total expenses related to admission to trading: [•]

### 2. RATINGS

The Notes to be issued [have been/are expected to be] rated/[The following ratings reflect ratings assigned to Notes of this type issued under the Programme generally]:

Ratings: [Standard & Poor's\*: [•]]

[Fitch\*: [•]]

[*specify relevant rating agency*]

*(\*The exact legal name of the rating agency entity providing the rating should be specified-for example "Standard & Poor's Credit Market Services Europe Limited", rather than just Standard and Poor's.)*

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

*[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 Notes 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 Notes is not endorsed by a credit rating agency established in the EEA and registered under the CRA Regulation.

3. **[INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED 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 Notes has an interest material to the offer. The [Managers/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer [and the Guarantor] and [its/their] affiliates in the ordinary course of business. (*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 16 of the Prospectus Directive.]*

4. **[Fixed Rate Notes only -YIELD]**

Indication of yield: [•]

As set out above, the yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]

5. **OPERATIONAL INFORMATION**

(i) ISIN Code: [•]

(ii) Common Code: [•]

- (iii) Other relevant code: [•]
- (iv) Any clearing system(s) other than Euroclear Bank S.A./N.V., Clearstream Banking, S.A. and the relevant identification number(s): [Not Applicable/*give name(s) and number(s)*]
- (v) Delivery: Delivery [against/free of] payment
- (vi) Names and addresses of additional Paying Agent(s): [•]
- (vii) Intended to be held in a manner which would allow Eurosystem eligibility: [Yes. Note that the designation "yes" does not necessarily mean that the Notes will be recognized 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.]

[No. 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 Notes are capable of meeting them the Notes 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 notes*]]. Note that this does not necessarily mean that the Notes 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.]

6. **DISTRIBUTION**

- (i) Method of distribution: [Syndicated/Non-syndicated]
- (ii) If syndicated: [Not Applicable/*give names*]
- (iii) Stabilising Manager(s) (if any): [Not Applicable/*give name*]
- (iv) If non-syndicated, name of Dealer: [Not Applicable/*give name*]
- (v) U.S. Selling Restrictions: [Reg. S Compliance Category [1/2]; TEFRA C/TEFRA D/TEFRA not applicable]

## TERMS AND CONDITIONS OF THE NOTES

*The following is the text of the terms and conditions which, as completed by the relevant Final Terms, will be endorsed on each Note in definitive form issued under the Programme. In the case of any Tranche of Notes which are being admitted to trading on a regulated market in a Member State, the relevant Final Terms shall not amend or replace any information in this Base Prospectus. Subject to this and in relation to Notes which will not be listed or admitted to trading on a regulated market in a Member State, the Final Terms in respect of any Tranche of Notes may supplement, amend or replace any information in this Base Prospectus, to the extent permitted by applicable law and/or regulation.*

*The terms and conditions applicable to any Note in global form will differ from those terms and conditions which would apply to the Note were it in definitive form to the extent described under the section entitled "Form of Notes - Summary of Provisions Relating to the Notes while in Global Form".*

### 1. Introduction

- (a) **Programme:** Achmea Bank N.V. (the "**Issuer**") has established a Medium Term Note Programme (the "**Programme**") for the issuance of up to €10,000,000,000 in aggregate principal amount of notes (the "**Notes**").
- (b) **Final Terms:** Notes issued under the Programme are issued in series (each a "**Series**") and each Series may comprise one or more tranches (each a "**Tranche**") of Notes. Each Tranche is the subject of a final terms (the "**Final Terms**") which completes these terms and conditions (the "**Conditions**"). The terms and conditions applicable to any particular Tranche of Notes are these Conditions as completed by the relevant Final Terms. In the event of any inconsistency between these Conditions and the relevant Final Terms, the relevant Final Terms shall prevail.
- (c) **Agency Agreement:** The Notes are the subject of an issue and paying agency agreement dated 4 April 2017 (the "**Agency Agreement**") between the Issuer, ABN AMRO Bank N.V. as principal paying agent (the "**Principal Paying Agent**", which expression includes any successor principal paying agent appointed from time to time in connection with the Notes), ABN AMRO Bank N.V. as registrar (the "**Registrar**", which expression includes any successor registrar appointed from time to time in connection with the Notes), the paying agents named therein (together with the Principal Paying Agent, the "**Paying Agents**", which expression includes any successor or additional paying agents appointed from time to time in connection with the Notes) and the transfer agents named therein (together with the Registrar, the "**Transfer Agents**", which expression includes any successor or additional transfer agents appointed from time to time in connection with the Notes). In these Conditions references to the "**Agents**" are to the Paying Agents and the Transfer Agents and any reference to an "**Agent**" is to any one of them
- (d) **The Notes:** The Notes may be issued in bearer form ("**Bearer Notes**"), or in registered form ("**Registered Notes**"). All subsequent references in these Conditions to "**Notes**" are to the Notes which are the subject of the relevant Final Terms. Copies of the relevant Final Terms are available for viewing at the Specified Offices of each of the Agents, the initial Specified Offices of which are set out below.
- (e) **Summaries:** Certain provisions of these Conditions are summaries of the Agency Agreement and are subject to its detailed provisions. The Noteholders and the holders of the related interest coupons, if any, (the "**Couponholders**" and the "**Coupons**", respectively) are bound by, and are deemed to have notice of, all the provisions of the Agency Agreement applicable to them. Copies of the Agency Agreement are available for inspection by Noteholders during normal business hours at the Specified Offices of each of the Agents, the initial Specified Offices of which are set out below.

### 2. Interpretation

- (a) **Definitions:** In these Conditions the following expressions have the following meanings:  
**"Accrual Yield"** has the meaning given in the relevant Final Terms;

"**Achmea Group**" means Achmea B.V. and its subsidiaries (*dochtermaatschappijen*);

"**Additional Business Centre(s)**" means the city or cities specified as such in the relevant Final Terms;

"**Additional Financial Centre(s)**" means the city or cities specified as such in the relevant Final Terms;

"**Broken Amount**" has the meaning given in the relevant Final Terms;

"**Business Day**" means:

- (a) in relation to any sum payable in euro, a TARGET Settlement Day and a day on which commercial banks and foreign exchange markets settle payments generally in each (if any) Additional Business Centre; and
- (b) in relation to any sum payable in a currency other than euro, a day on which commercial banks and foreign exchange markets settle payments generally in London, in the Principal Financial Centre of the relevant currency and in each (if any) Additional Business Centre;

"**Business Day Convention**", in relation to any particular date, has the meaning given in the relevant Final Terms and, if so specified in the relevant Final Terms, may have different meanings in relation to different dates and, in this context, the following expressions shall have the following meanings:

- (a) "**Following Business Day Convention**" means that the relevant date shall be postponed to the first following day that is a Business Day;
- (b) "**Modified Following Business Day Convention**" or "**Modified Business Day Convention**" means that the relevant date shall be postponed to the first following day that is a Business Day unless that day falls in the next calendar month in which case that date will be the first preceding day that is a Business Day;
- (c) "**Preceding Business Day Convention**" means that the relevant date shall be brought forward to the first preceding day that is a Business Day;
- (d) "**FRN Convention**", "**Floating Rate Convention**" or "**Eurodollar Convention**" means that each relevant date shall be the date which numerically corresponds to the preceding such date in the calendar month which is the number of months specified in the relevant Final Terms as the Specified Period after the calendar month in which the preceding such date occurred **provided, however, that:**
  - (i) if there is no such numerically corresponding day in the calendar month in which any such date should occur, then such date will be the last day which is a Business Day in that calendar month;
  - (ii) if any such date would otherwise fall on a day which is not a Business Day, then such date will be the first following day which is a Business Day unless that day falls in the next calendar month, in which case it will be the first preceding day which is a Business Day; and
  - (iii) if the preceding such date occurred on the last day in a calendar month which was a Business Day, then all subsequent such dates will be the last day which is a Business Day in the calendar month which is the specified number of months after the calendar month in which the preceding such date occurred; and
- (e) "**No Adjustment**" means that the relevant date shall not be adjusted in accordance with any Business Day Convention;

"**Calculation Agent**" means the Principal Paying Agent or such other Person specified in the relevant Final Terms as the party responsible for calculating the Rate(s) of Interest and Interest Amount(s) and/or such other amount(s) as may be specified in the relevant Final Terms;

"**Calculation Amount**" has the meaning given in the relevant Final Terms;

"**Code**" means the U.S. Internal Revenue Code of 1986, as amended, and regulations thereunder;

"**Couponholder**" has the meaning given in Condition 3(b) (*Form, Denomination, Title and Transfer - Title to Bearer Notes*);

"**Coupon Sheet**" means, in respect of a Note, a coupon sheet relating to the Note;

"**Day Count Fraction**" means, in respect of the calculation of an amount for any period of time (the "**Calculation Period**"), such day count fraction as may be specified in these Conditions or the relevant Final Terms and:

- (a) if "**Actual/Actual (ICMA)**" is so specified, means:
  - (i) where the Calculation Period is equal to or shorter than the Regular Period during which it falls, the actual number of days in the Calculation Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and
  - (ii) where the Calculation Period is longer than one Regular Period, the sum of:
    - (A) the actual number of days in such Calculation Period falling in the Regular Period in which it begins divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and
    - (B) the actual number of days in such Calculation Period falling in the next Regular Period divided by the product of (a) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year;
- (b) if "**Actual/Actual (ISDA)**" is so specified, means the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (c) if "**Actual/365 (Fixed)**" is so specified, means the actual number of days in the Calculation Period divided by 365;
- (d) if "**Actual/360**" is so specified, means the actual number of days in the Calculation Period divided by 360;

- (e) if "**30/360**" is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows

$$\text{Day Count Fraction} = \frac{\lfloor 360x(Y_2 - Y_1) \rfloor + \lfloor 30x(M_2 - M_1) \rfloor + (D_2 - D_1)}{360}$$

where:

"**Y<sub>1</sub>**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y<sub>2</sub>**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M<sub>1</sub>**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M<sub>2</sub>**" is the calendar month, expressed as number, in which the day immediately following the last day included in the Calculation Period falls;

"**D<sub>1</sub>**" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and

"**D<sub>2</sub>**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D<sub>1</sub> is greater than 29, in which case D<sub>2</sub> will be 30";

- (f) if "**30E/360**" or "**Eurobond Basis**" is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{\lfloor 360x(Y_2 - Y_1) \rfloor + \lfloor 30x(M_2 - M_1) \rfloor + (D_2 - D_1)}{360}$$

where:

"**Y<sub>1</sub>**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y<sub>2</sub>**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M<sub>1</sub>**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M<sub>2</sub>**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**D<sub>1</sub>**" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and

"**D<sub>2</sub>**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D<sub>2</sub> will be 30; and

- (g) if "**30E/360 (ISDA)**" is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

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

where:

"**Y<sub>1</sub>**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y<sub>2</sub>**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M<sub>1</sub>**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M<sub>2</sub>**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**D<sub>1</sub>**" is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D<sub>1</sub> will be 30; and

"**D<sub>2</sub>**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation 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 D<sub>2</sub> will be 30,

**provided, however, that** in each such case the number of days in the Calculation Period is calculated from and including the first day of the Calculation Period to but excluding the last day of the Calculation Period;

"**Early Redemption Amount (Tax)**" means, in respect of any Note, its principal amount;

"**Early Termination Amount**" means, in respect of any Note, its principal amount;

"**Extraordinary Resolution**" has the meaning given in the Agency Agreement;

"**FATCA**" means Sections 1471 through 1474 of the Code;

"**FATCA Withholding**" means any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the Code or otherwise imposed pursuant to Sections 1471 through 1474 of the Code (or any regulations thereunder or official interpretations thereof) or an intergovernmental agreement between the United States and another jurisdiction facilitating the implementation thereof (or any law implementing such an intergovernmental agreement);

"**Final Redemption Amount**" means, in respect of any Note, its principal amount;

"**First Interest Payment Date**" means the date specified in the relevant Final Terms;

"**Fixed Coupon Amount**" has the meaning given in the relevant Final Terms;

"**FMSA**" means the Dutch Financial Markets Supervision Act (*Wet op het financieel toezicht*);

"**Guarantee**" means, in relation to any Indebtedness of any Person, any obligation of another Person to pay such Indebtedness including (without limitation):

- (a) any obligation to purchase such Indebtedness;



- (b) any obligation to lend money, to purchase or subscribe shares or other securities or to purchase assets or services in order to provide funds for the payment of such Indebtedness;
- (c) any indemnity against the consequences of a default in the payment of such Indebtedness; and
- (d) any other agreement to be responsible for such Indebtedness;

"**Holder**", in the case of Bearer Notes, has the meaning given in Condition 3(b) (*Form, Denomination, Title and Transfer - Title to Bearer Notes*) and, in the case of Registered Notes, has the meaning given in Condition 3(d) (*Form, Denomination, Title and Transfer - Title to Registered Notes*);

"**Indebtedness**" means any indebtedness of any Person for money borrowed or raised including (without limitation) any indebtedness for or in respect of:

- (a) amounts raised by acceptance under any acceptance credit facility;
- (b) amounts raised under any note purchase facility;
- (c) the amount of any liability in respect of leases or hire purchase contracts which would, in accordance with applicable law and generally accepted accounting principles, be treated as finance or capital leases;
- (d) the amount of any liability in respect of any purchase price for assets or services the payment of which is deferred for a period in excess of 60 days; and
- (e) amounts raised under any other transaction (including, without limitation, any forward sale or purchase agreement) having the commercial effect of a borrowing;

"**Interest Amount**" means, in relation to a Note and an Interest Period, the amount of interest payable in respect of that Note for that Interest Period;

"**Interest Commencement Date**" means the Issue Date of the Notes or such other date as may be specified as the Interest Commencement Date in the relevant Final Terms;

"**Interest Determination Date**" has the meaning given in the relevant Final Terms;

"**Interest Payment Date**" means the First Interest Payment Date and any date or dates specified as such in, or determined in accordance with the provisions of, the relevant Final Terms and, if a Business Day Convention is specified in the relevant Final Terms:

- (a) as the same may be adjusted in accordance with the relevant Business Day Convention; or
- (b) if the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention and an interval of a number of calendar months is specified in the relevant Final Terms as being the Specified Period, each of such dates as may occur in accordance with the FRN Convention, Floating Rate Convention or Eurodollar Convention at such Specified Period of calendar months following the Interest Commencement Date (in the case of the first Interest Payment Date) or the previous Interest Payment Date (in any other case);

"**Interest Period**" means each period beginning on (and including) the Interest Commencement Date or any Interest Payment Date and ending on (but excluding) the next Interest Payment Date;

"**ISDA Definitions**" means the 2006 ISDA Definitions (as amended and updated as at the date of issue of the first Tranche of the Notes of the relevant Series (as specified in

the relevant Final Terms) as published by the International Swaps and Derivatives Association, Inc.);

"**Issue Date**" has the meaning given in the relevant Final Terms;

"**Margin**" has the meaning given in the relevant Final Terms;

"**Maturity Date**" has the meaning given in the relevant Final Terms;

"**Maximum Redemption Amount**" has the meaning given in the relevant Final Terms;

"**Minimum Redemption Amount**" has the meaning given in the relevant Final Terms;

"**Noteholder**", in the case of Bearer Notes, has the meaning given in Condition 3(b) (*Form, Denomination, Title and Transfer - Title to Bearer Notes*) and, in the case of Registered Notes, has the meaning given in Condition 3(d) (*Form, Denomination, Title and Transfer - Title to Registered Notes*);

"**Optional Redemption Amount (Call)**" means, in respect of any Note, its principal amount;

"**Optional Redemption Amount (Put)**" means, in respect of any Note, its principal amount;

"**Optional Redemption Date (Call)**" has the meaning given in the relevant Final Terms;

"**Optional Redemption Date (Put)**" has the meaning given in the relevant Final Terms;

"**Participating Member State**" means a Member State of the European Union which adopts the euro as its lawful currency in accordance with the Treaty;

"**Payment Business Day**" means:

- (a) if the currency of payment is euro, any day which is:
  - (i) a day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and
  - (ii) in the case of payment by transfer to an account, a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre; or
- (b) if the currency of payment is not euro, any day which is:
  - (i) a day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and
  - (ii) in the case of payment by transfer to an account, a day on which dealings in foreign currencies may be carried on in the Principal Financial Centre of the currency of payment and in each (if any) Additional Financial Centre;

"**Person**" means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality;

**"Principal Financial Centre"** means, in relation to any currency, the principal financial centre for that currency **provided, however, that:**

- (a) in relation to euro, it means the principal financial centre of such Member State of the European Union as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent; and
- (b) in relation to New Zealand dollars, it means either Wellington or Auckland as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent;

**"Put Option Notice"** means a notice which must be delivered to a Paying Agent by any Noteholder wanting to exercise a right to redeem a Note at the option of the Noteholder;

**"Put Option Receipt"** means a receipt issued by a Paying Agent to a depositing Noteholder upon deposit of a Note with such Paying Agent by any Noteholder wanting to exercise a right to redeem a Note at the option of the Noteholder;

**"Rate of Interest"** means the rate or rates (expressed as a percentage per annum) of interest payable in respect of the Notes on the Interest Payment Dates specified in the relevant Final Terms and calculated in accordance with the provisions of these Conditions;

**"Redemption Amount"** means, as appropriate, the Final Redemption Amount, the Early Redemption Amount (Tax), the Optional Redemption Amount (Call), the Optional Redemption Amount (Put) or the Early Termination Amount;

**"Reference Banks"** means four major banks selected by the Calculation Agent in the market that is most closely connected with the Reference Rate;

**"Reference Price"** has the meaning given in the relevant Final Terms;

**"Reference Rate"** means EURIBOR or LIBOR as specified in the relevant Final Terms in respect of the currency and period specified in the relevant Final Terms;

**"Register"** means the register to be kept by ABN AMRO Bank N.V. as registrar in accordance with the provisions of the Agency Agreement;

**"Regular Period"** means:

- (a) in the case of Notes where interest is scheduled to be paid only by means of regular payments, each period from and including the Interest Commencement Date to but excluding the first Interest Payment Date and each successive period from and including one Interest Payment Date to but excluding the next Interest Payment Date;
- (b) in the case of Notes where, apart from the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where **"Regular Date"** means the day and month (but not the year) on which any Interest Payment Date falls; and
- (c) in the case of Notes where, apart from one Interest Period other than the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where **"Regular Date"** means the day and month (but not the year) on which any Interest Payment Date falls other than the Interest Payment Date falling at the end of the irregular Interest Period;

**"Relevant Date"** means, in relation to any payment, whichever is the later of (a) the date on which the payment in question first becomes due and (b) if the full amount payable has not been received in the Principal Financial Centre of the currency of payment by the

Principal Paying Agent on or prior to such due date, the date on which (the full amount having been so received) notice to that effect has been given to the Noteholders;

"**Relevant Financial Centre**" has the meaning given in the relevant Final Terms;

"**Relevant Indebtedness**" means any Indebtedness which is in the form of or represented by any bond, note, debenture, debenture stock, loan stock, certificate or other similar instrument which is, or is capable of being, listed, quoted or traded on any stock exchange or in any securities market or any guarantee in respect of any such indebtedness;

"**Relevant Screen Page**" means the page, section or other part of a particular information service (including, without limitation, Reuters) specified as the Relevant Screen Page in the relevant Final Terms, or such other page, section or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the Person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate;

"**Relevant Time**" has the meaning given in the relevant Final Terms;

"**Reserved Matter**" means any proposal to change any date fixed for payment of principal or interest in respect of the Notes, to reduce the amount of principal or interest payable on any date in respect of the Notes, to alter the method of calculating the amount of any payment in respect of the Notes or the date for any such payment, to change the currency of any payment under the Notes or to change the quorum requirements relating to meetings or the majority required to pass an Extraordinary Resolution;

"**Security Interest**" means any mortgage, charge, pledge, lien or other security interest including, without limitation, anything analogous to any of the foregoing under the laws of any jurisdiction;

"**Specified Currency**" has the meaning given in the relevant Final Terms;

"**Specified Denomination(s)**" has the meaning given in the relevant Final Terms;

"**Specified Office**" has the meaning given in the Agency Agreement;

"**Specified Period**" has the meaning given in the relevant Final Terms;

"**Subsidiary**" means, in relation to any Person (the "**first Person**") at any particular time, any other Person (the "**second Person**"):

- (a) whose affairs and policies the first Person controls or has the power to control, whether by ownership of share capital, contract, the power to appoint or remove members of the governing body of the second Person or otherwise; or
- (b) whose financial statements are, in accordance with applicable law and generally accepted accounting principles, consolidated in those of the first Person (provided the first Person is the direct or indirect parent of the second Person);

"**Talon**" means a talon for further Coupons;

"**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;

"**TARGET Settlement Day**" means any day on which TARGET2 is open for the settlement of payments in euro;

"**Treaty**" means the Treaty establishing the European Communities, as amended; and

"**Zero Coupon Note**" means a Note specified as such in the relevant Final Terms;

- (b) **Interpretation:** In these Conditions:
- (i) if the Notes are Zero Coupon Notes, references to Coupons and Couponholders are not applicable;
  - (ii) if Talons are specified in the relevant Final Terms as being attached to the Notes at the time of issue, references to Coupons shall be deemed to include references to Talons;
  - (iii) if Talons are not specified in the relevant Final Terms as being attached to the Notes at the time of issue, references to Talons are not applicable;
  - (iv) any reference to principal shall be deemed to include the Redemption Amount, any additional amounts in respect of principal which may be payable under Condition 12 (*Taxation*), any premium payable in respect of a Note and any other amount in the nature of principal payable pursuant to these Conditions;
  - (v) any reference to interest shall be deemed to include any additional amounts in respect of interest which may be payable under Condition 12 (*Taxation*) and any other amount in the nature of interest payable pursuant to these Conditions;
  - (vi) references to Notes being "**outstanding**" shall be construed in accordance with the Agency Agreement;
  - (vii) if an expression is stated in Condition 2(a) to have the meaning given in the relevant Final Terms, but the relevant Final Terms gives no such meaning or specifies that such expression is "not applicable" then such expression is not applicable to the Notes;
  - (viii) any reference to the Agency Agreement shall be construed as a reference to the Agency Agreement as amended and/or supplemented up to and including the Issue Date of the Notes; and
  - (ix) any references in these Conditions to any particular provision, article, clause, section or paragraph of a law, directive, regulation or other legislation shall include such provision, article, clause, section or paragraph as consolidated, amended, re-enacted or replaced).

3. **Form, Denomination, Title and Transfer**

- (a) **Bearer Notes:** Bearer Notes are in the Specified Denomination(s) with Coupons and, if specified in the relevant Final Terms, Talons attached at the time of issue. In the case of a Series of Bearer Notes with more than one Specified Denomination, Bearer Notes of one Specified Denomination will not be exchangeable for Bearer Notes of another Specified Denomination.
- (b) **Title to Bearer Notes:** Title to Bearer Notes and the Coupons will pass by delivery. In the case of Bearer Notes, "**Holder**" means the holder of such Bearer Note and "**Noteholder**" and "**Couponholder**" shall be construed accordingly.
- (c) **Registered Notes:** Registered Notes are in the Specified Denomination(s), which may include a minimum denomination specified in the relevant Final Terms and higher integral multiples of a smaller amount specified in the relevant Final Terms.
- (d) **Title to Registered Notes:** The Registrar will maintain the register in accordance with the provisions of the Agency Agreement. A certificate (each, a "**Note Certificate**") will be issued to each Holder of Registered Notes in respect of its registered holding. Each Note Certificate will be numbered serially with an identifying number which will be recorded in the Register. In the case of Registered Notes, "**Holder**" means the person in whose name such Registered Note is for the time being registered in the Register (or, in the case of a joint holding, the first named thereof) and "**Noteholder**" shall be construed accordingly.

- (e) **Ownership:** The Holder of any Note or Coupon shall (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any other interest therein, any writing thereon or, in the case of Registered Notes, on the Note Certificate relating thereto (other than the endorsed form of transfer) or any notice of any previous loss or theft thereof) and no Person shall be liable for so treating such Holder.
- (f) **Transfers of Registered Notes:** Subject to paragraphs (i) (*Closed periods*) and (j) (*Regulations concerning transfers and registration*) below, a Registered Note may be transferred upon surrender of the relevant Note Certificate, with the endorsed form of transfer duly completed, at the Specified Office of the Registrar or any Transfer Agent, together with such evidence as the Registrar or (as the case may be) such Transfer Agent may reasonably require to prove the title of the transferor and the authority of the individuals who have executed the form of transfer; **provided, however, that** a Registered Note may not be transferred unless the principal amount of Registered Notes transferred and (where not all of the Registered Notes held by a Holder are being transferred) the principal amount of the balance of Registered Notes not transferred are Specified Denominations. Where not all the Registered Notes represented by the surrendered Note Certificate are the subject of the transfer, a new Note Certificate in respect of the balance of the Registered Notes will be issued to the transferor.
- (g) **Registration and delivery of Note Certificates:** Within five business days of the surrender of a Note Certificate in accordance with paragraph (f) (*Transfers of Registered Notes*) above, the Registrar will register the transfer in question and deliver a new Note Certificate of a like principal amount to the Registered Notes transferred to each relevant Holder at its Specified Office or (as the case may be) the Specified Office of any Transfer Agent or (at the request and risk of any such relevant Holder) by uninsured first class mail (airmail if overseas) to the address specified for the purpose by such relevant Holder. In this paragraph, "**business day**" means a day on which commercial banks are open for general business (including dealings in foreign currencies) in the city where the Registrar or (as the case may be) the relevant Transfer Agent has its Specified Office.
- (h) **No charge:** The transfer of a Registered Note will be effected without charge by or on behalf of the Issuer or the Registrar or any Transfer Agent but against such indemnity as the Registrar or (as the case may be) such Transfer Agent may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such transfer.
- (i) **Closed periods:** Noteholders may not require transfers to be registered during the period of 15 days ending on the due date for any payment of principal or interest in respect of the Registered Notes.
- (j) **Regulations concerning transfers and registration:** All transfers of Registered Notes and entries on the Register are subject to the detailed regulations concerning the transfer of Registered Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer with the prior written approval of the Registrar. A copy of the current regulations will be mailed (free of charge) by the Registrar to any Noteholder who requests in writing a copy of such regulations.

#### 4. **Status**

The Notes constitute unsecured and unsubordinated obligations of the Issuer and rank *pari passu* without any preference among themselves and with all other present and future unsecured and unsubordinated obligations of the Issuer, save for those preferred by mandatory and/or overriding provisions of law.

#### 5. **Negative Pledge**

So long as any Note remains outstanding, the Issuer shall not and the Issuer shall procure that none of its Subsidiaries will, create or permit to subsist any Security Interest upon the whole or any part of its present or future undertaking, assets or revenues (including uncalled capital) to

secure any Relevant Indebtedness of the Issuer or its Subsidiaries except for (i) Security Interests created or preference arising by operation of any law, (ii) Security Interests created over real property to secure borrowings to finance the purchase or improvement of such real property, (iii) Security Interests created over assets existing at the time of acquisition thereof, (iv) Security Interests created over assets in connection with the Issuer's secured EMTN programme and any successor, replacement or similar secured debt issuance programme or transaction and, for the avoidance of doubt, (v) the Issuer's covered bond programme (and successor covered bonds programme) and securitisation transactions or similar transactions purporting a legal transfer of assets, without (a) at the same time or prior thereto securing the Notes equally and rateably therewith or (b) providing such other security for the Notes as may be approved by an Extraordinary Resolution of Noteholders.

#### 6. **Fixed Rate Note Provisions**

- (a) **Application:** This Condition 6 (*Fixed Rate Note Provisions*) is applicable to the Notes only if the Fixed Rate Note Provisions are specified in the relevant Final Terms as being applicable.
- (b) **Accrual of interest:** The Notes bear interest from the Interest Commencement Date at the Rate(s) of Interest payable in arrears on each Interest Payment Date, subject as provided in Condition 11 (*Payments*). The Rate of Interest may be specified in the relevant Final Terms either (i) as the same Rate of Interest for all Interest Periods or (ii) as a different Rate of Interest in respect of one or more Interest Periods. Each Note will cease to bear interest from the due date for final redemption unless, upon due presentation, payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition 6 (as well after as before judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Principal Paying Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).
- (c) **Fixed Coupon Amount:** The amount of interest payable in respect of each Note for any Interest Period shall be the relevant Fixed Coupon Amount or Broken Amount and, if the Notes are in more than one Specified Denomination, shall be the relevant Fixed Coupon Amount or Broken Amount in respect of the relevant Specified Denomination.
- (d) **Calculation of interest amount:** The amount of interest payable in respect of each Note for any period for which a Fixed Coupon Amount or Broken Amount is not specified shall be calculated by applying the Rate of Interest to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of such Note divided by the Calculation Amount. For this purpose a "**sub-unit**" means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.

#### 7. **Floating Rate Note Provisions**

- (a) **Application:** This Condition 7 (*Floating Rate Note Provisions*) is applicable to the Notes only if the Floating Rate Note Provisions are specified in the relevant Final Terms as being applicable.
- (b) **Accrual of interest:** The Notes bear interest from the Interest Commencement Date at the Rate of Interest payable in arrears on each Interest Payment Date, subject as provided in Condition 11 (*Payments*). Each Note will cease to bear interest from the due date for final redemption unless, upon due presentation, payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition (as well after as before judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are

received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Principal Paying Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

(c) **Screen Rate Determination:** If Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Notes for each Interest Period will be determined by the Calculation Agent on the following basis:

- (i) if the Reference Rate is a composite quotation or customarily supplied by one entity, the Calculation Agent will determine the Reference Rate which appears on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;
- (ii) in any other case, the Calculation Agent will determine the arithmetic mean of the Reference Rates which appear on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;
- (iii) if, in the case of (i) above, such rate does not appear on that page or, in the case of (ii) above, fewer than two such rates appear on that page or if, in either case, the Relevant Screen Page is unavailable, the Calculation Agent will:
  - (A) request the principal Relevant Financial Centre office of each of the Reference Banks to provide a quotation of the Reference Rate at approximately the Relevant Time on the Interest Determination Date to prime banks in the Relevant Financial Centre interbank market in an amount that is representative for a single transaction in that market at that time; and
  - (B) determine the arithmetic mean of such quotations; and
- (iv) if fewer than two such quotations are provided as requested, the Calculation Agent will determine the arithmetic mean of the rates (being the nearest to the Reference Rate, as determined by the Calculation Agent) quoted by major banks in the Principal Financial Centre of the Specified Currency, selected by the Calculation Agent, at approximately 11.00 a.m. (local time in the Principal Financial Centre of the Specified Currency) on the first day of the relevant Interest Period for loans in the Specified Currency to leading European banks for a period equal to the relevant Interest Period and in an amount that is representative for a single transaction in that market at that time,

and the Rate of Interest for such Interest Period shall be the sum of the Margin and the rate or (as the case may be) the arithmetic mean so determined; **provided, however, that** if the Calculation Agent is unable to determine a rate or (as the case may be) an arithmetic mean in accordance with the above provisions in relation to any Interest Period, the Rate of Interest applicable to the Notes during such Interest Period will be the sum of the Margin and the rate or (as the case may be) the arithmetic mean last determined in relation to the Notes in respect of a preceding Interest Period.

(d) **ISDA Determination:** If ISDA Determination is specified in the relevant Final Terms as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Notes for each Interest Period will be the sum of the Margin and the relevant ISDA Rate where "**ISDA Rate**" in relation to any Interest Period means a rate equal to the Floating Rate (as defined in the ISDA Definitions) that would be determined by the Calculation Agent under an interest rate swap transaction if the Calculation Agent were acting as Calculation Agent for that interest rate swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- (i) the Floating Rate Option (as defined in the ISDA Definitions) is as specified in the relevant Final Terms;



- (ii) the Designated Maturity (as defined in the ISDA Definitions) is a period specified in the relevant Final Terms; and
  - (iii) the relevant Reset Date (as defined in the ISDA Definitions) is either (A) if the relevant Floating Rate Option is based on the London inter-bank offered rate (LIBOR) for a currency, the first day of that Interest Period or (B) in any other case, as specified in the relevant Final Terms.
- (e) **Maximum or Minimum Rate of Interest:** If any Maximum Rate of Interest or Minimum Rate of Interest is specified in the relevant Final Terms, then the Rate of Interest shall in no event be greater than the maximum or be less than the minimum so specified.
- (f) **Calculation of Interest Amount:** The Calculation Agent will, as soon as practicable after the time at which the Rate of Interest is to be determined in relation to each Interest Period, calculate the Interest Amount payable in respect of each Note for such Interest Period. The Interest Amount will be calculated by applying the Rate of Interest for such Interest Period to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of the relevant Note divided by the Calculation Amount. For this purpose a "sub-unit" means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.
- (g) **Calculation of other amounts:** If the relevant Final Terms specifies that any other amount is to be calculated by the Calculation Agent, the Calculation Agent will, as soon as practicable after the time or times at which any such amount is to be determined, calculate the relevant amount. The relevant amount will be calculated by the Calculation Agent in the manner specified in the relevant Final Terms.
- (h) **Publication:** The Calculation Agent will cause each Rate of Interest and Interest Amount determined by it, together with the relevant Interest Payment Date, and any other amount(s) required to be determined by it together with any relevant payment date(s) to be notified to the Paying Agents and each competent authority, stock exchange and/or quotation system (if any) by which the Notes have then been admitted to listing, trading and/or quotation as soon as practicable after such determination but (in the case of each Rate of Interest, Interest Amount and Interest Payment Date) in any event not later than the first day of the relevant Interest Period. Notice thereof shall also promptly be given to the Noteholders. The Calculation Agent will be entitled to recalculate any Interest Amount (on the basis of the foregoing provisions) without notice in the event of an extension or shortening of the relevant Interest Period. If the Calculation Amount is less than the minimum Specified Denomination the Calculation Agent shall not be obliged to publish each Interest Amount but instead may publish only the Calculation Amount and the Interest Amount in respect of a Note having the minimum Specified Denomination.
- (i) **Notifications etc.:** All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition by the Calculation Agent will (in the absence of manifest error) be binding on the Issuer, the Paying Agents, the Noteholders and the Couponholders and (subject as aforesaid) no liability to any such Person will attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes.

## 8. Zero Coupon Note Provisions

- (a) **Application:** This Condition 8 (*Zero Coupon Note Provisions*) is applicable to the Notes only if the Zero Coupon Note Provisions are specified in the relevant Final Terms as being applicable.

- (b) **Late payment on Zero Coupon Notes:** If the Redemption Amount payable in respect of any Zero Coupon Note is improperly withheld or refused, the Redemption Amount shall thereafter be an amount equal to the sum of:
  - (i) the Reference Price; and
  - (ii) the product of the Accrual Yield (compounded annually) being applied to the Reference Price on the basis of the relevant Day Count Fraction from (and including) the Issue Date to (but excluding) whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Principal Paying Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

9. **Redemption and Purchase**

- (a) **Scheduled redemption:** Unless previously redeemed, written down, converted or purchased and cancelled, the Notes will be redeemed at their Final Redemption Amount on the Maturity Date, subject as provided in Condition 10 (*Payments – Bearer Notes*) or Condition 11 (*Payments – Registered Notes*).
- (b) **Redemption for tax reasons:** The Notes may be redeemed at the option of the Issuer in whole, but not in part:
  - (i) at any time (if neither the Floating Rate Note Provisions are specified in the relevant Final Terms as being applicable); or
  - (ii) on any Interest Payment Date (if the Floating Rate Note Provisions are specified in the relevant Final Terms as being applicable),

on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable), at their Early Redemption Amount (Tax), together with interest accrued (if any) to the date fixed for redemption, if:

- (A) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 12 (*Taxation*) or the Issuer will not obtain full or substantially full relief for the purposes of Dutch corporation tax for any interest payable as a result of any change in, or amendment to, the laws or regulations of The Netherlands or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after the date of issue of the first Tranche of the Notes; and
- (B) such obligation cannot be avoided by the Issuer taking reasonable measures available to it,

**provided, however, that** no such notice of redemption shall be given earlier than:

- (1) where the Notes may be redeemed at any time, 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts if a payment in respect of the Notes were then due or would not obtain full or substantially full relief for the purposes of Dutch corporation tax for any interest payable; or
- (2) where the Notes may be redeemed only on an Interest Payment Date, 60 days prior to the Interest Payment Date occurring immediately before the earliest date on which the Issuer would

be obliged to pay such additional amounts if a payment in respect of the Notes were then due or would not obtain full or substantially full relief for the purposes of Dutch corporation tax for any interest payable.

Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Principal Paying Agent (A) a certificate signed by two directors 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 (B) an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment respectively the Issuer will not obtain full or substantially full relief for the purposes of Dutch corporation tax for any interest payable. Upon the expiry of any such notice as is referred to in this Condition 9(b), the Issuer shall be bound to redeem the Notes in accordance with this Condition 9(b).

- (c) ***Redemption at the option of the Issuer:*** If the Call Option is specified in the relevant Final Terms as being applicable, the Notes may be redeemed at the option of the Issuer in whole or, if so specified in the relevant Final Terms, in part on any Optional Redemption Date (Call) at the relevant Optional Redemption Amount (Call) on the Issuer's giving not less than 30 nor more than 60 days' notice to the Noteholders or such other period as may be specified in the relevant Final Terms (which notice shall be irrevocable and shall oblige the Issuer to redeem the Notes or, as the case may be, the Notes specified in such notice on the relevant Optional Redemption Date (Call) at the Optional Redemption Amount (Call) plus accrued interest (if any) to such date).
- (d) ***Partial redemption:*** If the Notes are to be redeemed in part only on any date in accordance with Condition 9(c) (*Redemption at the option of the Issuer*), in the case of Bearer Notes, the Notes to be redeemed shall be selected by the drawing of lots in such place as the Principal Paying Agent approves and in such manner as the Principal Paying Agent considers appropriate, subject to compliance with applicable law, the rules of each competent authority, stock exchange and/or quotation system (if any) by which the Notes have then been admitted to listing, trading and/or quotation and the notice to Noteholders referred to in Condition 9(c) (*Redemption at the option of the Issuer*) shall specify the serial numbers of the Notes so to be redeemed, and, in the case of Registered Notes, each Note shall be redeemed in part in the proportion which the aggregate principal amount of the outstanding Notes to be redeemed on the relevant Optional Redemption Date (Call) bears to the aggregate principal amount of outstanding Notes on such date. If any Maximum Redemption Amount or Minimum Redemption Amount is specified in the relevant Final Terms, then the Optional Redemption Amount (Call) shall in no event be greater than the maximum or be less than the minimum so specified.
- (e) ***Redemption at the option of Noteholders:*** If the Put Option is specified in the relevant Final Terms as being applicable, the Issuer shall, at the option of the Holder of any Note redeem such Note on the Optional Redemption Date (Put) specified in the relevant Put Option Notice at the relevant Optional Redemption Amount (Put) together with interest (if any) accrued to such date. In order to exercise the option contained in this Condition 9(e), the Holder of a Note must, not less than 30 nor more than 60 days before the relevant Optional Redemption Date (Put) (or such other period(s) as may be specified in the relevant Final Terms), deposit with any Paying Agent such Note together with all unmatured Coupons relating thereto and a duly completed Put Option Notice in the form obtainable from any Paying Agent. The Paying Agent with which a Note is so deposited shall deliver a duly completed Put Option Receipt to the depositing Noteholder. No Note, once deposited with a duly completed Put Option Notice in accordance with this Condition 9(e), may be withdrawn; **provided, however, that** if, prior to the relevant Optional Redemption Date (Put), any such Note becomes immediately due and payable or, upon due presentation of any such Note on the relevant Optional Redemption Date (Put), payment of the redemption moneys is improperly withheld or refused, the relevant Paying Agent shall mail notification thereof to the depositing Noteholder at such address as may have been given by such Noteholder in the relevant Put Option Notice and shall hold such Note at its Specified Office for collection by the depositing Noteholder against

surrender of the relevant Put Option Receipt. For so long as any outstanding Note is held by a Paying Agent in accordance with this Condition 9(e), the depositor of such Note and not such Paying Agent shall be deemed to be the Holder of such Note for all purposes.

- (f) **Early redemption of Zero Coupon Notes:** Unless otherwise specified in the relevant Final Terms, the Redemption Amount payable on redemption of a Zero Coupon Note at any time before the Maturity Date shall be an amount equal to the sum of:
- (i) the Reference Price; and
  - (ii) the product of the Accrual Yield (compounded annually) being applied to the Reference Price from (and including) the Issue Date to (but excluding) the date fixed for redemption or (as the case may be) the date upon which the Note becomes due and payable.

Where such calculation is to be made for a period which is not a whole number of years, the calculation in respect of the period of less than a full year shall be made on the basis of such Day Count Fraction as may be specified in the Final Terms for the purposes of this Condition 9(f) or, if none is so specified, a Day Count Fraction of 30E/360.

- (g) **Purchases:** The Issuer or any of its Subsidiaries may at any time purchase Notes in the open market or otherwise and at any price, **provided that** all unmatured Coupons are purchased therewith.
- (h) **Cancellation:** All Notes so redeemed or purchased by the Issuer or any of its Subsidiaries and any unmatured Coupons attached to or surrendered with them shall be cancelled and may not be reissued or resold.

#### 10. **Payments - Bearer Notes**

This Condition 10 is only applicable to Bearer Notes.

- (a) **Principal:** Payments of principal shall be made only against presentation and (**provided that** payment is made in full) surrender of Bearer Notes at the Specified Office of any Paying Agent outside the United States by cheque drawn in the currency in which the payment is due on, or by transfer to an account denominated in that currency (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency.
- (b) **Interest:** Payments of interest shall, subject to paragraph (h) below, be made only against presentation and (**provided that** payment is made in full) surrender of the appropriate Coupons at the Specified Office of any Paying Agent outside the United States in the manner described in paragraph (a) above.
- (c) **Payments in New York City:** Payments of principal or interest may be made at the Specified Office of a Paying Agent in New York City if (i) the Issuer has appointed Paying Agents outside the United States with the reasonable expectation that such Paying Agents will be able to make payment of the full amount of the interest on the Notes in the currency in which the payment is due when due, (ii) payment of the full amount of such interest at the offices of all such Paying Agents is illegal or effectively precluded by exchange controls or other similar restrictions and (iii) payment is permitted by applicable United States law.
- (d) **Payments subject to fiscal laws:** All payments in respect of the Bearer Notes are subject in all cases to any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 12 (*Taxation*). No commissions or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.

- (e) ***Deductions for unmatured Coupons:*** If the relevant Final Terms specifies that the Fixed Rate Note Provisions are applicable and a Bearer Note is presented without all unmatured Coupons relating thereto:
- (i) if the aggregate amount of the missing Coupons is less than or equal to the amount of principal due for payment, a sum equal to the aggregate amount of the missing Coupons will be deducted from the amount of principal due for payment; **provided, however, that** if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of such missing Coupons which the gross amount actually available for payment bears to the amount of principal due for payment;
  - (ii) if the aggregate amount of the missing Coupons is greater than the amount of principal due for payment:
    - (A) so many of such missing Coupons shall become void (in inverse order of maturity) as will result in the aggregate amount of the remainder of such missing Coupons (the "**Relevant Coupons**") being equal to the amount of principal due for payment; **provided, however, that** where this sub-paragraph would otherwise require a fraction of a missing Coupon to become void, such missing Coupon shall become void in its entirety; and
    - (B) a sum equal to the aggregate amount of the Relevant Coupons (or, if less, the amount of principal due for payment) will be deducted from the amount of principal due for payment; **provided, however, that**, if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of the Relevant Coupons (or, as the case may be, the amount of principal due for payment) which the gross amount actually available for payment bears to the amount of principal due for payment.

Each sum of principal so deducted shall be paid in the manner provided in paragraph (a) above against presentation and (**provided that** payment is made in full) surrender of the relevant missing Coupons.

- (f) ***Unmatured Coupons void:*** If the relevant Final Terms specifies that this Condition 10(f) is applicable or that the Floating Rate Note Provisions are applicable, on the due date for final redemption of any Note or early redemption in whole of such Note pursuant to Condition 9(b) (*Redemption for tax reasons*), Condition 9(e) (*Redemption at the option of Noteholders*), Condition 9(c) (*Redemption at the option of the Issuer*) or Condition 13 (*Events of Default*), all unmatured Coupons relating thereto (whether or not still attached) shall become void and no payment will be made in respect thereof.
- (g) ***Payments on business days:*** If the due date for payment of any amount in respect of any Bearer Note or Coupon is not a Payment Business Day in the place of presentation, the Holder shall not be entitled to payment in such place of the amount due until the next succeeding Payment Business Day in such place and shall not be entitled to any further interest or other payment in respect of any such delay.
- (h) ***Payments other than in respect of matured Coupons:*** Payments of interest other than in respect of matured Coupons shall be made only against presentation of the relevant Bearer Notes at the Specified Office of any Paying Agent outside the United States (or in New York City if permitted by paragraph (c) above).
- (i) ***Partial payments:*** If a Paying Agent makes a partial payment in respect of any Bearer Note or Coupon presented to it for payment, such Paying Agent will endorse thereon a statement indicating the amount and date of such payment.

- (j) **Exchange of Talons:** On or after the maturity date of the final Coupon which is (or was at the time of issue) part of a Coupon Sheet relating to the Bearer Notes, the Talon forming part of such Coupon Sheet may be exchanged at the Specified Office of the Principal Paying Agent for a further Coupon Sheet (including, if appropriate, a further Talon but excluding any Coupons in respect of which claims have already become void pursuant to Condition 14 (*Prescription*)). Upon the due date for redemption of any Bearer Note, any unexchanged Talon relating to such Note shall become void and no Coupon will be delivered in respect of such Talon.
- (k) **FATCA:** Payments will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 12 (*Taxation*) and (ii) any FATCA Withholding.

#### 11. **Payments - Registered Notes**

This Condition 11 is only applicable to Registered Notes.

- (a) **Principal:** Payments of principal shall be made by cheque drawn in the currency in which the payment is due drawn on, or, upon application by a Holder of a Registered Note to the Specified Office of the Principal Paying Agent not later than the fifteenth day before the due date for any such payment, by transfer to an account denominated in that currency (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency (in the case of a sterling cheque, a town clearing branch of a bank in the City of London) and (in the case of redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Note Certificates at the Specified Office of any Paying Agent.
- (b) **Interest:** Payments of interest shall be made by cheque drawn in the currency in which the payment is due drawn on, or, upon application by a Holder of a Registered Note to the Specified Office of the Principal Paying Agent not later than the fifteenth day before the due date for any such payment, by transfer to an account denominated in that currency (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency (in the case of a sterling cheque, a town clearing branch of a bank in the City of London) and (in the case of interest payable on redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Note Certificates at the Specified Office of any Paying Agent.
- (c) **Payments subject to fiscal laws:** All payments in respect of the Registered Notes are subject in all cases to any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 12 (*Taxation*). No commissions or expenses shall be charged to the Noteholders in respect of such payments.
- (d) **Payments on business days:** Where payment is to be made by transfer to an account, payment instructions (for value the due date, or, if the due date is not Payment Business Day, for value the next succeeding Payment Business Day) will be initiated and, where payment is to be made by cheque, the cheque will be mailed (i) (in the case of payments of principal and interest payable on redemption) on the later of the due date for payment and the day on which the relevant Note Certificate is surrendered (or, in the case of part payment only, endorsed) at the Specified Office of a Paying Agent and (ii) (in the case of payments of interest payable other than on redemption) on the due date for payment. A Holder of a Registered Note shall not be entitled to any interest or other payment in respect of any delay in payment resulting from (A) the due date for a payment not being a Payment Business Day or (B) a cheque mailed in accordance with this Condition 11 arriving after the due date for payment or being lost in the mail.
- (e) **Partial payments:** If a Paying Agent makes a partial payment in respect of any Registered Note, the Issuer shall procure that the amount and date of such payment are noted on the Register and, in the case of partial payment upon presentation of a Note

Certificate, that a statement indicating the amount and the date of such payment is endorsed on the relevant Note Certificate.

- (f) **Record date:** Each payment in respect of a Registered Note will be made to the person shown as the Holder in the Register at the opening of business in the place of the Registrar's Specified Office on the fifteenth day before the due date for such payment (the "**Record Date**"). Where payment in respect of a Registered Note is to be made by cheque, the cheque will be mailed to the address shown as the address of the Holder in the Register at the opening of business on the relevant Record Date.
- (g) **FATCA:** Payments will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 12 (*Taxation*), and (ii) any FATCA Withholding.

## 12. **Taxation**

- (a) **Gross up:** All payments of principal and interest in respect of the Notes and the Coupons by or on behalf of the Issuer shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of The Netherlands or any political subdivision therein or any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments, or governmental charges is required by law. In that event, the Issuer shall pay such additional amounts as will result in receipt by the Noteholders and the Couponholders after such withholding or deduction of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable in respect of any Note or Coupon:
  - (i) held by or on behalf of a Holder which is liable to such taxes, duties, assessments or governmental charges in respect of such Note or Coupon by reason of its having some connection with the jurisdiction by which such taxes, duties, assessments or charges have been imposed, levied, collected, withheld or assessed other than the mere holding of the Note or Coupon; or
  - (ii) where the relevant Note or Coupon or Note Certificate is presented or surrendered for payment more than 30 days after the Relevant Date except to the extent that the Holder of such Note or Coupon would have been entitled to such additional amounts on presenting or surrendering such Note or Coupon or Note Certificate for payment on the last day of such period of 30 days.
- (b) **Taxing jurisdiction:** If the Issuer becomes subject at any time to any taxing jurisdiction other than The Netherlands, references in these Conditions to The Netherlands shall be construed as references to The Netherlands and/or such other jurisdiction.
- (c) **FATCA withholding:** The Issuer shall be permitted to withhold or deduct any FATCA Withholding as a result of a holder, beneficial owner or an intermediary that is not an agent of the Issuer not being entitled to receive payments free of FATCA Withholding. The Issuer will have no obligation to pay additional amounts or otherwise indemnify an investor for any such FATCA Withholding deducted or withheld by the Issuer, the paying agent or any other party.

## 13. **Events of Default**

If any of the following events (each an "**Event of Default**") occurs:

- (a) **Non-payment:** the Issuer fails to pay any amount of interest or principal in respect of the Notes for more than 14 calendar days after the due date for payment; or
- (b) **Breach of other obligations:** the Issuer defaults in the performance or observance of any of its other obligations under or in respect of the Notes and such default remains unremedied for 30 calendar days after written notice thereof, addressed to the Issuer by

any Noteholder, has been delivered to the Issuer or to the Specified Office of the Principal Paying Agent; or

- (c) **Cross-default of Issuer or Subsidiary:**
- (i) any Indebtedness of the Issuer or any of its Subsidiaries is not paid when due or (as the case may be) within any originally applicable grace period;
  - (ii) any such Indebtedness becomes (or becomes capable of being declared) due and payable prior to its stated maturity otherwise than at the option of the Issuer, the relevant Subsidiary or (**provided that** no event of default, howsoever described, has occurred) any Person entitled to such Indebtedness by reason of any actual or potential default, event of default or the like (howsoever described); or
  - (iii) the Issuer or any of its Subsidiaries fails to pay when due any amount payable by it under any Guarantee of any Indebtedness or (as the case may be) within any originally applicable grace period;

**provided that** the amounts payable referred to in sub-paragraph (i), (ii) and/or (iii) above individually or in the aggregate exceeds €25 million (or its equivalent in any other currency or currencies); or

- (d) **Unsatisfied judgment:** one or more judgment(s) or order(s) from which no further appeal or judicial review is permissible under applicable law for the payment of any amount/an aggregate amount in excess of €25 million (or its equivalent in any other currency or currencies) is rendered against the Issuer or any of its Subsidiaries and continue(s) unsatisfied and unstayed for a period of 30 days after the date(s) thereof or, if later, the date therein specified for payment; or
- (e) **Insolvency etc.:** (i) suspension of payments (*surseance van betaling*) or bankruptcy (*faillissement*) proceedings are initiated or applied for by the Issuer, any of its Subsidiaries or a third party and, in the case of a third party application, not discharged within 30 days, (ii) the Issuer or any of its Subsidiaries is declared bankrupt, a declaration in respect of the Issuer is made under Chapter 3.5.5 of the FMSA, or a suspension of payments in respect of any of its Subsidiaries is declared (iii) the Issuer or any of its Subsidiaries is unable to pay its debts generally as they fall due, (iv) an administrator or liquidator of the Issuer or any of its Subsidiaries or the whole or substantially all of the assets of the Issuer or any of its Subsidiaries is appointed (or application for any such appointment is made), (v) the Issuer or any of its Subsidiaries makes a general assignment or an arrangement or composition with or for the benefit of its creditors or declares a moratorium in respect of any of its Indebtedness or any Guarantee of any Indebtedness given by it or (vi) the Issuer or any of its Subsidiaries ceases, or threatens to cease, both (a) be part of the Achmea Group and (b) carry on all or a substantial part of its business; or
- (f) **Winding up etc.:** an order is made or an effective resolution is passed for the winding up, liquidation or dissolution of the Issuer or any of its Subsidiaries unless this is done in connection with a merger, consolidation or other form of combination with another company and such company assumes all obligations of the Issuer in connection with the Notes; or
- (g) **Analogous event:** any event occurs which under the laws of The Netherlands has an analogous effect to any of the events referred to in paragraphs (d), (e)(i) and (e)(ii) above,

then any Note may, by written notice addressed by the Holder thereof to the Issuer and delivered to the Issuer or to the Specified Office of the Principal Paying Agent, be declared immediately due and payable, whereupon it shall become immediately due and payable at its Early Termination Amount together with accrued interest (if any) without further action or formality.



14. **Prescription**

Claims for principal in respect of Bearer Notes shall become void unless the relevant Bearer Notes are presented for payment within five years of the appropriate Relevant Date. Claims for interest in respect of Bearer Notes shall become void unless the relevant Coupons are presented for payment within five years of the appropriate Relevant Date. Claims for principal and interest on redemption in respect of Registered Notes shall become void unless the relevant Note Certificates are surrendered for payment within five years of the appropriate Relevant Date.

15. **Replacement of Notes and Coupons**

If any Note, Note Certificate or Coupon is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of the Principal Paying Agent, in the case of Bearer Notes, or the Registrar, in the case of Registered Notes (and, if the Notes are then admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system which requires the appointment of a Paying Agent or Transfer Agent in any particular place, the Paying Agent or Transfer Agent having its Specified Office in the place required by such competent authority, stock exchange and/or quotation system), subject to all applicable laws and competent authority, stock exchange and/or quotation system requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may reasonably require. Mutilated or defaced Notes, Note Certificates or Coupons must be surrendered before replacements will be issued.

16. **Agents**

In acting under the Agency Agreement and in connection with the Notes and the Coupons, the Agents act solely as agent of the Issuer and do not assume any obligations towards or relationship of agency or trust for or with any of the Noteholders or Couponholders.

The initial Agents and their initial Specified Offices are listed below. The initial Calculation Agent (if any) is specified in the relevant Final Terms. The Issuer reserves the right at any time to vary or terminate the appointment of any Agent and to appoint a successor Principal Paying agent or registrar or Calculation Agent and additional or successor paying agents; **provided, however, that:**

- (a) the Issuer shall at all times maintain a Principal Paying agent and a registrar; and
- (b) if a Calculation Agent is specified in the relevant Final Terms, the Issuer shall at all times maintain a Calculation Agent; and
- (c) if and for so long as the Notes are admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system which requires the appointment of a Paying Agent and/or a Transfer Agent in any particular place, the Issuer shall maintain a Paying Agent and/or a Transfer Agent having its Specified Office in the place required by such competent authority, stock exchange and/or quotation system.

Notice of any change in any of the Agents or in their Specified Offices shall promptly be given to the Noteholders.

17. **Meetings of Noteholders; Modification and Waiver**

- (a) **Meetings of Noteholders:** The Agency Agreement contains provisions for convening meetings of Noteholders to consider matters relating to the Notes, including the modification of any provision of these Conditions. Any such modification may be made if sanctioned by an Extraordinary Resolution. Such a meeting may be convened by the Issuer and shall be convened by them upon the request in writing of Noteholders holding not less than one tenth of the aggregate principal amount of the outstanding Notes. The quorum at any meeting convened to vote on an Extraordinary Resolution will be two or more Persons holding or representing one more than half of the aggregate principal amount of the outstanding Notes or, at any adjourned meeting, two or more Persons being or representing Noteholders whatever the principal amount of the Notes held or

represented; **provided, however, that** Reserved Matters may only be sanctioned by an Extraordinary Resolution passed at a meeting of Noteholders at which two or more Persons holding or representing not less than three-quarters or, at any adjourned meeting, one quarter of the aggregate principal amount of the outstanding Notes form a quorum. Any Extraordinary Resolution duly passed at any such meeting shall be binding on all the Noteholders and Couponholders, whether present or not.

In addition, a resolution in writing signed by or on behalf of all Noteholders who for the time being are entitled to receive notice of a meeting of Noteholders will take effect as if it were an Extraordinary Resolution. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

- (b) **Modification and waiver:** The Notes and these Conditions may be amended without the consent of the Noteholders or the Couponholders to correct a manifest error. In addition, the parties to the Agency Agreement may agree to modify any provision thereof, but the Issuer shall not agree, without the consent of the Noteholders, to any such modification unless it is of a formal, minor or technical nature, it is made to correct a manifest error or it is, in the opinion of such parties, not materially prejudicial to the interests of the Noteholders.

## 18. Further Issues

The Issuer may from time to time, without the consent of the Noteholders or the Couponholders, create and issue further notes having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest) so as to form a single series with the Notes.

## 19. Notices

- (a) **Bearer Notes:** Notices to the Holders of Bearer Notes shall be valid if published in a leading daily newspaper published in The Netherlands (which is expected to be the *Het Financieele Dagblad*) and, if the Bearer Notes are admitted to trading on a stock exchange and it is a requirement of applicable law or regulations, in the manner required by such law or regulations or, if such publication is not practicable, in a leading English language daily newspaper having general circulation in Europe. Any such notice shall be deemed to have been given on the date of first publication (or if required to be published in more than one newspaper, on the first date on which publication shall have been made in all the required newspapers). Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the Holders of Bearer Notes.
- (b) **Registered Notes:** Notices to the Holders of Registered Notes shall be sent to them by first class mail (or its equivalent) or (if posted to an overseas address) by airmail at their respective addresses on the Register and, if the Registered Notes are admitted to trading on a stock exchange and it is a requirement of applicable law or regulations, notices to Noteholders will be published in the manner required by such law or regulations or, if such publication is not practicable, in a leading English language daily newspaper having general circulation in Europe. Any such notice shall be deemed to have been given on the fourth day after the date of mailing.

## 20. Substitution of the Issuer

20.1 The Issuer may, with the consent of the Noteholders or Couponholders which will be deemed to have been given in respect of each issue of Notes on which no payment of principal or interest on any of the Notes is in default, be replaced and substituted by either (A) any directly or indirectly wholly owned subsidiary of the Issuer or (B) Achmea B.V. (or any successor parent company of the Issuer) (such substituting entity, the "**Substituted Debtor**") as principal debtor in respect of the Notes and the relative Coupons provided that:

- (a) such documents shall be executed by the Substituted Debtor and the Issuer as may be necessary to give full effect to the substitution (the "**Documents**") and (without limiting

the generality of the foregoing) pursuant to which the Substituted Debtor shall undertake in favour of each Noteholder and Couponholder to be bound by the Conditions and the provisions of the Agency Agreement in full as if the Substituted Debtor had been named in the Notes, and the relative Coupons and the Agency Agreement as the principal debtor in respect of the Notes and the relative Coupons in place of the Issuer and pursuant to which the Issuer shall guarantee, which guarantee shall be unconditional and irrevocable, (the "**Guarantee**") in favour of each Noteholder and each holder of the relative Coupons the payment of all sums (including any additional amounts payable pursuant to Condition 12 (*Taxation*)) payable in respect of the Notes and the relative Coupons;

- (b) 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 Noteholder has the benefit of a covenant in terms corresponding to the provisions of Condition 12 (*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 Noteholder and Couponholder against all liabilities, costs, charges and expenses, provided that insofar as the liabilities, costs, charges and expenses are taxes or duties, the same arise by reason of a law or regulation having legal effect or being in reasonable contemplation thereof on the date such substitution becomes effective, which may be incurred by or levied against such holder as a result of any substitution pursuant to this Condition 20 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 Noteholder or Couponholder by any political subdivision or taxing authority of any country in which such Noteholder 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);
- (c) 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 Noteholder;
- (d) each stock exchange which has Notes listed thereon or the relevant competent authority relating thereto shall have confirmed that following the proposed substitution of the Substituted Debtor such Notes would continue to be listed on such stock exchange;
- (e) the Substituted Debtor shall have delivered to the Agent or procured the delivery to the Agent of a legal opinion from a leading firm of local lawyers acting for the Substituted Debtor to the effect that the Documents constitute legal, valid and binding obligations of the Substituted Debtor, such opinion to be dated not more than three days prior to the date of substitution of the Substituted Debtor for the Issuer and to be available for inspection by Noteholders and Couponholders at the specified office of the Agent; and
- (f) the Issuer shall have delivered to the Agent or procured the delivery to the Agent of a legal opinion from a leading firm of Dutch lawyers to the effect that the Documents (including the Guarantee) constitute legal, valid and binding obligations of the Substituted Debtor and the Issuer under Dutch law, such opinion to be dated not more than three days prior to the date of substitution of the Substituted Debtor for the Issuer and to be available for inspection by Noteholders and Couponholders at the specified office of the Agent.

20.2 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 Noteholders 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 Noteholder or Couponholder, except as provided in paragraph 20.1(a) above, shall be entitled to claim from the Issuer or any Substituted Debtor under the Notes and the relative Coupons any indemnification or payment in respect of any tax or other consequences arising from such substitution.

- 20.3 Upon the execution of the Documents as referred to in paragraph 20.1 above, and subject to the notice as referred to in paragraph 20.5 below having been given, the Substituted Debtor shall be deemed to be named in the Notes and the relative Coupons as the principal debtor in place of the Issuer and the Notes 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 Notes and the relative Coupons save that any claims under the Notes and the relative Coupons prior to release shall ensure for the benefit of Noteholders and Couponholders.
- 20.4 The Documents shall be deposited with and held by the Agent for so long as any Notes or Coupons remain outstanding and for so long as any claim made against the Substituted Debtor by any Noteholder or Couponholder in relation to the Notes 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 Noteholder and Couponholder to the production of the Documents for the enforcement of any of the Notes or the relative Coupons or the Documents.
- 20.5 Not later than 15 Business Days after the execution of the Documents, the Substituted Debtor shall give notice thereof to the Noteholders in accordance with Condition 19 (*Notices*).

21. **Rounding**

For the purposes of any calculations referred to in these Conditions (unless otherwise specified in these Conditions or the relevant Final Terms), (a) all percentages resulting from such calculations will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005% being rounded up to 0.00001%), (b) all United States dollar amounts used in or resulting from such calculations will be rounded to the nearest cent (with one half cent being rounded up), (c) all Japanese Yen amounts used in or resulting from such calculations will be rounded downwards to the next lower whole Japanese Yen amount, and (d) all amounts denominated in any other currency used in or resulting from such calculations will be rounded to the nearest two decimal places in such currency, with 0.005 being rounded upwards.

22. **Governing Law and Jurisdiction**

(a) ***Governing law***

The Notes and any disputes arising out of or in connection with the Notes are governed by, and shall be construed in accordance with, the laws of The Netherlands, including the choice-of-court agreement set out below in Condition 22(b) (*Submission to jurisdiction*).

(b) ***Submission to jurisdiction***

In relation to any legal action or proceedings arising out of or in connection with the Notes and the Coupons, the Issuer irrevocably submits to the jurisdiction of the court of first instance (*rechtbank*) in Amsterdam, The Netherlands. This submission is made for the exclusive benefit of the Noteholders and shall not affect their right to take such action or bring such proceedings in any other courts of competent jurisdiction.

## FORM OF NOTES

Each Tranche of Notes will be in bearer form ("**Bearer Notes**") or in registered form ("**Registered Notes**"), as specified in the applicable final terms. Global Notes, Definitive Notes and Registered Global Notes and Individual Note Certificates will be issued in accordance with and subject to the terms of the Agency Agreement.

The following legend will appear on all Bearer Notes which have an original maturity of more than one year and on all interest coupons relating to such Notes:

"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 following legend will appear on all Global Notes and Global Registered Notes held through Euroclear Netherlands:

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

Notes which are represented by a Global Note or a Global Registered Note will only be transferable in accordance with the rules and procedures for the time being of Euroclear or Clearstream, Luxembourg, Euroclear Netherlands or any other agreed clearing system, as the case may be. In the case of Notes represented by a Global Note or a Registered Global Note deposited with Euroclear Netherlands, on the occurrence of one of the limited circumstances as described in this section or in the relevant Global Note or Registered Global Note, an exchange (*uitlevering*) for Definitive Notes or Individual Note Certificates will only be possible in the limited circumstances as described in the Dutch Securities Giro Transfer Act (*Wet giraal effectenverkeer*, the "**Wge**") and in accordance with the rules and regulations of Euroclear Netherlands.

Pursuant to the Agency Agreement, the Principal Paying Agent shall arrange that, where a further Tranche of Notes is issued which is intended to form a single Series with an existing Tranche of Notes, the Notes of such further Tranche shall be assigned a temporary common code and ISIN by Euroclear and Clearstream, Luxembourg and/or any other relevant security code which are different from the common code, ISIN and other relevant security code assigned to Notes 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 Notes of such Tranche.

In case of Notes which have a denomination consisting of a minimum Specified Denomination plus a higher integral multiple of another smaller amount, it is possible that the Notes may be traded in amounts that are not integral multiples of such minimum Specified Denomination. So long as such Notes are represented by a Global Note or Global Registered Note and the relevant clearing system(s) so permit, these Notes will be tradeable only in the minimum authorised denomination of the minimum Specified Denomination increased by integral multiples of such a smaller amount, notwithstanding that no Definitive Notes or Individual Note Certificates will be issued with a denomination of the minimum Specified Denomination or which is a multiple of two or more times the Specified Denomination.

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 and the Principal Paying Agent but shall not include Euroclear Netherlands.

### **Bearer Notes**

Bearer Notes will (unless otherwise specified in the applicable Final Terms) initially be issued in the form of a temporary global Note without interest coupons attached (a "**Temporary Global Note**"). Each Temporary Global Note which is intended to be issued in new global note ("**NGN**") form, as specified in the applicable Final Terms, will be deposited on or prior to the original Issue Date of the Tranche with a

common safekeeper for Euroclear and/or Clearstream, Luxembourg. Each Temporary Global Note which is not intended to be issued in NGN form (a "CGN"), as specified in the applicable Final Terms, will on or prior to the original Issue Date of the Tranche be deposited with a depository or a common depository for Euroclear and/or Clearstream, Luxembourg and/or for any other agreed clearing system or with Euroclear Netherlands.

If the relevant Final Terms specifies the form of Notes as being "Temporary Global Note exchangeable for a Permanent Global Note", then the Notes will initially be in the form of a Temporary Global Note which will be exchangeable, in whole or in part, for interests in a permanent global note (a "**Permanent Global Note**" and, together with any Temporary Global Note, each a "**Global Note**"), without interest coupons, not earlier than 40 days (nor, if the Temporary Global Note has been deposited with Euroclear Netherlands, more than 90 days) after the Issue Date of the relevant Tranche of the Notes (or the "**restricted period**" within the meaning of U.S. Treasury Regulations Section 1.163-5(c)(2)(i)(D)(7)) upon certification as to non-U.S. beneficial ownership. No payments will be made under the Temporary Global Note unless exchange for interests in the Permanent Global Note is improperly withheld or refused. In addition, interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership.

Whenever any interest in the Temporary Global Note is to be exchanged for an interest in a Permanent Global Note, the Issuer shall procure (in the case of first exchange) the delivery of a Permanent Global Note to the bearer of the Temporary Global Note or (in the case of any subsequent exchange) an increase in the principal amount of the Permanent Global Note in accordance with its terms against:

- (i) presentation and (in the case of final exchange) presentation and surrender of the Temporary Global Note to or to the order of the Principal Paying Agent; and
- (ii) receipt by the Principal Paying Agent of a certificate or certificates of non-U.S. beneficial ownership.

The principal amount of Notes represented by the Permanent Global Note shall be equal to the aggregate of the principal amounts specified in the certificates of non-U.S. beneficial ownership **provided, however, that** in no circumstances shall the principal amount of Notes represented by the Permanent Global Note exceed the initial principal amount of Notes represented by the Temporary Global Note.

If:

- (a) the Permanent Global Note has not been delivered or the principal amount thereof increased in accordance with the provisions of the relevant Temporary Global Note by 5.00 p.m. (Amsterdam time) on the seventh day after the bearer of the Temporary Global Note has requested exchange of an interest in the Temporary Global Note for an interest in a Permanent Global Note; or
- (b) Definitive Notes have not been delivered in accordance with the provisions of the relevant Temporary Global Note by 5.00 p.m. (Amsterdam time) on the thirtieth day after the bearer has requested exchange of the Temporary Global Note for Definitive Notes; or
- (c) the Temporary Global Note (or any part thereof) has become due and payable in accordance with the Conditions or the date for final redemption of the Temporary Global Note has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the bearer of the Temporary Global Note in accordance with the terms of the Temporary Global Note on the due date for payment,

then at 5.00 p.m. (Amsterdam time) on such seventh day (in the case of (a) above) or at 5.00 p.m. (Amsterdam time) on such thirtieth day (in the case of (b) above) or at 5.00 p.m. (Amsterdam time) on such due date (in the case of (c) above) (the "**Relevant Time**") each Relevant Account Holder shall directly acquire, without the need for any further action on behalf of any person, against the Issuer all those rights ("**Direct Rights**") which such Relevant Account Holder would have had if, immediately before the Relevant Time, it held and owned duly executed and authenticated Definitive Notes and (if applicable) Coupons, Coupon sheets and/or Talons in respect of each Note represented by such Temporary Global Note which such Relevant Account Holder has credited to its securities account with the relevant clearing system at the Relevant Time including, without limitation, the right to receive all payments due at any time in respect of such Definitive Notes other than any corresponding payments

already made under such Temporary Global Note. No further action shall be required on the part of any person in order for Direct Rights to be acquired as contemplated hereinbefore 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 Notes as if they had been specifically incorporated in such Temporary Global Note other than the right to receive any corresponding payments already made under such Temporary Global Note.

The Permanent Global Note will become exchangeable, in whole but not in part only and at the request of the bearer of the Permanent Global Note, for Bearer Notes in definitive form (each a "**Definitive Note**"):

- (a) on the expiry of such period of notice as may be specified in the Final Terms; or
- (b) if the Final Terms specifies "in the limited circumstances described in the Permanent Global Note", then if either of the following events occurs:
  - (i) Euroclear or Clearstream, Luxembourg, Euroclear Netherlands or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business; or
  - (ii) any of the circumstances described in Condition 13 (*Events of Default*) occurs,

**provided that** delivery (*utlevering*) of Definitive Notes represented by a Permanent Global Note deposited with Euroclear Netherlands is only possible in the limited circumstances as described in the Wge and in accordance with the rules and regulations of Euroclear Netherlands.

Whenever the Permanent Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the Final Terms), in an aggregate principal amount equal to the principal amount of Notes represented by the Permanent Global Note to the bearer of the Permanent Global Note against the surrender of the Permanent Global Note to or to the order of the Principal Paying Agent not later within 30 days of the bearer requesting such exchange.

If:

- (a) Definitive Notes have not been duly delivered by 5.00 p.m. (Amsterdam time) on the thirtieth day after the bearer has requested exchange of the Permanent Global Note for Definitive Notes; or
- (b) the Permanent Global Note was originally issued in exchange for part only of a temporary global note representing the Notes and Relevant Account Holders obtained Direct Rights as defined in such temporary global note in accordance with its terms; or
- (c) the Permanent Global Note (or any part thereof) has become due and payable in accordance with the Conditions or the date for final redemption of the Permanent Global Note has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the bearer in accordance with the terms of the Permanent Global Note on the due date for payment,

then at 5.00 p.m. (Amsterdam time) on such thirtieth day (a) above) or at 5.00 p.m. (Amsterdam time) on the date on which such Relevant Account Holders obtain Direct Rights as defined in the temporary global note (in the case of (b) above) or at 5.00 p.m. (Amsterdam time) on such due date (in the case of (c) above) (the "**Relevant Time**") each Relevant Account Holder shall directly acquire, without the need for any further action on behalf of any person, against the Issuer all those rights ("**Direct Rights**") which such Relevant Account Holder would have had if, immediately before the Relevant Time, it held and owned duly executed and authenticated Definitive Notes and (if applicable) Coupons, Coupon sheets and/or Talons in respect of each Note represented by such Permanent Global Note which such Relevant Account Holder has credited to its securities account with the relevant clearing system at the Relevant Time including, without limitation, the right to receive all payments due at any time in respect of such Definitive Notes other than any corresponding payments already made under such Permanent Global Note. No further action shall be required on the part of any person in order for Direct Rights to be acquired as contemplated hereinbefore 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

Notes as if they had been specifically incorporated in such Permanent Global Note other than the right to receive any corresponding payments already made under such Permanent Global Note.

### Registered Notes

Each Tranche of Registered Notes will be in the form of either individual Note Certificates in registered form ("**Individual Note Certificates**") or a global Note in registered form (a "**Global Registered Note**"), in each case as specified in the relevant Final Terms. Each Global Registered Note will be deposited on or around the relevant Issue Date with a depositary or a common depositary for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system or delivered to Euroclear Netherlands and registered in the name of a nominee for such depositary or in the name of Euroclear Netherlands and will be exchangeable for Individual Note Certificates in accordance with its terms.

If the relevant Final Terms specifies the form of Notes as being "Individual Note Certificates", then the Notes will at all times be in the form of Individual Note Certificates issued to each Noteholder in respect of their respective holdings.

If the relevant Final Terms specifies the form of Notes as being "Global Registered Note exchangeable for Individual Note Certificates", then the Notes will initially be in the form of a Global Registered Note which will be exchangeable in whole, but not in part, for Individual Note Certificates:

- (a) on the expiry of such period of notice as may be specified in the relevant Final Terms; or
- (b) if the relevant Final Terms specifies "in the limited circumstances described in the Global Registered Note", then if either of the following events occurs:
  - (i) Euroclear or Clearstream, Luxembourg, Euroclear Netherlands or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business or
  - (ii) any of the circumstances described in Condition 13 (*Events of Default*) occurs,

**provided that** delivery (*uitlevering*) of Individual Note Certificates represented by a Global Registered Note deposited with Euroclear Netherlands is only possible in the limited circumstances as described in the Wge and in accordance with the rules and regulations of Euroclear Netherlands.

Whenever the Global Registered Note is to be exchanged for Individual Note Certificates, the Issuer shall procure that Individual Note Certificates will be issued in an aggregate principal amount equal to the principal amount of the Global Registered Note within five business days of the delivery, by or on behalf of the registered holder of the Global Registered Note, Euroclear and/or Clearstream, Luxembourg and/or Euroclear Netherlands, to the Registrar of such information as is required to complete and deliver such Individual Note Certificates (including, without limitation, the names and addresses of the persons in whose names the Individual Note Certificates are to be registered and the principal amount of each such person's holding) against the surrender of the Global Registered Note at the specified office of the Registrar.

Such exchange will be effected in accordance with the provisions of the Agency Agreement and the regulations concerning the transfer and registration of Notes scheduled thereto and, in particular, shall be effected without charge to any holder, but against such indemnity as the Registrar may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such exchange.

If:

- (a) Individual Note Certificates have not been delivered by 5.00 p.m. (Amsterdam time) on the thirtieth day after they are due to be issued and delivered in accordance with the terms of the Global Registered Note; or
- (b) any of the Notes represented by a Global Registered Note (or any part of it) has become due and payable in accordance with the Conditions or the date for final redemption of the Notes has occurred and, in either case, payment in full of the amount of principal falling due with all



accrued interest thereon has not been made to the holder of the Global Registered Note in accordance with the terms of the Global Registered Note on the due date for payment,

then at 5.00 p.m. (Amsterdam time) on such thirtieth day (in the case of (a) above) or at 5.00 p.m. (Amsterdam time) on such due date (in the case of (b) above) (the "**Relevant Time**") each Relevant Account Holder shall directly acquire, without the need for any further action on behalf of any person, against the Issuer all those rights ("**Direct Rights**") which such Relevant Account Holder would have had if, immediately before the Relevant Time, it held and owned duly executed and authenticated Individual Note Certificates in respect of each Note represented by such Global Registered Note which such Relevant Account Holder has credited to its securities account with the relevant clearing system at the Relevant Time including, without limitation, the right to receive all payments due at any time in respect of such Individual Note Certificates other than any corresponding payments already made under such Global Registered Note. No further action shall be required on the part of any person in order for Direct Rights to be acquired as contemplated hereinbefore 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 Individual Note Certificates as if they had been specifically incorporated in such Global Registered Note other than the right to receive any corresponding payments already made under such Global Registered Note.

For the purposes of this Section "*Form of the Notes*", "**Entry**" means any entry relating to a Global Note of Global Registered Note or any relevant part of it, as the case may be, which is or has been made in the securities account of any account holder with Euroclear and/or Clearstream, Luxembourg, Euroclear Netherlands and/or any other relevant clearing system, as the case may be, in respect of Notes represented by Global Note or a Global Registered Note; and "**Relevant Account Holder**" means any account holder with Euroclear and/or Clearstream, Luxembourg, Euroclear Netherlands and/or any other relevant clearing system which at the Relevant Time has credited to its securities account with Euroclear or Clearstream, Luxembourg, Euroclear Netherlands and/or any other relevant clearing system, as the case may be, an Entry or Entries in respect of such Global Note or Global Registered Note or any relevant part of it, as the case may be.

#### **Terms and Conditions applicable to the Notes**

The terms and conditions applicable to any Definitive Note or on any Individual Note Certificate, as the case may be, will be endorsed on that Note and will consist of the terms and conditions set out in the section of this Base Prospectus entitled "*Terms and Conditions of the Notes*" and of the provisions of the relevant Final Terms which complete those terms and conditions.

The terms and conditions applicable to any Note in global form will differ from those terms and conditions which would apply to the Note were it in definitive form to the extent described in the following section "*Summary of Provisions relating to the Notes while in Global Form*".

#### **Summary of Provisions relating to the Notes while in Global Form**

##### ***Clearing System Accountholders***

In relation to any Tranche of Notes represented by a Global Note in bearer form, references in the Conditions to "**Noteholder**" are references to the bearer of the relevant Global Note which, for so long as the Global Note is held by a depositary or a common depositary (in the case of a CGN) or a common safekeeper (in the case of an NGN) for Euroclear and/or Clearstream, Luxembourg, and/or any other relevant clearing system or by Euroclear Netherlands, will be to that depositary, common depositary, common safekeeper or Euroclear Netherlands, as the case may be.

In relation to any Tranche of Notes represented by a Global Registered Note, references in the Conditions to "**Noteholder**" are references to the person in whose name such Global Registered Note is for the time being registered in the Register which, for so long as the Global Registered Note is held by or on behalf of a depositary or a common depositary for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system or by Euroclear Netherlands, will be that depositary, common depositary, a nominee for that depositary or common depositary, or Euroclear Netherlands.

Each of the persons shown in the records of Euroclear and/or Clearstream, Luxembourg and/or Euroclear Netherlands and/or any other relevant clearing system (as the case may be) as being entitled to an interest

in a Global Note or a Global Registered Note (each an "**Accountholder**") must look solely to Euroclear and/or Clearstream, Luxembourg and/or Euroclear Netherlands and/or such other relevant clearing system (as the case may be) for such Accountholder's share of each payment made by the Issuer to the holder of such Global Note or Global Registered Note and in relation to all other rights arising under such Global Note or Global Registered Note. The extent to which, and the manner in which, Accountholders may exercise any rights arising under the Global Note or Global Registered Note will be determined by the respective rules and procedures of Euroclear and/or Clearstream, Luxembourg and/or Euroclear Netherlands and/or any other relevant clearing system from time to time. For so long as the relevant Notes are represented by a Global Note or Global Registered Note, Accountholders shall have no claim directly against the Issuer in respect of payments due under the Notes and such obligations of the Issuer will be discharged by payment to the holder of such Global Note or Global Registered Note.

#### ***Conditions applicable to Global Notes and Global Registered Notes***

Each Global Note and Global Registered Note will contain provisions which modify the Conditions as they apply to the Global Note or Global Registered Note. The following is a summary of certain of those provisions:

*Payments:* All payments in respect of the Global Note or Global Registered Note which, according to the Conditions of the Notes, require presentation and/or surrender of a Note, Note Certificate or Coupon will be made against presentation and (in the case of payment of principal in full with all interest accrued thereon) surrender of the Global Note or Global Registered Note to or to the order of any Paying Agent and will be effective to satisfy and discharge the corresponding liabilities of the Issuer in respect of the Notes. On each occasion on which a payment of principal or interest is made in respect of the Global Note, the Issuer shall procure that in respect of a CGN the payment is noted in a schedule thereto and in respect of an NGN the payment is entered *pro rata* in the records of Euroclear and Clearstream, Luxembourg.

*Payment Business Day:* In the case of a Global Note, or a Global Registered Note, the definition of "**Payment Business Day**" shall be, if the currency of payment is euro, any day which is a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre, or, if the currency of payment is not euro, any day which is a day on which dealings in foreign currencies may be carried on in the Principal Financial Centre of the currency of payment and in each (if any) Additional Financial Centre.

*Payment Record Date:* Each payment in respect of a Global Registered Note will be made to the person shown as the holder in the Register at the close of business (in the relevant clearing system) on the Clearing System Business Day before the due date for such payment (in such instances, the "**Record Date**") where "**Clearing System Business Day**" means a day on which each clearing system for which the Global Registered Note is being held is open for business.

*Exercise of put option:* In order to exercise the option contained in Condition 9(e) (*Redemption at the option of Noteholders*) the bearer of the Permanent Global Note or the holder of a Global Registered Note must, within the period specified in the Conditions for the deposit of the relevant Note and put notice, give written notice of such exercise to the Principal Paying Agent specifying the principal amount of Notes in respect of which such option is being exercised. Any such notice will be irrevocable and may not be withdrawn.

*Partial exercise of call option:* In connection with an exercise of the option contained in Condition 9(c) (*Redemption at the option of the Issuer*) in relation to some only of the Notes, the Permanent Global Note or Global Registered Note may be redeemed in part in the principal amount specified by the Issuer in accordance with the Conditions and the Notes to be redeemed will not be selected as provided in the Conditions but in accordance with the rules and procedures of Euroclear and Clearstream, Luxembourg and/or Euroclear Netherlands (to be reflected in the records of Euroclear and Clearstream, Luxembourg and/or Euroclear Netherlands as either a pool factor or a reduction in principal amount, at their discretion).

*Notices:* Notwithstanding Condition 19 (*Notices*), while all the Notes are represented by a Permanent Global Note (or by a Permanent Global Note and/or a Temporary Global Note) or a Global Registered Note and the Permanent Global Note is (or the Permanent Global Note and/or the Temporary Global Note are), or the Global Registered Note is, deposited with a depository or a common depository for Euroclear

and/or Clearstream, Luxembourg and/or Euroclear Netherlands and/or any other relevant clearing system or a common safekeeper, notices to Noteholders may be given by delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg and/or Euroclear Netherlands and/or any other relevant clearing system and, in any case, such notices shall be deemed to have been given to the Noteholders in accordance with Condition 19 (*Notices*) on the date of delivery to Euroclear and/or Clearstream, Luxembourg and/or Euroclear Netherlands and/or any other relevant clearing system, except that, for so long as such Notes are listed, quoted and/or traded on or by a competent listing authority, stock exchange and/or quotation system and it is a requirement of applicable law or regulations, such notices shall also be published in accordance with the requirements of such competent listing authority, stock exchange and/or quotation system.

## ACHMEA BANK N.V.

### General Information

Achmea Bank N.V. (in this chapter referred to as the "**Issuer**") is a fully owned subsidiary of Achmea B.V. (Achmea B.V. and its subsidiaries (*dochtermaatschappijen*), together the "**Achmea Group**"). Achmea B.V. is the holding company of all operations of the Achmea Group. The Issuer has its current form after a legal merger on 31 May 2014 (see description below under "*2014 legal merger*").

### Incorporation

The Issuer was incorporated on 16 June 1995 as a public limited liability company (*naamloze vennootschap*) incorporated under the laws of The Netherlands. The Issuer has its corporate seat in The Hague, The Netherlands. The statement of no-objection of the Minister of Justice in respect of the articles of association was issued by the Ministry of Justice under number N.V. 532.216. The Issuer is registered with the Commercial Register (*Handelsregister*) of the Dutch Chamber of Commerce under number 27154399 and has its registered office at Spoorlaan 298, 5017 JZ Tilburg. The telephone number of the Issuer is +31 13 461 2000. At its incorporation, the Issuer was named "Achmea Hypotheekbank N.V."

### Objects

The objects of the Issuer (to be found in article 2 of the Issuer'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

As per 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 the Issuer is the surviving entity (*verkrijgende vennootschap*) and Achmea Bank Holding N.V. and Achmea Retail Bank N.V. the disappearing entities (*verdwijvende vennootschappen*). As a result of the legal merger the Issuer assumed all of the rights and obligations of the disappearing entities by operation of law under universal title (*onder algemene titel*).

### Previous mergers

As per 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 the Issuer, merged into the Issuer.

As per 1 January 2004, Woonfonds Holland B.V., a subsidiary of the Issuer, merged into the Issuer.

As per 5 April 2007, Interpolis Schade Hypotheken B.V. and Interpolis BTL Hypotheken B.V., subsidiaries of the Issuer, merged into the Issuer.

### Figures

The presented financial figures for 31 December 2015 are extracted from the 2015 audited consolidated financial statements of the Issuer. The presented financial figures for 31 December 2016 are extracted from the 2016 audited consolidated financial statements of the Issuer.

### Profile

The Issuer 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 the Issuer 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 the Issuer, under different brand names used earlier by the mortgage companies.

### **Mortgage lending market approach**

Three methods of market approach are used: (i) direct writing (Centraal Beheer Achmea, FBTO, Zilveren Kruis Achmea), (ii) through an intermediary (Avéro Achmea, Woonfonds Hypotheken) and (iii) through the home owners association 'Vereniging Eigen Huis' (FBTO). The mortgage business of the Issuer 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 portfolio of the Issuer equals euro 10.75 billion nominal value as at 31 December 2016. The total portfolio includes euro 2.73 billion of mortgage loans which have the benefit of a mortgage guarantee (*National Hypotheek Garantie, NHG*). Apart from that, the portfolio consists of (i) euro 3.69 billion of mortgage loans with a principal amount less than or equal to 75% of the foreclosure value of the property, indexed from origination of the mortgage loan and (ii) euro 4.33 billion of other mortgage loans.

### **Funding, financing and collateral**

The Issuer funds its lending business partly by raising loans in euros and other global currencies on the international money and capital markets. As at 31 December 2016 an amount of euro 5.5 billion of the total mortgage portfolio has been legally transferred to another legal entity or pledged in connection with funding programmes (in millions of euros).

	as at 31 December 2016 (in millions of EUR)	as at 31 December 2015 (in millions of EUR)
Trustee guaranteed loans	230	258
Covered bond	228	274
Securitisations	3,931	4,236
Asset Switch	1,063	1,094
	<u>5,452</u>	<u>5,862</u>

### **Stichting Trustee Achmea Hypotheekbank**

Stichting Trustee Achmea Hypotheekbank (the "**Trustee**") was formed on 16 December 1995. This first collateral structure set up by the Issuer was defined in a trust agreement, under which the Issuer periodically pledges the mortgage receivables to the Trustee as security for the Issuer'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 the Issuer, investors can recover their investments from the pledged mortgage receivables. It has been agreed with the Trustee that the value of the mortgage receivables will at all times be at least 5% more than the nominal value of the secured loans.

### **Covered bonds**

In 2007 Achmea Hypotheekbank N.V. (after the legal merger renamed Achmea Bank N.V.) set up a EUR 10 billion covered bond programme to finance part of its mortgage portfolio. Under this programme the Issuer has issued eight series of covered bonds, of which seven have been redeemed before the end of 2016.

The Issuer acts as originator and issuer under the programme and consequently has the primary obligation to pay interest and principal payable on the covered bonds issued under the programme. The Achmea Covered Bond Company ("**ACBC**"), a bankruptcy remote special purpose company, provides the covered bond investors with a guarantee for full payment of interest and principal on the outstanding covered bonds under the programme. The Issuer provides guarantee support to ACBC by the transfer of mortgage receivables to ACBC. The outstanding amount of these transferred mortgage receivables will be on the date hereof at least 33% higher than the covered bonds issued under the programme.

The obligations of ACBC under the guarantee will be secured (indirectly, through a parallel debt) by a pledge of the mortgage receivables to the Stichting Trustee Achmea Covered Bond Company (the "**Security Trustee**").

ACBC's management board is formed by Intertrust Management B.V. Management of the Security Trustee is formed by SGG Netherlands B.V. and the Administrator under this programme has also been formed by Intertrust Management B.V.

The Achmea Covered Bond Programme is not registered with DNB.

### **Securitisations**

The Issuer uses securitisation as a funding source. In 2016 the Issuer exercised its call option under the Dutch Mortgage Portfolio Loans IX securitisation transaction ("**DMPL IX**") and as a result thereof, the notes of DMPL IX (EUR 0.5 billion) were redeemed at their first optional redemption date. In November 2016 the Issuer successfully issued a new securitisation transaction called Dutch Residential Mortgage Portfolio II, for an amount of EUR 0.6 billion. As of 31 December 2016 the Issuer has 6 outstanding securitisation transactions, with a total outstanding amount of EUR 3.1 billion (2015: EUR 3.3 billion) (excluding the notes which are held by the Issuer on its own book for an amount of EUR 0.8 billion (2015: EUR 0.8 billion). EUR 1.3 billion of these Residential Mortgage-Backed Securities (RMBS) notes have been placed within Achmea Group (2015: EUR 1.5 billion). In all these securitisation transactions, the Issuer assigns a portfolio of mortgage receivables to a special-purpose vehicle ("**SPV**") which issues notes on the capital markets. With the proceeds of the notes, the SPV can finance the assigned mortgage receivables and with the received interest on the mortgage receivables the SPV can pay the interest on the notes. These SPVs are managed by Intertrust Management B.V.

The Issuer manages the assigned portfolio of mortgage receivables. Securitisation does not only provide funding to the Issuer 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 31 December 2016, a total of EUR 61 million was outstanding (2015: EUR 61 million).

### **Unsecured EMTN Programme**

In October 2012 the Issuer set up an unsecured EMTN programme. The total outstanding amount under the unsecured EMTN programme was EUR 3.2 billion as at year-end 2016 (2015: EUR 3.7 billion), of which EUR 0.8 billion was in private placements (2015: EUR 0.8 billion).

### **French commercial paper programme**

In 2013 the Bank set up a French commercial paper programme of EUR 1.5 billion. With this programme the Bank is able to access the international money markets to further diversify its funding mix. In 2016, this programme is continued, resulting in a total outstanding amount of EUR 208 million at 31 December 2016 (2015: EUR 262 million).

### **Other funding**

As part of the acquisition of the former Staalbankiers portfolio, the Bank acquired a CHF 200 million loan, which was provided by Achmea B.V.

## Savings

A substantial part of the savings deposits held by the Issuer, generated under the Centraal Beheer Achmea and FBTO labels, is used to fund the Issuer's long term assets such as its mortgage portfolio. As at 31 December 2016, EUR 5.9 billion of savings was provided as funding of the mortgage loans (2015: EUR 5.9 billion).

## Results (based on IFRS)

The pre-tax operational result (excluding fair value) for 2016 equals a pre-tax profit of EUR 17.3 million (2015: a pre-tax profit of EUR 6 million). The Common Equity Tier 1 ratio amounted to 19.1% at 31 December 2016 (2015: 16.7%). The Total Capital ratio as at 31 December 2016 was 19.2% (2015: 16.9%), based on IFRS, satisfying the minimum requirement by law.

## Capitalisation and indebtedness

The following table sets out the capitalisation of the Issuer and its subsidiaries.

	as at 31 December, 2016	as at 31 December, 2015
	(in millions of EUR)	(in millions of EUR)
<b>Total equity</b>	<b>823.1</b>	<b>776.3</b>
Share Capital	18.2	18.2
Authorised 90,000,000 ordinary shares		
Issued 18,151,663 ordinary shares (Euro 1.00 par value)		
Share premium	505.6	472.1
Other reserves	285.0	280.5
Profit for the year	13.0	4.5
Fair value reserve	1.4	1.1
<b>Total long term subordinated debt:</b>	<b>8.3</b>	<b>8.3</b>
<b>Total capitalisation</b>	<b>831.4</b>	<b>784.6</b>

## Liquidity Coverage Ratio and Net Stable Funding Ratio

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 30-day period of stress. The aim of the NSFR is to ensure that long-term assets are financed with stable, longer term funding. The Issuer has set its internal minimum targets for both the LCR and NSFR at 105% for 2016. The Issuer fully complied with all external and internal minimum requirements during 2016. At year-end 2016 the LCR was 572% (2015: 1027%) and the NSFR was 122% (2015: 117%).

## Leverage Ratio

The Leverage Ratio (LR) is a regulatory capital adequacy measure under CRD IV/CRR. The Leverage Ratio is calculated as an institution's capital divided by that institution's total non-risk weighted exposures, expressed as a percentage. The Issuer fully complied with the internal minimum requirement for 2016 of 3.5% and the (expected future) external minimum requirements; the Liquidity Ratio at 31 December 2016 was 5.6% (2015: 4.8%).

## Corporate Governance

The Issuer applies the principles of the Banking Code, which 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, the Issuer will take this national and international context and the social environment into account. For a description of the Issuer's internal procedures on the financial reporting process the Issuer refers to [www.achmeabank.nl](http://www.achmeabank.nl), where also its full report regarding the 'Application of Banking Code' is published.

## Executive and Supervisory Boards

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

<b>Executive Board</b>	<b>Principal activity outside the Issuer</b>
P. Huurman (Chairman)	<ul style="list-style-type: none"><li>– Member of the Board of Cars for Charity Foundation</li><li>– Member of the Board of Stichting Behoud Panorama Mesdag</li><li>– Chairman of the Board of the Haags Bankiers Gezelschap (or the Vereniging voor de Geld-en Effectenhandel Haaglanden, Den Haag, founded in 1903)</li><li>– Confidential Advisor of the Haagse Rugby Club</li></ul>
V.J. Teekens	<ul style="list-style-type: none"><li>– Member of the Supervisory Board Woningcooperatie QUA wonen</li></ul>
P. Emmen	<ul style="list-style-type: none"><li>– Member of the Audit Committee of Voetbalvereniging De Bocht '80</li></ul>
<b>Supervisory Board</b>	<b>Principal activity outside the Issuer</b>
P.H.M. Hofsté (Chairman)	<ul style="list-style-type: none"><li>– Member of the Supervisory Board and Audit Committee Fugro N.V.</li></ul>



## Supervisory Board

## Principal activity outside the Issuer

	<ul style="list-style-type: none"><li>– Member of the Supervisory Board and Audit &amp; Risk Committee Achmea B.V.</li><li>– Member of the Supervisory Board Achmea Pensioen- en Levensverzekeringen N.V.</li><li>– Member of the Supervisory Board and Audit Committee BNG Bank</li><li>– Member of the Supervisory Board and Chairman Audit Committee Kasbank N.V.</li><li>– Member of the Board and Executive Committee and Chairman Audit Committee Stichting Nijenrode</li><li>– Member of the Supervisory Board of Achmea Investment Management</li><li>– Member of the Board and Financial Officer Vereniging Hendrick de Keyser</li></ul>
J.B.J.M. Molenaar	Member of the Board of Steunfonds Duurzaamheid
H.W. te Beest	<ul style="list-style-type: none"><li>– Member of the Board of Stichting Castricum Monument</li><li>– Board Member of Stichting Vrienden van het Hospice Castricum</li><li>– Board Member of Stichting Eigen Woningbezit Castricum</li></ul>

No potential conflict of interests exists between the duties of members of the Executive Board and the Supervisory Board of the Issuer 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 the Issuer (being the business address of these persons).

### ***Audit Committee***

All the members of the Supervisory Board are also members of the Audit & Risk Committee of the Issuer. The Audit 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 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 the Issuer.

### ***Asset and Liability Committee (ALCO)***

The Issuer also established an Asset and Liability Committee, a risk-management committee of the Issuer that comprises the board members and senior management of the Issuer. 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 the Issuer's Pricing Committee, consisting of the Issuer's board members and the relevant senior management members, all decisions are taken with regard to pricing of existing and new products of the Issuer, 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 the Issuer pursuant to the provisions of the Act on the supervision 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 FMSA. The Issuer is registered as a bank without special restrictions. As a result thereof, the Issuer 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 the Issuer provides. The Issuer faces competition from companies such as Rabobank, ABN AMRO Bank N.V., de Volksbank N.V. and many others.

### **Selected Financial Information of the Bank**

The Issuer's publicly available audited annual consolidated financial statements for the year ended 31 December 2016 (set forth on pages 13 up to and including 65 of the annual report in the English language) and the Issuer's publicly available audited annual consolidated financial statements for the year ended 31 December 2015 (set forth on pages 12 up to and including 66 of the annual report in the English language) (the "**Achmea Bank Financial Statements**") are incorporated by reference into this Base Prospectus. See also "*Incorporation by reference*".

<b>Key Figures of the Issuer</b>	<b>31 December 2016</b>	<b>31 December 2015</b>
	<b>(audited)</b>	<b>(audited)</b>
	<i>(amounts in millions of EUR)</i>	
Total assets	14,985	16,072
Loans and advances to customers	12,503	13,173
Shareholder's equity	823.1	776.3
Subordinated liabilities	8.3	8.3
Capital base	831.4	784.6
Interest margin (including fees and commissions)	111.7	92.9
Other income	2.4	2.6
Change in fair value of financial instruments	0.6	-2.3
Operating Income	114.6	93.3
Operating expenses	95.3	82.0
Impairment on financial instruments and other assets	2.1	5.3
Profit before income taxes	17.3	6.0
Income tax expense	4.3	1.5
Net profit	13.0	4.5
Efficiency ratio	86.9%	88.3%

### **Ratings**

The current rating of the Issuer has been affirmed by S&P (A-/Negative/A-2) and Fitch ('A'/F1). The Issuer outlook from Fitch is stable.

### **Annual figures**

On 24 March 2017 the Issuer published its annual figures over 2016. The annual report is available on the website <http://www.achmeabank.com/Downloads/Jaarrekening%20Achmea%20Bank%202016.pdf>

On 11 April 2016 the Issuer published its annual figures over 2015. The annual report is available on the website <http://www.achmeabank.com/investors/annual-reports/Paginas/annual-figures.aspx>

The Issuer prepares its financial statements in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS) as of 31 December 2016. In preparing the financial data contained in this document, the same accounting principles were used as for the Issuer's consolidated financial statements for 2016. The 2016 financial statements were approved prior to publication by the Executive Board of Achmea Bank N.V. on 13 March 2017. 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 2016 financial statements.

### ***Recent developments***

On 7 July 2015, the Issuer acquired a substantial part of the loan activities from Staalbankiers, the private banking entity within Achmea Group. The effective date of the purchase was 1 July 2015 and the transfer price equals the book value. On 15 December 2016 the Issuer signed an agreement to acquire the remainder of the loan portfolio from Staalbankiers. The transfer will be effected in stages, commencing on 15 December 2016, and is intended to be completed by 30 June 2017. On 15 December 2016 Van Lanschot N.V. and the Issuer successfully completed the acquisition by Van Lanschot of Staalbankiers' private banking activities.

On 28 April 2016, the Issuer and Quion have ratified their proposed partnership by signing an outsourcing agreement. The Issuer announced the decision in principle to transfer the servicing and a part of its lending process connected with the mortgage portfolio to Quion. Through the partnership with Quion, the Issuer aims to improve customer service and achieve a structural cost reduction. The aim is to realise this transfer in the first half of 2017.

In November 2016, the Issuer successfully completed the sale of EUR 600 million of Residential Mortgage-Backed Securities (RMBS) to refinance its existing mortgage portfolio and launched a new successful securitisation transaction.

Per 1 March 2017 Mr. R. Buwalda stepped down as statutory director and Chief Financial Officer of the Issuer, followed by the appointment of Mr. P. Emmen as per 1 April 2017 as statutory director and Chief Financial Officer of the Issuer.

### **Outlook**

In light of the macro-economic uncertainty, the Issuer chooses not to make specific predictions regarding the future financial performance.

## BUSINESS DESCRIPTION OF ACHMEA GROUP

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

The Notes will be obligations of the Issuer only and not obligations of, nor responsibilities of, nor guaranteed by any person other than the Issuer. None of the companies of Achmea Group has directly or indirectly guaranteed the obligations of the Issuer under the Notes.

### 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 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 Commercial Register (*Handelsregister*) of the Dutch Chamber of Commerce under number 33235189. Achmea's commercial name is Achmea.

The articles of association of Achmea were most recently amended by deed of amendment dated 19 April 2013.

### Objects

Pursuant to clause 2 of the articles of association of Achmea, the objects 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 objects or can be conducive to the attainment thereof.

### History

Achmea's history dates back to 1811. The Group (as defined below) was formed by the mergers and acquisitions of numerous mutual and cooperative insurance providers over a period of almost 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., Achmea Zorgverzekeringen N.V., Zilveren Kruis Health Services N.V., Syntrus Achmea Vermogensbeheer B.V., Syntrus Achmea Pensioenbeheer N.V., Achmea Reinsurance Company N.V., De Friesland Zorgverzekeraar N.V., Achmea Bank N.V., Staalbankiers N.V., Achmea Investment Management B.V., Friends First Holdings DAC, Interamerican Hellenic Life Insurance Company SA, Union Zdravotna Poistovna AS, Union Poistovna AS and Eureko Sigorta A.S. (collectively, the "**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 and standard pension insurance. Outside The Netherlands, Achmea operates in Turkey, Greece, Ireland, Slovakia and Australia. (See "*Business Lines - International*").

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

### *Business Lines*

Achmea's business lines are the following:

#### *Non-life Netherlands*

Non-life insurance is both a core business and a core competence for Achmea. Around 16.2%<sup>7</sup> of total gross written premiums ("GWP") are generated through a full range of Property & Casualty and Income protection products.

#### *Health Netherlands*

For Achmea, health insurance is both a core business and a core competence. Achmea provides health insurance for over five million people in The Netherlands. Health gross written premiums represent a significant share of around 66.7%<sup>8</sup> of total GWP, mainly as a result of the mandatory basic health insurance. In The Netherlands, Achmea is the market leader<sup>9</sup>. Achmea offers basic and supplementary health insurance and health services in The Netherlands. In addition, Achmea offers health insurance in Greece, Romania, Slovakia and Turkey.

#### *Pension & life Netherlands*

Pension & life insurance is a major activity for Achmea, generating around 9.1%<sup>10</sup> of its GWP. Achmea is active in the individual life business where it focuses on term life insurance. In pension insurance Achmea specialises in defined-contribution products. As of 1 January 2013, Achmea separated its closed portfolios containing individual life insurance policies from the rest of the organisation. Although no new policies will be added to the portfolio, the obligation to manage existing policies to the end of their lifecycle, to receive and invest premiums and to make payouts to policyholders, continues as agreed. Since it appears that the consolidation of closed life-insurance portfolios will not get off the ground in the immediate future, Achmea is focusing on further reducing its operating costs while maintaining high-quality services. Achmea aims to continue to provide a good pension to its customers. Therefore Achmea established a licensed General Pension Fund (APF) with Centraal Beheer in 2016. The APF fits Achmea's long tradition of cooperative insurer, in which Achmea has extensive experience in representing all the interests in the pension market.

#### *International*

Achmea operates in five markets outside The Netherlands: Greece, Turkey, Slovakia, Ireland and Australia. In Greece, Interamerican Greece offers non-life, life and health products and services as well as an integrated roadside assistance service. Wholly-owned Eureka Sigorta in Turkey offers a full range of non-life and health products through the banking channel. Union Slovakia provides travel insurance products besides offering a product portfolio of non-life, health and life products in Slovakia. Friends First has a long-standing presence in Ireland and provides a comprehensive range of Pensions, Investments, and Protection products through its network of brokers. Achmea was granted a licence at the end of 2013 to sell insurances in Australia in close cooperation with Rabobank. Under the brand name Achmea Australia, Achmea sells non-life insurance products and services to Rabobank's agricultural

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<sup>7</sup> Annual Report 2016.

<sup>6</sup> Annual Report 2016.

<sup>9</sup> DNB figures 2015.

<sup>10</sup> Annual Report 2016.

customers in Australia. Achmea further operated in the life, pension, non-life and health insurance market in Romania.

#### *Overview Banking Activities Netherlands*

Achmea offers banking products and services through Achmea Bank N.V. Its banking products and services primarily include mortgage loans to private customers, as well as savings and bank savings (*banksparen*) products distributed under the labels Centraal Beheer Achmea, FBTO and Woonfonds Hypotheken. Centraal Beheer Achmea sells mortgages directly to consumers, while FBTO operates via the mortgage service of Vereniging Eigen Huis. Avéro Achmea and Woonfonds Hypotheken employ the distributive power of intermediaries and direct channels.

On 7 July 2015, the Issuer acquired a substantial part of the loan activities from Staalbankiers, the private banking entity within Achmea Group. The effective date of the purchase was 1 July 2015 and the transfer price equals book value. On 15 December 2016 the Issuer signed an agreement to acquire the remainder of the loan portfolio from Staalbankiers. The transfer will be effected in stages, commencing on 15 December 2016, and is scheduled to be completed by 30 June 2017. On 15 December 2016, Van Lanschot N.V. and Achmea successfully completed the acquisition by Van Lanschot of Staalbankiers' private banking activities.

#### *Other Activities*

##### *Syntrus Achmea Pension Management*

Syntrus Achmea Pension Management supports pension funds in The Netherlands in a variety of areas by providing strategic advice, asset management services and the day-to-day execution of the pension administration.

##### *Achmea Investment Management*

By concentrating our asset management activities in Achmea Investment Management, Achmea supports its ambitions in the area of pensions. AIM has €100 billion in assets under management, both for several pension and retail funds as well as for Achmea.

### **Organisation structure**

The shareholder structure of the Achmea Group is as follows as of 31 December 2016. 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)	61.63%	65.31%
Rabobank	27.57%	29.21%
BCP Group	2.61%	2.77%
Gothaer Allgemeine Versicherung	0.49%	0.52%
Gothaer Finanz Holding	0.56%	0.59%
Schweizerische Mobiliar Holding	0.65%	0.69%
Stichting Beheer Aandelen Achmea	0.86%	0.92%
Achmea Tussenholding B.V.*	5.63%	-
Bitalpart B.V.	0.0000025%	0.0000025%

\* Preference shares.

## OVERVIEW OF THE DUTCH RESIDENTIAL MORTGAGE MARKET

*This chapter is derived from the overview which is available at the website of the Dutch Securitisation Association (<https://www.dutchsecuritisation.nl/dutch-mortgage-and-consumer-loan-markets>) regarding the Dutch residential mortgage market over the period until December 2016. The Issuer confirms that this information has been accurately reproduced and believes that this source is reliable and as far as the Issuer is aware and is able to ascertain from the Dutch Securitisation Association, no facts have been omitted which would render the information in this chapter inaccurate or misleading.*

### **Dutch residential mortgage market**

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. The mortgage debt growth continued until Q3 2012, when total Dutch mortgage debt stock peaked at EUR 672 billion<sup>11</sup>. The correction on the housing market caused a modest decline in mortgage debt in subsequent years, but as the market has been recovering rapidly since 2013, there is recently again a tendency to higher debt growth visible. In Q2 2016, the mortgage debt stock of Dutch households equaled EUR 662 billion<sup>12</sup>. This represents a rise of EUR 9.7 billion compared to Q2 2015 and follows two years of a slight fall.

### **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 2013 the maximum deduction is lowered by 0.5% per annum to 38.0% in 2042 (2017: 50%).

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 transfer tax ("overdrachtsbelasting") 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.

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<sup>11</sup> Statistics Netherlands, household data.

<sup>12</sup> Statistics Netherlands, household data.

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.

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 hypothecair krediet"). This law has been present since 2013 and strictly regulates maximum LTV and Loan-to-Income (LTI) ratios. The current maximum LTV is 101% (including all costs such as stamp duties) and will be lowered to 100% by 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>13</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 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**

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<sup>13</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.



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 2016 rose by 2.5% compared to Q2 2016. Compared to Q3 2015 this was 5.6%, the sharpest rise since early 2008. Nonetheless, by comparison with the peak in 2008, the average price drop amounts to 12%. The continued increase in house prices is in line with the rise in sales numbers. Compared to a year ago, sales numbers rose by 21%. The twelve month total of existing home sales now stands at 206,354, which is roughly in line with pre-crisis levels.

### **Forced sales**

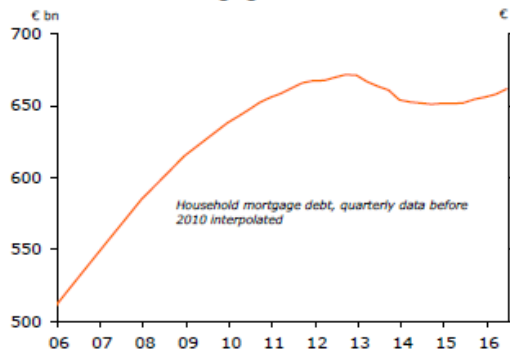
Compared to other jurisdictions, performance statistics of Dutch mortgage loans show relatively low arrears and loss rates<sup>14</sup>. The most important reason for default is relationship termination, although the increase in unemployment following the economic downturn in recent years is increasingly 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. In Q3 2016, only 397 sales were forced, which is 0.65% of the total number of sales in this period.

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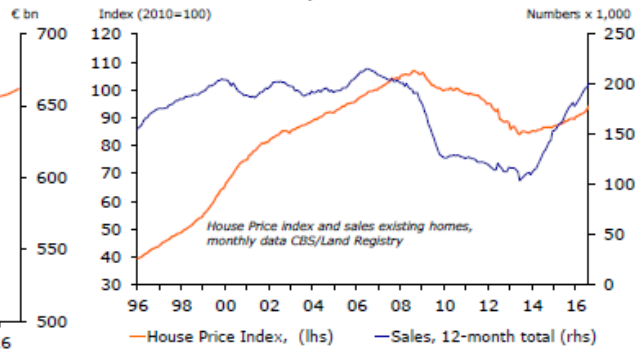
<sup>14</sup> Comparison of S&P RMBS index delinquency data.

Chart 1: Total mortgage debt



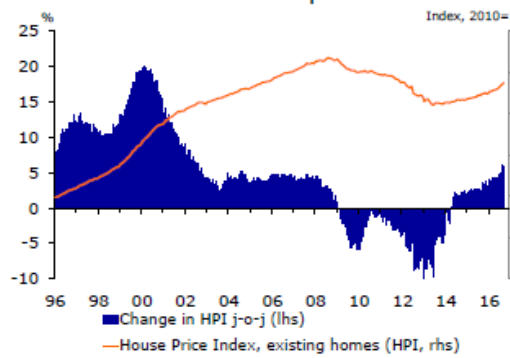
Source: Statistics Netherlands, Rabobank

Chart 2: Sales and prices



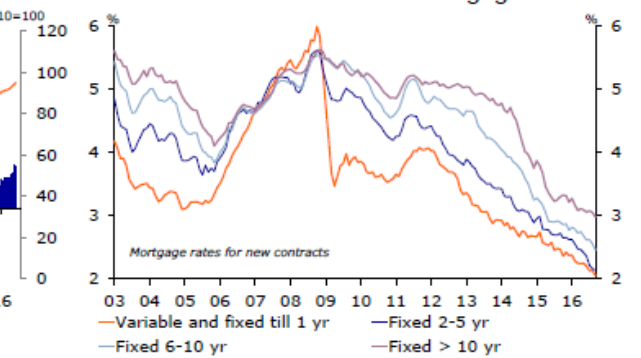
Source: Statistics Netherlands, Rabobank

Chart 3: Price index development



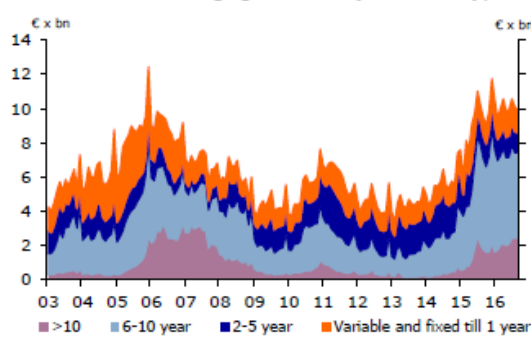
Source: Statistics Netherlands, Rabobank

Chart 4: Interest rate on new mortgage loans



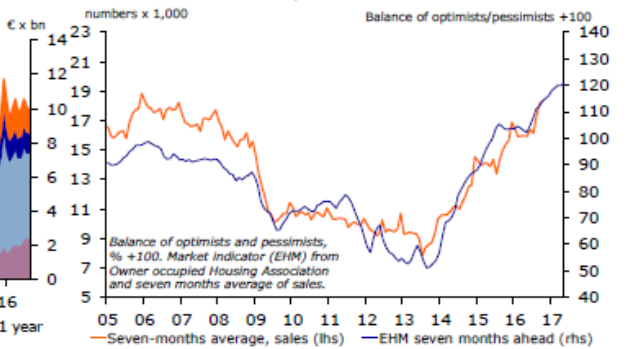
Source: Dutch Central Bank

Chart 5: New mortgage loans by interest type



Source: Dutch Central Bank

Chart 6: Confidence points to rise in sales



Source: Delft University OTB, Rabobank

## TAXATION IN THE NETHERLANDS

*The following summary of certain Dutch taxation matters is based on the laws and practice in force as of the date of this Base Prospectus and is subject to any changes in law and the interpretation and application thereof, which changes could be made with retroactive effect. The following summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to acquire, hold or dispose of a Note or Coupon, and does not purport to deal with the tax consequences applicable to all categories of investors, some of which may be subject to special rules.*

*For the purpose of this summary it is assumed that no holder of a Note has or will have a substantial interest, or - in the case of a holder of a Note being an entity - a deemed substantial interest, in the Issuer and that no connected person (verbonden persoon) to the holder of a Note has or will have a substantial interest in the Issuer.*

*Generally speaking, an individual has a substantial interest in a company if (a) such individual, either alone or together with his partner, directly or indirectly has, or is deemed to have or (b) certain relatives of such individual or his partner directly or indirectly have or are deemed to have (i) the ownership of, a right to acquire the ownership of, or certain rights over, shares representing 5% or more of either the total issued and outstanding capital of such company or the issued and outstanding capital of any class of shares of such company, or (ii) the ownership of, or certain rights over, profit participating certificates (winstbewijzen) that relate to 5% or more of either the annual profit or the liquidation proceeds of such company*

*Generally speaking, a non-resident entity has a substantial interest in a company if such entity, directly or indirectly has (I) the ownership of, a right to acquire the ownership of, or certain rights over, shares representing 5% or more of either the total issued and outstanding capital of such company or the issued and outstanding capital of any class of shares of the company, or (II) the ownership of, or certain rights over, profit participating certificates (winstbewijzen) that relate to 5% or more of either the annual profit or the liquidation proceeds of such company. An entity holding a Note has a deemed substantial interest in a company if such entity has disposed of or is deemed to have disposed of all or part of a substantial interest on a non-recognition basis.*

*For the purpose of this summary, the term "entity" means a corporation as well as any other person that is taxable as a corporation for Dutch corporate tax purposes. Where this summary refers to a holder of a Note, an individual holding a Note or an entity holding a Note, such reference is restricted to an individual or entity holding legal title to as well as an economic interest in such Note. Where the summary refers to "The Netherlands" or "Dutch" it refers only to the European part of the Kingdom of The Netherlands.*

***Investors should consult their professional advisers on the tax consequences of their acquiring, holding and disposing of a Note or Coupon.***

### **Withholding Tax**

All payments made by the Issuer of interest and principal under the Notes can be made free of withholding or deduction of any taxes of whatsoever nature imposed, levied, withheld or assessed by The Netherlands or any political subdivision or taxing authority thereof or therein, unless the Notes qualify as debt that effectively functions as equity for purposes of article 10, paragraph 1, sub d of the Corporate Tax Act (*Wet op de vennootschapsbelasting 1969*).

### **Taxes on Income and Capital Gains**

#### ***Residents***

##### *Resident entities*

An entity holding a Note which is, or is deemed to be, resident in The Netherlands for corporate tax purposes and which, in whole or in part, is not subject to or exempt from tax, will generally be subject to corporate tax in respect of income or a capital gain derived from a Note at the prevailing statutory rates.

### *Resident individuals*

An individual holding a Note who is or is deemed to be resident in The Netherlands for income tax purposes will be subject to income tax in respect of income or a capital gain derived from a Note at rates up to 52% if:

- (i) the income or capital gain is attributable to an enterprise from which the holder derives profits (other than as a shareholder); or
- (ii) the income or capital gain qualifies as income from miscellaneous activities (*belastbaar resultaat uit overige werkzaamheden*) as defined in the Income Tax Act (*Wet inkomstenbelasting 2001*), including, without limitation, activities that exceed normal, active asset management (*normaal, actief vermogensbeheer*).

If neither condition (i) nor (ii) applies, an individual holding a Note will be subject to income tax on the basis of a deemed return, regardless of any actual income or capital gain derived from a Note. The deemed return ranges from 2.87 % to 5.39 % of the value of the individual's net assets as at the beginning of the relevant fiscal year (including the Note) (rates for 2017). The applicable rates will be updated annually on the basis of historic market yields. Subject to application of certain allowances, the deemed return will be taxed at a rate of 30%.

### *Non-residents*

A holder of a Note which is not and is not deemed to be resident in The Netherlands for the relevant tax purposes will not be subject to taxation on income or a capital gain derived from a Note unless:

- (i) the income or capital gain is attributable to an enterprise or part thereof which is either effectively managed in The Netherlands or carried on through a permanent establishment (*vaste inrichting*) or a permanent representative (*vaste vertegenwoordiger*) taxable in The Netherlands and the holder of a Note derives profits from such enterprise (other than by way of securities); or
- (ii) the holder is an individual and the income or capital gain qualifies as income from miscellaneous activities (*belastbaar resultaat uit overige werkzaamheden*) in The Netherlands as defined in the Income Tax Act (*Wet inkomstenbelasting 2001*), including, without limitation, activities that exceed normal, active asset management (*normaal, actief vermogensbeheer*).

### **Gift and Inheritance Taxes**

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

- (i) the holder of a Note is, or is deemed to be, resident in The Netherlands for the purpose of the relevant provisions; or
- (ii) the transfer is construed as an inheritance or gift made by, or on behalf of, a person who, at the time of the gift or death, is or is deemed to be resident in The Netherlands for the purpose of the relevant provisions.

### **Value Added Tax**

The issuance or transfer of a Note, and payments of interest and principal under a Note, will not be subject to value added tax in The Netherlands.

### **Other Taxes and Duties**

The subscription, issue, placement, allotment, delivery or transfer of a Note will not be subject to registration tax, stamp duty or any other similar documentary tax or duty payable in The Netherlands.

### **Residence**

A holder of a Note will not be, or deemed to be, resident in The Netherlands for tax purposes and, subject to the exceptions set out above, will not otherwise be subject to Dutch taxation, by reason only of

acquiring, holding or disposing of a Note or the execution, performance, delivery and/or enforcement of a Note.

#### **Foreign Account Tax Compliance Act**

Whilst the Notes are in global form and held within Euroclear Bank S.A./N.V., Clearstream Banking, S.A. or with Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V. (together, the "**ICSDs**"), it is expected that FATCA will not affect the amount of any payments made under, or in respect of, the Notes by the Issuer, any paying agent and the common depositary, given that each of the entities in the payment chain between the Issuer and the participants the ICSDs is a major financial institution whose business is dependent on compliance with FATCA and that any alternative approach introduced under an intergovernmental agreement will be unlikely to affect the Notes. The documentation expressly contemplates the possibility that the Notes may go into definitive form and therefore that they may be taken out of the ICSDs. If this were to happen, then a non-FATCA compliant holder could be subject to FATCA Withholding. However, definitive notes will only be printed in remote circumstances.

## SUBSCRIPTION AND SALE

The Dealers have, in a programme agreement (as the same may be amended and/or supplemented and/or restated from time to time, the "**Programme Agreement**"), agreed with the Issuer a basis upon which such Dealers or any of them may from time to time agree to purchase Notes. Any such agreement will extend to those matters stated under "*Form of the Notes*" and "*Terms and Conditions of the Notes*". 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 Notes under the Programme and to indemnify the Dealers against certain liabilities incurred by them in connection therewith.

### United States

The Notes and the Guarantee have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

The Notes in bearer form may be subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986, as amended, and regulations thereunder.

Each Dealer 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 Notes (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the Issue Date, (as determined and certified by the relevant Dealer(s) or, in the case of an issue of Notes on a syndicated basis, the relevant lead manager), of all Notes of the Tranche of which such Notes are a part, except in accordance with Rule 903 of the Regulation S under the Securities Act. Each Dealer has further agreed, and each further Dealer appointed under the Programme will be required to agree, that it will send to each distributor, dealer or person receiving a selling concession, fee or other remuneration to which it sells any Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

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

### European Economic Area

From 1 January 2018, 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 Notes 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. 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 Directive 2014/65/EU (as amended, "**MiFID II**"); or
  - ii. a customer within the meaning of Directive 2002/92/EC (as amended, the "**Insurance Mediation Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
  - iii. not a qualified investor as defined in Directive 2003/71/EC (as amended, the "**Prospectus Directive**"); and

the expression "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes.

Prior to 1 January 2018, in relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), each Dealer has represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**") it has not made and will not make an offer of Notes which are the subject of the offering contemplated by the Base Prospectus as completed by the Final Terms in relation thereto to the public in that Relevant Member State other than:

- (a) to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (b) to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (c) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

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

### **The United Kingdom**

Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree, that:

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

### **France**

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 or sold, and will not offer or sell, directly or indirectly, Notes to the public in France and that offers and sales of Notes in France will be made only to

- (a) persons providing investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*), and/or
- (b) qualified investors (*investisseurs qualifiés*) acting for their own account, as defined in, and in accordance with, Articles L.411-2 and D.411-1 of the *Code monétaire et financier*.

In addition, each Dealer has represented and agreed that it has not distributed or caused to be distributed and will not distribute or cause to be distributed in France this Base Prospectus or any other offering material relating to the Notes other than to investors to whom offers and sales of Notes in France may be made as described above.

## Republic of Italy

The offering of the Notes has not been registered pursuant to Italian securities legislation and, accordingly, each of the Dealers has represented and agreed, and each further Dealer 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 Notes in the Republic of Italy in an offer to the public and that sales of the Notes 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 will be required to represent and agree, that it will not offer, sell or deliver any Notes or distribute copies of the Base Prospectus and any other document relating to the Notes in the Republic of Italy except:

- (i) to "qualified investors", as referred to in Article 100 of Legislative Decree No. 58 of 24 February 1998, as amended (the "**Decree No. 58**") and defined in Article 34-ter, paragraph 1, let. b) of CONSOB Regulation No. 11971 of 14 May 1999, as amended ("**Regulation No. 11971**"); or
- (ii) that it may offer, sell or deliver Notes or distribute copies of any prospectus relating to such Notes 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 Directive, as implemented in Italy under Decree 58 and Regulation No. 11971, and ending on the date which is 12 months after the date of publication of such prospectus; or
- (iii) in any other circumstances where an express exemption from compliance with the offer restrictions applies, as provided under Decree No. 58 or Regulation No. 11971.

Any such offer, sale or delivery of the Notes or distribution of copies of the Base Prospectus or any other document relating to the Notes 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. 16190 of 29 October 2007, 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 Notes in the Republic of Italy, Article 100-bis of Decree No. 58 may require compliance with the law relating to public offers of securities. Furthermore, where the Notes 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 Notes 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 Notes were purchased, unless an exemption provided for under Decree No. 58 applies.

## Japan

The Notes 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, accordingly, each Dealer undertakes that it will not offer or sell any Notes directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan or to others for re-offering or resale, directly or indirectly, in Japan or to any resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with the FIEA and other relevant laws and regulations of Japan. As used in this paragraph, "**resident of Japan**"



means any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

## **The Netherlands**

### ***Qualified investors***

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not make an offer of Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to the public in The Netherlands in reliance on Article 3(2) of the Prospectus Directive unless:

- (a) such offer is made exclusively to legal entities which are qualified investors (as defined in the Dutch Financial Markets Supervision Act (*Wet op het financieel toezicht*, the "FMSA") in The Netherlands and which includes authorised discretionary asset managers acting for the account of retail investors under a discretionary investment management contract) in The Netherlands; or
- (b) standard exemption logo and wording are disclosed as required by Article 5:20(5) of the FMSA; or
- (c) such offer is otherwise made in circumstances in which Article 5:20(5) of the FMSA is not applicable,

**provided that** no such offer of Notes shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expressions (i) an "**offer of Notes to the public**" in relation to any Notes in The Netherlands; and (ii) "**Prospectus Directive**", have the meaning given to them above in the paragraph headed with "*Public Offer Selling Restriction Under the Prospectus Directive*".

### ***Zero Coupon Notes***

Zero Coupon Notes in definitive bearer form and other Notes in definitive bearer form on which interest does not become due and payable during their term but only at maturity (savings certificates or *spaarbewijzen* as defined in The Netherlands Savings Certificates Act or *Wet inzake spaarbewijzen*, the "SCA") may only be transferred and accepted, directly or indirectly, within, from or into The Netherlands through the mediation of either the Issuer or a member of Euronext Amsterdam N.V. with due observance of the provisions of the SCA and its implementing regulations (which include registration requirements). No such mediation is required, however, in respect of (i) the initial issue of such Notes to the first holders thereof, (ii) the transfer and acceptance by individuals who do not act in the conduct of a profession or business and (iii) the issue and trading of such Notes if they are physically issued outside The Netherlands and are not immediately thereafter distributed in The Netherlands.

## **General**

Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and 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, sells or delivers Notes or possesses or distributes this Base Prospectus and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the Issuer nor any of the other Dealers shall have any responsibility therefor.

Neither the Issuer nor any of the Dealers represents that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

With regard to each Tranche, the relevant Dealer(s) will be required to comply with such other restrictions as the Issuer and the relevant Dealer(s) shall agree and as shall be set out in the applicable Final Terms (in relation to Notes which will not be listed or admitted to trading on a regulated market in a

Member State) or in a supplement to this Base Prospectus (in relation to Notes which will be listed or admitted to trading on a regulated market in a Member State).

## GENERAL

### Authorisation

The Programme and the issue of Notes under the Programme have been duly authorised by a resolution of the Board of Managing Directors of the Issuer dated 31 March 2017 pursuant to the authorisation of the Supervisory Board of the Issuer of 3 April 2017. All consents, approvals, authorisations or other orders of all regulatory authorities required by the Issuer under the laws of The Netherlands have been given for the issue of Notes and for the Issuer to undertake and perform its obligations under the Programme Agreement, the Agency Agreement and the Notes.

### Listing of Notes

Application has been made for Notes issued under the Programme to be admitted to the Official List of the Stock Exchange, through the Listing Agent. The Listing Agent is acting solely in its capacity as listing agent for the Issuer (and not on its own behalf) in connection with the application for admission of the Notes to the Official List of the Stock Exchange and trading on its regulated market (the Main Securities Market). For so long as Notes are listed on a stock exchange there will be a paying agent as required by any rules or regulations of that stock exchange. ABN AMRO Bank N.V. has been appointed as the principal paying agent. The Notes may also be listed on such other or further stock exchange(s) and/or market(s) as may be agreed between the Issuer and the relevant Dealer(s). The Issuer may also issue unlisted Notes.

### Documents Available

During the life of this Base Prospectus, copies of the following documents will be available 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 Issuer and from the specified office of the Principal Paying Agent:

- (i) an English translation of the most recent articles of association (*statuten*) of the Issuer;
- (ii) the Issuer's publicly available audited annual consolidated financial statements for the years ended 31 December 2015 and 31 December 2016;
- (iii) the Agency Agreement (which contains the forms of the Notes in global and definitive form);
- (iv) the Issuer-ICSDs Agreement;
- (v) an electronic copy of this Base Prospectus; and
- (vi) any future base prospectuses and supplements including Final Terms (relating only to a listed Note) to this Base Prospectus and any other document incorporated herein or therein by reference.

The documents referred to under (ii) are also available on:

<http://www.achmeabank.com/Downloads/Annual%20Report%20Achmea%20Bank%202015.pdf> and  
<http://www.achmeabank.com/Downloads/Jaarrekening%20Achmea%20Bank%202016.pdf>

### Clearing Systems

The Bearer Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg and Euroclear Netherlands. The appropriate Common Code, ISIN for each Tranche of Bearer Notes and Registered Global Notes allocated by Euroclear, Clearstream Luxembourg and for Bearer Notes and Registered Global Notes deposited with Euroclear Netherlands or Clearnet S.A. Amsterdam Branch Stock Clearing or any other relevant security code will be specified in the applicable Final Terms. If the Bearer Notes and/or the Registered Global Notes are to be cleared through an additional or alternative clearing system the appropriate information will be specified in the applicable Final Terms.

### Significant/Material Change

Since 31 December 2016 there has been no significant change in the financial or trading position of the Issuer or the Issuer and its subsidiaries.

In addition, since 31 December 2016 there has been no material adverse change in the prospects of the Issuer or the Issuer and its Subsidiaries.

#### **Legal and Arbitration Proceedings**

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 and its subsidiaries.

#### **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 accounts, in accordance with generally accepted auditing standards in The Netherlands and issued unqualified auditor's reports for the financial years ended 31 December 2015 and 31 December 2016.

The auditor signing the auditor's reports on behalf of PwC is a member of The Netherlands Institute of Chartered Accountants (*Nederlandse Beroepsorganisatie van Accountants*).

#### **Post-issuance information**

The Issuer does not intend to provide any post-issuance information in relation to any issues of Notes.

## ISSUER

**Achmea Bank N.V.**  
Sporlaan 298  
5017 JZ Tilburg  
The Netherlands

## PRINCIPAL PAYING AGENT

**ABN AMRO Bank N.V.**  
Gustav Mahlerlaan 10  
1082 PP Amsterdam  
The Netherlands

## IRISH PAYING AGENT

**The Bank of New York Mellon SA/NV, Dublin Branch**  
Hanover Building, Windmill Lane  
Dublin 2  
Republic of Ireland

## REGISTRAR

**ABN AMRO Bank N.V.**  
Gustav Mahlerlaan 10  
1082 PP Amsterdam  
The Netherlands

## LISTING AGENT

**The Bank of New York Mellon SA/NV, Dublin Branch**  
Riverside II, Sir John Rogerson's Quay  
Grand Canal Dock  
Dublin 2  
Republic of Ireland

## LEGAL ADVISERS

*To the Arranger and Dealers (as to Dutch law)*

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*To the Issuer (as to Dutch law)*

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## AUDITORS

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Thomas R. Malthusstraat 5  
1066 JR Amsterdam  
The Netherlands

## ARRANGER

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## DEALER

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