Achmea B.V.

(incorporated with limited liability in the Netherlands with its statutory seat in Zeist)

€5,000,000,000

Debt Issuance Programme

Under the Programme described in this Base Prospectus (the "**Programme**"), Achmea B.V. (the "**Issuer**"), subject to compliance with all relevant laws, regulations and directives, may from time to time issue notes (the "**Notes**"). The Notes may be issued as subordinated notes (the "**Subordinated Notes**") or senior notes (the "**Senior Notes**"). The aggregate nominal amount of Notes outstanding will not at any time exceed €5,000,000,000 (or the equivalent in other currencies).

Application has been made to the Irish Stock Exchange plc trading as Euronext Dublin ("**Euronext Dublin**") for the Notes issued under the Programme to be admitted to the official list of Euronext Dublin (the "**Official List**") and trading on its regulated market. References in this Base Prospectus to Notes being "listed" (and all related references) shall mean that such Notes have been listed on the Official List of Euronext Dublin and admitted to trading on its regulated market (or any other stock exchange). The regulated market of Euronext Dublin is a regulated market for the purposes of Directive 2014/65/EU of the European Parliament and the Council on markets in financial instruments, as amended from time to time ("**MiFID II**"). However, unlisted Notes may be issued as well pursuant to the Programme. The relevant Final Terms in respect of the issue of any Notes will specify whether or not such Notes will be listed and admitted to trading on the regulated market of Euronext Dublin (or any other stock exchange). This Base Prospectus has been approved by the Central Bank of Ireland, as competent authority under Directive 2003/71/EC, as amended or superseded to the extent that such amendments have been implemented in the relevant Member State of the European Economic Area (the "**EEA**") (the "**Prospectus Directive**"). The Central Bank of Ireland 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 the Notes which are to be admitted to trading on the regulated market of Euronext Dublin or other regulated markets for the purposes of MiFID II or which are to be offered to the public in any Member State of the EEA.

Notes may be issued in bearer form and in registered form. Each Series (as defined in "*Overview of the Programme - Method of Issue*") of Notes in bearer form will be represented on issue by a temporary global note in bearer form (each a "**Temporary Global Note**") or a permanent global note in bearer form (each a "**Permanent Global Note**"). If the Temporary Global Notes and the Permanent Global Notes (the "**Global Notes**") are stated in the applicable Final Terms to be issued in new global note ("**NGN**") form, the Global Notes will be delivered on or prior to the original issue date of the relevant Tranche to a common safekeeper (the "**Common Safekeeper**") for Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking, SA ("**Clearstream, Luxembourg**"). Notes in registered form will be represented by registered certificates (each a "**Certificate**"), one Certificate being issued in respect of each Noteholder's entire holding of Registered Notes of one Series. Registered Notes issued in global form will be represented by registered global certificates ("**Global Certificates**"). If a Global Certificate is held under the New Safekeeping Structure (the "**NSS**") the Global Certificate will be delivered on or prior to the original issue date of the relevant Tranche to a Common Safekeeper for Euroclear and Clearstream, Luxembourg.

Global Notes which are not issued in NGN form ("**Classic Global Notes**" or "**CGNs**") and Global Certificates which are not held under the NSS will be deposited on the issue date of the relevant Tranche with a common depositary on behalf of Euroclear and Clearstream, Luxembourg (the "**Common Depositary**").

The provisions governing the exchange of interests in Global Notes for other Global Notes and definitive Notes are described in "*Summary of Provisions Relating to the Notes while in Global Form*".

Tranches of Notes (as defined in "*Overview of the Programme - Method of Issue*") to be issued under the Programme will be rated or unrated. Where a Tranche of Notes is to be rated, such rating will not necessarily be the same as the ratings assigned to the Notes already issued. Whether or not a rating in relation to any Tranche of Notes will be treated as having been issued by a credit rating agency established in the European Union and registered under Regulation (EC) No 1060/2009 of 16 September 2009 on credit rating agencies (the "**CRA Regulation**") as amended will be disclosed in the relevant Final Terms.

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.

Prospective investors should have regard to the factors described under the section headed "*Risk Factors*" in this Base Prospectus.

This Base Prospectus is dated 15 July 2019 and supersedes the prospectus dated 14 July 2017.

Dealers

NatWest Markets

Arranger for the Programme

NatWest Markets

*This Base Prospectus comprises a base prospectus for the purposes of Article 5.4 of the Prospectus Directive and for the purpose of giving information with regard to the Issuer, the Issuer and its subsidiaries and affiliates taken as a whole (the "**Group**") and the Notes which, according to the particular nature of the Issuer and the Notes, is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Issuer.*

The Issuer accepts responsibility for the information contained in this Base Prospectus. To the best of the knowledge 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.

*This Base Prospectus has been prepared on the basis that, except to the extent sub-paragraph (ii) below may apply, any offer of Notes in any Member State of the EEA 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 (i) 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, or (ii) if a prospectus for such offer has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State and (in either case) published, all in accordance with the Prospectus Directive, provided that any such prospectus has subsequently been completed by final terms which specify that offers may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State and such offer is made in the period beginning and ending on the dates specified for such purpose in such prospectus or final terms, as applicable. Except to the extent sub-paragraph (ii) above may apply, neither the Issuer nor any Dealer have 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.*

This Base Prospectus is to be read in conjunction with all documents which are incorporated herein by reference (see "Documents Incorporated by Reference").

No person has been authorised to give any information or to make any representation other than those contained in this Base Prospectus in connection with the issue or sale of the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or any of the Dealers or the Arranger (as defined in "*Overview of the Programme*"). Neither the delivery of this Base Prospectus nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer since 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 in the financial position of the Issuer since the date hereof or 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 as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

In the case of any Notes which are to be admitted to trading on a regulated market within the EEA or offered to the public in a member State of the EEA in circumstances which require the publication of a prospectus under the Prospectus Directive, the minimum specified denomination shall be €100,000 (or its equivalent in any other currency as at the date of issue of the Notes).

IMPORTANT – PROHIBITION OF SALES TO EEA RETAIL INVESTORS - If the Final Terms in respect of any Notes includes a legend entitled 'Prohibition of Sales to EEA Retail Investors', the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the 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 MiFID II; (ii) a customer within the meaning of Directive 2016/97/EU, as amended or superseded ("Insurance Distribution Directive"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Directive. Consequently no key information document required by Regulation (EU) No 1286/2014, as amended (the "PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

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

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

BENCHMARK REGULATION

Interest and/or other amounts payable under the Notes may be calculated by reference to the Euro Interbank Offer Rate ("EURIBOR") which is provided by the European Money Markets Institute ("EMMI"), the London Interbank Offer Rate ("LIBOR") which is provided by ICE Benchmark Administrator ("ICE") or any other benchmark, in each case as specified in the applicable Final Terms. As at the date of this Base Prospectus, EMMI and ICE are included in the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 Register of administrators and benchmarks of the Benchmark Regulation (Regulation (EU) 2016/1011 (the "Benchmark Regulation").

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

The distribution of this Base Prospectus and the offering or sale of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Base Prospectus comes are required by the Issuer, the Dealers and the Arranger to inform themselves about and to observe any such restriction. The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act") and include Notes in bearer form that are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to U.S. persons. For a description of certain restrictions on offers and sales of Notes and on distribution of this Base Prospectus, see "*Subscription and Sale*".

This Base Prospectus does not constitute an offer of, or an invitation by or on behalf of the Issuer or the Dealers to subscribe for, or purchase, any Note.

To the fullest extent permitted by law, none of the Dealers or the Arranger accept any responsibility for the contents of this Base Prospectus or for any other statement, made or purported to be made by the Arranger or a Dealer or on its behalf in connection with the Issuer or the issue and offering of the Notes. The Arranger and each Dealer accordingly disclaims all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this Base Prospectus or any such statement. Neither this Base Prospectus nor any other financial statements are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Issuer, the Arranger or the Dealers that any recipient of this Base Prospectus or any other financial statements should purchase the Notes. Each potential purchaser of Notes should determine for itself the relevance of the information contained in this Base Prospectus and its purchase of Notes should be based upon such investigation as it deems necessary. None of the Dealers or the Arranger undertakes to review the financial condition or affairs of the Issuer during the life of the arrangements contemplated by this Base Prospectus nor to advise any investor or potential investor in the Notes of any information coming to the attention of any of the Dealers or the Arranger.

In connection with the issue of any Tranche (as defined in "*Overview of the Programme - Method of Issue*"), the Dealer or Dealers (if any) named as the stabilisation manager(s) (the "Stabilisation Manager(s)") (or persons acting on behalf of any Stabilisation 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 at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche 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 and 60 days after the date of the allotment of the relevant Tranche. Any stabilisation action or over-allotment must be conducted by the relevant Stabilisation Manager(s) (or any person acting on behalf of any Stabilisation Manager(s)) in accordance with all applicable laws and rules.

The Bank of New York Mellon SA/NV, Dublin Branch 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 Euronext Dublin and trading on its regulated market (the Main Securities Market).

ABN AMRO Bank N.V. has been engaged by the Issuer as Fiscal Agent, Principal Paying Agent, Registrar, Transfer Agent and Calculation Agent for the Notes, upon the terms and subject to the conditions set out in the Agency Agreement (as defined below), for the purpose of paying sums due on the Notes and of performing all other obligations and duties imposed on it by the Conditions and the Agency Agreement. ABN AMRO Bank N.V. in such capacity is acting for the Issuer only and will not regard any other person as its client in relation to the offering of the Notes. Neither ABN AMRO Bank N.V. nor any of its directors, officers, agents or employees makes any representation or warranty, express or implied, or accepts any responsibility, as to the accuracy, completeness or fairness of the information or opinions described or incorporated by reference in this Base Prospectus, in any investor report or for any other statements made or purported to be made either by itself or on its behalf in connection with the Issuer or the offering of the Notes. Accordingly, ABN AMRO Bank N.V. disclaims all and any liability, whether arising in tort or contract or otherwise, in respect of this Base Prospectus and or any such other statements.

All references in this Base Prospectus to "euro", "EUR" and "E" refer to the lawful currency introduced at the start of the third stage of the European Economic and Monetary Union pursuant to the Treaty establishing the European Community as amended by the Treaty on European Union, those to "U.S. dollars", "dollar", "U.S.$", "$" and "USD" refer to the lawful currency of the United States of America and those to "Sterling, "1" and "GBP" are to the lawful currency of the United Kingdom.

Switzerland: The Notes being offered pursuant to this Base Prospectus do not represent units in collective investment schemes within the meaning of the Swiss Collective Investment Schemes Act of 23 June 2006 (the "CISA"). Accordingly, they have not been registered with the Swiss Financial Market Supervisory Authority (the "FINMA") as foreign collective investment schemes, and, are not subject to the supervision of the FINMA. Investors cannot invoke the protection conferred under the CISA.

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.

DOCUMENTS INCORPORATED BY REFERENCE

This Base Prospectus should be read and construed in conjunction with the audited consolidated annual financial statements of the Issuer for the financial years ended, 31 December 2017 and 31 December 2018 together in each case with the auditor's report thereon, and the terms and conditions set out on pages 42 to 73 of the base prospectus dated 14 July 2017 under the heading "Terms and Conditions of the Notes", which have been previously published or are published simultaneously with this Base Prospectus and which have been filed with Euronext Dublin and with the Central Bank of Ireland in compliance with Article 11 of the Prospectus Directive. Such documents shall be incorporated in and form part of this Base Prospectus, save that any statement contained in a document which is incorporated by reference herein shall be modified or superseded for the purpose of this Base Prospectus to the extent that a statement contained herein 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 non-incorporated parts of a document referred to herein are either deemed not relevant for an investor or are otherwise covered elsewhere in this Base Prospectus.

Copies of documents incorporated by reference in this Base Prospectus may be obtained without charge from the registered office of the Issuer and www.achmea.com and through the following hyperlinks:

https://www.achmea.nl/en/investors/debt-information/Paginas/default.aspx

2018 Annual Report:
https://www.achmea.nl/SiteCollectionDocuments/Achmea-Annual-Report-2018-part-1-EN.pdf
https://www.achmea.nl/SiteCollectionDocuments/Achmea-Annual-Report-2018-part-2-EN.pdf
https://www.achmea.nl/SiteCollectionDocuments/Achmea-Annual-Report-2018-part-3-EN.pdf

2017 Annual Report*:*
https://www.achmea.nl/SiteCollectionDocuments/Achmea-Annual-Report-2017-part-1.pdf
https://www.achmea.nl/SiteCollectionDocuments/Achmea-Annual-Report-2017-part-2.pdf
https://www.achmea.nl/SiteCollectionDocuments/Achmea-Annual-Report-2017-part-3.pdf

SUPPLEMENTARY PROSPECTUS

If at any time the Issuer shall be required to prepare a supplementary prospectus pursuant to the Prospectus Directive and implementing legislation, the Issuer will prepare and make available an appropriate amendment or supplement to this Base Prospectus or a further prospectus which, in respect of any subsequent issue of Notes to be listed and admitted to trading on the regulated market of Euronext Dublin, shall constitute a supplementary prospectus as required by the Prospectus Directive and implementing legislation.

The Issuer has given an undertaking to the Dealers that if at any time during the duration of the Programme there is a significant new factor, material mistake or inaccuracy relating to information contained in this Base Prospectus which is capable of affecting the assessment of any Notes and whose inclusion in or removal from this Base Prospectus is necessary for the purpose of allowing an investor to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer, and the rights attaching to the Notes, the Issuer shall prepare an amendment or supplement to this Base Prospectus for use in connection with any subsequent offering of the Notes and shall supply to each Dealer such number of copies of such supplement hereto as such Dealer may reasonably request.

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RISK FACTORS

Before investing in the Notes, prospective investors should carefully consider the risks and uncertainties described below, together with the other information contained or incorporated by reference in this Base Prospectus. The occurrence of any of the events or circumstances described in these risk factors, individually or together with other circumstances, could have a material adverse effect on the Group, its business, revenues, prospects, results and financial condition, which could result in an inability of the Issuer to pay interest and/or principal and could negatively affect the price of the Notes. In that event, the value of the Notes could decline and an investor might lose part or all of his investment.

All of these risk factors and events are contingencies which may or may not occur. The Group may face a number of these risks described below simultaneously and one or more risks described below may be interdependent. The order in which risks are presented is not necessarily an indication of the likelihood of the risks actually materialising, of the potential significance of the risks or of the scope of any potential harm to the business, revenues, prospects, results and financial condition of the Group, which could result in an inability of the Issuer to pay interest and/or principal and could negatively affect the price of the Notes.

The risk factors are based on assumptions that could turn out to be incorrect. Furthermore, although the Group believes that the risks and uncertainties described below are the material risks and uncertainties concerning the Group's business and the Notes, they are not the only risks and uncertainties relating to the Group and the Notes. Other risks, events, facts or circumstances not presently known to the Group, or that the Group currently deems to be immaterial could, individually or cumulatively, prove to be important and could have a material adverse effect on the Group's business, revenues, prospects, results and financial condition. The value of the Notes could decline as a result of the occurrence of any such risks, events, facts or circumstances or as a result of the events, facts, or circumstances described in these risk factors, and investors could lose part or all of their investment.

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

Each prospective investor in the Notes must determine, based on its own independent review and such professional advice as it deems appropriate under the circumstances, that its acquisition of the Notes is fully consistent with its financial needs, objectives and condition, complies and is fully consistent with all investment policies, guidelines and restrictions applicable to it and is a fit, proper and suitable investment for it, notwithstanding the clear and substantial risks inherent in investing in or holding the Notes.

Each prospective investor should consult its own advisers as to legal, tax and related aspects of an investment in the Notes. A prospective investor may not rely on the Issuer or the Dealers or any of their respective affiliates in connection with its determination as to the legality of its acquisition of the Notes or as to the other matters referred to above.

Unless the context requires otherwise, capitalised terms which are defined in "Terms and Conditions of the Notes" have the same meaning when used herein.

RISK FACTORS RELATING TO THE ISSUER

Risks relating to the Group's Business

General Economic and Market Conditions

Because the Issuer is an integrated financial services company conducting business on a worldwide basis, the revenues and earnings of the Issuer are affected by the volatility and strength of the economic, business and capital markets environments specific to the geographic regions in which the Issuer conducts business and changes in such factors may adversely affect the profitability of its insurance, banking and asset management business.

Factors such as interest rates, exchange rates, consumer spending, business investment, government spending, the volatility and strength of the capital markets, and terrorism all impact the business and economic environment and, ultimately, the amount and profitability of business the Issuer conducts in a specific geographic region. For example, in an economic downturn characterised by higher unemployment, lower family income, lower corporate earnings, lower business investment and consumer spending, the demand for banking and insurance products would be adversely affected and the Issuer's reserves and provisions would likely increase, resulting in lower earnings. Similarly, a downturn in the equity markets could cause a reduction in commission income the Issuer earns from managing portfolios for third parties, as well as income generated from its own proprietary portfolios, each of which is generally tied to the performance and value of such portfolios. The Issuer also offers a number of insurance and financial products that expose the Issuer to risks associated with fluctuations in interest rates, securities prices or the value of real estate assets. In addition, 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 condition or result from operations of the businesses of the Issuer.

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 (the "**UK**"), in a referendum, voted to leave the European Union (the "**EU**") and the UK Government invoked Article 50 of the Lisbon Treaty relating to withdrawal on 29 March 2017. Under Article 50, the Treaty on the EU and the Treaty on the Functioning of the EU cease to apply in the relevant state from the date of entry into force of a withdrawal agreement or, failing that, two years after the notification of intention to withdraw, although this period may be extended in certain circumstances. Following the UK government's decision to invoke Article 50 on 29 March 2017, it was expected that the UK would leave the EU in March 2019. However, on 19 March 2019, it was announced that a transition period was agreed that will last from 29 March 2019 to 31 December 2020. During this period, EU laws shall generally still be applicable to and in the UK. Negotiations relating to the terms of the UK's relationship with the EU now will extend beyond the two-year period set forth in Article 50, which may create additional volatility in the markets and have an adverse impact on the Group's prospects, financial condition and results of operations. The chances that there will be a 'hard' Brexit are increasing as time is passing. Until the terms and timing of the UK's exit from the EU are clearer, it is not possible to determine the impact that the referendum, the UK's departure from the EU and/or any related matters may have on the business of the Group. If there will be a 'hard' Brexit, the uncertainties are even bigger. The Group 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. See also "Because the Issuer or its subsidiaries are exposed to fluctuations in the equity, fixed income and property markets, it could result in a material adverse effect on its returns on invested assets and the value of its investment portfolio or its solvency position". In addition, it is unclear at this stage what the consequences of the UK's departure from the EU will ultimately be for the Issuer or the trading price of the Notes.

On 15 July 2016, the Turkish government was subject to an attempted coup by a group within the Turkish army. The Turkish government and the Turkish security forces (including the Turkish army) took control of the situation in a short period of time and the ruling government remained in control. On 16 April 2017, a constitutional referendum was held throughout Turkey and a new draft of the constitution that increases the power of Turkish president Erdogan was approved by the Turkish voters. Early 2019, general elections have been held but the outcome was subsequently not acknowledged by all parties and a recount was announced. At this stage, the outcome and political consequences are unknown. Although the Issuer's operations in Turkey have not been materially affected by the coup, the 2019 elections and/or the referendum, the impact

on political and social circumstances following the attempted coup and the referendum and the aftermath thereof, including developments in the political relationship between Turkey and the Netherlands, could result in a further increase in volatility in the currency market and/or could have a material effect on the financial condition or result from operations of the business of the Issuer in Turkey.

The hedging programmes of the Issuer and/or any of its subsidiaries may prove inadequate or ineffective for the risks they address, which could have a material adverse effect on the Issuer's business, results of operations, financial condition and prospects

The Issuer and its subsidiaries employ hedging programmes with the objective of mitigating risks inherent in its business and operations. These risks include current or future changes in the fair value of the assets and liabilities of the Issuer and/or any of its subsidiaries, current or future changes in cash flows, the effect of interest rates, equity markets and credit spread changes, the occurrence of credit defaults, and currency exchange fluctuations. As part of its risk management strategy, the Issuer and its subsidiaries employ hedging programmes to control these risks by entering into derivative financial instruments, such as swaps, options, futures and forward contracts.

Developing an effective strategy for dealing with the risks described above is complex, and no strategy can completely protect the Issuer and its subsidiaries from such risks. Each of the hedging programmes of the Issuer and its subsidiaries is based on financial market and customer behaviour models using, amongst others, statistics, observed historical market and customer behaviour, underlying fund performance, insurance policy terms and conditions, and the own judgment, expertise and experience of the Issuer and/or its subsidiaries. These models are complex and may not identify all exposures, may not accurately estimate the magnitude of identified exposures, or may not accurately determine the effectiveness of the hedge instruments, or fail to update hedge positions quickly enough to effectively respond to market movements. Furthermore, the effectiveness of these models depends on information regarding markets, customers, fund values, the insurance portfolio of the Issuer and/or its subsidiaries and other matters, each of which may not always be accurate, complete, up-to-date or properly evaluated. Hedging programmes also involve transaction and other costs, and if the Issuer and/or its subsidiaries terminate a hedging arrangement, it may be required to pay additional costs, such as transaction fees or breakage costs. The Issuer and/or its subsidiaries may incur losses on transactions after taking into account hedging strategies. Although the Issuer and its subsidiaries have developed policies and procedures to identify, monitor and manage risks associated with these hedging programmes, the hedging programmes may not be effective in mitigating the risk that they are intended to hedge, particularly during periods of financial market volatility.

Furthermore, the derivative counterparty in a hedging transaction may default on its obligations. Although it is the policy of the Issuer and its subsidiaries to fully collateralise derivative contracts, and differences in market value of the collateral are settled between the relevant parties on a daily basis, it is still exposed to counterparty risk. For instance, the Issuer and its subsidiaries are dependent on third parties for the daily calculation of the market values of the derivative collateral. If these third parties (mostly large institutions) miscalculate the collateral required and the counterparty fails to fulfil its obligations under the derivative contract, it could result in unexpected losses, which could have a material adverse effect on the business, revenues, results of operations and financial condition of the Issuer. The inability to manage risks of the Issuer and/or its subsidiaries successfully through derivatives (including a single counterparty's default and the systemic risk that a default is transmitted from counterparty to counterparty) could have a material adverse effect on the Issuer 's business, revenues, results of operations, financial condition and prospects.

The sustained low interest rate environment in recent years in Europe has negatively impacted the Group in various ways and will continue to do so if it persists

In a period of sustained low interest rates, financial and insurance products with long-term options and guarantees (such as pension, whole-life, funeral and disability products) may be more costly to the Group. The Group may therefore incur higher costs to hedge the investment risk associated with such long-term options and guarantees of these products. Moreover, the required capital pursuant to Solvency II for long-

term risks, such as longevity, expense and morbidity risks, is interest rate sensitive. Declining interest rates will result in an increase in the valuation of liabilities and of the Group's Solvency II required capital.

Projection of the solvency figures in the annual Own Risk and Solvency Assessment (the "**ORSA**") and balance sheet plan show that low interest rates also have a negative impact on the future capital generation of the Group. The effects mentioned above limit the ability of the Group to offer financial and insurance products with long-term options and guarantees at affordable prices. As a consequence, new business levels will be lower and, due to fixed costs, profitability could be reduced. Also, if interest rates are volatile the present value impact of changes in assumptions affecting future benefits and expenses will also be volatile, creating more volatility in the Group's results of operations and available regulatory capital. Furthermore, low interest rates will lead to a low risk free return on the assets allocated to the own funds.

The risks from interest rate developments are, amongst other things, a result of the ultimate forward rate (the "**UFR**") which is 3.90 per cent. Currently, since under Solvency II life liabilities are discounted with a curve including the UFR. In current market conditions, the application of the UFR results in an increase of interest rates used for the Solvency II valuation of the technical provisions for maturities of 20 years or longer. Application of the UFR makes the valuation of the technical provisions less sensitive to interest movements. The UFR is set by the European Insurance and Occupational Pensions Authority ("**EIOPA**") which may take into account, among other factors, interest rates, which are at a historically low level, and inflation. EIOPA evaluated the level of the UFR for insurance companies and set out a methodology for the use of a more dynamic UFR which would result in a decreasing UFR for the coming years. A lower level of UFR used in the calculation of the Solvency II regime would result in higher valuation of the insurance liabilities and lower own funds, which may in turn materially and adversely affect the Group's business, revenue, results and financial condition. For example, based on management estimates as at 31 December 2018, no longer applying the UFR would be expected to result in a negative impact of 65 percentage points on the Group's Solvency II ratio. If the Group is not able to adequately comply with the Solvency II requirements, this could have a material adverse effect on its business, solvency, results and financial condition.

In addition, the Group monitors its interest rate risk on a monthly basis. The Group's interest rate policy is primarily aimed at reducing the sensitivity of the Solvency II ratio, but the interest rate position might also be assessed from the viewpoint of a moderate UFR or no recognition of the UFR. In a low interest rate environment this may lead to increased sensitivities of the Solvency II ratio which may result in a decrease of the Group's Solvency II ratio.

Sustained low interest rate levels have had, and could continue to have, a material adverse effect on the Group's business, revenues, results and financial condition. Interest rates used under Solvency II to value technical provisions could be higher than realised investment returns due to the application of the UFR. EIOPA could lower the UFR to be closer to actual rates with an immediate negative impact on own funds through the increase of the required Solvency II technical provisions.

Rising interest rates could reduce the value of fixed-income investments held by the Group, increase policy lapses and withdrawals, and increase collateral requirements under the Group's hedging arrangements, which could have a material adverse effect on the Group's business, revenues, results and financial condition

If interest rates rise, the value of the Group's fixed income portfolio may decrease. Additionally, the Solvency II technical provisions may decrease, but due to the obligatory use of the UFR, the change in the Solvency II technical provisions may not offset the decrease in the value of fixed-income investments. Furthermore, rising interest rates could cause third parties to require the Group to post collateral in relation to its interest rate hedging arrangements. In periods of rising interest rates, policy lapses and withdrawals may increase as policyholders may believe they can obtain a higher rate of return in the market place. See also "Incorrect assumptions used in pricing products, establishing provisions and reporting business results could have a material adverse effect on the Group's business, revenues, results and financial condition". In order to satisfy the resulting obligations to make cash payments to policyholders, the Group may be forced to sell assets at reduced prices and thus realise investment losses.

In the case of unit-linked policies, an increase in withdrawals would result in a decrease in the Group's assets under management ("**AuM**"), which would result in reduced fee income as the Group's fee income is typically linked to the value of the AuM. This would in turn reduce profitability and could adversely affect the Group's ability to implement its business plan or distribute capital.

The occurrence of any of the risks set out above could have a material adverse effect on the Group's business, revenues, results and financial condition.

Default Risk and Concentration Risk related to mortgage loans and related products

The Group's business, revenues, results and financial condition are exposed to changes in legislation applicable to the housing market in the Netherlands and the Group's residential retail and commercial mortgage portfolio is exposed to the risk of default by borrowers and to declines in real estate prices which have a negative effect on the Group's mortgage portfolio

Various restrictions have been introduced in the Netherlands with respect to mortgage lending and the tax treatment of the mortgage loans. For the banking activities these restrictions may reduce the size of and income earned from the Group's total mortgage portfolio significantly.

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 maximum rate at which interest deduction takes place is 49%. In September 2018, the Dutch government published its 2019 budget, which included several changes to the tax system. From 2021 only 2 brackets with regard to income tax remain in place, 37.05% and 49.5%. An additional lower bracket of 19.15% will apply to individuals who have reached the state pension age. The mortgage interest deduction will decrease by 3%-point per year until a level of 37.05% is reached for each tax payer. This is expected to be achieved in 2023. At the date of this Base Prospectus, it is not clear if, when and how these changes will be implemented and what the impact will be on the housing market and other factors relevant in relation to the mortgage loans.

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 (savings) mortgage loans resulting in higher or lower prepayment rates of such mortgage loans. This behaviour might also have an impact on the savings-linked products originated by the Group which are linked to savings mortgages. Finally, changes in tax treatment may have an adverse effect on the value of the mortgaged assets.

The increasing restrictions applicable to the mortgage lending and the tax treatment of the mortgage loans may, among other things, have a material adverse effect on new origination, house prices and the rate of economic growth and may result in an increase of defaults or higher prepayment rates, as both will result in less earnings comprised mortgage loans. Also, borrower non-payments when due, payment disruptions or

borrower defaults, e.g. in case of annuity mortgage loans, due to gradually increasing principal payments, or as a result of increasing interest rates (at future reset dates), may have a material adverse effect on the rate of economic recovery of the mortgage loans which would have a negative effect on the Group's large mortgage portfolio.

As at 31 December 2018, the Group's mortgage loan portfolio amounted to €7,481 million (excluding Achmea Bank N.V.). The table below shows the loans to value (the "**LTV**") ratio expressed as the ratio of a loan to the value of an asset purchased (collateral indexed) of the mortgage portfolio of the Group at 31 December 2018. The higher the ratio, the riskier the loan is for the Group.

(UNAUDITED) LOANS TO VALUE (€ MILLION)[1]	**2018**	**2017**
<80%	4,380	2,218
80% - 100%	2,563	4,354
>100%	537	678
Total	**7,481**	**7,250**

As at 31 December 2018, Achmea Bank N.V.'s regular mortgage loan portfolio amounted to €9,8 billion. Furthermore, on 21 March 2019 Achmea Bank N.V. has announced the acquisition of part of a.s.r. bank.

The mortgage portfolio of the Group consists of mortgages with a low risk profile (in the Netherlands mortgages with National Mortgage Guarantee ("**NHG**") provided by the government), securitised mortgages with an average risk profile (all other mortgage receivables and purchased own bonds) and mortgages with a high risk profile (all other mortgage receivables with a credit above 75% of the foreclosure sale value). The credit risk for mortgages is managed by applying an acceptance policy aimed at optimisation of the risk profile of the portfolio and subsequently monitoring interest and repayments and other risk indicators. However, the Group is exposed to the risk of default by borrowers under these mortgage loans. Borrowers may default on their obligations due to bankruptcy, lack of liquidity, downturns in the economy generally or declines in real estate prices, operational failure, fraud or other reasons. The value of the secured property in respect of these mortgage loans is exposed to decreases in real estate prices, arising for instance from downturns in the economy generally, oversupply of properties in the market, and changes in tax regulations related to housing (such as the decrease in the deductibility of interest on mortgage payments). Furthermore, the value of the secured property in respect of these mortgage loans is exposed to destruction and damage resulting from floods and other natural and man-made disasters. Damage or destruction of the secured property also increases the risk of default by the borrower. For the Group, all of these exposures are concentrated in the Netherlands because the mortgage loans have been advanced, and are secured by commercial and residential property, in the Netherlands.

For the purposes of available (regulatory) capital of the insurance business, mortgage loans are valued at fair market value and are therefore exposed to interest rate, prepayment and credit default risk. For instance, the model valuation of mortgage loans includes spreads observed in the markets for newly issued mortgage loans. If these spreads increase, the modelled value of the mortgage loans will decrease, which may result in unrealised losses under the International Financial Reporting Standards (the "**IFRS**") as adopted by the EU and will cause decreases in the Group's available (regulatory) capital. Furthermore, if economic conditions in the Netherlands deteriorate (including due to increases in unemployment and property price declines) this could have an impact on the default rate which would decrease the fair value of the Group's mortgage loan portfolio. An increase of defaults, or the likelihood of defaults under, the Group's mortgage loans, or a decline

[1] Source: Solvency Financial and Condition Report Achmea B.V. 2018

in property prices in the Netherlands, has had, and could have, an adverse effect on Group's business, revenues, results and, or financial condition.

Because the Group is exposed to counterparty default risk in relation to its savings-linked product portfolio, changes in relation to these counterparties or changes in the valuation method applicable to this portfolio under Solvency II may have an adverse effect on the Group's solvency position

The Group's savings-linked product portfolio includes both contracts linked to mortgages originated by the Group, as well as contracts linked to mortgages originated by third parties. For savings-linked products linked to mortgages originated by third parties (and not transferred to the Group), the mortgage loan is not reflected on the Group's balance sheet. The mortgage savings are mainly recognised as "Other Investments" on the Economic Balance Sheet under Solvency II of Achmea Pensioen- en Levensverzekeringen N.V., for which it has an exposure to Counterparty Default Risk.

At the end of December 2018, Achmea Pensioen- en Levensverzekeringen N.V. entered into a transaction with Coöperatieve Rabobank U.A. ("**Rabobank**"), which removed the possible systemic risk, related to Counterparty Default Risk. For the mortgage saving insurance products, Achmea Pensioen- en Levensverzekeringen N.V. and Rabobank agreed on so-called cession/retrocession and subparticipation contracts.

(UNAUDITED) OTHER INVESTMENTS (€ MILLION)[2]	**31-12-2018**	**31-12-2017**
Mortgage savings Achmea Bank N.V.	900	784
Mortgage savings Coöperatieve Rabobank U.A.	9,021	2,353
Mortgage savings ABN AMRO Bank N.V.	3	3
Other	672	0
Total other investments	**10,597**	**3,139**

The Issuer classifies all savings related to mortgage products under Balance Sheet item "Other investments". In 2018, investment funds which did not meet the criteria of the UCITS framework were reclassified to Other investments for an amount of €727 million. The 'saving' line items comprise the saving sections on the Balance Sheet related to 'mortgage saving insurance products'. Due to legislation these products are not issued anymore. The amounts presented are linked with the technical provision part. The nominal cash flows of the assets and liabilities are off setting each other.

These transactions have an impact on the valuation of the savings deposits of these products and the related capital requirements. The valuation and the subsequent treatment of mortgage saving insurance products within the capital requirement is subject to an ongoing discussion at national level between insurers and the national supervisor. This should come to a conclusion in 2019. For the financial year 2018, Achmea Pensioen- en Levensverzekeringen N.V. is of the opinion that, after the completion of the transactions with Rabobank, no capital gain/loss should be recognised for this product. As such, the valuation method and specifically the parameters are determined. The savings deposits have been discounted using the same discount rate as applied to discount the insurance liabilities.

The Group tries to limit its default risk to these counterparties through various measures. However, if these measures do not sufficiently mitigate such risk, if the impact of default born by policyholders shifts to the Group or if the Group needs to apply another valuation of these mortgage savings under Solvency II, this might have an adverse effect on the solvency ratio of the Group.

[2] Source: Solvency Financial and Condition Report Achmea B.V. 2018

Because the Issuer is exposed to financial risks such as credit risk, default risk and risks concerning the adequacy of its credit provisions it could have a significant effect on the value of the Issuer's assets

Credit risk refers to the potential losses incurred by the Issuer as a result of debtors not being able to fulfil their obligations when due, or a perceived increased likelihood thereof. Losses incurred due to credit risk include actual losses from defaults, market value losses due to credit rating downgrades and/or spread widening, or impairments and write-downs. The Issuer is exposed to various types of general credit risk, including spread risk, default risk and concentration risk. Third parties that owe the Issuer money, securities or other assets may not pay or perform under their obligations. These parties may include customers, the issuers whose securities are being held by the Issuer, trading counterparties, counterparties under swaps 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.

The business of the Issuer is also subject to risks that have their impact on the adequacy of its credit provisions. These provisions relate to the possibility that a counterparty may default on its obligations to the Issuer which arise from financial transactions. Depending on the actual realisation of such counterparty default, the current credit provisions may prove to be inadequate. If future events or the effects thereof do not fall within any of the assumptions, factors or assessments used by the Issuer to determine its credit provisions, these provisions could be inadequate.

The Issuer is also exposed to concentration risk, which is the risk of default by counterparties or investments in which it has taken large positions. A single default of a large exposure could therefore lead to a significant loss for the Issuer.

Because the Issuer and its subsidiaries are exposed to counterparty risk through its subsidiaries in relation to other financial institutions, deteriorations in the financial soundness of other financial institutions may have a material adverse effect on the Issuer's and its subsidiaries' business, revenues, results and financial condition

Due to the nature of the global financial system, financial institutions, such as the Issuer and the subsidiaries of the Issuer, are interdependent as a result of trading, counterparty and other relationships. Other financial institutions with whom the Issuer or its subsidiaries conducts business act as counterparties to the Issuer or its subsidiaries in such capacities as borrowers under loans, issuers of securities, customers, banks, reinsurance companies, trading counterparties, counterparties under swaps and credit and other derivative contracts, clearing agents, exchanges, clearing houses, brokers and dealers, commercial banks, investment banks, mutual and hedge funds and other financial intermediaries. In any of these capacities, a financial institution acting as a counterparty may not perform its obligations due to, among other things, bankruptcy, lack of liquidity, market downturns or operational failures, and the collateral or security it provides may prove inadequate to cover their obligations at the time of the default. The interdependence of financial institutions means that the failure of a sufficiently large and influential financial institution due to disruptions in the financial markets could materially disrupt securities markets or clearance and settlement systems in the markets. This could cause severe market declines or volatility. Such a failure could also lead to a chain of defaults by counterparties that could materially adversely affect the Issuer or its subsidiaries. This risk, known as “systemic risk”, could adversely impact future product sales as a result of reduced confidence in the insurance and banking industries. It could also reduce results because of market declines and write-downs of assets and claims on third parties. The Issuer and its subsidiaries believe that despite increased focus by regulators around the world with respect to systemic risk, this risk remains part of the financial system in which the Issuer and its subsidiaries operate and dislocations caused by the interdependency of financial market participants could have a material adverse effect on its business, revenues, results and financial condition.

Because the Issuer is exposed to failures in risk management systems, this could have a significant impact on the financial condition of the Issuer

The Issuer invests substantial time and effort in its strategies and procedures for managing not only credit and concentration risk, but also other risks, such as strategic risk, market risk, liquidity risk, operational risk and conduct of business risk. These strategies and procedures could nonetheless fail or not be fully effective under some circumstances, particularly if the Issuer is confronted with risks that it has not fully or adequately identified or anticipated. Some of the methods of the Issuer for managing risk are based upon observations of historical market behaviour. Statistical techniques are applied to these observations in order to arrive at quantifications of some of the risk exposures of the Issuer. These statistical methods may not accurately quantify the risk exposure of the Issuer if circumstances arise which were not observed in its historical data. For example, as the Issuer through its subsidiaries offers new products or services, the historical data may be incomplete or not accurate for such new insurance products or services. As the Issuer gains more experience it may need to make additional provisions. If circumstances arise which the Issuer did not identify, anticipate or correctly evaluate during the development of its statistical models, its losses could be greater than the maximum losses initially envisaged. Furthermore, the quantifications do not take all risks or market conditions into account. If the measures used to assess and mitigate risk prove insufficient, the Issuer may experience unanticipated losses.

Sales of life insurance products in the Netherlands have been declining since 2008. Further declines in sales volumes could, over time, lead to a further decline of the Group's life insurance portfolio and, if the Group is unable to adjust its cost base, have a material adverse effect on the Group's business, revenues, results and financial condition

The Group's life insurance business is shrinking and in recent years the Group has reduced its product offerings in respect of life insurance. The 'Pension & Life' value chain is the Group's service organisation for existing customers with pensions or life insurance policies. Since the establishment of the Centraal Beheer General Pension Fund (the "**APF**") in 2016, the Pension & Life service organisation has mainly managed a closed-book portfolio containing group pension contracts and traditional savings and life insurance products. For the closed-book portfolio the focus is on maintaining a stable and high result with positive capital generation and retaining a high level of customer satisfaction. Within the open-book portfolio, the Group offers term life insurance policies and individual annuities and pensions. These insurance solutions are part of the Group's proposition for retirement services.

More generally, sales of life insurance products in the Netherlands have declined significantly since 2008. The total market for life insurance products decreased from €26.4 billion gross written premiums ("**GWP**") in 2008 to €17.5 billion in 2014 (source: the Dutch Central Bank (*De Nederlandsche Bank*), "**DNB**").When stock markets began to decline commencing in 2006, unit-linked products became less attractive due to their lower returns for policyholders. These lower returns triggered a discussion on costs and cost transparency issues and resulted in negative publicity and litigation. See also "*Description of the Issuer – Litigation*". This litigation and/or actions taken by regulators or governmental authorities against the Group or other insurers in respect of these products (including unit-linked life insurance products), settlements, collective or otherwise, or other actions taken by other insurers and sector-wide measures could substantially affect the Group's insurance business and, as a result, may have a material adverse effect on the Group's business, reputation, revenues, results, solvency and financial condition. In its sector-wide investigation report of 2008, the Netherlands Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten*, the "**AFM**") estimated that in the Netherlands, in total, up to and including 2005, approximately 7.2 million individual unit-linked retail policies had been sold, while volumes of such policies sold decreased rapidly thereafter due to the negative publicity associated with them. Legislative changes introduced in 2008 have enabled banks to offer bank annuity products that compete with life insurance products and benefit from the same tax efficiency as mortgage or pension-related Individual life insurance products. Since 2013, the sale of new bank annuity products has started to decline due to the fact that mortgage products are now mainly linear or annuity mortgage products, limiting the need for bank savings products. Further declines in such sales volumes, in particular if the Group is unable to reduce costs in line with any such decline in life insurance portfolios, including by increasing the share of variable expenses while lowering fixed costs, or to maintain the retention rate of existing customers, could lead to a further decline of its life insurance portfolio and have a material adverse effect on the Group's business, solvency condition, revenues, results and financial condition.

Because the Issuer operates in highly competitive markets, including in its home market, the Issuer may not be able to further increase, or even maintain, its market share, which may have an adverse effect on its results of operations

There is substantial competition in the Netherlands and the other countries in which the Issuer does business for the types of insurance and other products and services the Issuer provides. Customer loyalty and retention can be influenced by a number of factors, including relative service levels, the prices and attributes of products and services, and actions taken by competitors. If the Issuer is not able to match or compete with the products and services offered by its competitors, it could adversely impact its ability to maintain or further increase its market share, which would adversely affect its results of operations. Such competition is most pronounced in its more mature markets of the Netherlands and Greece. However, in recent years competition in emerging markets, such as Central and Eastern Europe, has also increased as large insurance and banking industry participants from more developed countries have sought to establish themselves in markets which are perceived to offer higher growth potential, and as local institutions have become more sophisticated and competitive and have sought alliances, mergers or strategic relationships with its competitors.

Based on geographic division of its operating profit, the Netherlands is the Issuer's largest market for its operations. Increasing competition in this or any of its other markets may significantly impact the results if the Issuer is unable to match the products and services offered by its competitors.

The Group relies on its distribution network and strategic partners in the Netherlands and abroad to sell and distribute many of its products and may not be able to maintain a competitive distribution network

The Group targets retail customers, businesses and collectivities, primarily for non-life products, health insurance and income protection, along with retirement services and other (supplementary) services through the direct (online), broker and banking channels and distribution via Rabobank, as well as focusing on further digitisation. Rabobank offices are a major distribution channel for the Group's Dutch insurance products.

Customers decide how they wish to communicate with each business within the Group: personally, digitally or by mobile phone. The Group is expanding its activities to include retirement services, asset management and international activities. New challenges in customer interaction often come from outside the insurance sector. Customers, justifiably, have ever-increasing expectations. For this reason, the Group increasingly offers more personalised interaction, including the option to switch their desired communication method between channels or devices with ease. Personalised online (robot) advice and automated services are part of this. Emphasis is increasingly placed here on prudent management, especially in dealing with customers' personal data.

The Group's international value chain is growing through the use of its knowledge and experience of non-life and health insurance products distributed through direct (online) and banking channels. For example, this applies to Turkey, Greece, Slovakia, and Australia, as well as through a partnership in Canada by using the InShared platform. Where it reinforces the Group's position, the Group works internationally with strategic partners, such as Rabobank in the Netherlands and Australia and Garanti Bank in Turkey to expand its customer reach.

Developing technologies are accelerating the introduction and prevalence of alternative distribution channels, particularly the internet and mobile phones. Such alternative distribution channels may also increase the possibility that new competitors whose competencies include the development and use of these alternative distribution channels may enter the markets in which the Group operates. For instance, relative to more traditional distribution channels, the sale and distribution of non-life insurance products through comparative price websites has increased. It is possible that the Group may experience a similar trend in relation to the sale and distribution of life insurance products. Although the Group has strategies in place to benefit from such alternative distribution channels, including through InShared, it may not be able to obtain or maintain a competitive share of these distribution channels and its overall market share and competitive position may decrease as a result. Moreover, the Group is not able to accurately predict the extent to which such alternative

distribution channels will replace or otherwise impact traditional distribution channels, or what effect this may have on the Group's business.

Among other factors, regulatory changes and the accelerating introduction of alternative distribution channels, methods and platforms, including future changes in the intermediaries market structure, are also blurring the boundaries between several markets in which the Group operates (including the insurance, investment management and banking markets). This has led, and may continue to lead, to increased competitive pressures within these markets. Although this may also present new opportunities for the Group, those opportunities may require expertise and experience that the Group may not have, or may not be able to timely develop or procure. As a result, the Group may not succeed in defending its competitive position, or may not succeed in exploiting such new opportunities, each of which may have a material adverse effect on its business, revenues, results and financial condition.

A failure by the Group to maintain a competitive distribution network or a loss of its strategic partnerships could have a material adverse effect on the Group's business, revenues, results and financial condition.

Market Risks Relating to the Group's Business

The Group's investment management business is complex and a failure to properly perform asset management services could have a material adverse effect on the Group's business, revenues, results and financial condition

The Group's investment management and related activities include, among other things, portfolio management, investment advice, fund administration and fiduciary services. In order to be competitive, the Group must properly perform its administrative, asset management and related responsibilities, including record keeping, accounting, valuation, corporate actions, compliance with investment guidelines and restrictions, daily net asset value computations, account reconciliations, use of derivatives for hedging and required distributions to fund shareholders. Furthermore, investments on behalf of policyholders and investments in relation to a number of pension contracts are managed by external asset managers. Failure by the Group to properly perform and monitor its investment management operations could lead to, among others, investments being made in breach of the mandates given by customers, poor investment decisions and poor asset allocation, the wrong investments being bought or sold or the incorrect monitoring of exposures as well as possible erosion of the Group's reputation or liability to pay compensation, existing customers withdrawing funds and potential customers not granting investment mandates, which could lead to a decrease in fee income. If the Group is able to grow its asset management business at the rate it currently intends, its exposure to these risks, and therefore also the risk of reputational damage and third-party claims, may increase. Any such failure could have a material adverse effect on the Group's business, revenues, results and financial condition.

The Group is also exposed to risks associated with the management of investments which might lead to a material loss for one or more of its customers (including third-party customers, as well as the Group's life assurance and pensions business). For example, failure to define properly the investment remit applicable to customer assets as a result of unclear agreed guidelines or inaccurate recording of customer communications could lead to investments being made in breach of the mandate given by customers. Similarly, failure to manage the investment process could lead to poor investment decisions and poor asset allocation, the wrong investments being bought or sold or the incorrect monitoring of exposures, as well as a possible erosion of the Group's reputation or liability to pay compensation. Failures of this nature could also lead to existing customers withdrawing funds and potential customers not granting investment mandates, which could have a material adverse effect on the Group's business, revenues, results and financial condition.

Investment underperformance of the Group's AuM may cause existing customers to withdraw funds, affecting the investment fees of the Group, and cause potential customers not to grant investment mandates

In 2018, the AuM of the Group increased to €129 billion (2017: €120 billion). The growth in AuM is the result of the net inflow into the Centraal Beheer APF and positive market developments. Furthermore,

agreement was reached with the Stichting Pensioenfonds Huisartsen (GP Pension Fund) in 2017. Additionally, the AuM of the Group in real estate holdings and mortgages increased to €21.5 billion in 2018 (2017: €19.7 billion). This increase is due to the new mandates for institutional investors and higher valuation of existing portfolios. When buying investment products or selecting an investment manager, customers (including pension funds and intermediaries) typically consider, among others, the historic investment performance of the product and management of the particular fund. This also holds true in relation to certain investment products sold by the Group's life insurance and pension businesses. In the event that the Group does not provide satisfactory or appropriate investment returns, underperforms in relation to its competitors, does not sell an investment product which a customer requires or loses its key investment managers, existing customers may decide to reduce or liquidate their investment or, alternatively, transfer their mandates to another investment manager impacting the investment fees of the Group. In addition, potential customers may decide not to grant investment mandates. Any of these developments, if they materialise, could have a material adverse effect on the Group's business, revenues, results and financial condition.

Because the Issuer and its subsidiaries are exposed to fluctuations in the equity, fixed income and property markets, it could result in a material adverse effect on its returns on invested assets and the value of its investment portfolio or its solvency position

The returns on the investments from the Issuer through its subsidiaries are highly susceptible to fluctuations in equity, fixed income and property markets. The Issuer through its subsidiaries bears all the risk associated with its own investments. Fluctuations in the equity, fixed income and property markets affect the Issuer's profitability, capital position and sales of equity related products. A decline in any of these markets will lead to a reduction of unrealised gains in the asset or result in unrealised losses and could result in impairments. Any decline in the market values of these assets reduces the Issuer's solvency, which could materially adversely impact the Issuer's financial condition and the Issuer's ability to attract or conduct new business. The value of the Issuer's own risk fixed income portfolio could be affected by changes in the credit rating of the issuer of the securities as well as by liquidity generally in the bond markets. When the credit rating of the issuer of the debt securities falls, the value of the fixed income security may also decline. In addition, some of the Issuer's or its subsidiaries fixed income securities are classified as financial assets at fair value through profit or loss and, as a result, any decline in the market value of these fixed income securities is reflected as a loss in the period during which it occurred, even if the Issuer has not sold the securities but kept them in its portfolio. A decrease in the long-term interest rate primarily adversely affects the values of the Issuer through its subsidiaries' liabilities under traditional life contracts, as liabilities are discounted using market interest rates for supervisory reporting and/or (for a small part) financial reporting. This negative effect is partly offset by the simultaneous increase in the market value of fixed income assets. The net effect on the net asset value/surplus depends on the duration and volume matching of assets and liabilities as well as derivatives. In periods where interest rates are higher than the current interest rates and in periods of increasing long-term interest rates, the market value of fixed income assets and/or interest rate derivatives of the Issuer thought its subsidiaries may continue to decrease, unlike the liabilities. As the Issuer has to maintain a minimum level of technical provisions for its liabilities pursuant to Capital Adequacy Regulations, there could be a gap between the interest rate sensitivity of the Issuer's liabilities and the interest rate sensitivity of the Issuer's assets, which may be difficult to hedge effectively. Furthermore, in periods where interest rates are higher than the current interest rates and in periods of increasing long-term interest rates, the market value of fixed income assets and/or interest rate derivatives of the Issuer may continue to decrease, whereas the minimum level of regulatory required capital may increase. As the Issuer anticipates it has to maintain a minimum level of capital in the future as prescribed by future applicable Capital Adequacy Regulations, there could be an interest rate sensitivity of net assets over the regulatory minimum capital requirement which may be difficult to hedge effectively.

The value of the Issuer's or its subsidiaries property portfolio is subject to risks related to, amongst others, occupancy levels, rent levels, consumer spending, prices of properties and interest rates. An economic downturn could result in the property market facing worsening commercial property occupancy levels and low consumer spending on residential property, which, in turn, could reduce returns on property investments. Occupancy levels could drop if the Issuer does not properly manage the contractual provisions governing the leases related to the properties. For instance, short-term contracts or provisions entitling customers to terminate contracts early could reduce occupancy. Since the second half of 2013, house prices in the

Netherlands have, on average (noting regional differences in the rate of change), increased substantially in recent years. However, an economic downturn could also result in a decline in the market values of residential and commercial properties as a result of reluctance in the market to buy further property or to invest in new building projects. Any decline in the market values of its property investments could have a material adverse effect on the Issuer's business, revenues, results and financial condition. The Issuer through its subsidiaries is exposed not only in respect of its own capital invested in equities, fixed income assets and property, but also in respect of its liabilities to policyholders in respect of the funds of policyholders and other customers invested in equities, fixed income assets and property under life insurance contracts such as unit-linked products and investment contracts. Many of the Issuer's life insurance products sold by its subsidiaries guarantee a minimum investment return or minimum accumulation at maturity to the policyholder. In the event that the decline in value of the invested assets is greater than the decline in liabilities associated with the guaranteed benefits, the Issuer must increase its provisions formed for the purpose of funding these future guaranteed benefits, which will result in an adverse impact on the Issuer's results. In addition, the Issuer's revenues from unit-linked products (including those without minimum guarantees) and investment contracts depend on fees paid by the customer. Because those fees are generally assessed as a percentage of AuM, they vary directly with the market value of such assets. Therefore a general decline in financial markets, including in particular equity markets, will reduce the Issuer's revenues under these contracts.

A downgrade or a potential downgrade in the Group's credit or financial strength ratings could have a material adverse effect on the Group's ability to raise additional capital, or increase the cost of additional capital, and could result in, amongst others, a loss of existing or potential business (including customer withdrawals), lower AuM and fee income and decreased liquidity, each of which could have a material adverse effect on the Group's business, revenues, results and financial condition

In general, credit and financial strength ratings are important factors affecting public confidence in insurers, and are as such important to the Group's ability to sell its products and services to existing and potential customers. Credit ratings represent the opinions of rating agencies regarding an entity's ability to repay its indebtedness. On an operating subsidiary level, financial strength ratings reflect the opinions of rating agencies on the financial ability of an insurance company to meet its obligations under an insurance policy, and are typically referred to as "claims-paying ability" ratings.

The following subsidiaries are the only operating companies of the Issuer with a financial strength rating:

- Achmea Schadeverzekeringen N.V. has an A rating from S&P Global Ratings Europe Limited ("**S&P**") for the financial strength rating with a stable outlook and an A+ rating from Fitch Ratings Limited ("**Fitch**") for the insurer financial strength rating with a stable outlook;

- Achmea Zorgverzekeringen N.V. has an A rating from S&P for the financial strength rating with a stable outlook and an A+ rating from Fitch for the insurer financial strength rating with a stable outlook;

- Achmea Pensioen & Levensverzekeringen N.V. has an A rating from S&P for the financial strength rating with a stable outlook and an A+ rating from Fitch for the insurer financial strength rating with a stable outlook;

- Achmea Reinsurance Company N.V. has an A- rating from S&P for the financial strength rating with a stable outlook; and

- Achmea Bank N.V. has a long-term counterparty credit rating of A- with a stable outlook and its short-term counterparty credit rating is A-2, with a stable outlook from S&P. Fitch has assigned an "A"/Stable/F-1 rating.

The Issuer has an issuer credit rating of BBB+ as of 25 July 2016 with a stable outlook as of 11 April 2019 from S&P and an issuer default rating of A with a stable outlook from Fitch, reflecting the structural subordination of holding company creditors to operating company policyholders.

Rating agencies review insurers' ability to meet their obligations (including to policyholders and their creditworthiness generally) based on various factors, and assign ratings stating their current opinion in that regard. While most of the factors are specific to the rated company, some relate to general economic conditions, intercompany dependencies and other circumstances outside the rated company's control. Such factors might also include a downgrade of the sovereign credit rating of the Netherlands as rating agencies typically take into account the credit rating of the relevant sovereign in assessing the credit and financial strength ratings of corporate issuers (even if the sovereign does not have an ownership interest in the relevant issuer). Rating agencies have increased the level of scrutiny that they apply to financial institutions, have increased the frequency and scope of their reviews, have requested additional information from the companies that they rate, and may adjust upward the capital and other requirements employed in the rating agency models for maintenance of certain ratings levels. The Group may need to take actions in response to changing standards or capital requirements set by any of the rating agencies, which may not otherwise be in the best interests of the Group. The Group cannot predict what additional actions rating agencies may take, or what actions the Group may take in response to the actions of rating agencies. The outcome of such reviews may have adverse ratings consequences, which could have a material adverse effect on the Group's business, revenues, results and financial condition.

A downgrade of the Group's or its operating subsidiaries' credit or financial strength ratings, and a deteriorating capital position, in each case relative to the Group's competitors, could affect the Group's competitive position as comparative ratings are one of the factors typically considered by potential customers and third-party distributors, in selecting an insurer. Tied agents make a similar choice when they agree to become tied to an insurer. A downgrade of an insurer's credit or financial strength ratings may also contribute to the decision of a tied agent to terminate its relationship with that insurer and move to another insurer. Such a downgrade may also lead to increased withdrawals, lapses of life insurance policies by existing customers as they may elect to move their business to insurers with higher ratings. A downgrade in the Group's credit ratings or in any of its operating subsidiaries' financial strength ratings could thus lead to a decrease in the Group's AuM, lower fee income, and decreased liquidity. In addition, a downgrade could reduce public confidence in the Group and its operating insurance company subsidiaries and thereby reduce demand for its products and increase the number or amount of policy withdrawals by policyholders. These withdrawals could require the sale of invested assets, including illiquid assets, at a price that may result in investment losses. Cash payments to policyholders could reduce the value of AuM and therefore result in lower fee income. A downgrade in the Group's or its operating subsidiaries' credit ratings could also (a) make it more difficult or more costly to access additional debt and equity capital, including hybrid capital, or to redeem and replace such capital (b) increase collateral requirements, give rise to additional payments, or afford termination rights, to counterparties under derivative contracts or other agreements, and (c) impair, or cause the termination of, the Group's relationships with creditors, distributors, reinsurers or trading counterparties, each of which may have a material adverse effect on the Group's business, revenues, results and financial condition.

Insurance Risks Relating to the Group's Business

Because life, non-life, health insurance and reinsurance businesses of the Issuer are subject to losses from unforeseeable and/or catastrophic events, which are inherently unpredictable, the actual claims amount of the Issuer may exceed the established reserves or the Issuer may experience an abrupt interruption of activities, each of which could result in lower net profits and have an adverse effect on its results of operations

In its life, non-life and health insurance and reinsurance businesses, the Issuer is subject to losses from natural and man-made catastrophic events. Such events include, without limitation, weather and other natural catastrophes such as wind and hailstorms, floods, earthquakes and pandemic events, as well as events such as terrorist attacks. The frequency and severity of such events, and the losses associated with them, are inherently unpredictable and cannot always be adequately reserved for. In accordance with industry practices, reserves are established based on estimates using actuarial projection techniques. The process of estimating is based on information available at the time the reserves are originally established. Although the Issuer continually reviews the adequacy of the established claim reserves, and based on current information, the Issuer believes its claim reserves are sufficient, there can be no assurances that its actual claims experience

will not exceed its estimated claim reserves. If actual claim amounts exceed the estimated claim reserves, its earnings may be reduced and its net profits may be adversely affected. In addition, because unforeseeable and/or catastrophic events can lead to abrupt interruption of activities, its insurance and other operations may be subject to losses resulting from such disruptions. Losses can relate to property, financial assets, trading positions and also to key personnel. If its business continuity plans are not able to be put into action or do not take such events into account, losses may further increase.

The Issuer could be exposed to catastrophic events, terrorist attacks and similar events which 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 the 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 insurance business of insurance companies within the Group is subject to the risk of claims resulting from major (catastrophic) events. For example, some weather-related events (in the Netherlands these specifically include storm and hail events) could result in substantial cumulative claims in the non-life insurance business. The life-insurance business could be affected by catastrophic events like a pandemic.

Incorrect assumptions used in pricing products, establishing provisions and reporting business results could have a material adverse effect on the Group's business, revenues, results and financial condition

The Group's financial results from its operations depend to a significant extent on whether its actual experience is consistent with the assumptions and models used at the time the policy was underwritten, when setting the prices for products and establishing the provisions for future policy benefits and claims. These models include actuarial models and use, among others, statistics, observed historical market data, insurance policy terms and conditions, and the Group's own judgement, expertise and experience, and include assumptions as to, among others, the levels and timing of payment of premiums, benefits, claims, expenses, interest rates, credit spreads, investment portfolio performance (including equity market and debt market returns), longevity, mortality, morbidity and product persistency, and customer behaviour (including with respect to lapses or extensions). The Group's risk models also include assumptions as to regulatory capital and other requirements, which are particularly uncertain in the current regulatory environment, which is undergoing significant, and on-going, changes. Such assumptions are applied to arrive at quantifications of some of the Group's risk exposures. Although the Group monitors its actual experience against the assumptions it has used and refines its long-term assumptions in accordance with actual experience, it is impossible to determine the precise amounts that are ultimately payable. Statistical methods and models may not accurately quantify the Group's risk exposure if circumstances arise that were not observed in the historical data, if the data do not accurately estimate the magnitude or impact of events or if the data otherwise proves to be inaccurate. From time to time, the Group may need to update its assumptions and actuarial and risk models to reflect actual experience and other new information. The Group therefore cannot determine with precision the amounts that it will pay for, or the timing of payment of, actual benefits, claims and expenses or whether the assets supporting the Group's policy liabilities, together with future premiums, will be sufficient. If actual experience differs from assumptions or estimates, the profitability of the Group's products may be negatively impacted, the Group may incur losses, and the Group's capital and reserves may not be adequate, and the effectiveness of the Group's hedging programmes may be adversely affected. In addition, the impact of changes to assumptions, actuarial and risk models on the Group's financial reporting will differ depending on applicable accounting and regulatory frameworks.

Lapse risk, which is the risk of policy lapses or withdrawal increases beyond expectations, is another important variable for the Group's business as the Group is not always able to fully recover the up-front expenses incurred in selling a product. This may force the Group to sell assets at depressed prices. Lapse risk could have a material adverse effect on the Group's fee income, business, revenues, results and financial condition.

Policyholder behaviours and patterns can be influenced by many factors, including financial market conditions and economic conditions generally. For instance, if an insurance product contains a guaranteed

minimum benefit, financial market conditions will determine whether that guarantee is “in the money”, “out of the money” or “at the money”, depending on whether the guarantee amount is higher, lower or equal to the value of the underlying funds. This in turn may influence the policyholder's decision on whether or not to maintain the policy. By way of example, an equity market decline, decreases in prevailing interest rates, or a prolonged period of low interest rates, could result in the value of the guaranteed minimum benefits being “in the money”, in which case the policyholder is less likely to surrender the policy (particularly when the timing of receiving the guaranteed minimum benefit amount is known and is not too far in the future). Factors such as customer perception of the Group, awareness and appreciation by customers of potential benefits of early surrender, and changes in laws (including tax laws that make relevant products more or less beneficial to customers from a tax perspective) can also affect policyholder behaviour. Other factors, less directly related to the product, such as a change in state pensions, an increase or decrease in the preference of consumers for cash at hand, the existence and terms of competing products, and others, may also have an impact on policyholder behaviour.

Because the Issuer is active in the insurance business, changes in longevity, mortality and morbidity experience may materially adversely affect the results of the Issuer

The Issuer's insurance business is exposed to longevity risk (the risk the insured party lives longer), mortality risk (the risk the insured party dies sooner) and morbidity risk (the risk the insured party falls seriously ill or is disabled). Annuities (including the Issuer's single premium group pension business) and other life insurance products are subject to longevity risk, which is the risk that annuitants live longer than was projected at the time their policies were issued, with the result that the insurer must continue paying out to the annuitants for longer than anticipated (and therefore longer than was reflected in the price of the annuity and in the liability established for one policy). Although the Issuer believes that its established provisions are adequate, due to the uncertainties associated with such provisions (in particular the risk of future life expectancy increasing at a faster rate than expected), there can be no assurance that its provisions will indeed be adequate and the Issuer expects more additions to its provisions on account of longevity risk will have to be made in future years. Should the provisions be insufficient, the Issuer's business could suffer significant losses that could have a material adverse effect on its business, revenues, results and financial condition. The Issuer's life insurance business is also exposed to mortality risk, especially in term life insurance and pension contracts where the surviving partner is the beneficiary. The mortality risk associated with the Issuer's life business has been partly reinsured in an effort to control the risk. The Issuer's general insurance business, especially its income protection and disability products, is exposed to morbidity risk, in particular the risk that more policyholders than anticipated will suffer from long-term health impairments and the risk, in the case of income protection or waiver of premium benefits, that those who are eligible to make a claim do so for longer than anticipated (and therefore longer than was reflected in the price of the policies and in the liability established for the policies). Improvements in medical treatments that prolong life without restoring the ability to work could lead to these risks materialising.

A failure to accurately estimate inflation and factor it into the product pricing, expenses and liability valuations of the Issuer and/or any of its subsidiaries could have a material adverse effect on the Issuer's results of operations and financial condition

A failure to accurately estimate inflation and factor it into the product pricing and liability valuations of the Issuer and/or any of its subsidiaries with regard to future claims and expenses could result in systemic mispricing of long-term life and non-life insurance products resulting in underwriting losses, and in restatements of insurance liabilities, which could have a material adverse effect on the Issuer's results of operations and financial condition.

In the case of expenses, the most significant exposure to inflation risk of the Issuer and/or any of its subsidiaries is in its life insurance business in the Netherlands. With respect to claims, the most significant exposure to inflation risk of the Issuer and/or any of its subsidiaries is in its disability and accident insurance policies written by the non-life insurance business in the Netherlands, and health insurance policies written by the health insurance business in the Netherlands.

A sustained increase in inflation may result in (a) claims inflation (which is an increase in the amount ultimately paid to settle claims several years after the policy coverage period or event giving rise to the claim) and expense inflation (which is an increase in the amount of expenses that are paid in the future), respectively, coupled with (b) an underestimation of corresponding reserves at the time of establishment due to a failure to fully anticipate increased inflation and its effect on the amounts ultimately payable, and, consequently, actual claims or expense payments that significantly exceed associated insurance reserves, which could have a material adverse effect on the Issuer's results of operations and financial condition. An increase in inflation may also require the Issuer and/or any of its subsidiaries to update its assumptions. Updates in assumptions within the life insurance business in the Netherlands would result in an immediate change in the present value of the claims or expenses, respectively, used to determine available regulatory capital in the Netherlands and would therefore have an immediate impact on available regulatory capital. Changes in assumptions could therefore have a material adverse effect on the Issuer's results of operations and financial condition.

Because its reinsurance arrangements are with a limited number of reinsurers, the inability of one or more of these reinsurers to meet their financial obligations could have an adverse effect on the results of operations of the Issuer

The insurance operations of the Issuer have bought protection for risks that exceed certain risk tolerance levels set for its life, non-life and health business. This protection is bought through reinsurance arrangements in order to reduce possible losses. Because in most cases the Issuer must pay the policyholders first, and then collect from the reinsurer, the Issuer is subject to credit risk with respect to each reinsurer for all such amounts. The inability of any one of these reinsurers to meet its financial obligations to the Issuer could have a material adverse effect on the net profits and financial results of the Issuer.

Liquidity Risk

Lack of liquidity at the Issuer and lack of liquidity for operating entities, along with the inability to upstream capital and liquidity from subsidiaries to the Issuer are risks to the Group's business and may have a material adverse effect on the Group's business, revenues, results, ability to upstream dividends and financial condition

The Group is subject to the risk that it cannot meet its payments and collateral obligations when due without significant losses or at all. In case of an increase in interest rates, the value of interest rate derivatives could decrease, potentially leading to a substantial higher collateral obligation. The Group is also subject to the risk of not being able to meet expected or unexpected current or future cash outflows or collateral needs without affecting the financial condition of the Group. The Group is subject to the risk that it cannot sell an asset without significantly affecting the market price of the asset due to insufficient supply and demand, and to the risk of market disruption, changes in applicable haircuts and market value or uncertainty about the time required to sell an asset or exit a trading position.

The lack of liquidity in certain investment assets could prevent the Group from selling investments at fair prices in a timely manner. Each asset purchased and liability sold has unique liquidity characteristics. Some assets have high liquidity, meaning that they can be converted into cash relatively quickly, while other assets, such as privately placed loans, mortgage loans, property and limited partnership interests, generally have low liquidity. Market downturns generally reduce the liquidity of investments during the period of market disruption. They may also reduce the liquidity of those assets which are typically liquid, as has occurred with markets for asset-backed securities relating to property assets and other collateralised debt and loan obligations. The Group holds certain assets that have low liquidity, such as privately placed fixed income securities, commercial and residential mortgage loans, asset-backed securities, government bonds of certain countries, private equity investments and real estate. Due to the lack of liquidity in the capital markets for certain assets, which may intensify and affect previously liquid assets during times of market disruption, the Group may be unable to sell or buy assets at market efficient prices and may therefore realise investment losses or be obliged to issue securities at higher financing costs.

The Group's banking subsidiary, Achmea Bank N.V. ("**Achmea Bank**"), is exposed to the risk of customer deposit outflows. In the event of larger than expected customer deposit outflows the Group would need to

seek alternate funding, such as wholesale funding, and would be subject to the risk of an inability to attract wholesale funding to fund its illiquid assets, in particular its mortgage portfolio. There can be no assurance that liquidity available elsewhere in the Group can or may be made available to the Group or affected subsidiary or that any such entity will have access to external sources of liquidity.

Furthermore, the Issuer is a holding entity and its liquidity depends on the ability of the Group to upstream capital and liquidity from its subsidiaries. The Issuer is also dependent on dividend payments by its subsidiaries to service its debt and expenses. Payments of dividends to the Issuer by its subsidiaries may be restricted by applicable laws and regulations, including laws establishing minimum solvency and liquidity thresholds. For instance, dividend distributions by the operating insurance companies may not be permitted by DNB. In addition to restrictions as a result of applicable laws and regulations for payment of dividends by subsidiaries, dividend upstreams may also become restricted because of the Group's own policies, such as taking into account additional considerations with respect to capital, leverage and liquidity requirements, other regulatory requirements or constraints, strategy, future income, profits, resources available for distribution, financial conditions, growth opportunities, the outlook of the subsidiary, its short-term and long-term viability, general economic conditions and any circumstances that the Executive Board (as defined below) may deem relevant or appropriate, including additional capital and liquidity buffers deemed adequate in furtherance of the subsidiary's moderate risk profile. Further, the Group has a large derivatives portfolio, which could require it to post (additional) collateral, reducing its available funds. Although the Group has a liquidity management policy in place to manage liquidity risk, this policy may prove to be ineffective.

In January 2017, the Dutch House of Representatives (*Tweede Kamer*) voted in favour of the proposed Act prohibiting profit distribution by health insurers (the "**APPDH**", *Wet verbod op winstuitkering door zorgverzekeraars*). On 13 June 2017, the Dutch Senate (*Eerste Kamer*) has put its voting for this proposal on hold, due to an amendment (*novelle*) that was prepared in order to amend the APPDH based on advice given by DNB and the Dutch Health Authority (*Nederlandse Zorgautoriteit*). This amendment was sent for advice to the Council of State (*Raad van State*) in July 2018, as well as to DNB and the Health Authority. After studying all the advices the initiators of the proposed act will send the amendment for voting to the Dutch House of Representatives and, after being approved there, to the Dutch Senate. It was first expected that the APPDH would come into force as of 1 January 2018, however, this date is now very unclear.

The APPDH and its amendment prohibit health insurers (those entities that execute the mandatory basic health insurance) to distribute profits to its shareholders. The APPDH, may have a negative impact on the solvency ratio of the Issuer because under the APPDH, its health insurance subsidiaries that execute the mandatory health insurance will not be allowed to distribute profits to Group entities which are shareholder. As a result of the fact that the initial APPDH, as well as its amendment, leaves much room for various interpretations, the Issuer cannot determine the impact - if any - on the solvency capital on group level. The APPDH may also negatively affect the financial results of the Issuer's health insurance subsidiaries, for instance because those subsidiaries may become increasingly dependent on external financing which has another cost structure.

Operational Risks

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

The operational risks that the Issuer or its subsidiaries face 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 reputation of the Issuer. Additionally, the loss of key personnel or the ability to attract and retain staff could adversely affect the Issuer' or its subsidiaries' 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 and its subsidiaries operate. While these control measures mitigate operational risks they may not be fully effective and cannot eliminate them completely.

Failure of the Group's own or outsourced information technology systems, including as a result of cybercrime or information security weaknesses, could lead to a breach of regulations and contractual obligations and have a material adverse effect on the Group's reputation, business, results and financial condition

The Group's technological infrastructure is critical to the operations of the Group's business and delivery of products and services to clients. Even with the back-up recovery systems and contingency plans that are in place, the Group cannot assure that interruptions, failures or breaches in capacity, security or data (including use of corrupt data) of these processes and systems will not occur or, if they do occur, that they will be adequately addressed. This includes disruptions of the Group's operating or information systems, arising from events that are wholly or partially beyond the Group's control, including distributed denial of services computer viruses or electrical or telecommunication outages, breakdowns in processes, controls or procedures, and operational errors, including administrative or recordkeeping errors or errors resulting from system failures, faulty computer or telecommunications systems. This also includes the intentional or unintentional release of proprietary information about the Group, its clients or its employees. Such leaked information may be used against the interests of the Group, its clients or its employees, including in litigation and arbitration proceedings.

The Group relies on its operational processes and communication and information systems to conduct its business, including pricing of its products, its underwriting liabilities, the required level of provisions and the acceptable level of risk exposure and to maintain accurate records, customer services and compliance with its reporting obligations. The Group depends on third-party providers of administration and IT services and other back-office functions.

In addition, even though back-up and recovery systems and contingency plans are in place and legacy removal and upgrading (quality improvement) of its systems are in progress to update systems and infrastructure, it is still possible that interruptions, failures with conversions, failures or breaches in security of these processes and systems will occur and, if they do occur, that they may not be adequately addressed.

Any interruption in the Group's ability to rely on its internal or outsourced IT services or deterioration in the performance of these services could impair the timing and quality of the Group's services to its customers and result in loss of customers, inefficient or detrimental transaction processing and regulatory non-compliance, all of which could also damage the Group's brands and reputation.

The Group, as a financial institution, handles large amounts of money, customer data and privileged information and is therefore highly dependent on the honesty and integrity of its employees. In addition, changes towards more sophisticated internet technologies, the introduction of new products or services, changing customer needs and evolving applicable standards, increase the dependency on the internet, secure systems and related technology.

The Group faces a risk of loss due to errors, negligent behaviour, lack of knowledge, fraud or wilful violation of rules and regulations by its employees, as well as attempts to compromise its system including through cyber-attacks. The Group regularly reviews its information security procedures and seeks to make improvements to its systems.

The Group is reliant on data quality and models, including for example for calculating Solvency II own funds and required capital. In addition, the increasing demands from supervisory and other authorities both as far as detail and frequency of reporting is concerned, are a significant burden on the Group with the accompanying risk that errors are made, information is reported past deadlines and that fines and other penalties are incurred. This could have a material adverse effect on the Group's business, reputation, results and financial condition

The Group uses large amounts of data in its business including to price its products and run its actuarial and risk models (see also "*Incorrect assumptions used in pricing products, establishing provisions and reporting business results could have a material adverse effect on the Group's business, revenues, results and financial condition*"). If the data management uses is incorrect or incomplete this may lead to incorrect or untimely

decisions by management. Additionally, defects and errors in the Group's financial processes, systems and reporting, including both human and technical error, could result in a late delivery of internal and external reports, or reports with insufficient or inaccurate information.

The Group is also subject to increasingly detailed and extensive information requests made with increasing frequency from supervisory and other authorities in the Netherlands. As the frequency of requests and the amount and detail of data requested increases, where requests regularly overlap and the formats of requests may differ or be subject to different requirements, more administrative, operational and IT resources are required for compliance. The Group's difficulty in responding to these requests is aggravated by its reporting chain being complex and the fact that in the Group's current financial reporting, business units and legal entities do not always coincide. Although the Group is managing the consequences of regulatory change and the increase in data requests from authorities, the Group cannot fully mitigate or eliminate those risks.

Calculating Solvency II own funds and required capital is also subject to the aforementioned risks.

The complexity of the Group's reporting chain is due to, among other things, different IT systems in use by the relevant business units, legacy issues, certain data and documentation not being recorded in a uniform manner or being recorded inaccurately. When the Group receives a request for information from a supervisory or other authority, the data required may not always be readily available or may not be available in a format that allows processing without human intervention. The Group may then need to manually collect and collate data from its various systems and from within different business units and convert it into a format compliant with reporting requirements. This creates a risk that mistakes are made, deadlines are missed or that reporting requirements are not complied with. It may also force the Group to significantly increase its spending on compliance and IT. Furthermore, regulatory reporting requirements may be contradictory with each other, making compliance more difficult. Missing deadlines or in other manners not or not fully complying with reporting requirements could lead to substantial fines and other penalties. The developments described above could also lead to tension between any new regulatory obligations and the duty of care of the Group or privacy considerations that apply in certain jurisdictions. Although the Group conducts its business mainly in the Netherlands, it may be subject to the requirements of governments or supervisory and other authorities in other jurisdictions that may not necessarily be compatible with requirements in the Netherlands. Any of the above could have a material adverse effect on the Group's business, reputation, results and financial condition.

Reputational Risk

Because the Issuer is exposed to the risk of damage to any of its brands or its reputation it could have a significant impact on the financial condition of the Issuer

The Issuer's success and results are, to a certain extent, dependent on the strength of its brands and the Issuer's reputation. The Issuer and its products are vulnerable to adverse market perception as it operates in an industry where integrity, customer trust and confidence are paramount. The Issuer relies on its brands such as ZilverenKruis, FBTO, Centraal Beheer, Interpolis, Avéro Achmea, InShared and De Friesland. The Issuer is exposed to the risk that litigation (such as on mis-selling), employee misconduct, operational failures, the outcome of regulatory investigations, press speculation and negative publicity, amongst others, whether or not founded, could damage its brands or reputation. Any of the Issuer's brands or the Issuer's reputation could also be harmed if products or services recommended by the Issuer (or any of its subsidiaries) do not perform as expected (whether or not the expectations are founded) or the customer's expectations for the product change. Any damage to the Issuer's brands (or brands associated with the Issuer) or reputation could cause existing customers or intermediaries to withdraw their business from the Issuer and its subsidiaries and potential customers or intermediaries to be reluctant or elect not to do business with the Issuer. Furthermore, negative publicity could result in greater regulatory scrutiny and influence market or rating agencies' perception of the Issuer, which could make it more difficult for the Issuer to maintain its credit rating. Any damage to the Issuer's brands or reputation could cause disproportionate damage to the Issuer's business, even if the negative publicity is factually inaccurate or unfounded.

Financial Reporting Risks

Changes in accounting standards or policies could have a material adverse effect on the Group's reported results and shareholders' equity

Since 2005, the Group's financial statements have been prepared and presented in accordance with IFRS—including the International Accounting Standards ("**IAS**") and Interpretations—as adopted by the EU.

Therefore, the Group is required to adopt new or revised accounting standards issued by recognised authoritative bodies, including the International Accounting Standards Board ("**IASB**"), periodically.

The following significant standards and interpretations were issued in 2018 or prior years by the IASB and are not applied by the Group in preparing its consolidated financial statements over 2018. These are:

Endorsed by the EU:

- IFRS 9 Financial Instruments (issued on 24 July 2014; effective for periods beginning on or after 1 January 2018); and

- IFRS 16 Leases (issued on 13 January 2016; effective for periods beginning on or after 1 January 2019).

Not yet endorsed by the EU:

- IFRS 17 Insurance Contracts (issued on 18 May 2017; effective for periods beginning on or after 1 January 2021); and

- Amendments to IAS 19: Plan Amendment, Curtailment or Settlement (issued on 7 February 2018; effective for periods beginning on or after 1 January 2019).

IFRS 9 Financial Instruments: IFRS 9 introduces a new model for the classification of financial assets. This model is driven by the cash flow characteristics and the business model in which an asset is held. With regard to financial liabilities the changes as a result of IFRS 9 are limited and for most financial liabilities the existing amortised cost measurement can be maintained. As part of IFRS 9, the IASB has introduced an expected-loss model to determine impairment losses. This model requires taking into account expected credit losses when financial instruments are first recognised. In case of a significant credit deterioration expected credit losses should be taken into account for the full lifetime. Finally, IFRS 9 introduces a model for hedge accounting that aligns the accounting treatment with risk management activities. The standard is effective for reporting periods beginning on or after 1 January 2018, with early application permitted. The Group will delay the application of this standard, which is permitted under the deferral approach included in the Amendments to IFRS 4. The Group is assessing the impact of this standard, taking into account the interaction with the current standard for the accounting of insurance contracts (and proposed amendments thereon) and also the future standard for the accounting of insurance contracts.

IFRS 16 Leases: IFRS 16 Leases establishes principles for the recognition, measurement and presentation of leases. In the financial statements of the lessee all leases, except for leases with a lease term of 12 months or less and so-called small leases, are recognised as an asset reflecting the right to use the asset for the lease period and a liability reflecting the obligation to pay the future lease payments. For the lessor, the reporting consequences of the new standard are limited. The amendments are effective for reporting periods beginning on or after 1 January 2019. As a lessee, the Group shall include both an asset and a liability in the balance sheet for a number of operating leases. However, the value thereof is limited as at 31 December 2018. In view of the limited value this standard does not have a material impact on Total assets, Total liabilities, Total equity and the Net result of the Group.

IFRS 17 Insurance Contracts: IFRS 17 establishes a number of principles in relation to the recognition, presentation, measurement and disclosure of insurance contracts. The purpose of the standard is to ensure that the effect of insurance contracts within the scope of IFRS 17 on the financial position, result and cash

flows is adequately reflected in the financial statements and can be compared with other entities. The standard shall be effective for annual periods beginning on or after 1 January 2021, with early adoption being permitted. In 2018, the IASB made the tentative decision to postpone the required implementation date to 1 January 2022. This standard was published by the IASB in May 2017. As at 31 December 2017 the standard has not yet been endorsed by the EU. The Group is assessing the impact of this standard, taking into account the interaction with the future standard for Financial Instruments (IFRS 9).

Amendments to IAS 19 Plan Amendment, Curtailment or Settlement: Amendments are made in connection with accounting for plan amendments, curtailment and settlements of a defined benefit obligation during a reporting period. After a plan amendment, curtailment or settlement, the Group is required to update assumptions related to the defined benefit obligation and the fair value of the plan assets to estimate cost of such an amendment. The amendment requires that the Group uses this updated information resulting from adjustment in the defined benefit obligation to determine current service costs and net interest in a correct manner. The amendments are effective for reporting periods beginning on or after 1 January 2019. As at 31 December 2018 the standard has not yet been endorsed by the EU. The Group is assessing the impact of this standard.

The Group's reserves for liabilities arising from insurance contracts reflected in its IFRS financial statements to pay insurance and other claims, now and in the future, could prove inadequate, which could require that the Group strengthen its reserves, which may have a material adverse effect on the Group's business, revenues, results and financial condition

The Group determines the amount of reserves for insurance liabilities using actuarial methods and statistical models, which use assumptions. The measurement of liabilities related to insurance contracts is an inherently uncertain process, involving assumptions for changes in legislation, social, economic and demographic trends, inflation, investment returns, policyholder behaviour, and other factors. Specifically, significant assumptions related to these aspects include interest rates, mortality and morbidity rates, trends in claims and assumptions used in the liability adequacy test. Where possible, the Group uses market observable variables and models / techniques which are commonly used in the industry. The assumptions for non-observable market variables used are based on a combination of experience within the Group and market benchmarks, such as those supplied by the statistics department of the Dutch Association of Insurers, the Dutch Society of Actuaries and similar bodies throughout Europe. The use of different assumptions in this evaluation could have an effect on the liabilities related to insurance contracts and Net expenses from insurance contracts.

The data used to calibrate the liabilities related to insurance contracts outstanding claims related to Dutch health-insurance contracts is based on historical information. The contribution for the Health Insurance Fund (including standard nominal premium) and claims level are preliminary and will probably change and shift between insurers for some years. The Group reassesses provisions for the underwriting year on an annual basis based on the latest information on claims level, macro-neutrality and settlements with the Dutch government (equalisation fund allocation for the related underwriting year). When appropriate, the Group has made additional provisions.

The discount rate used to determine the life policy liabilities whose valuation of cash flows is based on locked assumptions related to Dutch activities ranges between 3% and 4%. Life policy liabilities relating to Dutch activities whose cash flows are discounted using market-based interest rates are based on the Euro swap curve, including an illiquidity premium depending on the profit sharing features of the insurance contract, which is extrapolated by means of an ultimate forward rate (UFR, 3.90% per 1 January 2019). The UFR is used to determine the risk-free discount rate after the last liquid point in the Euro swap market and it is based on a long-term equilibrium rate of historical data. The life policy liabilities for foreign operating companies are generally calculated based on discounting at the interest rate guaranteed for the product or in some cases based on projected returns on related investments.

The Group tests the adequacy of the recognised insurance liabilities and related assets at each reporting date (the liability adequacy test, the "**LAT**"). The test considers current estimates of all contractual cash flows of the insurance liabilities, which are discounted for the life business and certain insurance contracts within the

non-life business (disability insurance). The curve used for the adequacy test of the relevant non-life policies is based on the tariff bases: the curve used for life policies is based on the Euro Swap Curve, including an adjustment for credit risk, a country premium and an illiquidity premium, extrapolated by means of a UFR. This UFR is equal to the UFR used for the Solvency II calculation at the same reporting date (year-end 2018 4.05%). If the test shows that the insurance liabilities are inadequate, the Group will recognise a loss. In this, first the recognised value of business acquired will be reduced. Any remaining deficit is either compensated first by reductions of deferred acquisition costs or ultimately by increasing the related insurance liabilities.

Insurance liabilities also include the impact of minimum guarantees which are included in certain insurance contracts. The valuation of these guarantees depends on the difference between the potential minimum benefits payable and the total account balance, expected mortality and surrender rates. The determination of the potential minimum benefits payable also involves the use of assumptions on inflation, investment returns, policyholder behaviour, and mortality and morbidity trends.

The use of different assumptions on these factors could have an effect on insurance liabilities and net expenses from insurance contracts. At the date of this Base Prospectus, the Group believes that its aggregate reserves for insurance liabilities are adequate. There can be no assurance that the reserves for insurance liabilities will remain adequate in the future and that no additional charges to the income statement will be necessary. Furthermore, one or more of the assumptions underlying the LAT of the Group could prove to be incorrect and management may change one or more of the assumptions affecting the outcome of the LAT, which in each case may make it necessary for the Group to account for additional liabilities.

Under its current policy, if the LAT shows that current reserves for insurance liabilities are not adequate, the Group must strengthen its reserves for insurance liabilities in order to reach the respective adequacy levels, which may have a material adverse effect on the Group's business, revenues, results and financial condition.

Regulatory/ Legal and Compliance Risks

Because each of the Issuer and the Group operates in a highly regulated industry, changes in statutes, regulations and regulatory policies that govern activities in its various business lines could have an effect on its operations and its net profits

The insurance business and other operations of the Issuer and the Group are subject to insurance and financial services statutes, regulations and regulatory policies that govern what products the Issuer and/or the Group sell and how the Issuer and the Group manage their business. Changes in existing statutes, regulations and regulatory policies, as well as changes in the implementation of such statutes, regulations and regulatory policies may affect the way the Issuer and the Group do business, their ability to sell new policies, products or services and their claims exposure on existing policies. In addition, changes in tax laws may affect its tax position and/or the attractiveness of certain of its products, some of which currently have favourable tax treatment.

The Issuer and the Group are subject to supervisory or regulatory laws and regulations on the basis whereof they will be required to maintain minimum required levels of a solvency margin and/or a capital adequacy ratio. Changes in such supervisory or regulatory laws and regulations may have a material effect on the business, financial condition and operations of the Issuer and the Group and on payments by the Issuer under the Notes, including deferral thereof.

The European Union has adopted a full scale revision of the solvency framework and prudential regime applicable to insurance companies, reinsurance companies and insurance groups through Directive 2009/138/EC of the European Parliament and of the Council of 25 November 2009 on the taking-up and pursuit of the business of Insurance and Reinsurance as completed by the Omnibus II Directive (2011/0006(COD)) ("**Solvency II**"). The framework for Solvency II is set out in the Solvency II Directive. In the Netherlands, the legislation implementing the Solvency II Directive came into force on 1 January 2016. If Notes would be issued under the Programme, the relevant terms may need to be adjusted to comply with capital instruments requirements under Solvency II as they stand.

Solvency II creates a solvency framework in which the minimum amounts of capital that insurance and reinsurance companies are required to hold in order to cover the risks to which they are exposed better reflect such companies' specific risk profiles. Solvency II introduced economic risk-based solvency requirements across all Member States. While the previous directives concentrated mainly on the liabilities side (i.e. insurance risks) and included a relatively simple solvency formula based on technical provisions and insurance premiums, Solvency II introduces more comprehensive solvency requirements, taking the asset-side risks into account more extensively, but also providing new and more detailed rules regarding governance, risk management, scenario analyses, stress testing, risks associated with the other entities within the group, including the entities that are unregulated. The new regime is a "total balance sheet" type regime where the insurers' material risks and their interactions are considered. In addition to these quantitative requirements ("**Solvency II Pillar 1**"), Solvency II also sets requirements for governance, risk management and effective supervision, including the obligation to perform an Own Risk and Solvency Assessment ("**Solvency II Pillar 2**"), and disclosure and transparency requirements ("**Solvency II Pillar 3**").

Under Solvency II Pillar 1, insurers are required to hold own funds equal to or in excess of a solvency capital requirement ("**SCR**"). Solvency II categorises own funds into three tiers with differing qualifications as eligible available regulatory capital. Under Solvency II, own funds use IFRS balance sheet items where these are at fair value and replace other balance sheet items using market consistent valuations. The determination of the technical provisions and the discount rate to be applied will have a material impact on the amount of own funds required and the volatility of the level of own funds. The SCR is a risk-based capital requirement which is determined using either a standard formula (set out in the European implementing measures), or, where approved by the relevant supervisory authority, an internal model. The internal model can be used in combination with, or as an alternative to, the standard formula as a basis for the calculation of an insurer's SCR. In the Netherlands, such a model must be approved by DNB.

Although Solvency II became effective on 1 January 2016, and Solvency II numbers are based on an agreed procedure, there remains uncertainty about elements of the interpretation of Solvency II in the European and Dutch insurance market. This may affect the way the Issuer implements the Solvency II framework, including the Issuer's financial position under Solvency II. Pursuant to Solvency II, the Issuer is required to calculate a solvency ratio (own funds divided by the required solvency, the latter referred to as the "Group SCR"), for the Group at the level of the Issuer which should be at least equal to 100%. Under Solvency I, EU supervisors usually required insurance and reinsurance undertakings to maintain a substantial percentage of own funds above the statutory minimum requirements. Under Solvency II, DNB leaves the decision as to whether to hold a buffer of own funds in excess of the Group SCR, or the SCR, to the Group and to the insurance and reinsurance undertakings in the Group. As the prudential supervisor, DNB will nonetheless monitor the Issuer's capital management policies. For instance, the SCR requirement is still subject to assessment by DNB and may be adjusted from time to time. This may affect the Solvency II ratios of insurance companies.

Another example is that in April 2017, EIOPA has published an adjusted methodology to derive the UFR and its implementation process. This methodology was applied for the first time in the calculation of the risk-free interest rates of January 2018, and was published in February 2018. EIOPA has published the calculation of the UFR of 2020 on 21 May 2019 and calculated that the value of the UFR for the euro for 2020 is 3.75%. According to the methodology, annual changes will not exceed 15 basis points. Since the current UFR is 3.90%, the current UFR will therefore decrease in January 2020 to 3.75%. Changes in the UFR will have an impact on the solvency ratio of insurance companies that form part of the Group and may for that reason negatively affect the results of the Issuer and the Group.

In 2018, EIOPA has conducted a full review of Solvency II. In its first consultation paper EIOPA has illustrated that the supervisory practice regarding loss absorbing capacity of deferred taxes ("**LAC DT**") differs significantly amongst European supervisory authorities (25 January 2018). A further elaboration of this paper by EIOPA is expected, including recommendations. The insights that EIOPA has given in their consultation paper has led to a harmonization of the LAC DT application in Europe, mostly with regard to the future profits. Stricter rules are in place for using the future profits in the LAC DT calculation. At an EU level, discussions are ongoing regarding amendments to the Solvency II Delegated Regulation (2015/35).

On 8 March 2019, the European Commission published a Delegated Regulation intending to amend the Solvency II Delegated Regulation (2015/35). This amendment leads to a reduction of the capital charge on equity investments and investments in private debt. This Commission Delegated Regulation (EU) 2019/981 was published in the Official Journal of the European Union on 18 June 2019 and entered into force on 8 July 2019. Due to the Group's large equity and private debt exposure, an adjustment of the calculation of market risk related to equity and private debt investments may have a material effect on the Group's business, solvency, results and financial condition. Given the reduction of the capital charges, this is expected to have a positive impact on the solvency ratio of the Group.

In addition to the 2018 review of the Solvency II framework, in 2020 a review of the Solvency II framework will take place. This review will encompass the so-called "long-term guarantees" package, in particular the functioning and stability of European insurance markets, the extent to which insurance and reinsurance undertakings continue to operate as long-term investors and the availability and pricing of long-term insurance products. In this context, the European Commission has requested EIOPA to provide, by the end of 2019, information on insurance liabilities (including illiquid liabilities), asset management of insurers, information on long-term guarantee measures and information on the market valuation of insurance liabilities.

Furthermore, on 10 February 2019, the European Commission has requested EIOPA to provide, in the context of the Solvency II Directive review, by 30 June 2020, technical advice in the following areas:

(i) long-term guarantee measures and measures on equity risk;

(ii) specific methods, assumptions and standard parameters used when calculating the SCR standard formula;

(iii) rules and supervisory authorities' practices on the calculation of the minimum capital requirement;

(iv) the supervision of insurance and reinsurance undertakings in a group; and

(v) other items related to the supervision of insurance and reinsurance undertakings.

It is not possible to foresee exactly what the changes resulting from the Solvency II review will be and consequently, what the impact would be on the Group or on the rights of holders of the Notes, but depending on the nature of the changes, these could have a material adverse effect on the Group's business, solvency, results and financial condition.

In some cases, the Dutch supervisor could implement a stricter interpretation compared to supervisors in other countries, possibly resulting in a (significant) adjustment of Solvency II figures. In addition, although the Group believes the assumptions and interpretation it uses for the Solvency II calculations are correct (i.e. performed according to the Solvency II regulation), it is possible that the regulator may require changes in these assumptions or interpretations and such changes could be required for future years or periods even if not required for the most recently completed period. For instance, the regulator may consider that the LAC DT as included in the calculation needs to be adjusted downwards, or that the counterparty risk module does not satisfactory reflect all the risks of the Group's mortgage portfolio. Furthermore, a changing methodology for the treatment of future expenses and future management actions (such as en-bloc increases of premiums) within the Solvency II calculation could have a negative effect on the Solvency II figures.

Given the possibility of further changes to the regime, the effects of Solvency II on the Group's business, solvency margins and capital requirements are uncertain but could be material. While the aim of Solvency II is to introduce a harmonised, risk-based approach to solvency capital, there is the risk that regulators introduce capital add-ons or strict, unexpected parameters for internal models, or that a lack of proper management information due to uncertainty about the regulatory changes could lead to insufficient solvency levels once those changes are applied. In addition, as it is currently unknown how much capital the Group must set aside due to such a change, there is a risk that the Group could underestimate or over-estimate its capital position,

which in turn could result in incorrect investment and risk return decisions. If changes in the regime lead to insufficient solvency levels, there is a reputational risk which could limit the Group's ability to access the capital markets.

Solvency II and double leverage, the ratio between Group equity and the total equity value of the Group's subsidiaries on an unconsolidated basis, are expected to become the subjects of increasing focus and attention at various regulatory levels going forward.

Should the Group not be able to adequately comply with the Solvency II requirements in relation to capital (including with respect to grandfathering of existing subordinated loan structures), risk management, documentation and reporting processes, this could have a material adverse effect on its business, solvency, results and financial condition.

Dividend distributions and repayment of capital

In the event that an insurance company does not comply with the applicable solvency requirements or foresees that it might not meet these requirements in the twelve (12) following months, it requires a declaration of no objection from DNB for (i) a reduction of its equity by either repayment of capital or a distribution of provisions, or (ii) the distribution of dividend. This legal requirement may negatively affect the profitability of the Issuer.

Recovery and resolution framework for insurance companies

If the financial position of an insurance company deteriorates, DNB may take certain measures against the insurance company concerned, depending on the nature of the situation. For instance, DNB may request an insurance company to draw up a recovery plan (*herstelplan*) if it does not meet the relevant solvency requirements. The recovery plan (*herstelplan*) must contain measures which aim to recover the financial position of the insurance company concerned.

DNB may also request an insurance company to compile a short-term financing plan (*financieel kortetermijnplan*) if it does not meet the applicable capital requirements. The short-term financing plan (*financieel kortetermijnplan*) must aim to solve the capital shortfall within three (3) months.

In addition, DNB may limit the free disposal of the insurance company over its assets in the event that (i) the insurance company does not comply with the requirements with regard to technical provisions, (ii) the insurance company expects that it will not meet solvency requirements within three (3) months and extraordinary circumstances occur, based on which DNB expects that the financial position of the insurance company will further deteriorate, (iii) the insurance company does not meet the minimum capital requirements, or expects that this will occur within three (3) months, or (iv) in the event of a continuous deterioration of the solvency of the insurance company.

If any of the abovementioned measures would be applied to the Group and/or the Issuer, this may have an impact on the operations and activities of the Group and negatively affect the profitability of the Group.

Dutch Intervention Act

In exceptional circumstances, the Issuer and financial firms (*financiële ondernemingen*) within the Group may become subject to expropriation measures. The Dutch Minister of Finance may take far-reaching measures or expropriate - among others - securities such as the Notes, issued by or with the consent of a financial institution or its parent company, 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. The application of such measures may have a material negative impact on the profitability of the Group.

Insurers Recovery and Resolution Act

On 1 January 2019, the Insurers Recovery and Resolution Act (*Wet herstel en afwikkeling verzekeraars*) (**"IRRA"**) entered into force. With the IRRA, the legislative framework for the recovery and resolution of insurers is strengthened and a new recovery and resolution framework was introduced under which certain obligations are imposed on insurers and certain resolution powers are conferred on DNB. The new recovery and resolution framework applies to, among others, all insurers who are subject to DNB's prudential supervision. In the case of a group consisting of one or more insurers and one or more banks (a financial conglomerate), the recovery and resolution powers in the new framework may be exercised only against the insurer(s). If an entity falls within the scope of both the resolution regime for banks and the corresponding regime for insurers (for example, because it is a mixed financial holding company), the regime for banks will have priority because of its basis in EU law.

The IRRA distinguishes two phases: the preparation phase and the resolution phase.

During the preparation phase, each insurer is required to draw up a preparatory crisis plan and DNB is required to draw up (and periodically evaluate) a resolution plan for each insurer.

During the resolution phase, DNB has several recovery and resolution tools. The resolution tools include the bail-in tool, the sale of business tool, the bridge institution tool and the asset separation tool. In addition to the abovementioned resolution tools and corresponding powers, the IRRA gives DNB special powers to take actions such as: (i) taking over the management of an insurer under resolution, (ii) appointing a special director to take over the insurer's management, (iii) converting the insurer into a different legal form if this is necessary to apply bail-in, and (iv) terminating or modifying the terms of an agreement to which the insurer is a party.

Under the IRRA, a counterparty is prohibited from exercising certain contractual rights (such as termination and close-out rights) and rights attached to security interests if those rights arose as a result of the application of a recovery or resolution measure or an event directly linked to the application of such a measure. However, this only applies if the insurer under resolution continues to perform its substantive obligations under the relevant contract, including payment and delivery obligations and the provision of collateral. Contractual rights arising as a result of an event other than the application of a recovery or resolution measure or a directly linked event are not covered by the prohibition. In addition, DNB may temporarily suspend and/or restrict the payment or delivery obligations of an insurer under resolution or a counterparty's rights to terminate an agreement with the insurer under resolution or enforce a security interest. However, a counterparty's termination rights may only be suspended if the insurer continues to meet its substantive obligations to that counterparty.

In this connection, it should be noted that a suspension can sometimes apply to agreements with the insurer's subsidiaries. Furthermore, an (in principle) temporary suspension of termination rights can, under certain circumstances, become permanent.

The IRRA provides for certain safeguards for shareholders and creditors of an insurer under resolution, such as (i) the application of the "no creditor worse off" principle, (ii) rules for the protection of linked assets and liabilities of the insurer under resolution, (iii) safeguards against application of fraudulent preference (*actio pauliana*) and (iv) safeguards with regard to orders that have already been entered into a system as referred to in the Settlement Finality Directive.

The IRRA provides that the resolution of insurers will be funded through financial contributions by other insurers. This is an ex post arrangement, meaning that – unlike under the BRRD/SRM framework– it does not entail the establishment of a fund. Another difference compared to banks is that the IRRA expressly states that the contributions may not be used to recapitalise or absorb the losses of insurers under resolution. The main purpose of the fund is to compensate creditors based on the "no creditor worse off" principle. All Netherlands-based insurers and all branches in the Netherlands of insurers established in a non-EEA country (other than Solvency II Basic insurers) will have to contribute to the fund. DNB will set the amount of their contributions.

In December 2016, EIOPA published a Discussion Paper on Potential Harmonisation of Recovery and Resolution Frameworks for Insurers. Subsequently, on 5 July 2017, EIOPA published an Opinion on the Harmonisation of the Recovery and Resolution Framework for (Re)Insurers across the European Union. In its Opinion document, which was addressed to the European Parliament, EIOPA calls for a minimum degree of harmonisation applied in a proportionate manner with the objective to avoid fragmentation and to facilitate cross-border cooperation and coordination, while leaving room for the Member States to address any specificities of their national insurance market. EIOPA proposes four building blocks of a harmonised recovery and resolution framework for insurers: (i) Preparation and Planning, (ii) Early Intervention/Recovery, (iii) Resolution and (iv) Cooperation and Coordination. The aim of this framework as well as its elements are to a large extent aligned with these of the IRRA set out above. EIOPA's efforts have until now not resulted in a harmonised EU recovery and resolution framework for insurance companies.

Application of resolution and recovery measures would have a material adverse effect on the Issuer's and the Group's business, financial position and results of operations.

Supervision on financial conglomerates

The Financial Conglomerates Directive (2002/87/EC) aims at the supplementary supervision of regulated entities that form part of a financial conglomerate. Financial conglomerates are groups with licences in both the banking and the insurance sector. The Issuer is part of a group that qualifies as such a financial conglomerate. The Financial Conglomerates Directive focuses on potential risks of double gearing (multiple use of capital) and on group risks (the risks of contagion, management complexity, risk concentration, and conflicts of interest).

In August 2010, the European Commission (the "**EC**") proposed to amend the existing rules on the supervision of financial conglomerates. In December 2011, these rules entered into force by way of the Directive regarding the supplementary supervision of financial entities in a financial conglomerate (2011/89/EU, "**Fico I**"). Fico I further strengthened the supervision on financial conglomerates, mainly by better aligning the various forms of group supervision. Fico I was partially implemented and applicable in the Netherlands on 1 January 2014. The remainder of Fico I entered into force on 1 January 2016. In June 2016, the European Commission published a consultation document with regard to Fico I. The consultation period ended in September 2016. It is unclear which conclusions the European Commission will draw from the consultation and therefore what the impact thereof on the Group will be.

The Dutch Financial Supervision Act contains specific provisions concerning the prudential supervision of financial groups. These provisions deal with: (a) the consolidated supervision of credit institutions and investment firms; (b) the supervision of life insurance companies, general insurance companies and reinsurance companies in an insurance group; and (c) the supervision of financial conglomerates, in order to enable DNB to form a correct picture of the financial soundness of a group, so as to ensure, inter alia, that a group's solvency is not presented in an excessively favourable light.

Activity of regulators

The Group falls under the supervision of DNB and the AFM. The regulators regularly publish guidelines and interpretations of the rules which apply to the Group. Also, the regulators regularly carry out (market-wide) investigations with regard to companies that fall under their supervision. For instance, at the end of 2018 DNB made public the following activities and areas of interest among others:

- information security by insurance companies;
- the product approval and review process with respect to certain insurance products;
- the risk management function of insurance companies; and

- DNB will carry out or has carried out several sector wide inquiries in 2019 with regard to, amongst others, non-financial risks of Solvency II-insurers, scenarios of ORSAs and the potential risks of InsurTech.

The activities of the regulators may lead to recommendations to the market. Such recommendations may require the Group to make adjustments within its organisation, or lead to further investigations and potential regulatory measures.

Because the banking business of the Issuer is subject to significant adverse regulatory developments including changes in regulatory capital and liquidity requirements, the results of the Issuer can be materially affected

The Issuer through its banking subsidiary 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 regulation are unpredictable and beyond the control of the Issuer, and changes made could materially adversely affect the Issuer's banking business.

As a result of its banking activities, the Group is subject to detailed banking and other financial services laws and government regulation in the Netherlands, of which a non-exhaustive summary is set out below. The banking subsidiary of the Issuer is required to hold a licence for its operations and is subject to regulation and supervision by authorities in the Netherlands such as DNB, the 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 Group's benefit. A breach of any regulations by the banking subsidiary of the Issuer could lead to intervention by supervisory authorities and the banking subsidiary of the Issuer could come under investigation and surveillance, and be involved in judicial or administrative proceedings. The Group 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 Group.

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 Group 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. Proposals for regulations amending EMIR are pending at an EU level. These proposals will affect the requirements applicable to counterparties to derivatives as well as the requirements applicable to EU and non-EU central counterparties. Regulation 2019/834 amending EMIR in respect of the former requirements was adopted by the European Council on 14 May 2019, was published in the Official Journal on 28 May 2019 entered into force on 17 June 2019. The date on which the other proposal will be adopted and enter into force is still unclear, (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 provides that manufacturers and distributors of certain investment products will have to produce and/or provide a 'Key Information Document', (iv) MiFID II and the accompanying regulation ("**MiFIR**"), which 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, (v) the fourth Anti-Money Laundering Directive (2015/849/EU) ("**AML4**") and accompanying regulation which will provide, among others, for refined rules on customer due diligence requirements. The implementation of AML4 in the Netherlands entered into force on 25 July 2018. The fifth Anti-Money Laundering Directive (2018/843/EU) entered into force on 9 July 2018, amending AML4. AML5 provides, inter alia, for enhanced powers of EU Financial Intelligence Units and improve the safeguards for financial transactions to and from high-risk third countries.

Basel III/Basel IV/CRD IV

Specifically, as regards the recent and future capital adequacy, liquidity and leverage requirements relevant for the banking subsidiary of 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 permissibility of 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 are 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 systemic risk buffer, a new liquidity framework (liquidity coverage ratio and net stable funding ratio) as well as a leverage ratio. The leverage ratio is defined as Tier 1 capital divided by a measure of non-risk weighted assets. The leverage ratio requirement will be phased in gradually and will become a binding harmonised requirement (as part of the EU Banking Reforms, as defined below). Pursuant to the EU Banking Reforms a binding leverage ratio of 3% will become applicable to banks. According to the EU Banking Reforms, competent authorities remain responsible for monitoring leverage policies and processes of individual institutions and may impose additional measures to address risk of excessive leverage, if warranted. Prior to the announcement of the EU Banking Reforms, the Dutch government announced that it wishes to implement a leverage ratio of at least 4% for significant Dutch banks. However, the banking subsidiary of the Issuer currently is not such significant bank. Also, international discussions are ongoing regarding a possible leverage ratio surcharge for global systematically important banks ("**G-SIBs**"). The banking subsidiary of the Issuer does not qualify as such on the date of this Base Prospectus.

The Issuer cannot fully predict what impact the new rules and regulations will have on its, or its banking subsidiary's business, until the final rules and regulations, which in certain cases are subject to transposition in the Member States, are 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.

Following certain proposals of the Basel Committee and the Financial Stability Board, the EC proposed on 23 November 2016 a comprehensive package of banking reforms to CRD IV, CRR, the BRRD (as defined below) and the SRM (as defined below) (the "**EU Banking Reforms**"), including measures to increase the resilience of EU institutions and enhance financial stability. The EU Banking Reforms are wide ranging and cover multiple areas, including: (a) a binding 3% leverage ratio, (b) a binding detailed net stable funding ratio, (c) a requirement to have more risk-sensitive own funds for banks trading in certain instruments (further to Basel Committee's fundamental review of the trading book), (d) a new category of 'nonpreferred' senior debt, (e) the introduction of the new total loss-absorbing capacity ("TLAC") standard for G-SIBs, (f) an amendment of the minimum requirement for own funds and eligible liabilities ("**MREL**") framework to integrate the TLAC standard and (g) a revised calculation method for derivatives exposures.

Furthermore, the EU Banking Reforms also include a directive which entered into force on 28 December 2017 amending the BRRD (the "**BRRD Amendment Directive**"). The BRRD Amendment Directive provides for an EU-harmonised approach on bank creditors' insolvency ranking that would enable banks to issue debt in a new statutory category of unsecured debt, ranking just below the most senior debt and other senior liabilities for the purposes of resolution, while still being part of the senior unsecured debt category.

The EU Banking Reforms also provide for a moratorium tool allowing for the suspension of certain contractual obligations for a short period of time in resolution as well as in the early intervention phase. As such, the EU Banking Reforms may affect the banking subsidiary of the Issuer (including with regard to the MREL it must maintain). The implementation of the BRRD Amendment Directive entered into force in the Netherlands on 14 December 2018. The EU Banking Reforms have been adopted by the Council of the EU and the European Parliament on 14 May 2019 and entered into force on 27 June 2019. Most of the new rules will start applying in mid-2021, subject in certain cases to transposition in the Member States. It is at this time not yet certain how the reforms will affect the Issuer.

On 7 December 2017, the Basel Committee published the finalised Basel III reforms as improvements to the global regulatory framework ("**Basel III Reforms**") (informally referred to as Basel IV). Basel III Reforms seek to restore credibility in the calculation of risk-weighted assets ("**RWA**") and to improve the comparability of banks' capital ratio. The most important changes involve stricter rules for internal models and a capital floor. The Basel III Reforms, however, also include revisions to the standardised approaches for credit risk, operational risk and the credit valuation adjustment specified at a counterparty level. Given that the Basel III Reforms will have to be transposed by the EU legislature, the precise impact of the Basel III Reforms on the Issuer remains uncertain. Furthermore, the Basel Committee may from time to time continue to amend and/or supplement Basel III or the Basel III Reforms.

Any of the above factors may have significant effects on the banking and investment management subsidiaries of the Issuer.

Risks 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 Intervention Act empowers the Dutch Minister of Finance to (i) commence proceedings leading to ownership by the Dutch State (nationalisation) of the relevant financial institution, or also its parent company and expropriation of assets and liabilities, claims against it and/or securities, and (ii) take immediate measures which may deviate from statutory provisions or from the articles of association of the relevant financial institution, 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 minimise taxpayers' exposure to losses.

For banks established in a Member State participating in the Single Supervisory Mechanism, such as the banking subsidiary of 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 banking subsidiary of 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 banking subsidiary of 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 recognise 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 banking subsidiary of 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 banking subsidiary of the Issuer, as prepared by the relevant NRA.

If the banking subsidiary of 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 liquidity situation of the banking subsidiary of the Issuer, 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, managing board of the banking subsidiary of the Issuer to convene a general meeting of shareholders, set the agenda and require certain decisions to be considered for adoption by the general meeting of shareholders. Furthermore, if these early intervention measures are not considered sufficient, DNB may replace management or install a temporary administrator. A special manager may also be appointed who will be granted management authority over the banking subsidiary of the Issuer instead of the existing board members, in order to implement the measures decided on by DNB.

If the banking subsidiary of the Issuer was 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, a 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 (the "**Resolution Fund**") that will be financed by banking groups included in the SRM. The banking subsidiary of 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 recapitalisation 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 banking subsidiary of 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 capital and funding costs of the banking subsidiary of the Issuer.

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 recapitalisations 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 Reforms and the Revised State Aid Guidelines may increase cost of funding of the banking subsidiary of the Issuer and thereby have an adverse impact on funding ability, financial position and results of operations of the banking subsidiary of the Issuer. In case of a capital shortfall, the banking subsidiary of 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.

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 Financial Stability Board's (the "**FSB**") 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 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 Reforms.

Intended TLAC and MREL alignment

The EBA Final MREL Report contains a number of recommendations to amend the current MREL framework. The EU Banking Reforms contain the amendments of the MREL framework and the implementation of the TLAC standards. The EU Banking Reforms will amend 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 Reforms also include 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 Reforms provide for a minimum harmonised or "Pillar 1" MREL requirement for G-SIBs, in the case of non-G-SIBs it is included that MREL requirements will be imposed on a bank-specific basis. The EU Banking Reforms 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 Reforms

Both the FSB standard and the RTS may be subject to change and further implementation. For instance, the EU Banking Reforms will implement TLAC and clarify its interaction with MREL. However, it is at this time not yet certain how the reforms will affect the banking subsidiary of the Issuer. Following the

implementation of the EU Banking Reforms however, it is possible that the banking subsidiary of 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 banking subsidiary of the Issuer is 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.

Because the banking subsidiary of the Issuer faces refinancing risks in the capital markets, the banking subsidiary of the Issuer might face substantial liquidity risks

The banking subsidiary of 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 banking subsidiary of the Issuer may not be able to meet short-term financial obligations. The sensitivity of the banking subsidiary of the Issuer to this risk is substantial. The amount of mortgage loans on the banking subsidiary of the Issuer's balance sheet exceeds the amount of savings money attracted (via its subsidiary entity Achmea Bank N.V.). 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 and unsecured 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 banking subsidiary of the Issuer, but may also be influenced by concerns about the market segments in which the banking subsidiary of the Issuer is active, or by a general market disruption. Access to the markets may be further affected by a deterioration of the credit rating of the Issuer.

Because the Issuer also operates in markets with less developed judiciary and dispute resolution systems, proceedings could have an adverse effect on its operations and net result

In the less developed markets in which the Issuer operates, judiciary and dispute resolution systems may be less developed. In case of a breach of contract, the Issuer may have difficulties in making and enforcing claims against contractual counter parties. On the other hand, if claims are made against the Issuer, the Issuer might encounter difficulties in mounting a defence against such allegations. If the Issuer becomes party to legal proceedings in a market with an insufficiently developed judiciary system, it could have an adverse effect on its operations and net result. Because the Issuer is a financial services company and its group companies are continually developing new financial products, the Issuer might be faced with claims that could have an adverse effect on its operations and net result if clients' expectations are not met. When new financial products are brought to the market, communication and marketing is focussed on potential advantages for the customers. If the products do not generate the expected profit, or result in a loss, customers may file claims against the Issuer or any of its affiliates for not fulfilling its potential duty of care. Potential claims could have an adverse effect on its operations and net result.

Legal proceedings

The Issuer is and may become involved in legal proceedings, regulatory activity and measures (including investigations) which, if resolved negatively for the Issuer, could have an adverse effect on the Issuer's operations, net results and equity position. For current proceedings reference is made to "*Litigation - Unit-linked Products*" beginning on page 136 and *"Litigation - Conflict between the Slovak Government and Achmea B.V.*" on page 136 and "*Litigation - Tax Dispute*" on page 136 of this Base Prospectus.

Because the Issuer is exposed to the risk of mis-selling claims from customers who feel misled or treated unfairly, it could have a significant impact on the financial condition of the Issuer

The Issuer' and its subsidiaries products are exposed to mis-selling claims. Mis-selling claims are claims from customers that they received misleading advice from advisers (internal and external) as to which products were most appropriate for them, or that the terms and conditions of the products, the nature of the products

or the circumstances under which the products were sold, were misrepresented to them. Products distributed through person-to-person sales forces have a higher exposure to mis-selling as the sales forces provide face-to-face financial planning and advisory services. Customers (whether they are individual or group customers) who feel that they have been misled have sought, and may in the future seek, redress for expectations that the advice or perceived misrepresentations created. They may also hold the insurance company accountable for the advice given by an intermediary, even though the insurance company has no control over the intermediary. Complaints may also arise in respect of any other aspect of the Issuer's business if customers feel that they have not been treated reasonably or fairly (whether or not this accurate or well founded) or that the Issuer has not complied with its duty of care. Furthermore, customers' views of what is fair and reasonable could change over time.

The Issuer and/or its subsidiaries may not be able to protect its intellectual property rights, and may be subject to infringement claims by third parties, which may have a material adverse effect on the Issuer's business and results of operations

In the conduct of its business, the Issuer and its subsidiaries rely on a combination of contractual rights with third parties and copyright, trademark, trade name, patent and other intellectual property rights laws to establish and protect its intellectual property. Third parties may infringe or misappropriate the intellectual property of the Issuer and/or its subsidiaries. The Issuer and/or its subsidiaries may have to litigate to enforce and protect its copyrights, trademarks, trade names, patents, trade secrets and know-how or to determine their scope, validity or enforceability. In that event, the Issuer and/or its subsidiaries may be required to incur significant costs, and the efforts of the Issuer and/or its subsidiaries may not be successful. The inability to secure or protect intellectual property could have a material adverse effect on the business of the Issuer and/or its subsidiaries and their ability to compete. The Issuer and/or its subsidiaries may also be subject to claims by third parties for (a) infringement of intellectual property rights, (b) breach of copyright, trademark or licence usage rights, or (c) misappropriation of trade secrets. Any such claims and any resulting litigation could result in significant expense and liability for damages. If the Issuer and/or its subsidiaries were found to have infringed or misappropriated a third party patent or other intellectual property right, the Issuer and/or its subsidiaries may in some circumstances be enjoined from providing certain products or services to its customers or from utilising and benefiting from certain methods, processes, copyrights, trademarks, trade names, trade secrets or licences. Alternatively, the Issuer and/or its subsidiaries may be required to enter into costly licensing arrangements with third parties or to implement an alternative, which may prove costly. Any of these scenarios could have a material adverse effect on the Issuer's business and results of operations.

RISK FACTORS RELATING TO THE NOTES

Capitalised expressions used below have the meaning ascribed to them in "Terms and Conditions of the Notes".

General Risks Relating to the Notes

The Notes are complex instruments that 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 such investment 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 relevant Notes, including where principal or interest is 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 and such instruments may be purchased 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 the help of a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of such Notes and the impact this investment will have on the potential investor's overall investment portfolio.

Risks related to the market generally

Set out below is a brief description of certain market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

The secondary market generally

Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be liquid. 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. Illiquidity may have a severely adverse effect on the market value of Notes.

Legality of purchase

None of the Issuer, the Arranger or any of their respective affiliates has or assumes responsibility for the lawfulness of the acquisition of the Notes by a prospective investor, whether under the laws of the jurisdiction of its incorporation or the jurisdiction in which it operates (if different), or for compliance by that prospective investor with any law, regulation or regulatory policy applicable to it.

The trading market for the Notes may be volatile and may be adversely impacted by many events
The market value of the Notes will be affected by the creditworthiness of the Issuer and a number of additional factors. The market for the Notes may be influenced by economic and market conditions, political events in the Netherlands or elsewhere and, to varying degrees, interest rates, currency exchange rates and inflation rates in other European and other industrialised countries. There can be no assurance that events in the Netherlands, Europe or elsewhere will not cause market volatility or that such volatility will not adversely affect the price of the Notes or that economic and market conditions will not have any other adverse effect. The price at which a Noteholder will be able to sell the Notes may be at a discount, which could be substantial, from the issue price or the purchase price paid by such Noteholder.

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 (a) the Investor's Currency-equivalent yield on the Notes, (b) the Investor's Currency equivalent value of the principal payable on the Notes and (c) 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

Investments in Fixed Rate Notes and Reset Notes involves the risk that changes in market interest rates after the issue date and, in the case of Reset Notes only, after the First Reset Note Reset Date or each Reset Note Reset Date (as applicable), may adversely affect the value of Fixed Rate Notes and, as the case may be, Reset Notes.

The regulation and reform of 'benchmarks' may affect the value or payment of interest or principal under the Notes linked to such 'benchmarks'

Various benchmarks (including interest rate benchmarks such as LIBOR, EURIBOR and other interest rates or other types of rates and indices which are deemed to be 'benchmarks') are the subject of ongoing national and international regulatory reform. Some of these reforms are already effective, such as the Benchmark Regulation, whilst others are still to be implemented. Further to these reforms, a transitioning away from the interbank offered rates ("**IBORs**") to 'risk-free rates' is expected. The Issuer closely monitors national and international guidance and other proposals for reform, which are in constant development. Following the implementation of any such potential reforms, the manner of administration of benchmarks may change, with the result that they may perform or be calculated differently than in the past, or benchmarks could cease to exist entirely, or there could be other consequences which cannot be predicted. Given the uncertainty in relation to the timing and manner of implementation of such reforms and in the absence of clear market consensus at this time, the Issuer is not yet in a position to determine the reforms that it will apply. Under the Programme, the interest payable on the Notes can be determined by reference to such benchmarks.

Under the Benchmark Regulation, new requirements apply with respect to the provision of a wide range of benchmarks (including LIBOR and EURIBOR), the contribution of input data to a benchmark and the use of a benchmark within the European Union. In particular, the Benchmark Regulation, among other things, (i) requires benchmark administrators to be authorised by or registered with regulators no later than 1 January 2021 (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and to comply with extensive requirements in relation to the administration of benchmarks and (ii) prevent certain uses by EU-supervised entities of benchmarks of administrators that are not authorised by or registered with regulators (or, if non-EU-based, deemed equivalent or recognised or endorsed).

Following the implementation of any such (potential) reforms and other pressures (including from regulatory authorities), the manner of administration of benchmarks may change, with the result that such benchmarks may perform differently than in the past, one or more benchmarks could be eliminated entirely, or have other consequences which cannot be predicted.

Uncertainty as to the continuation of a benchmark, the availability of quotes from reference banks to allow for the continuation of rates on any Notes, and the rate that would be applicable if the Reference Rate is materially amended or is discontinued, may adversely affect the trading market and the value of the Notes. Moreover, any of the above changes or any other consequential changes to the Reference Rate or any other relevant benchmark , or any further uncertainty in relation to the timing and manner of implementation of such changes could affect the ability of the Issuer to meet its obligations under the Notes and could have a

material adverse effect on the value or liquidity of, and amounts payable under, the Notes based on or linked to a 'benchmark'.

Future discontinuance of EURIBOR, LIBOR and any other benchmark may adversely affect the value of Notes which reference EURIBOR, LIBOR or such other benchmark

Although the UK Financial Conduct Authority ("**FCA**") has authorised ICE (the administrator of LIBOR), on 27 July 2017, the Chief Executive of the FCA announced that it does not intend to continue to persuade, or use its powers to compel, panel banks to submit rates for the calculation of LIBOR to the administrator of LIBOR after 2021. The announcement indicates that the continuation of LIBOR on the current basis is not guaranteed after 2021. Public authorities have initiated industry working groups in various jurisdictions to search for and recommend risk-free rates that could serve as alternatives if current benchmarks like LIBOR cease to exist or materially change. The work of these working groups is still ongoing. It is not possible to predict whether, and to what extent, panel banks will continue to provide LIBOR or any other benchmark submissions to the administrators going forward. This may cause LIBOR or any other benchmark to perform or be calculated differently than in the past, to disappear entirely or may have other consequences which cannot be predicted.

Investors should be aware that, if EURIBOR, LIBOR or any other benchmark were discontinued, or any other Benchmark Event (as defined in Condition 5(c)(iv)) has occurred or is otherwise unavailable, has occurred the rate of interest on Notes which reference EURIBOR, LIBOR or any other benchmark will be determined for the relevant period by the discontinuation provisions set out in Terms and Conditions of the Notes – Condition 5(c)(iv) applicable to such Notes. If the Calculation Agent or the Issuer (in consultation with each other), determines at any time prior to, on or following any Interest Determination Date, that a Benchmark Event has occurred in relation to the Notes, the Issuer will, as soon as reasonably practicable (and in any event prior to the next relevant Interest Determination Date) appoint a Rate Determination Agent (as defined in Condition 5(c)(iv)) which may determine in its sole discretion, acting in good faith and in consultation with the Issuer (and in consultation with the Independent Adviser if the Rate Determination Agent is the Issuer), a substitute or successor rate, as well as any necessary changes to the business day convention, the definition of business day, the interest determination date, the day count fraction and any method for calculating the Replacement Reference Rate (as defined in Condition 5(c)(iv)), including any Adjustment Spread (as defined in Condition 5(c)(iv)) or other adjustment factor needed to make such Replacement Reference Rate comparable to the relevant EURIBOR Rate, LIBOR Rate or Reference Rate. However, there is no guarantee that such an Adjustment Spread or other adjustment factor will be determined or applied, or that the application of any such factor will produce the same yield for the Noteholders.

It is possible that the Issuer may itself act as Rate Determination Agent and determine a Replacement Reference Rate. In such case, the Issuer will make such determinations and adjustments as it deems appropriate, and acting in good faith, in accordance with the Terms and Conditions of the Notes. In making such determinations and adjustments, the Issuer may be entitled to exercise substantial discretion and may be subject to conflicts of interest in exercising this discretion. There is no guarantee that any Replacement Reference Rate will produce the same yield as the rate that was discontinued and the price of the affected Notes may affect this.

The Replacement Reference Rate will (in the absence of manifest error) be final and binding, and will apply to the relevant Notes without any requirement that the Issuer obtain consent of any Noteholders. For the avoidance of doubt, Condition 5(c)(iv) may be (re-)applied if a Benchmark Event has occurred in respect of the Replacement Reference Rate.

If the Issuer is unable to appoint a Rate Determination Agent or the Rate Determination Agent is unable to or otherwise does not determine a Replacement Reference Rate under Condition 5(c)(iv) with respect to a particular Interest Determination Date, this could result under Conditions 5(c)(ii) or (iii) in the effective application of a fixed rate to what was previously a Floating Rate Note based on the rate which applied before the Benchmark Event occurred. However, in such case, the Issuer will re-apply the provisions of Condition 5(c)(iv), *mutatis mutandis*, for each subsequent Interest Determination Date on one or more occasions until a

Replacement Reference Rate has been determined, unless the Issuer is of the reasonable view (acting in good faith) that re-application is not (yet) appropriate.

In addition, due to the uncertainty concerning the availability of successor, alternative and substitute reference rates and the involvement of a Rate Determination Agent (as defined in Condition 7(e)), the relevant fallback provisions may not operate as intended at the relevant time. For example, several risk free rates, which are overnight rates, are currently being developed, while the Reference Rate may have a certain maturity, for example a term of one, three or six months. Similarly, these risk free rates generally do not carry an implicit element of credit risk of the banking sector, which may form part of the Reference Rate. The differences between the Replacement Reference Rate and the Reference Rate could have a material adverse effect on the value of and return on any such Notes. In addition, the Replacement Reference Rate may perform differently from the discontinued benchmark. Moreover, any of the above matters or any other significant change to the setting or existence of any relevant reference rate could affect the ability of the Issuer to meet its obligations under the Notes or could have a material adverse effect on the value or liquidity of, and the amount payable under, the Notes. Furthermore, the terms and conditions of the Notes may be amended by the Issuer, as necessary to ensure the proper operation of the Replacement Reference Rate, without any requirement for consent or approval of the Noteholders.

The Rate Determination Agent may be considered an 'administrator' under the Benchmark Regulation. This is the case if it is considered to be in control over the provision of the Replacement Reference Rate and/or the determined rate of interest on the basis of the Replacement Reference Rate and any adjustments made thereto by the Rate Determination Agent and/or otherwise in determining the applicable rate of interest in the context of a discontinuation scenario. This would mean that the Rate Determination Agent (i) administers the arrangements for determining such rate, (ii) collects, analyses, or processes input data for the purposes of determining such rate and (iii) determines such rate through the application of a method of calculation or by an assessment of input data for that purpose. Furthermore, for the Rate Determination Agent to be considered an 'administrator' under the Benchmark Regulation, the Replacement Reference Rate and/or the determined rate of interest on the basis of the Replacement Reference Rate and any adjustments made thereto by the Rate Determination Agent and/or otherwise in determining the applicable rate of interest in the context of a discontinuation scenario should be a benchmark (index) within the meaning of the Benchmark Regulation. This may be the case if the Replacement Reference Rate and/or the determined rate of interest on the basis of the Replacement Reference Rate and any adjustments made thereto by the Rate Determination Agent and/or otherwise in determining the applicable rate of interest in the context of a discontinuation scenario, is published or made available to the public and regularly determined by application of a method of calculation or by an assessment, and on the basis of certain values or surveys.

The Benchmark Regulation stipulates that each administrator of a benchmark regulated thereunder or the benchmark itself must be licensed, registered, authorised, recognised or endorsed, as applicable, in accordance with the Benchmark Regulation. There is a risk that administrators (which may include the Rate Determination Agent in the circumstances as described above) of certain benchmarks will fail to obtain such registration, authorisation, recognition or endorsement, preventing them from continuing to provide such benchmarks, or may otherwise choose to discontinue or no longer provide such benchmark. In such case, this may affect the possibility for the Rate Determination Agent to apply the discontinuation provision of Condition 5(c)(iv) meaning that the applicable benchmark will remain unchanged (but subject to the other provisions of Condition 5). Other administrators may cease to administer certain benchmarks because of the additional costs of compliance with the requirements of the Benchmark Regulation such as relating to governance and conflict of interest, control framework, record keeping and complaints handling.

Credit ratings may not reflect all risks

One or more independent credit rating agencies may assign credit ratings to an issue of Notes. The ratings 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 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.

Credit ratings do not imply that interest will be paid

A credit rating is not a statement as to the likelihood or otherwise of cancellation of interest on the Notes. Noteholders may have a greater risk of cancellation of interest payments than persons holding other securities with similar credit ratings but without any, or more limited, loss absorption provisions.

An active trading market for the Notes may not develop

The Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be liquid. Therefore, investors may not be able to sell their Notes easily or at prices that provides them with a yield comparable to similar investments that have a developed secondary market. Illiquidity may have an adverse effect on the market value of the Notes. Although application has been made for the Notes to be listed on Euronext Dublin and admitted to the Official List and trading on its regulated market, there is no assurance that such application will be accepted or that an active trading market will develop. Accordingly, there is no assurance as to the development or liquidity of any trading market for the Notes. The Issuer is entitled, under certain circumstances, to buy the Notes, which shall then be cancelled or caused to be cancelled, and to issue further Notes. Such transactions may favourably or adversely affect the price development of the Notes. If additional and competing products are introduced in the market, this may adversely affect the value of the Notes.

Potential Conflicts of Interest

The Arranger and its respective affiliates have engaged, and/or may in the future engage, in investment banking, commercial banking and other financial advisory and commercial dealings with the Issuer and its affiliates and in relation to securities issued by any entity of the Group. They have or may (a) engage in investment banking, trading or hedging activities including in activities that may include prime brokerage business, financing transactions or entry into derivative transactions, (b) act as underwriters in connection with offering of shares or other securities issued by any entity of the Group or (c) act as financial advisers to the Issuer or other companies of the Group. In the context of these transactions, the Arranger has or may hold shares or other securities issued by entities of the Group. Where applicable, it has or will receive customary fees and commissions for these transactions.

Modification and waivers

The Terms and Conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority. The Terms and Conditions of the Notes also provide that the Fiscal Agent and the Issuer may amend the Terms and Conditions of the Notes, where such modification is of a formal, minor or technical nature or is made to correct a manifest error or which, in the sole opinion of the Issuer, is not materially prejudicial to the interests of the Noteholders, without the consent of the Noteholders.

Recovery, resolution and intervention

Reference is made to the paragraphs above which elaborate on resolution and recovery measures, the Dutch Intervention Act, the IRRA and the BRRD. Under those provisions, the Group may be subject to certain measures, which may include the expropriation of assets and liabilities, claims against, or securities issued by the Issuer, such as the Notes. The application of each of those measures may have a negative impact on the profitability of the Group and therewith the return on investments in the Notes. A consequence of the application of expropriation measures may be that the compensation paid for the Notes will be low or even zero.

Change of law

The Terms and Conditions of the Notes are based on Dutch law, including Dutch tax law, in effect as at the date of issue of the relevant Notes. No assurance can be given as to the impact of any possible judicial decision or change to Dutch law or administrative practice after the date of issue of the Notes.

Some of the defined terms in the Conditions of the Notes depend on the final interpretation and implementation of Solvency II. Further, the relevant supervisory authority may interpret the relevant applicable regulations, or exercise discretion accorded to the regulator under the relevant applicable regulations in a different manner than expected. The manner in which many of the concepts and requirements under Solvency II will be applied to the Group over time remains uncertain.

Future regulatory proposals may also impose further restrictions on the Issuer's ability to make payments on the Notes. These issues and other possible issues of interpretation make it difficult to determine whether scheduled interest payments will be made on the Notes. This uncertainty and the resulting complexity may adversely impact the trading price and the liquidity of the Notes.

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.

If the Notes become subject to a withholding tax on interest in the Netherlands, the Notes may be redeemed early under Condition 7(b)

In a letter sent to Dutch parliament on 15 October 2018, the Dutch government announced its new 'Business Climate Package' (*Brief 'Heroverweging pakket vestigingsklimaat'*). As part of this Business Climate Package the Dutch government announced that it aims to introduce a withholding tax on interest payments as of 1 January 2021. Based on the limited information made publicly available at the date of this Base Prospectus, it is expected that the withholding tax will apply to interest payments directly or indirectly made by a Dutch entity to affiliated entities in low-tax jurisdictions designated as such and included in the black list as published by the Dutch Ministry of Finance (the "**Dutch Black List**"). The legislative proposal regarding the introduction of a withholding tax on interest payments has not been made publicly available yet, but is expected in the second half of 2019.

Currently, the Netherlands considers a jurisdiction as a low-tax jurisdiction if such jurisdiction either has no corporation tax or has a corporation tax with a general statutory rate on business profits that is lower than 9%. As of 1 January 2019, the following 21 jurisdictions have been designated as low-tax jurisdictions by the Netherlands and are included in the Dutch Black List: American Samoa, Anguilla, the Bahamas, Bahrain, Belize, Bermuda, the British Virgin Islands, Guernsey, Guam, the Isle of Man, Jersey, the Cayman Islands, Kuwait, Qatar, Samoa, Saudi Arabia, Trinidad and Tobago, the Turks and Caicos Islands, Vanuatu, the United Arab Emirates and the U.S. Virgin Islands. The Dutch Black List will be updated each year.
Since the legislative proposal for the introduction of a withholding tax on interest payments has not been made publicly available yet, at the date of this Base Prospectus it is not clear what the exact scope and impact of the proposed measure will be. Based on the limited information made publicly available at the date of this Base Prospectus, it seems unlikely that the proposed measure will apply to interest on debt instruments that

are issued to holders unrelated to the Issuer. However, it cannot be ruled out that it will have a wider application and, as such, it could potentially be applicable to interest payments on the Notes.

If the proposed withholding tax on interest is implemented in such a way that the Issuer will become obliged to pay additional amounts as provided for in Condition 9 (Taxation), the Issuer may redeem the Notes, in whole but not in part, at its option under Condition 7(b) (Redemption for Taxation Reasons).

Prospective investors are advised to seek their own professional advice in relation to the introduction of a withholding tax on interest payments in the Netherlands as of 1 January 2021.

Introduction of a thin-capitalisation rule in the Netherlands for banks and insurers as of 2020

The Dutch government aims to introduce a 'thin-capitalisation rule' for banks and insurers as of 2020. This new rule would limit the deduction of interest for banks and insurance companies if highly leveraged. On 18 March 2019, the Dutch government published a consultation paper regarding this thin-capitalisation rule including draft legislation for consultation purposes. The draft legislation limits the applicability of the thin-capitalisation rule to banks and insurers with a licence or notification of the Dutch Central Bank to operate as such in the Netherlands, including the Issuer. In short, the thin-capitalisation rule would apply to qualifying banks and insurers if the leverage ratio of such bank, or the own funds ratio of such insurer, is less than 8% (to be determined on the basis of a set of specific provisions that refer, amongst others, to the Capital Requirements Regulation (EU) No. 575/2013 and Solvency II). If the thin-capitalisation rule is implemented in Dutch law in accordance with this draft legislation, the thin-capitalisation rule may have an adverse impact on the amount of interest the Issuer can deduct for Dutch corporate income tax purposes and thus on its financial position.

Legal investment considerations may restrict certain investments

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

The market value of the Notes may be influenced by factors beyond the Issuer's control

Many factors, most of which are beyond the Issuer's control, will influence the market value of the Notes and the price, if any, at which securities dealers may be willing to purchase or sell the Notes in the secondary market. Such factors include any credit ratings assigned to the Issuer and the Notes (and any subsequent downgrading thereof), the creditworthiness of the Issuer and in particular the Issuer and the Group's compliance with the Solvency Capital Requirement and the Minimum Capital Requirement, supply and demand for the Notes, the Interest Rate applicable to the Notes from time to time, exchange rates and macro-economic, political, regulatory or judicial events which affect the Issuer or the markets in which it operates.

Risks relating to the structure of the Notes

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 certain such features:

Perpetual securities

The Notes may be dated or undated Notes. Undated instruments are perpetual securities in respect of which there is no fixed redemption date and the Issuer shall only have the right to repay them under certain conditions. The Issuer is under no obligation to redeem undated Notes at any time and the holders of such Notes have no right to call for their redemption.

Notes subject to optional redemption or substitution and variation by the Issuer

An optional redemption feature is likely to limit the market value of Notes. 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 for various reasons, 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.

In the case of any substitution or variation of the terms of the Notes, whilst the substituted or modified Notes must have terms which are not materially less favourable to an investor than the terms of the original Notes then prevailing, there can be no assurance that, due to the particular circumstances of each holder, such substituted or modified Notes will be as favourable to each holder in all respects.

Rate of Interest reset for the Reset Notes

If specified in the relevant Final Terms, on the First Reset Note Reset Date and each Reset Note Reset Date thereafter, the rate of interest on the Reset Notes will be reset by reference to the then prevailing Mid-Market Swap Rate, and for a period equal to the Reset Period, as adjusted for any applicable margin, as more particularly described in "*Terms and Conditions of the Notes 5. - Interest and other Calculations*". The reset of the rate of interest in accordance with such provisions may affect the secondary market and the market value of such Reset Notes and, following any such reset of the rate of interest, the First Reset Rate of Interest or the Subsequent Reset Rate of Interest on the relevant Reset Notes may be lower than the Initial Rate of Interest, the First Reset Rate of Interest and/or the previous Subsequent Reset Rate of Interest, thereby reducing the amount of interest payable to Noteholders.

Inverse Floating Rate Notes

Inverse Floating Rate Notes have an interest rate equal to a fixed rate minus a rate based upon a reference rate such as LIBOR. The market values of such Notes typically are more volatile than market values of other conventional floating rate debt securities based on the same reference rate (and with otherwise comparable terms). Inverse Floating Rate Notes are more volatile because an increase in the reference rate not only decreases the interest rate of the Notes, but may also reflect an increase in prevailing interest rates, which further adversely affects the market value of these Notes.

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 such 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.

Notes issued at a substantial discount or premium

The market values of securities issued at a substantial discount or premium to their nominal 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.

The Issuer's obligations under Subordinated Notes are subordinated

The Issuer's obligations under Subordinated Notes will be unsecured and subordinated and will rank junior to the claims of unsubordinated creditors. Although Subordinated Notes may pay a higher rate of interest than comparable Notes which are not subordinated, there is a real risk that an investor in Subordinated Notes will lose all or some of his investment should the Issuer become insolvent.

Bearer Notes where denominations involve integral multiples

In relation to any issue of Notes in bearer form which have denominations consisting of EUR 100,000 (or higher or its equivalent in another currency) plus one or more higher integral multiples of another smaller amount, it is possible that the Notes may be traded in amounts in excess of EUR 100,000 or its equivalent that are not integral multiples of EUR 100,000 (or its equivalent) (for the purpose of this paragraph, the "**Stub Amount**"). In such a case a Noteholder who, as a result of trading such amounts, holds a Stub Amount 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 aggregate holding amounts to EUR 100,000 (or its equivalent) in order to receive such a definitive Note. As long as the Stub Amount is held in the relevant clearing system, the Noteholder will be unable to transfer this Stub Amount.

If definitive Notes are issued, holders should be aware that definitive notes which have a denomination that is not an integral multiple of EUR 100,000 (or its equivalent) may be illiquid and difficult to trade.

Additional Risk Factors in relation to the Subordinated Notes *Status*

The Subordinated Notes constitute subordinated obligations of the Issuer and rank *pari passu* and without any preference among themselves. In the event of the winding-up and dissolution (*ontbinding en vereffening*), bankruptcy (*faillissement*) or suspension of payments (*surseance van betaling*), the payment obligations of the Issuer under the Subordinated Notes shall rank in right of payment after unsubordinated unsecured creditors of the Issuer, and any payment to a holder of a Subordinated Note shall be excluded until all obligations of the Issuer vis-à-vis its unsubordinated unsecured creditors have been satisfied, but at least *pari passu* with all other subordinated obligations of the Issuer that are not expressed by their terms to rank junior to the Subordinated Notes and in priority to the claims of shareholders of the Issuer. No Noteholder and Couponholder may at any time exercise or claim any right of set-off or netting in respect of any amount owed to it by the Issuer arising under or in connection with the Subordinated Notes and related Coupons.

Deferral

Mandatory deferral

Payment of interest on the Subordinated Notes will be mandatorily deferred on each Mandatory Interest Deferral Date. See "*Terms and Conditions of the Notes - 6. Deferral of Payments - Subordinated Notes - (b) Mandatory Deferral of Interest Payments*".

Optional deferral

If so specified in the Final Terms, the Issuer may on any Optional Interest Payment Date defer payment of interest on the Subordinated Notes which would otherwise be payable on such date. See "*Terms and Conditions of the Notes - 6. Deferral of Payments - Subordinated Notes - (a) Optional Deferral of Interest Payments*".

Any deferral of interest payments could have an adverse effect on the market price of the relevant Notes. In addition, as a result of the interest deferral provision of the relevant Notes if that applies, the market price of the relevant Notes may be more volatile than the market prices of other debt securities on which original issue discount or interest accrues that are not subject to such deferrals and may be more sensitive generally to adverse changes in the Issuer's financial condition.

Payments made under some more junior or equally ranking notes will not result in an obligation for the Issuer to make payments on the Subordinated Notes

If so specified in the Final Terms, the Issuer may defer any payment of interest on any Optional Interest Payment Date. An Optional Interest Payment Date means, in respect of the relevant Subordinated Notes only, any Interest Payment Date where no dividend or other distribution has been irrevocably declared, paid or made on any class of the Issuer's share capital during the immediately preceding six months prior to such Interest Payment Date. Therefore, payments on any notes ranking *pari passu* with the relevant Subordinated Notes or junior to the relevant Subordinated Notes will not result in an obligation for the Issuer to pay interest or Arrears of Interest on the relevant Subordinated Notes, save for certain payments or declarations in respect of any class of the Issuer's share capital.

Potential investors in the relevant Subordinated Notes should therefore realise that holders of notes ranking junior to or *pari passu* with the relevant Subordinated Notes may receive payments from the relevant Issuer in priority to the relevant Subordinated Noteholders, even though their claims rank junior to or *pari passu* with those of relevant Subordinated Noteholders. However, in the event of the winding-up and dissolution (*ontbinding en vereffening*), bankruptcy (*faillissement*) or suspension of payments (*surseance van betaling*), the payment obligations of the Issuer under the relevant Subordinated Notes and Coupons relating to them shall rank as described above under "*Additional Risks Factors in relation to the Subordinated Notes - Status*".

Redemption, substitution or variation risk

Upon the occurrence of certain specified regulatory or rating events, the Subordinated Notes may be redeemed at their early redemption amount, or substituted or varied, in each case subject as provided in "*Terms and Conditions of the Notes - 7. Redemption, Substitution, Variation, Purchase and Options*".

Also see "*Notes subject to optional redemption or substitution and variation by the Issuer*" above.

Conditions to payment

So long as the Issuer is subject to Capital Adequacy Regulations, any redemption, substitution, variation or purchase of Subordinated Notes is subject to conditions, including inter alia prior consent from the Regulator if required under the Capital Adequacy Regulations. See "*Terms and Conditions of the Notes - 7. Redemption, Substitution, Variation, Purchase and Options - (b) Conditions to Redemption or Purchase and (k) Substitution or Variation*".

Solvency II Directive - Risk of adverse impact on Issuer's regulatory solvency condition

The Subordinated Notes are expected to qualify as additional solvency margin for capital adequacy regulatory purposes pursuant to the Dutch Financial Supervision Act. The Solvency II Directive provides for a new capital adequacy regime for insurance companies as further described above in "*Because each of the Issuer and the Group operates in a highly regulated industry, changes in statutes, regulations and regulatory policies that govern activities in its various business lines could have an effect on its operations and its net profits*". The Solvency II Directive has been implemented in the Dutch Financial Supervision Act and applies to insurance companies from 1 January 2016.

On 10 October 2014, the European Commission adopted Commission Delegated Regulation (EU) 2015/35 (the "**Solvency II Delegated Regulation**") containing implementing rules for Solvency II. The Solvency II Delegated Regulation entered into force in Member States on 17 January 2015, and may be amended from time to time. Furthermore, the Solvency II framework consists of a substantial number of implementing technical standards. Also these may change from time to time and new standards may be introduced.

On 8 March 2019, the European Commission published a Delegated Regulation intending to amend the Solvency II Delegated Regulation (2015/35). This amendment leads to a reduction of the capital charge on equity investments and investments in private debt. This Commission Delegated Regulation (EU) 2019/981

was published in the Official Journal of the European Union on 18 June 2019 and entered into force on 8 July 2019. Due to the Group's large equity and private debt exposure, an adjustment of the calculation of market risk related to equity and private debt investments may have a material effect on the Group's business, solvency, results and financial condition. Given the reduction of the capital charges, this is expected to have a positive impact on the solvency ratio of the Group.

Furthermore, the capital adequacy requirements for the Group may be subject to further changes. Any changes in capital adequacy requirements could result in a higher overall valuation of liabilities or capital requirements, or a lower overall recognition of own funds than is currently the case or may currently be foreseen. This could result in the occurrence of a Capital Adequacy Event following which a Mandatory Deferral Event would occur and then no principal, premium, interest or any other amount would be due and payable in respect of or arising from the Subordinated Notes.

OVERVIEW OF THE PROGRAMME

The following overview is qualified in its entirety by the remainder of this Base Prospectus.

Issuer:	Achmea B.V. Achmea B.V. was incorporated by deed of incorporation on 30 December 1991. Achmea B.V. is a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under Dutch law with its corporate seat (*statutaire zetel)* in Zeist. The registered office of Achmea B.V. is Handelsweg 2, 3707 NH Zeist, telephone number +31 (0)30 693 7000. Achmea B.V. is registered with the Trade Register of the Dutch Chamber of Commerce under registration number 33235189. Achmea B.V. is a privately owned holding company of a financial services group, whose core business is primarily insurance.
Description:	Debt Issuance Programme
Notes:	Notes means Notes, unless the context requires otherwise.
Size:	Up to €5,000,000,000 (or the equivalent in other currencies at the date of issue) aggregate nominal amount of Notes outstanding at any one time.
Arranger:	Natwest Markets Plc
Dealers:	NatWest Markets N.V. NatWest Markets Plc The Issuer may from time to time terminate the appointment of any dealer under the Programme or appoint additional dealers either in respect of one or more Tranches or in respect of the whole Programme. References in this Base Prospectus to "Permanent Dealers" are to the persons listed above as Dealers and to such additional persons that are appointed as dealers in respect of the whole Programme (and whose appointment has not been terminated) and references to "Dealers" are to all Permanent Dealers and all persons appointed as a dealer in respect of one or more Tranches.
Fiscal Agent:	ABN AMRO Bank N.V.
Method of Issue:	The Notes will be issued on a syndicated or non-syndicated basis. The Notes will be issued in series (each a "**Series**") having one or more issue dates and on terms otherwise identical (or identical other than in respect of the first payment of interest), the Notes of each Series being intended to be interchangeable with all other Notes of that Series. Each Series may be issued in tranches (each a "**Tranche**") on the same or different issue dates. The specific terms of each Tranche (which will be completed, where necessary, with the

	relevant terms and conditions and, save in respect of the issue date, issue price, first payment of interest and nominal amount of the Tranche, will be identical to the terms of other Tranches of the same Series) will be completed in the final terms (the "**Final Terms**").
Issue Price:	Notes may be issued at their nominal amount or at a discount or premium to their nominal amount.
Form of Notes:	The Notes may be issued in bearer form only ("**Bearer Notes**") or in registered form only ("**Registered Notes**"). Each Tranche of Bearer Notes will be represented on issue by a Temporary Global Note if (i) definitive Notes are to be made available to Noteholders following the expiry of 40 days after their issue date or (ii) such Notes have an initial maturity of more than one year and are being issued in compliance with the D Rules (as defined in "*Selling Restrictions*" below), otherwise such Tranche will be represented by a Permanent Global Note. Registered Notes will be represented by Certificates, one Certificate being issued in respect of each Noteholder's entire holding of Registered Notes of one Series. Certificates representing Registered Notes that are registered in the name of a nominee for one or more clearing systems are referred to as "Global Certificates".
Clearing Systems:	Clearstream, Luxembourg, Euroclear and, in relation to any Tranche, such other clearing system as may be agreed between the Issuer, the Fiscal Agent and the relevant Dealer.
Initial Delivery of Notes:	On or before the issue date for each Tranche, if the relevant Global Note is a NGN or the relevant Global Certificate is held under the NSS, the Global Note or the Global Certificate will be delivered to a Common Safekeeper for Euroclear and Clearstream, Luxembourg. On or before the issue date for each Tranche, if the relevant Global Note is a CGN or the relevant Global Certificate is not held under the NSS, the Global Note representing Bearer Notes or the Global Certificate representing Registered Notes may (or, in the case of Notes listed on the regulated market of Euronext Dublin, shall) be deposited with a common depositary for Euroclear and Clearstream, Luxembourg. Global Notes or Global Certificates relating to Notes that are not listed on the regulated market of Euronext Dublin may also be deposited with any other clearing system or may be delivered outside any clearing system provided that the method of such delivery has been agreed in advance by the Issuer, the Fiscal Agent and the relevant Dealer. Registered Notes that are to be credited to one or more clearing systems on issue will be registered in the name of nominees or a common nominee for such clearing systems.

Currencies:	Subject to compliance with all relevant laws, regulations and directives, Notes may be issued in any currency agreed between the Issuer and the relevant Dealers.
Maturities:	Subject to compliance with all relevant laws, regulations and directives, any maturity. The Issuer may also issue Notes with no specified maturity (undated or perpetual Notes).
Specified Denomination:	Definitive Notes will be in such denominations as may be specified in the relevant Final Terms save that (i) in the case of any Notes which are to be admitted to trading on a regulated market within the EEA or offered to the public in an EEA State in circumstances which require the publication of a prospectus under the Prospectus Directive, the minimum specified denomination shall be €100,000 (or its equivalent in any other currency as at the date of issue of the Notes) and (ii) unless otherwise permitted by then current laws and regulations, Notes (including Notes denominated in Sterling) which have a maturity of less than one year will have a minimum denomination of €100,000 (or its equivalent in other currencies).
Interest:	Notes may be interest-bearing or non-interest-bearing. Details on interest rates, periods, dates and calculations will be specified in the relevant Final Terms. Also see the Terms and Conditions of the Notes s.
Benchmark discontinuation:	On the discontinuation of the relevant interest rate as specified in the applicable Final Terms or another Benchmark Event having occurred, a Replacement Reference Rate may be determined in accordance with Condition 5(c)(iv).
Redemption:	Unless permitted by then current laws and regulations, Notes (including Notes denominated in Sterling) which have a maturity of less than one year and in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of section 19 of the FSMA must have a minimum redemption amount of £100,000 (or its equivalent in other currencies).
Optional Redemption:	The Final Terms issued in respect of each issue of Notes will state whether such Notes may be redeemed prior to their stated maturity (or, in the case of undated Notes, in which circumstances) at the option of the Issuer (either in whole or in part) and/or the holders, and if so the terms applicable to such redemption.
Status of Notes:	Senior Notes will constitute unsubordinated and unsecured obligations of the Issuer and Subordinated Notes will constitute subordinated obligations of the Issuer, all as described in "*Terms and Conditions of the Notes - Status*".

Interest Deferral - Senior Notes:	There are no interest deferral provisions with respect to the Senior Notes.
Mandatory Interest Deferral - Subordinated Notes:	The Issuer is required to defer any payment of interest on Subordinated Notes on each Mandatory Interest Deferral Date (being an Interest Payment Date in respect of which a Mandatory Deferral Event has occurred and is continuing). Also see the Terms and Conditions of the Notes.
Optional Interest Deferral - Subordinated Notes:	If so specified in the Final Terms, the Issuer may on any Optional Interest Payment Date defer payments of interest on the Subordinated Notes which would otherwise be payable on such date. Also see the Terms and Conditions of the Notes.
Negative Pledge:	See "*Terms and Conditions of the Notes - Negative Pledge*".
Cross Default:	See "*Terms and Conditions of the Notes - Events of Default*".
Ratings:	Tranches of Notes will be rated or unrated. Where a Tranche of Notes is to be rated, such rating will be specified in the relevant Final Terms. A 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.
Early Redemption:	Except as provided in "*Optional Redemption*" above, Notes will - in the case of Subordinated Notes and so long as the Issuer is subject to Capital Adequacy Regulations only with prior consent from the Regulator if required under the Capital Adequacy Regulations - be redeemable at the option of the Issuer prior to maturity only for tax reasons and, in the case of Subordinated Notes, also for regulatory or rating reasons. See "*Terms and Conditions of the Notes – 7. Redemption, Substitution, Variation, Purchase and Options*".
Withholding Tax:	All payments of principal and interest in respect of the Notes will be made free and clear of withholding or deduction of taxes imposed by the Netherlands, unless the withholding is required by law. In that event, the Issuer shall, subject to certain exceptions, pay such additional amounts as will result in the Noteholders and Couponholders receiving such amounts as they would have received in respect of the Notes or Coupons had no such withholding been required. See "*Terms and Conditions of the Notes – 9. Taxation*".
Governing Law:	Dutch law.
Listing and Admission to Trading:	Application has been made to Euronext Dublin for the Notes issued under the Programme to be admitted to the Official List and trading on its regulated market or as otherwise specified in the relevant Final Terms and references to listing shall be construed accordingly. As specified in the relevant Final Terms, a Series of Notes may be unlisted.

Redenomination, Renominalisation and/or Consolidation:	Notes denominated in a currency of a country that subsequently participates in the third stage of European Economic and Monetary Union may be subject to redenomination, renominalisation and/or consolidation with other Notes then denominated in euro. The provisions applicable to any such redenomination, renominalisation and/or consolidation will be as specified in the relevant Final Terms.
Selling Restrictions:	The United States, the Public Offer Selling Restriction (in respect of Notes having a specified denomination of less than €100,000 or its equivalent in any other currency as at the date of issue of the Notes), the United Kingdom, the Netherlands, Japan, Hong Kong, Singapore and Switzerland. See "*Subscription and Sale*". The Issuer is Category 1 for the purposes of Regulation S under the Securities Act, as amended. The Notes will be issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(D) (the "**D Rules**") unless (i) the relevant Final Terms states that Notes are issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(C) (the "**C Rules**") or (ii) the Notes are issued other than in compliance with the D Rules or the C Rules but in circumstances in which the Notes will not constitute "registration required obligations" under the United States Tax Equity and Fiscal Responsibility Act of 1982 ("**TEFRA**"), which circumstances will be referred to in the relevant Final Terms as a transaction to which TEFRA is not applicable.

TERMS AND CONDITIONS OF THE NOTES

*The following is the text of the terms and conditions that, subject to completion in accordance with the provisions of Part A of the relevant Final Terms, shall be applicable to the Notes in definitive form (if any) issued in exchange for the Global Note(s) representing each Series, as well as to such Global Note(s) except as set out in "Summary of Provisions relating to the Notes while in Global Form". Either (i) the full text of these terms and conditions together with the relevant provisions of Part A of the Final Terms or (ii) these terms and conditions as so completed (and subject to simplification by the deletion of non-applicable provisions), shall be endorsed on such Bearer Notes or on the Certificates relating to such Registered Notes. All capitalised terms that are not defined in these Conditions will have the meanings given to them in Part A of the relevant Final Terms. Those definitions will be endorsed on the definitive Notes or Certificates, as the case may be. References in the Conditions to "**Notes**" are to the Notes of one Series only, not to all Notes that may be issued under the Programme.*

The Notes are issued pursuant to an amended and restated Agency Agreement (as amended or supplemented as at the Issue Date, the "**Agency Agreement**") dated 15 July 2019 between the Issuer, ABN AMRO Bank N.V. as fiscal agent and the other agents named in it. The fiscal agent, the paying agents, the registrar, the transfer agents and the calculation agent(s) for the time being (if any) are referred to below respectively as the "**Fiscal Agent**", the "**Paying Agents**" (which expression shall include the Fiscal Agent), the "**Registrar**", the "Transfer Agents" and the "**Calculation Agent(s)**". The Noteholders (as defined below), the holders of the interest coupons (the "**Coupons**") relating to interest bearing Notes in bearer form and, where applicable in the case of such Notes, talons for further Coupons (the "**Talons**") (the "**Couponholders**") are deemed to have notice of all of the provisions of the Agency Agreement applicable to them.

As used in these Conditions, "**Tranche**" means Notes which are identical in all respects.

Copies of the Agency Agreement are available for inspection at the specified offices of each of the Paying Agents, the Registrar and the Transfer Agents.

1 Form, Denomination and Title

The Notes are issued in bearer form ("**Bearer Notes**") or in registered form ("**Registered Notes**") in each case in the Specified Denomination(s) shown hereon provided that in the case of any Notes which are to be admitted to trading on a regulated market within the EEA or offered to the public in a Member State of the EEA in circumstances which require the publication of a Prospectus under the Prospectus Directive, the minimum Specified Denomination shall be €100,000 (or its equivalent in any other currency as at the date of issue of the relevant Notes).

This Note is a Fixed Rate Note, a Reset Note, a Floating Rate Note, a Zero Coupon Note or a combination of any of the foregoing, depending upon the Interest and Redemption/Payment Basis shown hereon.

Bearer Notes are serially numbered and are issued with Coupons (and, where appropriate, a Talon) attached, save in the case of Zero Coupon Notes in which case references to interest (other than in relation to interest due after the Maturity Date), Coupons and Talons in these Conditions are not applicable.

Registered Notes are represented by registered certificates ("**Certificates**") and, save as provided in Condition 2(c), each Certificate shall represent the entire holding of Registered Notes by the same holder.

Title to the Bearer Notes and the Coupons and Talons shall pass by delivery. Title to the Registered Notes shall pass by notification of the transfer to the Registrar or any Transfer Agent, acting on the Issuer's behalf, which will be registered in the register that the Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement (the "**Register**"). Except as ordered by a court of competent jurisdiction or as required by law, the holder (as defined below) of any Note, Coupon or Talon shall be deemed to be and may be treated as its absolute owner for all purposes, whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it, any writing on it (or on the Certificate

representing it) or its theft or loss (or that of the related Certificate) and no person shall be liable for so treating the holder.

In these Conditions, "**Noteholder**" means the bearer of any Bearer Note or the person in whose name a Registered Note is registered (as the case may be), "**holder**" (in relation to a Note, Coupon or Talon) means the bearer of any Bearer Note, Coupon or Talon or the person in whose name a Registered Note is registered (as the case may be) and capitalised terms have the meanings given to them hereon, the absence of any such meaning indicating that such term is not applicable to the Notes.

2 No Exchange of Notes and Transfers of Registered Notes

(a) **No Exchange of Notes:** Registered Notes may not be exchanged for Bearer Notes. Bearer Notes of one Specified Denomination may not be exchanged for Bearer Notes of another Specified Denomination. Bearer Notes may not be exchanged for Registered Notes.

(b) **Transfer of Registered Notes:** One or more Registered Notes may be transferred upon the surrender (at the specified office of the Registrar or any Transfer Agent) of the Certificate representing such Registered Notes to be transferred, together with the form of transfer endorsed on such Certificate, (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Issuer), duly completed and executed and any other evidence as the Registrar or Transfer Agent may reasonably require. Such notification to the Registrar or any Transfer Agent, acting on behalf of the Issuer, shall be deemed to constitute notice (*mededeling*) of the transfer to the Issuer. In the case of a transfer of part only of a holding of Registered Notes represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor. All transfers of Notes and entries on the Register will be made subject to the detailed regulations concerning transfers of Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer, with the prior written approval of the Registrar and the Noteholders. A copy of the current regulations will be made available by the Registrar to any Noteholder upon request.

(c) **Exercise of Options or Partial Redemption in Respect of Registered Notes:** In the case of an exercise of an Issuer's or Noteholders' option in respect of, or a partial redemption of, a holding of Registered Notes represented by a single Certificate, a new Certificate shall be issued to the holder to reflect the exercise of such option or in respect of the balance of the holding not redeemed. In the case of a partial exercise of an option resulting in Registered Notes of the same holding having different terms, separate Certificates shall be issued in respect of those Notes of that holding that have the same terms. New Certificates shall only be issued against surrender of the existing Certificates to the Registrar or any Transfer Agent. In the case of a transfer of Registered Notes to a person who is already a holder of Registered Notes, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding.

(d) **Delivery of New Certificates:** Each new Certificate to be issued pursuant to Conditions 2(b) or (c) shall be available for delivery within three business days of receipt of the form of transfer or Exercise Notice (as defined in Condition 7(e)) and surrender of the Certificate for exchange. Delivery of the new Certificate(s) shall be made at the specified office of the Transfer Agent or of the Registrar (as the case may be) to whom delivery or surrender of such form of transfer, Exercise Notice or Certificate shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the form of transfer, Exercise Notice or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Certificate to such address as may be so specified, unless such holder requests otherwise and pays in advance to the relevant Agent (as defined in the Agency Agreement) the costs of such other method of delivery and/or such insurance as it may specify. In this Condition 2(d), "**business day**" means a day, other than a Saturday or Sunday, on which banks are open for business in the place of the specified office of the relevant Transfer Agent or the Registrar (as the case may be).

(e) **Transfer Free of Charge:** Transfer of Notes and Certificates on registration, transfer, partial redemption or exercise of an option shall be effected without charge by or on behalf of the Issuer, the Registrar or the Transfer Agents, but upon payment of any tax or other governmental charges that may be imposed in relation to it (or the giving of such indemnity as the Registrar or the relevant Transfer Agent may require).

(f) **Closed Periods:** No Noteholder may require the transfer of a Registered Note to be registered (i) during the period of 15 days ending on the due date for redemption of that Note, (ii) during the period of 15 days before any date on which Notes may be called for redemption by the Issuer at its option pursuant to Condition 7(d), (iii) after any such Note has been called for redemption or (iv) during the period of seven days ending on (and including) any Record Date.

3 Status

(a) **Status of Senior Notes:** The Senior Notes (being those Notes that specify their status as Senior) and the Coupons relating to them constitute (subject to Condition 4) unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Issuer under the Senior Notes and the Coupons relating to them shall, save for such exceptions as may be provided by applicable legislation and subject to Condition 4, at all times rank at least equally with all other unsecured and unsubordinated indebtedness and monetary obligations of the Issuer, present and future.

(b) **Status of Subordinated Notes:** The Subordinated Notes and the Coupons relating to them constitute subordinated obligations of the Issuer and rank *pari passu* and without any preference among themselves.

In the event of the winding-up and dissolution (*ontbinding en vereffening*), bankruptcy (*faillissement*) or suspension of payments (*surseance van betaling*) of the Issuer, the payment obligations of the Issuer under the Subordinated Notes and the Coupons relating to them shall rank in right of payment after unsubordinated unsecured creditors of the Issuer, and in such event payment to a holder of a Subordinated Note shall be excluded until all obligations of the Issuer vis-à-vis its unsubordinated unsecured creditors have been satisfied, but at least *pari passu* with all other subordinated obligations of the Issuer that do not rank or are not expressed by their terms to rank junior to the Subordinated Notes and in priority to the claims of shareholders of the Issuer.

No Noteholder and Couponholder may at any time exercise or claim any right of set-off or netting in respect of any amount owed to it by the Issuer arising under or in connection with the Subordinated Notes and related Coupons.

4 Negative Pledge

(a) **Restriction:** So long as any of the Senior Notes or Coupons relating thereto remain outstanding (as defined in the Agency Agreement):

(i) the Issuer shall not (and shall procure that no other member of the Group will) create or permit to subsist any mortgage, charge, pledge, lien or other form of encumbrance or security interest ("**Security**") upon the whole or any part of its undertaking, assets or revenues present or future to secure any Relevant Debt, or any guarantee of or indemnity in respect of any Relevant Debt;

(ii) the Issuer shall procure that no other person creates or permits to subsist any Security upon the whole or any part of the undertaking, assets or revenues present or future of that other person to secure (x) any of the Issuer's Relevant Debt, or any guarantee of or indemnity in respect of any of the Issuer's Relevant Debt or (y) where the person in question is a Subsidiary of the Issuer, any of the Relevant Debt of any person other than that Subsidiary, or any guarantee of or indemnity in respect of any such Relevant Debt; and

(iii) the Issuer shall procure that no other person gives any guarantee of, or indemnity in respect of, any of its Relevant Debt,

unless, at the same time or prior thereto, the Issuer's obligations under the Senior Notes and Coupons (A) are secured equally and rateably therewith or benefit from a guarantee or indemnity in substantially identical terms thereto, as the case may be, or (B) have the benefit of such other security, guarantee, indemnity or other arrangement as shall be approved by an Extraordinary Resolution (as defined in the Agency Agreement) of the Senior Noteholders.

(b) **Relevant Debt:** For the purposes of this Condition, "**Relevant Debt**" means any present or future loan or other indebtedness (whether or not in the form of, or represented by, bonds, notes, debentures, loan stock or other securities) having a maturity (whether original or after extension) of more than two years.

(c) **Exception:** The foregoing shall not apply to (a) security created over any shares in, any assets of, or any securities owned by any Subsidiaries which are not licenced to do insurance business (including for the avoidance of doubt, security created by Achmea Bank N.V. under its Secured Debt Issuance Programme and its Achmea Conditional Pass-Through Covered Bond Programme, the securitisations DMPL XII, DRMP I, DRMP II and SRMP I and any similar future financing transactions by any Subsidiaries which are not licenced to do insurance business), (b) repo-transactions, (c) security created in the normal course of the relevant business carried on in a manner consistent with generally accepted practice for such business, (d) security or preference arising by operation of any law, (e) security over real property to secure borrowings to finance the purchase or improvement of such real property, (f) security over assets existing at the time of acquisition thereof, and (g) security not otherwise permitted by the foregoing clauses securing borrowed moneys in an aggregate principal amount (when aggregated with the principal amount of any other indebtedness which has the benefit of security given by any member of the Group other than any permitted under paragraphs (a) to (f) above) not to exceed 20 per cent. of the aggregate of the Group's shareholders' equity and capital securities at the relevant time.

(d) In these Terms and Conditions, "**Subsidiary**" means any corporation, partnership or other business entity of which more than 50 per cent. of the shares or other equity interests (as the case may be) carrying the right to vote are, directly or indirectly, owned by the Issuer; "**Material Subsidiary**" means Achmea Schadeverzekeringen NV, Achmea Zorgverzekeringen NV, Achmea Pensioen- en Levensverzekeringen N.V., Achmea Bank N.V., Zilveren Kruis Zorgverzekeringen N.V., and any other Subsidiary which has net earned premiums, operating income from banking activity and other income (as specified in the latest relevant audited financial statements) in aggregate representing 10 per cent. or more of the consolidated aggregate net earned premiums, operating income from banking activity and other income (as specified in the latest relevant audited financial statements) of the Group; and "**Group**" means the Issuer and its Subsidiaries from time to time.

5 Interest and other Calculations

(a) **Interest on Fixed Rate Notes**: Subject, in the case of Subordinated Notes (as defined below), to Condition 6, each Fixed Rate Note bears interest on its outstanding nominal amount from and including the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 5(g).

(b) Subject, in the case of Subordinated Notes (as defined below), to Condition 6, each Reset Note bears interest on its outstanding nominal amount:

(i) from (and including) the Issue Date until (but excluding) the First Reset Note Reset Date at the Initial Rate of Interest;

(ii) from (and including) the First Reset Note Reset Date until (but excluding) the first Anniversary Date at the First Reset Rate of Interest; and

(iii) for each Subsequent Reset Period thereafter (if any), at the relevant Subsequent Reset Rate of Interest,

payable, in each case, in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 5(g).

(c) **Interest on Floating Rate Notes:**

(i) *Interest Payment Dates:* Subject, in the case of Subordinated Notes (as defined below), to Condition 6, each Floating Rate Note bears interest on its outstanding nominal amount from and including the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 5(g). Such Interest Payment Date(s) is/are either shown hereon as Specified Interest Payment Dates or, if no Specified Interest Payment Date(s) is/are shown hereon, Interest Payment Date shall mean each date which falls the number of months or other period shown hereon as the Interest Period after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

(ii) *Business Day Convention:* If any date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then, if the Business Day Convention specified is (A) the Floating Rate Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event (x) such date shall be brought forward to the immediately preceding Business Day and (y) each subsequent such date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment, (B) the Following Business Day Convention, such date shall be postponed to the next day that is a Business Day, (C) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day or (D) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day.

(iii) *Rate of Interest for Floating Rate Notes: The* Rate of Interest in respect of Floating Rate Notes for each Interest Accrual Period shall be determined in the manner specified hereon and the provisions below relating to either ISDA Determination or Screen Rate Determination shall apply, depending upon which is specified hereon.

(A) ISDA Determination for Floating Rate Notes

Where ISDA Determination is specified hereon as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be determined by the Calculation Agent as a rate equal to the relevant ISDA Rate. For the purposes of this sub-paragraph (A), "**ISDA Rate**" for an Interest Accrual Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under a Swap Transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

(x) the Floating Rate Option is as specified hereon;

(y) the Designated Maturity is a period specified hereon; and

(z) the relevant Reset Date is the first day of that Interest Accrual Period unless otherwise specified hereon.

For the purposes of this sub-paragraph (A), "**Floating Rate**", "**Calculation Agent**", "**Floating Rate Option**", "**Designated Maturity**", "**Reset Date**" and "**Swap Transaction**" have the meanings given to those terms in the ISDA Definitions.

(B) Screen Rate Determination for Floating Rate Notes

(x) Where Screen Rate Determination is specified hereon as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period will, subject as provided below, be either:

(1) the offered quotation; or

(2) the arithmetic mean of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at either 11.00 a.m. (London time in the case of LIBOR or Brussels time in the case of EURIBOR) on the Interest Determination Date in question as determined by the Calculation Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean of such offered quotations.

(y) if the Relevant Screen Page is not available or, if sub-paragraph (B)(x)(1) applies and no such offered quotation appears on the Relevant Screen Page, or, if sub-paragraph (B)(x)(2) applies and fewer than three such offered quotations appear on the Relevant Screen Page, in each case as at the time specified above, subject as provided below, the Calculation Agent shall request, if the Reference Rate is LIBOR, the principal London office of each of the Reference Banks or, if the Reference Rate is EURIBOR, the principal Euro-zone office of each of the Reference Banks, to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time), or if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time) on the Interest Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Rate of Interest for such Interest Accrual Period shall be the arithmetic mean of such offered quotations as determined by the Calculation Agent; and

(z) if paragraph (y) above applies and the Calculation Agent determines that fewer than two Reference Banks are providing offered quotations, subject as provided below, the Rate of Interest shall be the arithmetic mean of the rates per annum (expressed as a percentage) as communicated to (and at the request of) the Calculation Agent by the Reference Banks or any two or more of them, at which such banks were offered, if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time) or, if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time) on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in, if the Reference Rate is LIBOR, the London inter-bank market or, if the Reference Rate is EURIBOR, the Euro-zone inter-bank

market, as the case may be, or, if fewer than two of the Reference Banks provide the Calculation Agent with such offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time) or, if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time), on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Issuer suitable for such purpose) informs the Calculation Agent it is quoting to leading banks in, if the Reference Rate is LIBOR, the London inter-bank market or, if the Reference Rate is EURIBOR, the Euro-zone inter-bank market, as the case may be, provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum or Minimum Rate of Interest is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin or Maximum or Minimum Rate of Interest relating to the relevant Interest Accrual Period, in place of the Margin or Maximum or Minimum Rate of Interest relating to that last preceding Interest Accrual Period).

(C) Linear Interpolation

Where Linear Interpolation is specified hereon as applicable in respect of an Interest Accrual Period, the Rate of Interest for such Interest Accrual Period shall be calculated by the Calculation Agent by straight line linear interpolation by reference to two rates based on the relevant Reference Rate (where Screen Rate Determination is specified to be applicable in the relevant Final Terms) or the relevant Floating Rate Option (where ISDA Determination is specified to be applicable in the relevant Final Terms), one of which shall be determined as if the Applicable Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Accrual Period and the other of which shall be determined as if the Applicable Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Accrual Period provided however that if there is no rate available for the period of time next shorter or, as the case may be, next longer, then the Calculation Agent shall determine such rate at such time and by reference to such sources as it determines appropriate.

"**Applicable Maturity**" means: (a) in relation to Screen Rate Determination, the period of time designated in the Reference Rate, and (b) in relation to ISDA Determination, the Designated Maturity.

(iv) Replacement Reference Rate

(A) Notwithstanding the provisions above in this Condition 5(c), if the Calculation Agent or the Issuer (in consultation with each other), determines at any time that a Benchmark Event (as defined below) has occurred in relation to certain Notes, the Issuer will, as soon as reasonably practicable (and in any event prior to the next Interest Determination Date), appoint a Rate Determination Agent, which will in respect of such Notes determine, acting in good faith and in consultation with the Issuer (and in consultation with the Independent Adviser if the Rate Determination Agent is the Issuer), whether a substitute, alternative or successor rate for the purposes of determining the Rate of Interest in respect of each Interest Determination Date falling on such date or thereafter that is substantially comparable to the relevant Reference Rate (x) has been recommended or selected by the monetary authority or similar authority (or working group thereof) in the jurisdiction of the applicable currency, or a widely recognised industry association or body, (y) has

developed or is expected to develop as an industry accepted rate for debt market instruments such as or comparable to the relevant Notes or (z) is otherwise available and deemed appropriate for the relevant Notes.

(B) If the Rate Determination Agent is the Issuer, the Issuer shall, as soon as reasonably practicable and in any event prior to determining a Replacement Reference Rate (as defined below) in accordance with this Condition 5(c), appoint an Independent Adviser in respect of such Replacement Reference Rate.

(C) If the Rate Determination Agent has determined a substitute, alternative or successor rate is available (such rate as determined by the Rate Determination Agent, the "**Replacement Reference Rate**"), for the purposes of determining the Rate of Interest on each Interest Determination Date falling at least five business days after such determination, (A) the Rate Determination Agent will in consultation with the Issuer (and in consultation with the Independent Adviser if the Rate Determination Agent is the Issuer) determine any necessary changes to the business day convention, the definition of business day, the interest determination date, the day count fraction, the relevant screen page and any method for calculating the Replacement Reference Rate, including any Adjustment Spread (as defined below) or other adjustment factor needed to make such Replacement Reference Rate comparable to the Reference Rate (in each case in a manner that is consistent with industry-accepted practices for such Replacement Reference Rate); (B) references to the Reference Rate in these Conditions applicable to the relevant Floating Rate Notes will be deemed to be references to the relevant Replacement Reference Rate, including any alternative method for determining such rate as described in (A) above (including the Adjustment Spread); (C) the Rate Determination Agent will notify the Issuer of the foregoing as soon as reasonably practicable; and (D) the Issuer will give notice as soon as reasonably practicable to the Noteholders (in accordance with Condition 15) and the Principal Paying Agent and the Calculation Agent (if not the same party) specifying the Replacement Reference Rate, as well as the details described in (A) above and the effective date thereof. The Issuer may, without consent of any or all Noteholders, make any amendments to these Conditions in relation to the Relevant Notes that are necessary to ensure the proper operation of the foregoing.

There is no guarantee that such an Adjustment Spread or other adjustment factor will be determined or applied, or that the application of such factor will either reduce or eliminate economic prejudice to Noteholders.

For the avoidance of doubt if a Replacement Reference Rate is determined by the Rate Determination Agent in accordance with this Condition 5(c)(iv), this Replacement Reference Rate will be applied to all relevant future payments on the relevant Notes, subject to this Condition 5(c)(iv). For the avoidance of doubt, this Condition 5(c) may be (re-)applied if a Benchmark Event has occurred in respect of the Replacement Reference Rate.

(D) The determination of the Replacement Reference Rate and the other matters referred to above by the Rate Determination Agent will (in the absence of manifest error, bad faith or fraud) be final and binding on the Issuer, the Principal Paying Agent, the Calculation Agent (if not the same party), the Noteholders and no liability to any such person will attach to the Rate Determination Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes. If the Rate Determination Agent is unable to or otherwise does not determine a Replacement Reference Rate, then the Reference Rate (as specified in the relevant Final Terms) or Screen Rate will remain in effect (but subject to the other provisions of Condition 5(c)) in respect of the relevant Interest Determination Date, and any subsequent Interest Determination Dates will remain subject to the operation of the provisions of this Condition 5(c)(iv). In such circumstances,

the Issuer will, at any time thereafter, re-apply the provisions of this Condition 5(c)(iv), *mutatis mutandis*, on one or more occasions until a Replacement Reference Rate has been determined and notified in accordance with this Condition 5(c)(iv) (and, until such determination and notification (if any), the fallback provisions provided elsewhere in these Terms and Conditions will continue to apply), unless the Issuer is of the reasonable view (acting in good faith) that re-application is not (yet) appropriate.

For the avoidance of doubt, each Noteholder shall be deemed to have accepted the Replacement Reference Rate and such other changes made pursuant to this Condition 5(c)(iv) and no consent or approval of any Noteholder shall be required.

For the purposes of this Condition 5(c)(iv):

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

(i) is formally recommended in relation to the replacement of the Reference Rate with the Replacement Reference Rate by any competent authority; or (if no such recommendation has been made);

(ii) the Rate Determination Agent determines, following consultation with the Issuer and acting in good faith, is recognised or acknowledged as being the industry standard for debt market instruments such as or comparable to the Notes or for over-the-counter derivative transactions which reference the Reference Rate, where such rate has been replaced by the Replacement Reference Rate; or (if the Rate Determination Agent determines that no such industry accepted standard is recognised or acknowledged);

(iii) the Rate Determination Agent, in its discretion and acting in good faith, determines to be appropriate.

"**Benchmark Event**" means:

(i) the Reference Rate has ceased to be representative or an industry accepted rate for debt market instruments (as determined by the Rate Determination or if not yet appointed, the Issuer), and acting in good faith in a commercially reasonable manner) such as, or comparable to, the Notes; or

(ii) it has become unlawful or otherwise prohibited (including, without limitation, for the Calculation Agent) pursuant to any law, regulation or instruction from a competent authority, to calculate any payments due to be made to any Noteholder or Couponholder using the Reference Rate or otherwise make use of the Reference Rate with respect to the Notes; or

(iii) the Reference Rate has changed materially, ceased to be published for a period of at least five Business Days or ceased to exist; or

(iv) a public statement is made by the administrator of the Reference Rate or its supervisor that the Reference Rate will, by a specified date within the following six months, be materially changed, no longer be representative, cease to be published, be discontinued or be prohibited from being used or that its use will be subject to restrictions or adverse

consequences that contributors are no longer required by that supervisor to contribute input data to the administrator for purposes of the Reference Rate (for the avoidance of doubt, in case the specified date lies more than six months after the date the public statement is made, this event will be deemed to occur as of the date such specified date lies within the following six months); or

(v) a public statement is made by the administrator of the Reference Rate or its supervisor that the Reference Rate has materially changed, is no longer representative, has ceased to be published, is discontinued or is prohibited from being used or that its use is subject to restrictions or adverse consequences or that the supervisor no longer requires contributors to contribute input data to the administrator for purposes of the Reference Rate.

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

"**Rate Determination Agent**" means (i) an independent third party (acting in good faith and in a commercially reasonable manner) appointed by the Issuer, using commercially best efforts, or (ii) if it is not reasonably practicable to appoint such third party, the Issuer (acting in good faith and in a commercially reasonable manner), to determine the Replacement Reference Rate in accordance with this Condition 5(c) and in conjunction with an Independent Adviser (as applicable).

(d) Zero Coupon Notes: Zero Coupon Notes will be issued at a discount to their nominal amount and interest thereon does not become due and payable during their term but only at maturity, save for the following. Where a Note the Interest Basis of which is specified to be Zero Coupon is repayable prior to the Maturity Date and is not paid when due, the amount due and payable prior to the Maturity Date shall be the Early Redemption Amount of such Note. As from the Maturity Date, the Rate of Interest for any overdue principal of such a Note shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield (as described in Condition 7(b)(i)).

(e) Accrual of Interest: Interest shall cease to accrue on each Note on the due date for redemption unless, upon due presentation, payment is improperly withheld or refused, in which event interest shall continue to accrue (both before and after judgment) at the Rate of Interest in the manner provided in this Condition 5 to the Relevant Date (as defined in Condition 9).

(f) Margin, Maximum/Minimum Rates of Interest and Redemption Amounts and Rounding:

(i) If any Margin is specified hereon (either (x) generally, or (y) in relation to one or more Interest Accrual Periods), an adjustment shall be made to all Rates of Interest, in the case of (x), or the Rates of Interest for the specified Interest Accrual Periods, in the case of (y), calculated in accordance with (b) above by adding (if a positive number) or subtracting the absolute value (if a negative number) of such Margin subject always to the next paragraph

(ii) If any Maximum or Minimum Rate of Interest or Redemption Amount is specified hereon, then any Rate of Interest or Redemption Amount shall be subject to such maximum or minimum, as the case may be

(iii) For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (x) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up), (y) all figures shall be rounded to seven significant figures (with halves being rounded up) and (z) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with halves being rounded up), save in the case of yen, which shall be rounded down to the

nearest yen. For these purposes "**unit**" means the lowest amount of such currency that is available as legal tender in the country or countries of such currency.

(g) Calculations: The amount of interest payable per Calculation Amount in respect of any Note for any Interest Accrual Period shall be equal to the product of the Rate of Interest, the Calculation Amount specified hereon, and the Day Count Fraction for such Interest Accrual Period, unless an Interest Amount (or a formula for its calculation) is applicable to such Interest Accrual Period, in which case the amount of interest payable per Calculation Amount in respect of such Note for such Interest Accrual Period shall equal such Interest Amount (or be calculated in accordance with such formula). Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable per Calculation Amount in respect of such Interest Period shall be the sum of the Interest Amounts payable in respect of each of those Interest Accrual Periods. In respect of any other period for which interest is required to be calculated, the provisions above shall apply save that the Day Count Fraction shall be for the period for which interest is required to be calculated.

(h) Determination and Publication of Rates of Interest, Interest Amounts, Final Redemption Amounts, Early Redemption Amounts and Optional Redemption Amounts: The Calculation Agent shall, as soon as practicable on such date as the Calculation Agent may be required to calculate any rate or amount, obtain any quotation or make any determination or calculation, determine such rate and calculate the Interest Amounts for the relevant Interest Accrual Period, calculate the Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, obtain such quotation or make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amounts for each Interest Accrual Period and the relevant Interest Payment Date and, if required to be calculated, the Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount to be notified to the Fiscal Agent, the Issuer, each of the Paying Agents, the Noteholders, any other Calculation Agent appointed in respect of the Notes that is to make a further calculation upon receipt of such information and, if the Notes are listed on a stock exchange and the rules of such exchange or other relevant authority so require, such exchange or other relevant authority as soon as possible after their determination but in no event later than (i) the commencement of the relevant Interest Period, if determined prior to such time, in the case of notification to such exchange of a Rate of Interest and Interest Amount, or (ii) in all other cases, the fourth Business Day after such determination. Where any Interest Payment Date or Interest Period Date is subject to adjustment pursuant to Condition 5(c)(ii), the Interest Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. If the Notes become due and payable under Condition 11, the accrued interest and the Rate of Interest payable in respect of the Notes shall nevertheless continue to be calculated as previously in accordance with this Condition but no publication of the Rate of Interest or the Interest Amount so calculated need be made. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent(s) shall (in the absence of manifest error) be final and binding upon all parties.

(i) Definitions: In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

"**Anniversary Date**" means the date specified hereon

"**Business Day**" means:

(i) in the case of a currency other than euro, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the principal financial centre for such currency and/or

(ii) in the case of euro, a day on which the TARGET system is operating (a "**TARGET Business Day**") and/or

(iii) in the case of a currency and/or one or more Business Centres, a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in such currency in the Business Centre(s) or, if no currency is indicated, generally in each of the Business Centres

"**Day Count Fraction**" means, in respect of the calculation of an amount of interest on any Note for any period of time (from and including the first day of such period to but excluding the last) (whether or not constituting an Interest Period or an Interest Accrual Period, the "Calculation Period"):

(i) if "**Actual/Actual**" or "**Actual/Actual - ISDA**" is specified hereon, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that 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)

(ii) if "**Actual/365 (Fixed)**" is specified hereon, the actual number of days in the Calculation Period divided by 365

(iii) if "**Actual/365 (Sterling)**" is specified hereon, the actual number of days in the Calculation Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366

(iv) if "**Actual/360**" is specified hereon, the actual number of days in the Calculation Period divided by 360

(v) if "**30/360**", "**360/360**" or "**Bond Basis**" is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

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

where:

"Y_1" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y_2" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"M_1" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M_2" is the calendar month, expressed as number, in which the day immediately following the last day included in the Calculation Period falls;

"D_1" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D1 will be 30; and

"D_2" 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 D1 is greater than 29, in which case D2 will be 30

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

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

where:

"Y_1" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y_2" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"M_1" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M_2" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"D_1" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D1 will be 30; and

"D_2" 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 D2 will be 30

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

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

where:

"Y_1" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y_2" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"M_1" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M_2" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"D_1" 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 D1 will be 30; and

"D_2" 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 D2 will be 30

(viii) if "**Actual/Actual-ICMA**" is specified hereon,

(a) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year; and

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

(x) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the number of days in

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

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

where:

"**Determination Period**" means the period from and including a Determination Date in any year to but excluding the next Determination Date and

"**Determination Date**" means the date(s) specified as such hereon or, if none is so specified, the Interest Payment Date(s)

"**Euro-zone**" means the region comprised of member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended

"**First Reset Note Reset Date** means the date specified hereon

"**First Reset Period**" means the period from (and including) the First Reset Note Reset Date until (but excluding) the first Anniversary Date

"**First Reset Rate of Interest**" means the rate of interest being determined by the Calculation Agent on the relevant Reset Determination Date as the sum of the Mid-Swap Rate plus the Reset Margin

"**Initial Rate of Interest**" means the initial rate of interest per annum specified hereon

"**Interest Accrual Period**" means the period beginning on and including the Interest Commencement Date and ending on but excluding the first Interest Period Date and each successive period beginning on and including an Interest Period Date and ending on but excluding the next succeeding Interest Period Date

"**Interest Amount**" means:

(i) in respect of an Interest Accrual Period, the amount of interest payable per Calculation Amount for that Interest Accrual Period and which, in the case of Fixed Rate Notes and Reset Notes, and unless otherwise specified hereon, shall mean the Fixed Coupon Amount or Broken Amount specified hereon as being payable on the Interest Payment Date ending the Interest Period of which such Interest Accrual Period forms part; and
(ii) in respect of any other period, the amount of interest payable per Calculation Amount for that period

"**Interest Commencement Date**" means the Issue Date or such other date as may be specified hereon

"**Interest Determination Date**" means, with respect to a Rate of Interest and Interest Accrual Period, the date specified as such hereon or, if none is so specified, (i) the first day of such Interest Accrual Period if the Specified Currency is Sterling or (ii) the day falling two Business Days in London for the Specified Currency prior to the first day of such Interest Accrual Period if the Specified Currency is

neither Sterling nor euro or (iii) the day falling two TARGET Business Days prior to the first day of such Interest Accrual Period if the Specified Currency is euro

"**Interest Period**" means the period beginning on and including the Interest Commencement Date and ending on but excluding the first Interest Payment Date and each successive period beginning on and including an Interest Payment Date and ending on but excluding the next succeeding Interest Payment Date, unless otherwise specified hereon

"**Interest Period Date**" means each Interest Payment Date unless otherwise specified hereon

"**ICESWAP Rate**" means "ICESWAP1", "ICESWAP2", "ICESWAP3" or "ICESWAP4" as may be specified hereon

"**ISDA Definitions**" means the 2006 ISDA Definitions as amended or supplemented, as published by the International Swaps and Derivatives Association, Inc.

"**Mid-Market Swap Rate**" means the mid-market swap rate specified hereon

"**Mid-Swap Rate**" means the Mid-Market Swap Rate for the Specified Currency calculated for a period equal to the relevant Reset Period at the Reuters Screen Page Rates at 11.00 a.m. in the principal financial centre of the Specified Currency on the Reset Determination Date

"**Rate of Interest**" means the rate of interest payable from time to time in respect of this Note and that is either specified or calculated in accordance with the provisions hereon

"**Reference Banks**" means, in the case of a determination of LIBOR, the principal London office of four major banks in the London inter-bank market and, in the case of a determination of EURIBOR, the principal Euro-zone office of four major banks in the Euro-zone inter-bank market, in each case selected by the Calculation Agent or as specified hereon

"**Reference Rate**" means the rate specified as such hereon

"**Relevant Screen Page**" means such page, section, caption, column or other part of a particular information service as may be specified hereon (or any successor or replacement page, section, caption, column or other part of such particular information service)

"**Reset Determination Date**" means, in respect of the First Reset Period, the second Business Day prior to the First Reset Note Reset Date and, in respect of each Reset Period thereafter, the second Business Day prior to the first day of each such Reset Period

"**Reset Margin"** means the margin specified as such hereon

"**Reset Note Reset Date**" means every date which falls on each Anniversary Date as may be specified hereon

"**Reset Period**" means the First Reset Period or a Subsequent Reset Period

"**Reuters Screen Page Rates**" means the relevant ICESWAP Rate for the Specified Currency for transactions with a maturity equal to the relevant Reset Period which are displayed on the Reuters screen page (or such other page as may replace that page on Reuters, or such other service as may be nominated by the person providing or sponsoring the information appearing there for the purposes of displaying comparable rates)

"**Specified Currency**" means the currency specified as such hereon or, if none is specified, the currency in which the Notes are denominated

"**Subsequent Reset Period**" means each successive period from (and including) a Reset Note Reset Date to (but excluding) the next succeeding Reset Note Reset Date

"**Subsequent Reset Rate of Interest**" means, in respect of any Subsequent Reset Period, the rate of interest being determined by the Calculation Agent on the relevant Reset Determination Date as the sum of the Mid-Swap Rate plus the Reset Margin

"**TARGET System**" means the Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET2) System which was launched on 19 November 2007 or any successor thereto.

(j) Calculation Agent: The Issuer shall procure that there shall at all times be one or more Calculation Agents if provision is made for them hereon and for so long as any Note is outstanding (as defined in the Agency Agreement). Where more than one Calculation Agent is appointed in respect of the Notes, references in these Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its respective duties under the Conditions. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest for an Interest Accrual Period or to calculate any Interest Amount, Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, or to comply with any other requirement, the Issuer shall appoint a leading bank or financial institution engaged in the inter-bank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the calculation or determination to be made by the Calculation Agent (acting through its principal London office or any other office actively involved in such market) to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid.

6 Deferral of Payments - Subordinated Notes

(a) Optional Deferral of Interest Payments

If so specified hereon, the Issuer may elect in respect of any Optional Interest Payment Date to defer payment of all (but not some only) of the interest on the Subordinated Notes accrued to that date and the Issuer shall not have any obligation to make such payment on that date.

The deferral of any interest payment on any Optional Interest Payment Date in accordance with this Condition 6(a) will not constitute a default by the Issuer and will not give the holders of Subordinated Notes or the Coupons relating to them any right to accelerate the Subordinated Notes. The Issuer shall notify the holders of Subordinated Notes as soon as practicable (and in any event within 14 days) prior to any Optional Interest Payment Date in respect of which payment is deferred, of the amount of such payment otherwise due on that date and the grounds upon which such deferral has been made in accordance with Condition 15 (the "**Deferral Notice**"). Subject to Condition 6(c), the Issuer may defer paying interest on each Optional Interest Payment Date until the Maturity Date or any earlier date on which the Subordinated Notes are redeemed in full.

(b) Mandatory Deferral of Interest Payments

In addition to the right of the Issuer to defer payment of interest in accordance with Condition 6(a) if so specified hereon, payments of interest on the Subordinated Notes will be mandatorily deferred on each Mandatory Interest Deferral Date and the Issuer shall not have any obligation to make such payment on that date.

The deferral of any interest payment on a Mandatory Interest Deferral Date in accordance with this Condition 6(b) will not constitute a default by the Issuer and will not give the holders of the Subordinated Notes or the Coupons relating to them any right to accelerate the Subordinated Notes. The Issuer shall notify the holders of Subordinated Notes within 14 days prior to any Mandatory

Interest Deferral Date in respect of which payment is deferred (or as soon as practicable after such fourteenth day), of the amount of such payment otherwise due on that date and specifying that a Mandatory Deferral Event has occurred and is continuing, or would occur if payment of interest on the Subordinated Notes were to be made (whether in whole or in part) in accordance with Condition 15 (the "**Deferral Notice**").

A certificate from two members of the Executive Board of the Issuer confirming that (a) a Mandatory Deferral Event has occurred and is continuing, or would occur if payment of interest on the Subordinated Notes were to be made (whether in whole or in part) or (b) a Mandatory Deferral Event has ceased to occur and/or payment of interest on the Subordinated Notes would not result in a Mandatory Deferral Event occurring, shall, in the absence of manifest error, be treated and accepted by the holders of the Subordinated Notes and the Coupons relating to them and all other interested parties as correct and sufficient evidence thereof.

(c) Arrears of Interest

Any interest in respect of the Subordinated Notes not paid on an Interest Payment Date, together with any other interest in respect thereof not paid on any earlier Interest Payment Date, in each case by virtue of Condition 6(a) or 6(b), shall, so long as the same remains unpaid, constitute "**Arrears of Interest**". Arrears of Interest shall, except as otherwise specified hereon, bear interest (to the extent permitted by applicable law) at the applicable rate of interest from (and including) the date on which (but for such deferral) the deferred payment would otherwise have been due to be made to (but excluding) the relevant date on which the relevant deferred payment is in fact made.

Any Arrears of Interest and any other amount, payment of which is deferred in accordance with Condition 6(a) or 6(b), may be paid in whole or in part at any time upon the expiry of not less than 14 days' notice to such effect given by the Issuer to the holders of the Subordinated Notes in accordance with Condition 15 (the "**Deferred Interest Payment Date**"), provided that the following conditions are met:

(a) no Mandatory Deferral Event has occurred and is continuing; and

(b) any notifications to the Regulator have been made or consent from the Regulator has been obtained, as the case may be, in either case if required under the Capital Adequacy Regulations;

and in any event will be automatically become immediately due and payable in whole (and not in part) upon whichever is the earlier of the following dates:

(i) the date fixed for any redemption, purchase or substitution, or variation of the terms, of the Subordinated Notes by or on behalf of the Issuer pursuant to Condition 7 or Condition 11(a);

(ii) the date on which an order is made or a resolution is passed for the winding-up of the Issuer (other than a solvent winding-up solely for the purpose of a reconstruction or amalgamation or the substitution in place of the Issuer of a successor in business of the Issuer, the terms of which reconstruction, amalgamation or substitution (i) have previously been approved in writing by an Extraordinary Resolution (as defined in the Agency Agreement) of the Noteholders and (ii) do not provide that the Subordinated Notes shall thereby become payable);

(iii) the date on which a Compulsory Interest Payment Event occurs, provided that no Mandatory Deferral Event has occurred and is continuing; or

(iv) the next Interest Payment Date which is not a Mandatory Interest Deferral Date,

in the case of paragraph (i), (iii) and (iv) above, provided that any notifications to the Regulator have been made or consent from the Regulator has been obtained, as the case may be, in either case if required under the Capital Adequacy Regulations.

Notwithstanding the foregoing, if notice is given by the Issuer of its intention to pay the whole or part of Arrears of Interest and any other amount in respect of or arising under such Subordinated Notes, the Issuer shall be obliged to do so upon expiration of such notice, subject to no Mandatory Deferral Event having occurred and being continuing upon such expiration. Where Arrears of Interest are paid in part, each part payment shall be applied in payment of the Arrears of Interest accrued due in respect of the relative Interest Payment Date (or consecutive Interest Payment Dates) furthest from the date of payment.

(d) No default

Notwithstanding any other provision in these Conditions, any payment which for the time being is not made on Subordinated Notes by virtue of Condition 6(a) or 6(b), as appropriate, shall not constitute a default for any purpose (including, but without limitation, Condition 11) on the part of the Issuer. Unless specified otherwise in the Final Terms, Arrears of Interest and any other amount, payment of which is so deferred, shall bear interest at the applicable Rate of Interest from (and including) the date on which (but for such deferral) the deferred payment would otherwise have been due to be made (but excluding) the relevant date on which the relevant deferred payment is satisfied.

(e) Definitions

In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

"**Assets**" means the non-consolidated gross assets of the Issuer as shown by the then latest published audited balance sheet of the Issuer but adjusted for contingencies and for subsequent events and to such extent as two members of the Issuer's Executive Board, the auditors or, as the case may be, the liquidator may determine to be appropriate;

"**Capital Adequacy Event**" means that (i) the amount of eligible 'own fund-items' (or any equivalent terminology employed by the then applicable Capital Adequacy Regulations) of the Issuer on a consolidated basis to cover the Solvency Capital Requirement or the Minimum Capital Requirement of the Issuer is, or as a result of a payment of interest and/or Arrears of Interest or a payment of principal would become, not sufficient to cover such Solvency Capital Requirement or Minimum Capital Requirement; or (ii) (if required or applicable in order for the Subordinated Notes to qualify as regulatory capital of the Issuer on a consolidated basis under the Capital Adequacy Regulations from time to time) the Regulator has notified the Issuer that it has determined, in view of the financial and/or solvency condition of the Issuer on a consolidated basis, that in accordance with the applicable Capital Adequacy Regulations at such time the Issuer must take specified action in relation to deferral of payments of principal and/or interest under the Subordinated Notes;

"**Capital Adequacy Regulations**" means at any time the statutory regulations, requirements, guidelines, policies and decrees as applied and enforced by the Regulator imposing obligations on the Issuer with respect to the maintenance of minimum levels of solvency margins and/or capital adequacy ratios and/or comparable margins or ratios (howsoever described at the time), as well as regarding the supervision thereof by any Regulator, including any ((commission) delegated) regulations under Solvency II (including Commission Delegated Regulation (EU) 2015/35 (as superseded and amended, including by way of Commission Delegated Regulation (EU) 2019/981));

"**Compulsory Interest Payment Date**" means any Interest Payment Date in respect of which (a) during the immediately preceding six months a Compulsory Interest Payment Event has occurred, (b) which is not a Mandatory Interest Deferral Date and (c) on which the Solvency Condition is satisfied;

"**Compulsory Interest Payment Event**" means an event which is deemed to have occurred if:

(i) any declaration, payment or making of a dividend or other distribution on any class of the Issuer's share capital;

(ii) any repurchase by the Issuer of any of its shares for cash, provided such repurchase is not made in the ordinary course of business of the Issuer in connection with any share option scheme, share ownership scheme, or any other share scheme or share plan for management or employees of the Issuer or management or employees of affiliates of the Issuer;

(save in any such case where the terms of such securities or share capital do not enable the Issuer or relevant other person to defer, pass on or eliminate an interest payment, dividend or other distribution and except a redemption required to be effected under the terms of such securities);

"**Group**" means the Issuer and its subsidiaries;

"**insurance undertaking**" has the meaning given to it in the Solvency II Directive;

"**Liabilities**" means the non-consolidated gross liabilities of the Issuer as shown by the then latest published audited balance sheet of the Issuer, but adjusted for contingencies and for subsequent events and to such extent as two members of the Issuer's Executive Board, the auditors or, as the case may be, the liquidator may determine to be appropriate;

"**Mandatory Deferral Event**" means:

(a) the Solvency Condition is not met; or

(b) a Capital Adequacy Event has occurred and continues to exist and a deferral of interest and/or a suspension of payment of principal, as applicable, is required under the Capital Adequacy Regulations for the Subordinated Notes to qualify for the purposes of determination of the solvency margin, capital adequacy ratio or comparable margins or ratios of the Issuer, or, where this is subdivided in tiers, as tier 2 basic own funds (howsoever described at the time), on a consolidated basis,

provided, however, that the occurrence of (b) above will not constitute a Mandatory Deferral Event:

(A) in respect of payments of interest or Arrears of Interest, if:

(i) the Regulator has exceptionally waived the deferral of such interest payment and/or payment of Arrears of Interest;

(ii) paying the interest payment and/or Arrears of Interest does not further weaken the solvency position of the Issuer as determined in accordance with the Capital Adequacy Regulations; and

(iii) the Minimum Capital Requirement will be complied with immediately after the interest payment and/or payment of Arrears of Interest is made;

(B) in respect of payments of principal, if:

(i) the Regulator has exceptionally waived the deferral of such principal payment;

(ii) the Subordinated Notes are exchanged for or converted into another tier 1 or tier 2 basic own-fund of at least the same quality;

(iii) the Minimum Capital Requirement will be complied with immediately after the principal payment is made;

"**Mandatory Interest Deferral Date**" means each Interest Payment Date in respect of which a Mandatory Deferral Event has occurred and is continuing;

"**Minimum Capital Requirement**" means, when method 1 is applied, the consolidated group Solvency Capital Requirement as referred to in article 230(2) of the Solvency II Directive or, in the case a combination of method 1 and 2 is used, the minimum consolidated group Solvency Capital Requirement as referred to in article 341 of the Solvency II Delegated Regulation (or any equivalent terminology employed by the then applicable Capital Adequacy Regulations);

"**Optional Interest Payment Date**" means any Interest Payment Date other than a Compulsory Interest Payment Date or a Mandatory Interest Deferral Date;

"**Regulator**" means any existing or future regulator having primary supervisory authority with respect to the Issuer and/or the Group or the Issuer as if it were the ultimate parent undertaking in an EU regulated financial group or financial conglomerate;

"**Solvency Capital Requirement**" means the consolidated Solvency Capital Requirement as referred to in Solvency II (or any equivalent terminology employed by the then applicable Capital Adequacy Regulations);

"**Solvency II**" means the Solvency II Directive and any implementing measures adopted pursuant to the Solvency II Directive (for the avoidance of doubt, whether implemented by way of regulation or by further directives or otherwise, and including any implementing measures by national legislators or the Regulator), as amended from time to time;

"**Solvency II Delegated Regulation**" means Commission Delegated Regulation (EU) 2015/35 of 10 October 2014 supplementing the Solvency II Directive, as amended from time to time;

"**Solvency II Directive**" means Directive 2009/138/EC of the European Parliament and of the Council of 25 November 2009 on the taking-up and pursuit of the business of insurance and reinsurance (Solvency II) and the implementing measures by the European Commission thereunder, as amended;

the "**Solvency Condition**" is not satisfied if the Issuer determines that it is not or, on the relevant date on which a payment would be made after taking into account amounts payable on that date on the Subordinated Notes will not be, Solvent;

"**Solvent**" means that the Issuer (a) is able to pay its debts to its unsubordinated and unsecured creditors as they fall due and (b) has Assets that exceed its Liabilities (other than its Liabilities to persons who are not unsubordinated and unsecured creditors).

7 Redemption, Substitution, Variation, Purchase and Options

(a) Final Redemption: The Notes are dated or undated notes, as specified in the Final Terms. Unless previously redeemed, purchased and cancelled as provided below, each Note shall be finally redeemed on the Maturity Date specified hereon at its Final Redemption Amount (which, unless otherwise provided, is its nominal amount). Any Subordinated Notes with no Maturity Date specified hereon will, subject to Condition 3(b) and prior consent from the Regulator if required under the Capital Adequacy Regulations, become due and payable at their Final Redemption Amount (which, unless otherwise provided, is the nominal amount) on the winding-up and dissolution (*ontbinding en vereffening*) or liquidation of the Issuer (other than a solvent winding-up solely for the purpose of a reconstruction or amalgamation or the substitution in place of the Issuer of a successor in business of the Issuer, the terms of which reconstruction, amalgamation or substitution (i) have previously been

approved in writing by an Extraordinary Resolution (as defined in the Agency Agreement) of the holders of Subordinated Notes) and (ii) do not provide that the Subordinated Notes shall thereby become payable) and may otherwise be redeemed only in accordance with the provisions of this Condition 7 or as provided in Condition 11.

(b) Conditions to Redemption, Substitution, Variation or Purchase

Only in respect of Subordinated Notes and so long as the Issuer is subject to Capital Adequacy Regulations:

(i) any redemption pursuant to this Condition 7 or purchase of Subordinated Notes may only be made provided (i) no Mandatory Deferral Event has occurred and is continuing at the time of such redemption and/or purchase and such redemption and/or purchase would not itself cause a Mandatory Deferral Event;

(ii) any principal, premium, interest or any other amount shall only be due and payable in respect of or arising from the Subordinated Notes provided no Mandatory Deferral Event has occurred and is continuing and the Issuer could make such payment without a Mandatory Deferral Event occurring except where Condition 3(b) applies, in which case the holder shall have a subordinated claim as set out therein;

(iii) if the Regulator so applies the Capital Adequacy Regulations, any redemption pursuant to this Condition 7 or purchase of Subordinated Notes may only be made provided no Insolvent Insurer Liquidation has occurred and is continuing on the relevant redemption date; and

(iv) any redemption, substitution, variation or purchase of the Subordinated Notes is subject to (A) the prior consent of the Regulator if required under the Capital Adequacy Regulations and (B) compliance with the Capital Adequacy Regulations.

If so specified in the Final Terms, in the case of a redemption or purchase that is within five years of the Issue Date of the Subordinated Notes the Issuer shall deliver to the Noteholders a certificate signed by two members of the Executive Board of the Issuer stating that it would have been reasonable for the Issuer to conclude, judged at the time of the issue of the Subordinated Notes, that the circumstance entitling the Issuer to exercise the right of redemption was unlikely to occur (and such certificate shall be conclusive evidence of the matters stated herein).

In the case of a redemption or purchase pursuant to Condition 7(d), 7(f), 7(g) or 7(i) that is within five years from the Issue Date, such redemption or purchase shall be in exchange for or funded out of the proceeds of a new issuance of capital of at least the same quality as the Subordinated Notes, if the Capital Adequacy Regulations make a redemption or purchase conditional thereon, or as otherwise permitted under the Capital Adequacy Regulations, including under article 73(5) of Commission Delegated Regulation (EU) 2015/35 (as superseded and amended, including by way of Commission Delegated Regulation (EU) 2019/981).

Should a Mandatory Deferral Event occur after a notice for redemption has been given to the Noteholders but prior to the date fixed for redemption, such redemption notice shall become void and notice thereof shall be given promptly by the Issuer to the Fiscal Agent and, in accordance with Condition 15, the Noteholders.

In this Condition 7(b), "**Insolvent Insurer Liquidation**" means a liquidation of any Group Insurance Undertaking that is not a Solvent Insurer Liquidation.

"**Group Insurance Undertaking**" means an insurance undertaking or a reinsurance undertaking within the Group.

"**Policyholder Claims**" means claims of policyholders in a liquidation of a Group Insurance Undertaking to the extent that those claims relate to any debt to which the Group Insurance Undertaking is, or may become, liable to a policyholder pursuant to a contract of insurance.

"**reinsurance undertaking**" has the meaning given to such term in article 13 of the Solvency II Directive.

"**Solvent Insurer Liquidation**" means a liquidation of any Group Insurance Undertaking where the Issuer has determined, acting reasonably, that all Policyholder Claims of such Group Insurance Undertaking will be met.

(c) Early Redemption:

(i) *Zero Coupon Notes:*

(A) The Early Redemption Amount payable in respect of any Zero Coupon Note upon redemption of such Note pursuant to Condition 7(d) or (f) or upon it becoming due and payable as provided in Condition 11 shall be the Amortised Face Amount (calculated as provided below) of such Note unless otherwise specified hereon.

(B) Subject to the provisions of sub-paragraph (C) below, the Amortised Face Amount of any such Note shall be the scheduled Final Redemption Amount of such Note on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the Amortisation Yield (which, if none is shown hereon, shall be such rate as would produce an Amortised Face Amount equal to the issue price of the Notes if they were discounted back to their issue price on the Issue Date) compounded annually.

(C) If the Early Redemption Amount payable in respect of any such Note upon its redemption pursuant to Condition 7(d) or (f) or upon it becoming due and payable as provided in Condition 11 is not paid when due, the Early Redemption Amount due and payable in respect of such Note shall be the Amortised Face Amount of such Note as defined in sub-paragraph (B) above, except that such sub-paragraph shall have effect as though the date on which the Note becomes due and payable were the Relevant Date. The calculation of the Amortised Face Amount in accordance with this sub-paragraph shall continue to be made (both before and after judgment) until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Final Redemption Amount of such Note on the Maturity Date together with any interest that may accrue in accordance with Condition 5(c).

Where such calculation is to be made for a period of less than one year, it shall be made on the basis of the Day Count Fraction shown hereon.

(ii) *Other Notes:* The Early Redemption Amount payable in respect of any Note (other than Notes described in (i) above), upon redemption of such Note pursuant to Condition 7(d) or (f) or upon it becoming due and payable as provided in Condition 11, shall be the Final Redemption Amount.

(d) Redemption, Substitution or Variation for Taxation Reasons: If (i) (A) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 9 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, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Notes (any such change or amendment, a "**Tax Law Change**") or (B) as a result of a Tax Law Change, the Issuer will not obtain full or substantially full deductibility for the purposes of Dutch corporate income tax for any payment

of interest, and (ii) the foregoing cannot be avoided by the Issuer taking reasonable measures available to it, **provided that** no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes then due, then:

(i) the Issuer may, subject to Condition 7(b) and the prior consent of the Regulator (if required), having given not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable), redeem the Notes in whole, but not in part, at such times or on such date or dates as specified in the Final Terms on any Interest Payment Date (if this Note is a Floating Rate Note) or, at any time, (if this Note is not a Floating Rate Note), at their Early Redemption Amount (as described in Condition 7(c) above) (together with interest accrued to the date fixed for redemption), or

(ii) the Issuer may, subject to Condition 7(b) and the prior consent of the Regulator (if required), and without any requirement for the consent or approval of the Noteholders, having given not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable), subject to compliance with applicable regulatory requirements, at such time or on such date or dates as specified in the Final Terms, substitute the Notes in whole (but not in part) for another series of notes of at least the same quality of the Issuer under which the Issuer will not be obliged to pay such additional amounts or will be able to obtain full or substantially full deductibility for the purposes of Dutch corporate income tax for any payment of interest, or at any time vary the terms of all (but not some only) of the Notes so that they become notes under which the Issuer will not be obliged to pay such additional amounts or will be able to obtain full or substantially full deductibility for the purposes of Dutch corporate income tax for any payment of interest, provided in each case that the notes have materially the same terms as the Notes which terms are not materially less favourable to an investor than the terms of the Notes then prevailing, as reasonably determined by the Issuer in conjunction with an independent investment bank of international standing, such determination to be certified to the Noteholders as set out below. In connection with such substitution or variation all Arrears of Interest (if any) will be satisfied.

Prior to the publication of any notice of redemption, substitution or variation pursuant to this Condition 7(d), the Issuer shall deliver to the Noteholders a certificate signed by two members of the Executive Board of the Issuer stating that the Issuer is entitled to effect such redemption, substitution or variation and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem, substitute or vary have occurred, and 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 or will no longer be able to obtain full or substantially full relief for the purposes of Dutch corporate income tax for any payment of interest as a result of such change or amendment.

In connection with any substitution or variation pursuant to this Condition 7(d), the Issuer shall comply with the rules of any stock exchange or other relevant authority on which the Subordinated Notes are for the time being listed or admitted to trading.

(e) Redemption at the Option of the Issuer: If Call Option is specified hereon, the Issuer may, subject to the prior consent of the Regulator, if required, on giving not less than 30 nor more than 60 days' irrevocable notice to the Noteholders (or such other notice period as may be specified hereon) redeem, all or, if so provided, some, of the Notes on any Optional Redemption Date. Any such redemption of Notes shall be at their Optional Redemption Amount together with interest accrued to the date fixed for redemption. Any such redemption or exercise must relate to Notes of a nominal amount at least equal to the Minimum Redemption Amount to be redeemed specified hereon and no greater than the Maximum Redemption Amount to be redeemed specified hereon.

All Notes in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition.

In the case of a partial redemption or the notice to Noteholders shall also contain the certificate numbers of the Bearer Notes, or in the case of Registered Notes shall specify the nominal amount of Registered Notes drawn and the holder(s) of such Registered Notes, to be redeemed, which shall have been drawn in such place and in such manner as may be fair and reasonable in the circumstances, taking account of prevailing market practices, subject to compliance with any applicable laws and stock exchange or other relevant authority requirements.

(f) Redemption, Substitution or Variation of the Subordinated Notes for Regulatory Reasons: If immediately prior to the giving of the notice referred to below a Capital Disqualification Event has occurred and is continuing, then:

(i) the Issuer may, subject to Condition 7(b) and the prior consent of the Regulator, if required, having given not less than 30 nor more than 60 days' notice to the holders of Subordinated Notes in accordance with Condition 15 (which notice shall be irrevocable), redeem, in accordance with these Terms and Conditions, at such time or on such date or dates as specified in the Final Terms all, but not some only, of the Subordinated Notes at the Early Redemption Amount specified in the Final Terms together with any interest accrued to (but excluding) the date of redemption in accordance with these Terms and Conditions and any Arrears of Interest; or

(ii) the Issuer may, subject to Condition 7(b) and the prior consent of the Regulator (if required), and without any requirement for the consent or approval of the holders of the Subordinated Notes, having given not less than 30 nor more than 60 days' notice to the holders of Subordinated Notes in accordance with Condition 15 (which notice shall be irrevocable), subject to compliance with applicable regulatory requirements, at such time or on such date or dates as specified in the Final Terms substitute the Subordinated Notes in whole (but not in part) for another series of notes of the Issuer, or at any time vary the terms of all (but not some only) of the Subordinated Notes so that they become, capable of counting for the purposes of determination of the solvency margin, capital adequacy ratios or comparable margins or ratios under the Capital Adequacy Regulations, or, where this is subdivided in tiers, supplementary capital (tier 2 capital or equivalent) that have materially the same terms as the Subordinated Notes which terms are not materially less favourable to an investor than the terms of the Subordinated Notes then prevailing, as reasonably determined by the Issuer in conjunction with an independent investment bank of international standing, such determination to be certified to the holders of the Subordinated Notes as set out below. In connection with such substitution or variation all Arrears of Interest (if any) will be satisfied.

Prior to the publication of any notice of redemption, substitution or variation pursuant to this Condition 7(f) the Issuer shall deliver to the holders of the Subordinated Notes in accordance with Condition 15 a certificate signed by two members of the Executive Board of the Issuer stating that a Capital Disqualification Event has occurred and is continuing as at the date of the certificate and, in the case of a substitution or variation pursuant to (ii) above, certifying the determination as set out therein.

In connection with any substitution or variation pursuant to this Condition 7(f), the Issuer shall comply with the rules of any stock exchange or other relevant authority on which the Subordinated Notes are for the time being listed or admitted to trading.

For the purpose of this Condition 7(f) a "**Capital Disqualification Event**" is deemed to have occurred if, as a result of any replacement of or change to the Capital Adequacy Regulations (or change to the interpretation thereof by any court, the Regulator or any other authority entitled to do so) the Subordinated Notes cease to be capable of counting for 100% of the principal amount of the Subordinated Notes outstanding at such time under the Capital Adequacy Regulations for the purposes of the determination of the solvency margin, capital adequacy ratio or comparable margins or ratios of the Issuer, or, where this is subdivided in tiers, as tier 2 basic own funds (howsoever described at the time), on a consolidated basis, except where such non-qualification is only as a result of any applicable limitation on the amount of such capital.

(g) Redemption, Substitution or Variation of the Subordinated Notes for Rating Reasons: If immediately prior to the giving of the notice referred to below a Rating Methodology Event has occurred and is continuing, then:

(i) the Issuer may at any time, subject to Condition 7(b) and the prior consent of the Regulator (if required), having given not less than 30 nor more than 60 days' notice to the holders of Subordinated Notes in accordance with Condition 15 (which notice shall be irrevocable), redeem, in accordance with these Terms and Conditions, at such time or on such date or dates as specified in the Final Terms all, but not some only, of the Subordinated Notes at the Early Redemption Amount specified in the Final Terms together with any interest accrued to (but excluding) the date of redemption in accordance with these Terms and Conditions and any Arrears of Interest; or

(ii) the Issuer may, subject to Condition 7(b) and the prior consent of the Regulator (if required), and without any requirement for the consent or approval of the holders of the Subordinated Notes, having given not less than 30 nor more than 60 days' notice to the holders of Subordinated Notes in accordance with Condition 15 (which notice shall be irrevocable), subject to compliance with applicable regulatory requirements, at such time or on such date or dates as specified in the Final Terms substitute the Subordinated Notes in whole (but not in part) for another series of notes of the Issuer that are, or at any time vary the terms of all (but not some only) of the Subordinated Notes so that they are, assigned substantially the same equity content or at the absolute discretion of the Issuer a lower equity content (provided such equity content is still higher than the equity content assigned to the Subordinated Notes after the occurrence of the Rating Methodology Event) than that which was assigned by the Rating Agency to the Subordinated Notes on or around the Issue Date of the first Tranche of the Subordinated Notes, provided that after such substitution or variation the terms of the notes are not materially less favourable to an investor than the terms of the Subordinated Notes then prevailing, as reasonably determined by the Issuer in conjunction with an independent investment bank of international standing, such determination to be certified to the holders of the Subordinated Notes as set out below. In connection with such substitution or variation all Arrears of Interest (if any) will be satisfied.

Prior to the publication of any notice of redemption, substitution or variation exchange pursuant to this Condition 7(g) the Issuer shall deliver to the holders of the Subordinated Notes in accordance with Condition 15 a certificate signed by two members of the Executive Board of the Issuer stating that a Rating Methodology Event has occurred and is continuing as at the date of the certificate and, in the case of a substitution or variation pursuant to (ii) above, certifying the determination as set out therein.

In connection with any substitution or variation pursuant to this Condition 7(g), the Issuer shall comply with the rules of any stock exchange or other relevant authority on which the Subordinated Notes are for the time being listed or admitted to trading.

In this Condition 7(g), a "**Rating Methodology Event**" will be deemed to occur upon a change in methodology of any Rating Agency (or in the interpretation of such methodology) as a result of which the equity content assigned by such Rating Agency to the Subordinated Notes is, in the reasonable opinion of the Issuer, materially reduced when compared to the equity content assigned by such Rating Agency to the Subordinated Notes on or around the Issue Date of the first Tranche of the Subordinated Notes.

"**Rating Agency**" means the rating agency or agencies specified in the Final Terms or any of their respective successors.

(h) Redemption at the Option of Noteholders: If Put Option is specified hereon, the Issuer shall, at the option of the holder of any such Note, upon the holder of such Note giving not less than 15 nor more than 30 days' notice to the Issuer (or such other notice period as may be specified hereon) redeem such

Note on the Optional Redemption Date(s) at its Optional Redemption Amount together with interest accrued to the date fixed for redemption.

To exercise such option the holder must deposit (in the case of Bearer Notes) such Note (together with all unmatured Coupons and unexchanged Talons) with any Paying Agent or (in the case of Registered Notes) the Certificate representing such Note(s) with the Registrar or any Transfer Agent at its specified office, together with a duly completed option exercise notice ("**Exercise Notice**") in the form obtainable from any Paying Agent, the Registrar or any Transfer Agent (as applicable) within the notice period. No Note or Certificate so deposited and option exercised may be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer.

(i) Purchases: The Issuer and any of its subsidiaries may at any time purchase Notes (provided that all unmatured Coupons and unexchanged Talons relating thereto are attached thereto or surrendered therewith) in the open market or otherwise at any price.

(j) Cancellation: All Notes purchased by or on behalf of the Issuer or any of its subsidiaries may be surrendered for cancellation, in the case of Bearer Notes, by surrendering each such Note together with all unmatured Coupons and all unexchanged Talons to the Fiscal Agent and, in the case of Registered Notes, by surrendering the Certificate representing such Notes to the Registrar and, in each case, if so surrendered, shall, together with all Notes redeemed by the Issuer, be cancelled forthwith (together with all unmatured Coupons and unexchanged Talons attached thereto or surrendered therewith). Any Notes so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer in respect of any such Notes shall be discharged.

8 Payments and Talons

(a) Bearer Notes: Payments of principal and interest in respect of Bearer Notes shall, subject as mentioned below, be made against presentation and surrender of the relevant Notes (in the case of payments of principal and, in the case of interest, as specified in Condition 8(f)(v)) or Coupons (in the case of interest, save as specified in Condition 8(f)(v)), as the case may be, at the specified office of any Paying Agent outside the United States by a cheque payable in the relevant currency drawn on, or, at the option of the holder, by transfer to an account denominated in such currency with, a Bank. "Bank" means a bank in the principal financial centre for such currency or, in the case of euro, in a city in which banks have access to the TARGET System.

(b) Registered Notes:

(i) Payments of principal in respect of Registered Notes shall be made against presentation and surrender of the relevant Certificates at the specified office of any of the Transfer Agents or of the Registrar and in the manner provided in paragraph (ii) below.

(ii) Interest on Registered Notes shall be paid to the person shown on the Register at the close of business on the fifteenth day before the due date for payment thereof (the "**Record Date**"). Payments of interest on each Registered Note shall be made in the relevant currency by cheque drawn on a Bank and mailed to the holder (or to the first-named of joint holders) of such Note at its address appearing in the Register. Upon application by the holder to the specified office of the Registrar or any Transfer Agent before the Record Date, such payment of interest may be made by transfer to an account in the relevant currency maintained by the payee with a Bank.

(c) Payments in the United States: Notwithstanding the foregoing, if any Bearer Notes are denominated in U.S. dollars, payments in respect thereof may be made at the specified office of any Paying Agent in New York City in the same manner as aforesaid if (i) the Issuer shall have appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment of the amounts on the Notes in the manner provided above when due, (ii) payment in full of such amounts at all such offices is illegal or effectively precluded by

exchange controls or other similar restrictions on payment or receipt of such amounts and (iii) such payment is then permitted by United States law, without involving, in the opinion of the Issuer, any adverse tax consequence to the Issuer.

(d) Payments Subject to Fiscal Laws: All payments in respect of the 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 9. No commission or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.

(e) Appointment of Agents: The Fiscal Agent, the Paying Agents, the Registrar, the Transfer Agents and the Calculation Agent initially appointed by the Issuer and their respective specified offices are listed below. The Fiscal Agent, the Paying Agents, the Registrar, Transfer Agents and the Calculation Agent(s) act solely as agents of the Issuer and do not assume any obligation or relationship of agency or trust for or with any Noteholder or Couponholder. The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal Agent, any other Paying Agent, the Registrar, any Transfer Agent or the Calculation Agent(s) and to appoint additional or other Paying Agents or Transfer Agents, provided that the Issuer shall at all times maintain (i) a Fiscal Agent, (ii) a Registrar in relation to Registered Notes, (iii) a Transfer Agent in relation to Registered Notes, (iv) one or more Calculation Agent(s) where the Conditions so require, (v) Paying Agents having specified offices in at least two major European cities (including Dublin so long as the Notes are admitted to listing on the official list of Euronext Dublin and admitted to trading on the regulated market of Euronext Dublin) and (vi) such other agents as may be required by any other stock exchange on which the Notes may be listed.

In addition, the Issuer shall forthwith appoint a Paying Agent in New York City in respect of any Bearer Notes denominated in U.S. dollars in the circumstances described in paragraph (c) above.

Notice of any such change or any change of any specified office shall promptly be given to the Noteholders.

(f) Unmatured Coupons unexchanged Talons:

(i) Upon the due date for redemption of Bearer Notes which comprise Fixed Rate Notes, those Notes should be surrendered for payment together with all unmatured Coupons (if any) relating thereto, failing which an amount equal to the face value of each missing unmatured Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unmatured Coupon that the sum of principal so paid bears to the total principal due) shall be deducted from the Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, due for payment. Any amount so deducted shall be paid in the manner mentioned above against surrender of such missing Coupon within a period of 10 years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 10).

(ii) Upon the due date for redemption of any Bearer Note comprising a Floating Rate Note, unmatured Coupons relating to such Note (whether or not attached) shall become void and no payment shall be made in respect of them.

(iii) Upon the due date for redemption of any Bearer Note, any unexchanged Talon relating to such Note (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.

(iv) Where any Bearer Note that provides that the relative unmatured Coupons are to become void upon the due date for redemption of those Notes is presented for redemption without all unmatured Coupons, and where any Bearer Note is presented for redemption without any unexchanged Talon relating to it, redemption shall be made only against the provision of such indemnity as the Issuer may require.

(v) If the due date for redemption of any Note is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Bearer Note or Certificate representing it, as the case may be. Interest accrued on a Note that only bears interest after its Maturity Date shall be payable on redemption of such Note against presentation of the relevant Note or Certificate representing it, as the case may be.

(g) Talons: On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Bearer Note, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Fiscal Agent in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet) (but excluding any Coupons that may have become void pursuant to Condition 10).

(h) Non-Business Days: If any date for payment in respect of any Note, Coupon is not a business day, the holder shall not be entitled to payment until the next following business day nor to any interest or other sum in respect of such postponed payment. In this paragraph, "business day" means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in the relevant place of presentation, in such jurisdictions as shall be specified as "Financial Centres" hereon and:

(i) (in the case of a payment in a currency other than euro) where payment is to be made by transfer to an account maintained with a bank in the relevant currency, on which foreign exchange transactions may be carried on in the relevant currency in the principal financial centre of the country of such currency or

(ii) (in the case of a payment in euro) which is a TARGET Business Day.

9 Taxation

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 is required by law. In that event, the Issuer shall pay such additional amounts as shall be necessary in order that the net amounts received by the Noteholders and the Couponholders after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Notes or Coupons, as the case may be, in the absence of such withholding or deduction, except that (i) no such additional amounts shall be payable in respect of the Subordinated Notes if and to the extent this would render the Subordinated Notes ineligible for purposes of the Capital Adequacy Regulations and (ii) no such additional amounts shall be payable in respect of any Note or Coupon:

(a) to, or to a third party on behalf of, a holder who is liable to such taxes, duties, assessments or governmental charges in respect of such Note or Coupon by reason of his having some connection with the Netherlands other than the mere holding of the Note or Coupon; or

(b) to, or to a third party on behalf of, a holder if such withholding or deduction may be avoided by complying with any statutory requirement or by making a declaration of non-residence or other similar claim for exemption to the relevant tax authority; or

(c) to, or to a third party on behalf of, a holder that is a partnership or a holder that is not the sole beneficial owner of the Note or which holds the Note in a fiduciary capacity, to the extent that any of the members of the partnership, the beneficial owner or the settlor or beneficiary with respect to the fiduciary would not have been entitled to the payment of an additional amount had each of the members of the

partnership, the beneficial owner, settlor or beneficiary (as the case may be) received directly his beneficial or distributive share of the payment; or

(d) where the relevant Note or Coupon is presented (or in respect of which the Certificate representing it is presented) for payment more than 30 days after the Relevant Date except to the extent that the holder of it would have been entitled to such additional amounts on presenting it for payment on the last day of such period of 30 days.

As used in these Conditions, "**Relevant Date**" in respect of any Note or Coupon means the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date seven days after that on which notice is duly given to the Noteholders that, upon further presentation of the Note (or relative Certificate) or Coupon being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such presentation. References in these Conditions to (i) "principal" shall be deemed to include any premium payable in respect of the Notes, all Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts, Amortised Face Amounts and all other amounts in the nature of principal payable pursuant to Condition 7, (ii) "**interest**" shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 5 and (iii) "**principal**" and/or "interest" shall be deemed to include any additional amounts that may be payable under this Condition.

The Issuer shall be permitted to withhold or deduct any amounts required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code (or any regulations thereunder or official interpretation thereof) or an intergovernmental agreement between the United States and another jurisdiction facilitating the implementation thereof (or any law implementing such intergovernmental agreement) ("**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.

10 Prescription

Claims against the Issuer for payment in respect of the Notes and Coupons (which for this purpose shall not include Talons) shall be prescribed and become void unless made within five years from the appropriate due date for payment in respect of them.

11 Events of Default

If any of the following events ("**Events of Default**") occurs, the holder of any Note may give written notice to the Fiscal Agent at its specified office that such Note is immediately repayable, whereupon the Early Redemption Amount of such Note together (if applicable) with accrued interest (including in the case of Subordinated Notes under which the Issuer has the option to defer interest, all Arrears of Interest and any other amounts in respect of or arising under such Subordinated Notes or the relative Coupons) to the date of payment shall become immediately due and payable:

(a) Subordinated Notes: In the case of the Subordinated Notes (subject to prior consent from the Regulator, if required), in the event of the liquidation of the Issuer. Liquidation may occur as a result of the winding-up and dissolution of the Issuer (*ontbinding en vereffening*), bankruptcy (*faillissement*) of the Issuer.

(b) Senior Notes: In the case of Senior Notes:

(i) **Non-Payment**: default is made for more than 14 days (in the case of interest) or three days (in the case of principal) in the payment on the due date of interest or principal in respect of any of the Notes; or

(ii) **Breach of Other Obligations**: the Issuer does not perform or comply with any one or more of its other obligations in the Notes which default is incapable of remedy or is not remedied within 30 days after notice of such default shall have been given to the Fiscal Agent at its specified office by any Noteholder; or

(iii) **Cross-Default**: (A) any other present or future indebtedness of the Issuer or any of its Material Subsidiaries for or in respect of moneys borrowed or raised becomes (or becomes capable of being declared) due and payable prior to its stated maturity by reason of any actual or potential default, event of default or the like (howsoever described), or (B) any such indebtedness is not paid when due or, as the case may be, within any originally applicable grace period, or (C) the Issuer or any of its Material Subsidiaries fails to pay when due any amount payable by it under any present or future guarantee for, or indemnity in respect of, any moneys borrowed or raised, in each case except if the aggregate amount falling within (A) to (C) above is less than €100,000,000 (or its equivalent in any other currency or currencies) or

(iv) **Enforcement Proceedings**: an *executoriaal beslag* (executory attachment) or a *conservatoir beslag* (interlocutory attachment) is made, or another attachment, distress, execution or other legal process under any law is levied, enforced or sued out on or against any part of the property, assets or revenues of the Issuer or any of its Material Subsidiaries having an aggregate value of €100,000,000 or more and is not cancelled, withdrawn, discharged or stayed within 30 days; or

(v) **Security Enforced**: any mortgage, charge, pledge, lien or other encumbrance, present or future, created or assumed by the Issuer or any of its Material Subsidiaries becomes enforceable and any step is taken to enforce it (including the taking of possession or the appointment of a receiver, administrative receiver, administrator, manager or other similar person) over any assets of the Issuer or any of its Material Subsidiaries having an aggregate value of €100,000,000 or more (and for the avoidance of doubt any notification to Achmea Bank N.V. ("**AB**") or its borrowers, pursuant to the securitisations DMPL XII, DRMP I, DRMP II and SRMP I, and any similar future financing transactions of AB, AB's Secured Debt Issuance Programme and the Achmea Conditional Pass-Through Covered Bond Programme in circumstances, in each case, where there is no default of the Issuer or any Material Subsidiary in respect of those securitisations, programmes or financings is not considered an "enforcement" under this provision); or

(vi) **Insolvency**: suspension of payments (surseance van betaling) or bankruptcy (*faillissement*) proceedings are initiated or applied for by the Issuer, any of its Material Subsidiaries or a third party and, in the case of a third party application, not discharged within 30 days, or the Issuer or any of its Material Subsidiaries is (or is, or could be, deemed by law or a court to be) insolvent or bankrupt or unable to pay its debts under any applicable law, stops, suspends or threatens to stop or suspend payment of all or a material part of (or of a particular type of) its debts, proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts or a moratorium is agreed or declared in respect of or affecting all or any part of (or of a particular type of) the debts of the Issuer or any of its Material Subsidiaries, or any such measures are officially decreed, under any applicable law; or

(vii) **Winding-up**: an order is made or an effective resolution passed for the dissolution or liquidation of the Issuer or any of its Material Subsidiaries, or the Issuer or any of its Material Subsidiaries shall apply or petition for a winding-up or administration order in respect of itself or ceases or threaten to ceases to carry on all or a substantial part of its business or operations, in each case except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation (i) on terms approved by an Extraordinary Resolution (as defined in the Agency Agreement) of the Noteholders or (ii) in the case of a Material Subsidiary, under a solvent winding up pursuant to a shareholders' resolution whereby the undertaking and assets of the Material Subsidiary are transferred to or otherwise vested in another of the Issuer's

Subsidiaries (which shall thereupon itself become Material Subsidiary) (notice of which shall be forthwith be given by the Issuer to the Noteholders) or

(viii) **Authorisation and Consents**: at any time a special authorisation becomes necessary to permit the Issuer to pay principal of and interest on the Notes in accordance with their terms as a result of any change in the official application of, or any amendment to, the laws or regulations of the Netherlands and such authorisation is not obtained by the Issuer within 60 days of the effective date of such change or amendment or official notification thereof, whichever occurs later; or

(ix) **Illegality**: it is or will become unlawful under any applicable law for the Issuer to perform or comply with any one or more of its obligations under any of the Notes.

12 Meeting of Noteholders and Modifications

(a) Meetings of Noteholders: The Agency Agreement contains provisions for convening meetings of Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution (as defined in the Agency Agreement) of a modification of any of these Conditions. In the case of Subordinated Notes, any modification of these Conditions is subject to prior consent from the Regulator, if required. Such a meeting may be convened by Noteholders holding not less than 25 per cent. in nominal amount of the Notes for the time being outstanding. The quorum for any meeting convened to consider an Extraordinary Resolution shall be two or more persons holding or representing a clear majority in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting two or more persons being or representing Noteholders whatever the nominal amount of the Notes held or represented, unless the business of such meeting includes consideration of proposals, inter alia, (i) to amend the dates of maturity or redemption of the Notes or any date for payment of interest or Interest Amounts on the Notes, (ii) to reduce or cancel the nominal amount of, or any premium payable on redemption of, the Notes, (iii) to reduce the rate or rates of interest in respect of the Notes or to vary the method or basis of calculating the rate or rates or amount of interest or the basis for calculating any Interest Amount in respect of the Notes, (iv) if a Minimum and/or a Maximum Rate of Interest or Redemption Amount is shown hereon, to reduce any such Minimum and/or Maximum, (v) to vary any method of, or basis for, calculating the Final Redemption Amount, the Early Redemption Amount or the Optional Redemption Amount, including the method of calculating the Amortised Face Amount, (vi) to vary the currency or currencies of payment or denomination of the Notes, or (vii) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass the Extraordinary Resolution, in which case the necessary quorum shall be two or more persons holding or representing not less than 75 per cent. or at any adjourned meeting not less than 25 per cent. in nominal amount of the Notes for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on Noteholders (whether or not they were present at the meeting at which such resolution was passed) and on all Couponholders.

The Agency Agreement provides that a resolution in writing signed by or on behalf of the holders of not less than 75 per cent. in nominal amount of the Notes outstanding shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Noteholders duly convened and held. 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.

These Conditions may be completed in relation to any Series of Notes by the terms of the relevant Final Terms in relation to such Series.

(b) Modifications: The Issuer and the Fiscal Agent may agree, without the consent of the Noteholders or Couponholders, to any modification of any of the provisions of the Agency Agreement or of any of these Conditions either (i) for the purpose of curing any ambiguity or which is of a formal, minor or technical nature or of curing, correcting or supplementing any manifest or proven error or any other defective provision contained herein or therein or (ii) in any other manner which is not materially prejudicial to the interests of the Noteholders.

Any modification shall be binding on the Noteholders and the Couponholders and, unless the Fiscal Agent agrees otherwise in respect of any modification to the Agency Agreement, any modification shall be notified by the Issuer to the Noteholders as soon as practicable thereafter in accordance with Condition 15.

13 Replacement of Notes, Certificates, Coupons and Talons

If a Note, Certificate, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations and stock exchange or other relevant authority regulations, at the specified office of the Fiscal Agent (in the case of Bearer Notes, Coupons or Talons) and of the Registrar (in the case of Certificates) or such other Paying Agent or Transfer Agent, as the case may be, as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Noteholders, in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Note, Certificate, Coupon or Talon is subsequently presented for payment or, as the case may be, for exchange for further Coupons, there shall be paid to the Issuer on demand the amount payable by the Issuer in respect of such Notes, Certificates, Coupons or further Coupons) and otherwise as the Issuer may require. Mutilated or defaced Notes, Certificates, Coupons or Talons must be surrendered before replacements will be issued.

14 Further Issues

The Issuer may from time to time without the consent of the Noteholders or Couponholders create and issue further notes having the same terms and conditions as the Notes (so that, for the avoidance of doubt, references in the conditions of such notes to "Issue Date" shall be to the first issue date of the Notes) and so that the same shall be consolidated and form a single series with such Notes, and references in these Conditions to "Notes" shall be construed accordingly.

15 Notices

Notices to the holders of Registered Notes shall be mailed to them at their respective addresses in the Register and deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the date of mailing. Notices to the holders of Bearer Notes shall be valid if published in a daily newspaper of general circulation in the Netherlands (which is expected to be *Het Financieele Dagblad*) and so long as the Notes are listed on the regulated market of Euronext Dublin and the rules of Euronext Dublin so require, also in a leading newspaper having general circulation in Dublin, which is expected to be the Irish Times. If any such notice is not practicable, notice shall be validly given if published in another leading daily English language newspaper with general circulation in Europe. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the date of the first publication as provided above.

Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the holders of Bearer Notes in accordance with this Condition.

16 Currency Indemnity

Any amount received or recovered in a currency other than the currency in which payment under the relevant Note or Coupon is due (whether as a result of, or of the enforcement of, a judgment or order of a court of any jurisdiction, in the insolvency, winding-up or dissolution of the Issuer or otherwise) by any Noteholder or Couponholder in respect of any sum expressed to be due to it from the Issuer shall only constitute a discharge to the Issuer to the extent of the amount in the currency of payment under the relevant Note or Coupon that the recipient is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so). If the amount received or recovered is less than the amount expressed to be due to the recipient under any Note or Coupon, the Issuer shall indemnify it against any loss sustained by it

as a result. In any event, the Issuer shall indemnify the recipient against the cost of making any such purchase. For the purposes of this Condition, it shall be sufficient for the Noteholder or Couponholder, as the case may be, to demonstrate that it would have suffered a loss had an actual purchase been made. These indemnities constitute a separate and independent obligation from the Issuer's other obligations, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by any Noteholder or Couponholder and shall continue in full force and effect despite any other judgment, order, claim or proof for a liquidated amount in respect of any sum due under any Note or Coupon or any other judgment or order.

17 Governing Law and Jurisdiction

(a) Governing Law: The Notes, the Coupons and the Talons and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, Dutch law.

(b) Jurisdiction: The Courts of the Netherlands are to have jurisdiction to settle any disputes that may arise out of or in connection with any Notes, Coupons or Talons and accordingly any legal action or proceedings arising out of or in connection with any Notes, Coupons or Talons ("Proceedings") may be brought in such courts. The Issuer irrevocably submits to the jurisdiction of the courts of Amsterdam, the Netherlands, and appellate courts, and waives any objection to Proceedings in such courts on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. This submission is made for the benefit of each of the holders of the Notes, Coupons and Talons and shall not affect the right of any of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).

FORM OF FINAL TERMS OF THE NOTES

The form of Final Terms of the Notes that will be issued in respect of each Tranche, subject only to the deletion of non-applicable provisions, is set out below:

Final Terms dated [DATE]

Achmea B.V.

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]
under the **€5,000,000,000 Debt Issuance Programme**

[**PROHIBITION OF SALES TO EEA RETAIL INVESTORS** - The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU ("**MiFID II**"); (ii) a customer within the meaning of Directive 2016/97/EU ("**IDD**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended or superseded, 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.][1]

[**SINGAPORE SFA PRODUCT CLASSIFICATION** - In connection with Section 309B of the Securities and Futures Act (Chapter 289) of Singapore (the "**SFA**") and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "**CMP Regulations 2018**"), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes [are] / [are not] prescribed capital markets products (as defined in the CMP Regulations 2018) and [are] [Excluded] / [Specified] Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendation on Investment Products.]

[**MIFID II PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ELIGIBLE COUNTERPARTIES ONLY TARGET MARKET** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in [Directive 2014/65/EU, as amended ("**MiFID II**")/MiFID II]; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a 'distributor') should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

PART A - CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the Notes (the "**Conditions**") set forth in the base prospectus dated 15 July 2019 (the "**Base Prospectus**") [and the supplemental base prospectus[es] dated [date]] [which [together] constitute[s] a base prospectus for the purposes of Directive 2003/71/EC, as amended or superseded (the "**Prospectus Directive**")][2]. [This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the

1 Legend to be included unless the Final Terms for an offer of Notes specifies "Prohibition of Sales to EEA Retail Investors" as "Not Applicable".

2 Delete this language in case of Notes NOT to be admitted to trading on a regulated market within the EEA.

Prospectus Directive and must be read in conjunction with such Base Prospectus [as so supplemented].][3] [This document constitutes the Final Terms of the Notes described herein and must be read in conjunction with such Base Prospectus [as so supplemented].][4] 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 [as so supplemented]. The Base Prospectus [and the supplemental base prospectus[es]] [has] [have] been published on the Issuer's website at www.achmea.com and [is] [are] available for viewing during normal business hours at Achmea B.V., Handelsweg 2, 3707 NH Zeist, the Netherlands and copies may be obtained from such address.

(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.)

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the base prospectus dated 15 September 2014 which are incorporated by reference in the base prospectus dated 15 July 2019 (the "**Base Prospectus**"). [This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive (Directive 2003/71/EC), as amended or superseded (the "**Prospectus Directive**") and must be read in conjunction with the Base Prospectus [and the supplemental base prospectus[es] dated [●]], which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive, save in respect of the Conditions which are extracted from the base prospectus dated 15 September 2014.][5] [This document constitutes the Final Terms of the Notes described herein and must be read in conjunction with the Base Prospectus [and the supplemental base prospectus[es] dated [.]], save in respect of the Conditions which are extracted from the base prospectus dated 15 September 2014.][6] 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 [as so supplemented]. The Base Prospectus [and the supplemental base prospectus[es]] [has] [have] been published on the Issuer's website at [www.achmea.com] and [is] [are] available for viewing during normal business hours at Achmea B.V., Handelsweg 2, 3707 NH Zeist, the Netherlands and copies may be obtained from such address.]

(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 or sub-paragraphs. Italics denote guidance for completing the Final Terms.)

(When completing any final terms consideration should be given as to whether such terms or information constitute significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.)

3 Include this language in case of Notes to be admitted to trading on a regulated market within the EEA.

4 Include this language in case of Notes NOT to be admitted to trading on a regulated market within the EEA.

5 Include this language in case of Notes to be admitted to trading on a regulated market within the EEA.

6 Include this language in case of Notes NOT to be admitted to trading on a regulated market within the EEA.

1	Issuer:		Achmea B.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 [insert description of the Series] on [insert date/the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph [25] below [which is expected to occur on or about [insert date]]].]
3	Specified Currency or Currencies:		[ ]
4	Aggregate Nominal Amount:		[ ]
	(i)	Series:	[ ]
	(ii)	Tranche:	[ ]
5		Issue Price:	[ ] per cent of the Aggregate Nominal Amount [plus accrued interest from [*insert date*] (*if applicable*)]
6	(i)	Specified Denominations:	[ ] *[Where multiple denominations above €100,000 (or equivalent) are being used the following sample wording should be followed: [€100,0001 and integral multiples of [61,0001 in excess thereof [up to and including [€199,0001 No Notes in definitive form will be issued with a denomination above [€199,000]]*]* **[Delete if Notes being issued in registered form.]* *Notes (including Notes denominated in Sterling) in respect of which the issue proceeds are to be accepted by the issuer in the United Kingdom or whose issue otherwise constitutes a contravention of S 19 FSMA and which have a maturity of less than one year must have a minimum redemption value of £100,000 (or its equivalent in other currencies).*
	(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)* Interest Payment Date falling in or nearest to [*specify relevant month and year*]][Not Applicable]
9	Interest Basis:		[[ ] % Fixed Rate [up to but excluding [ ]] [Reset Notes] [[LIBOR/EURIBOR] +/- [ ] % Floating Rate [from and including [ ]] [Zero Coupon] (further particulars specified below in paragraph 14, 15, 16, 17 and 18, as applicable) [Optional deferral of interest payments (Condition 6(a)): [Applicable/Not Applicable]] [Interest over Arrears of Interest: [as specified in Condition 6(c)]/[Not Applicable]]
10	Redemption/Payment Basis:		[Subject to any purchase and cancellation or early redemption][If redeemed], the Notes will be redeemed [on the Maturity Date] at [100] per cent. of their nominal amount. (*N.B. If the Final Redemption Amount is less than 100% of the nominal value, the Notes will constitute derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation No.809/2004 will apply and the Issuer will prepare and publish a series prospectus*).
11	Change of Interest Basis:		[Not Applicable] [Applicable - Reset Notes, see paragraph 15 below] [Applicable - specify the date when any fixed to floating rate change occurs or refer to paragraphs [14] and [16] below and identify there]
12	Put/Call Options		[Investor Put] [Issuer Call] [Not Applicable] [(further particulars specified below in paragraphs 19 through 23, as applicable)]
13	(i)	Status of the Notes:	[Senior/[Dated/Undated (Perpetual)] Subordinated]
	[(ii)	[Date [Board] approval for issuance of Notes obtained:	[ ] [and [ ], respectively]] (N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes)

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14	**Fixed Rate Note Provisions**		[Applicable [to but excluding [ ]]/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i)	Rate(s) of Interest:	[ ] per cent. per annum [payable in arrear on each Interest Payment Date]
	(ii)	Interest Payment Date(s):	[ ] in each year
	(iii)	Fixed Coupon Amount(s):	[ ] per Calculation Amount
	(iv)	Broken Amount(s):	[ ] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [ ] [Not Applicable]
	(v)	Day Count Fraction:	[30/360 / Actual/Actual (ICMA/ISDA) / Actual/365 (Fixed) / Actual/365(Sterling) / Actual/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	**Reset Note Provisions**		[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i)	Initial Rate(s) of Interest:	[ ] per cent. per annum [payable in arrear on each Interest Payment Date]
	(ii)	Reset Margin:	[+/-][ ] per cent. per annum
	(iii)	Interest Payment Date(s):	[ ] in each year
	(iv)	Fixed Coupon Amount(s):	[ ] per Calculation Amount
	(v)	Broken Amount(s):	[ ] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [ ] [Not Applicable]
	(vi)	First Reset Note Reset Date:	[ ]
	(vii)	Anniversary Date(s):	[ ] [and each corresponding day and month falling [ ] years thereafter]
	(viii)	Mid-Market Swap Rate:	[ ]
	(ix)	ICESWAP Rate:	["ICESWAP1"/"ICESWAP2"/"ICESWAP3"/"ICESWAP4]

	(x)	Day Count Fraction:	[30/360 / Actual/Actual (ICMA/ISDA) / Actual/365 (Fixed) / Actual/365(Sterling) / Actual/360 / 30E/360 / 30E/360 (ISDA)]
16	**Floating Rate Note Provisions**		[Applicable [from and including [ ]]/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i)	Interest Period(s):	[[ ] in each year, subject to adjustment in accordance with the Business Day Convention specified in (v) below.] [Not Applicable]
	(ii)	Specified Interest Payment Dates:	[ ]
	(iii)	First Interest Payment Date:	[ ]
	(iv)	Interest Period Date:	[ ] [Not Applicable] (Not applicable unless different from Interest Payment Date)
	(v)	Business Day Convention:	[Floating Rate Business Day Convention/ Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention]
	(vi)	Business Centre(s):	[ ]
	(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 Agent):	[ ]
	(ix)	Screen Rate Determination:	[ ]
		- Reference Rate:	[LIBOR/EURIBOR]
		- Interest Determination Date(s):	[ ]
		- Relevant Screen Page:	[ ]
		- Reference Banks:	[[ ]/Not Applicable]

	(x)	ISDA Determination:	
		- Floating Rate Option:	[ ]
		- Designated Maturity:	[ ]
		- Reset Date:	[ ]
	(xi)	Linear Interpolation:	Not Applicable / Applicable - the Rate of Interest for the [long/short] [first/last] Interest Accrual Period shall be calculated using Linear Interpolation (*specify for each short or long interest period*)]
	(xii)	Margin(s):	[+/-][ ] per cent per annum
	(xiii)	Minimum Rate of Interest:	[ ] per cent per annum
	(xiv)	Maximum Rate of Interest:	[ ] per cent per annum
	(xv)	Day Count Fraction:	[30/360 / Actual/Actual (ICMA/ISDA) / Actual/365 (Fixed) / Actual/365 (Sterling) / Actual/360 / 30E/360 / 30E/360 (ISDA)]
17	**Zero Coupon Note Provisions**		[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i)	Amortisation Yield:	[ ] per cent per annum
	(ii)	[Day Count Fraction in relation to Early Redemption Amounts:	[30/360 / Actual/Actual (ICMA/ISDA) / Actual/365 (Fixed) / Actual/365 (Sterling) / Actual/360 / 30E/360 / 30E/360 (ISDA)]
18	**Deferral of Interest**		[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i)	Arrears of Interest to bear interest (Condition 6(d))	[Yes/No]

PROVISIONS RELATING TO REDEMPTION

19 **Tax Call (Condition 7(d)**

	(i)	Time or date(s) meant in Condition 7(d)(i):	[ ]
	(ii)	Time or date(s) meant in Condition 7(d)(ii):	[ ]
20	**Issuer Call Option**		[Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
	(i)	Optional Redemption Date(s):	[ ]
	(ii)	Optional Redemption Amount(s) of each Note:	[ ] per Calculation Amount
	(iii)	If redeemable in part:	
		(a) Minimum Redemption Amount:	[ ] per Calculation Amount
		(b) Maximum Redemption Amount:	[ ] per Calculation Amount
	(iv)	Notice period	[[ ]/[As per Conditions]
21	**Regulatory Call (Condition 7(f))**		
	(i)	Time or date(s) meant in Condition 7(f)(i):	[ ]
	(ii)	Time or date(s) meant in Condition 7(f)(ii):	[ ]
22	**Rating Call (Condition7(g))**		
	(i)	Time or date(s) meant in Condition 7(g)(i):	[ ]

	(ii)	Time or date(s) meant in Condition 7(g)(ii):	[ ]
	(iii)	Rating Agency as meant in Condition7(g)	[ ]
23	**Investor Put Option**		[Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
	(i)	Optional Redemption Date(s):	[ ]
	(ii)	Optional Redemption Amount(s) of each Note:	[ ] per Calculation Amount
	(iii)	Notice period	[ ]
24	**Final Redemption Amount of each Note**		[ ] per Calculation Amount
25	**Early Redemption Amount**		
	Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation, regulatory or rating reasons or on event of default or other early redemption:		[ ] per Calculation Amount
26	**Condition 7(b): certificate required:**		[Yes/No]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

27	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] [Temporary Global Note exchangeable for Definitive Notes on [] days' notice] [In relation to any issue of Notes which are a "Global Note exchangeable for Definitive Notes" in circumstances other than "in the limited circumstances specified in the Global Note",

		such Notes may only be issued in denominations equal to, or greater than, €100,000 (or equivalent) and integral multiples thereof] [Permanent Global Note exchangeable for Definitive Notes on [] days' notice/at any time/in the limited circumstances specified in the Permanent Global Note] **Registered Notes:** [Regulation S Global Note (€[●] nominal amount) registered in the name of a nominee for [a common depositary for Euroclear and Clearstream, Luxembourg/a common safekeeper for Euroclear and Clearstream, Luxembourg (that is, held under the NSS)]]
28	New Global Note:	[Yes] [No]
29	Financial Centre(s):	[Not Applicable/*include. Note that this paragraph relates to the date and place of payment, and not the end dates of interest periods for the purposes of calculating the amount of interest, to which sub-paragraphs 14(ii), 15(iii) and 16(vi) relate]*
30	Talons for future Coupons to be attached to Definitive Notes (and dates on which such Talons mature):	[No/Yes. As the Notes have more than 27 coupon payments, talons may be required if, on exchange 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 B.V.:

By: ……..

Duly authorised

PART B - OTHER INFORMATION

1 LISTING AND ADMISSION TO TRADING

(i)	Admission to trading:	[Application has been be made to Euronext Dublin for the Notes to be admitted to the Official List and trading on its regulated market.][Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the regulated market of Euronext Dublin [specify other] with effect from [ ].] [Not Applicable.] *(Where documenting a fungible issue need to indicate that original securities are already admitted to trading.)*
(ii)	Estimated total expenses:	[ ]

2 [RATINGS

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

[S & P: [ ]]

[Moody's: [ ]]

[[Other]: [ ]]

[Not Applicable]

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

(*The above disclosure should reflect the rating allocated to 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 full legal name of credit rating agency/ies*] *[is]*/[are] established in the European Union and [has]/[have each] applied for registration under Regulation (EC) No 1060/2009 as amended, although the result of such application has not yet been determined.]

[[*Insert full legal name of credit rating agency/ies*] *[is]*/[are] established in the European Union and registered under Regulation (EC) No 1060/2009 as amended.]

[*[Insert credit rating agency/ies] [is]*/[are] not established in the European Union and [has]/[have] not applied for registration under Regulation (EC) No 1060/2009 as amended.]

3 [INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE [ISSUE/OFFER]

(Need to include a description of any interest, including conflicting ones, that is material to the issue/offer, 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 offer of the Notes has an interest material to the offer." *(Amend as appropriate if there are other interests)*

[(When adding any other description, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.)]

4 REASONS FOR THE OFFER

Reasons for the offer:	Reasons for the offer: [See "Use of Proceeds" wording in Base Prospectus/*specify particular identified use of proceeds*]]

5 [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.]

6 [*Floating Rate Notes only* - HISTORIC INTEREST RATES

Details of historic [LIBOR/EURIBOR] rates can be obtained from [Reuters].]

7 OPERATIONAL INFORMATION

ISIN:	[]
CFI:	[[[*include code*][3], as updated, as set out on]/[See] the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available]
FISN:	[[[*include code*][4], as updated, as set out on]/[See] the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available]
Common Code:	[ ]
Any clearing system(s) other than Euroclear Bank SA/NV and	[Not Applicable/*give name(s) and number(s)[and, address(es)]*]

[3] The actual code should only be included where the Issuer is comfortable that it is correct.
[4] The actual code should only be included where the Issuer is comfortable that it is correct.

Clearstream Banking SA and the relevant identification number(s):	
Delivery:	Delivery [against/free of] payment
Names and addresses of additional Paying Agent(s) (if any):	[ ] [Not Applicable]
[Deemed delivery of clearing system notices for the purposes of Condition 15]:	[Any notice delivered to Noteholders through the clearing systems will be deemed to have been given on the [second][business] day after the day on which it was given to [Euroclear Bank SA/NV and Clearstream Banking, SA]
Intended to be held in a manner which would allow Eurosystem eligibility:	[Yes][No] [*Include this text if* "yes" selected: Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.] [*Include this text if* "no" selected: Whilst the designation is set at "no", should the Eurosystem eligibility criteria be amended in the future the Notes may then be deposited with one of the ICSDs as common safekeeper. 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.]
Statement on benchmark[s]:	[[EURIBOR][LIBOR]] is provided by [*administrator legal name*]][*repeat as necessary*]. As at the date hereof, [[*administrator legal name*][appears]/[does not appear] [*repeat as necessary*] in the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 of the Benchmark Regulation. [As far as the Issuer is aware, [*specify benchmark(s)*] [does/do] not fall within the scope of the Benchmark Regulation by virtue of Article 2 of that regulation] [the transitional provisions in Article 51 of the Benchmark Regulation apply], such that [*legal name of administrator(s)*] [is/are] not currently required to obtain authorisation or registration (or, if located outside the European Union, recognition, endorsement or equivalence).]]/[Not Applicable]

8 DISTRIBUTION

(i)	Method of distribution:	[Syndicated/Non-syndicated]
(ii)	If syndicated:	[Not Applicable/*give names*]

	(A) Names of Managers:	
	(B) Stabilising Manager(s) (if any)	[Not Applicable/*give names*]
(iii)	If non-syndicated, name of Dealer	Not Applicable/*give names*]
(iv)	U.S. Selling Restrictions:	Reg. S Compliance Category 1; TEFRA C/ TEFRA D/TEFRA not applicable]
(v)	Prohibition of Sales to EEA Retail Investors:	[Applicable/Not Applicable] *(If the Notes clearly do not constitute "packaged" products, "Not Applicable" should be specified. If the Notes may constitute "packaged" products and no KID will be prepared, "Applicable" should be specified.7*

SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM

1 Initial Issue of Notes

If the Global Notes or the Global Certificates are stated in the applicable Final Terms to be issued in NGN form or to be held under the NSS (as the case may be), (i) the Global Notes or the Global Certificates will be delivered on or prior to the original issue date of the Tranche to a Common Safekeeper; and (ii) the relevant clearing systems will be notified whether or not such Global Notes or Global Certificates are intended to be held in a manner which would allow Eurosystem eligibility. Depositing the Global Notes or the Global Certificates with the Common Safekeeper does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue, or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.

Global Notes which are issued in CGN form and Global Certificates which are not held under the NSS may be delivered on or prior to the original issue date of the Tranche to a Common Depositary.

If the Global Notes is a CGN, upon the initial deposit of a Global Note with a common depositary for Euroclear and Clearstream, Luxembourg (the "**Common Depositary**") or registration of Registered Notes in the name of any nominee for Euroclear and Clearstream, Luxembourg and delivery of the relative Global Certificate to the Common Depositary, Euroclear or Clearstream, Luxembourg will credit each subscriber with a nominal amount of Notes equal to the nominal amount thereof for which it has subscribed and paid. If the Global Note is an NGN, the nominal amount of the Notes shall be the aggregate amount from time to time entered in the records of Euroclear or Clearstream, Luxembourg. The records of such clearing system shall be conclusive evidence of the nominal amount of Notes represented by the Global Note and a statement issued by such clearing system at any time shall be conclusive evidence of the records of the relevant clearing system at that time.

Notes that are initially deposited with the Common Depositary may also be credited to the accounts of subscribers with (if indicated in the relevant Final Terms) other clearing systems through direct or indirect accounts with Euroclear and Clearstream, Luxembourg held by such other clearing systems. Conversely, Notes that are initially deposited with any other clearing system may similarly be credited to the accounts of subscribers with Euroclear, Clearstream, Luxembourg or other clearing systems.

2 Relationship of Accountholders with Clearing Systems

Each of the persons shown in the records of Euroclear, Clearstream, Luxembourg or any other clearing system ("Alternative Clearing System") as the holder of a Note represented by a Global Note or a Global Certificate must look solely to Euroclear, Clearstream, Luxembourg or any such Alternative Clearing System (as the case may be) for his share of each payment made by the Issuer to the bearer of such Global Note or the holder of the underlying Registered Notes, as the case may be, and in relation to all other rights arising under the Global Notes or Global Certificates, subject to and in accordance with the respective rules and procedures of Euroclear, Clearstream, Luxembourg, or such Alternative Clearing System (as the case may be). Such persons shall have no claim directly against the Issuer in respect of payments due on the Notes for so long as the Notes are represented by such Global Note or Global Certificate and such obligations of the Issuer will be discharged by payment to the bearer of such Global Note or the holder of the underlying Registered Notes, as the case may be, in respect of each amount so paid.

3 Exchange

3.1 Temporary Global Notes

Each Temporary Global Note will be exchangeable, free of charge to the holder, on or after its Exchange Date:

(i) if the relevant Final Terms indicate that such Global Note is issued in compliance with the C Rules or in a transaction to which TEFRA is not applicable (as to which, see "Overview of the Programme - Selling Restrictions"), in whole, but not in part, for the Definitive Notes defined and described below; and

(ii) otherwise, in whole or in part upon certification as to non-U.S. beneficial ownership in the form set out in the Agency Agreement for interests in a Permanent Global Note or, if so provided in the relevant Final Terms, for Definitive Notes.

3.2 Permanent Global Notes

Each Permanent Global Note will be exchangeable, free of charge to the holder, on or after its Exchange Date in whole but not, except as provided under paragraph 3.4 below, in part for Definitive Notes:

(i) if the Permanent Global Note is held on behalf of Euroclear or Clearstream, Luxembourg or an Alternative Clearing System and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or in fact does so; or

(ii) if principal in respect of any Notes is not paid when due, by the holder giving notice to the Fiscal Agent of its election for such exchange.

In the event that a Global Note is exchanged for Definitive Notes, such Definitive Notes shall be issued in Specified Denomination(s) only.

3.3 Permanent Global Certificates

If the Final Terms state that the Notes are to be represented by a Permanent Global Certificate on issue, the following will apply in respect of transfers of Notes held in Euroclear or Clearstream, Luxembourg or an Alternative Clearing System. These provisions will not prevent the trading of interests in the Notes within a clearing system whilst they are held on behalf of such clearing system, but will limit the circumstances in which the Notes may be withdrawn from the relevant clearing system.

Transfers of the holding of Notes represented by any Global Certificate pursuant to Condition 2(b) may only be made in part:

(i) if the relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so; or

(ii) if principal in respect of any Notes is not paid when due; or

(iii) with the consent of the Issuer,

provided that, in the case of the first transfer of part of a holding pursuant to paragraph 3.3(i) or 3.3(ii) above, the Registered Holder has given the Registrar not less than 30 days' notice at its specified office of the Registered Holder's intention to effect such transfer.

3.4 Partial Exchange of Permanent Global Notes

For so long as a Permanent Global Note is held on behalf of a clearing system and the rules of that clearing system permit, such Permanent Global Note will be exchangeable in part on one or more occasions for Definitive Notes if principal in respect of any Notes is not paid when due.

3.5 Delivery of Notes

If the Global Note is a CGN, on or after any due date for exchange, the holder of a Global Note may surrender such Global Note or, in the case of a partial exchange, present it for endorsement to or to the order of the Fiscal Agent. In exchange for any Global Note, or the part thereof to be exchanged, the Issuer will (i) in the case of a Temporary Global Note exchangeable for a Permanent Global Note, deliver, or procure the delivery of, a Permanent Global Note in an aggregate nominal amount equal to that of the whole or that part of a Temporary Global Note that is being exchanged or, in the case of a subsequent exchange, endorse, or procure the endorsement of, a Permanent Global Note to reflect such exchange or (ii) in the case of a Global Note exchangeable for Definitive Notes or Registered Notes, deliver, or procure the delivery of, an equal aggregate nominal amount of duly executed and authenticated Definitive Notes and/or Certificates, as the case may be, or if the Global Note is a NGN, the Issuer will procure that details of such exchange be entered *pro rata* in the records of the relevant clearing system. In this Base Prospectus, "Definitive Notes" means, in relation to any Global Note, the definitive Bearer Notes for which such Global Note may be exchanged (if appropriate, having attached to them all Coupons in respect of interest that have not already been paid on the Global Note and a Talon). Definitive Notes will be security printed and Certificates will be printed in accordance with any applicable legal and stock exchange requirements in or substantially in the form set out in the Schedules to the Agency Agreement. On exchange in full of each Permanent Global Note, the Issuer will, if the holder so requests, procure that it is cancelled and returned to the holder together with the relevant Definitive Notes.

3.6 Exchange Date

"Exchange Date" means, in relation to a Temporary Global Note, the day falling after the expiry of 40 days after its issue date and, in relation to a Permanent Global Note, a day falling not less than 60 days, or in the case of an exchange for Registered Notes five days, or in the case of failure to pay principal in respect of any Notes when due 30 days, after that on which the notice requiring exchange is given and on which banks are open for business in the city in which the specified office of the Fiscal Agent is located and in the city in which the relevant clearing system is located.

4 Amendment to Conditions

The Temporary Global Notes, Permanent Global Notes and Global Certificates contain provisions that apply to the Notes that they represent, some of which modify the effect of the terms and conditions of the Notes set out in this Base Prospectus. The following is a summary of certain of those provisions:

4.1 Payments

No payment falling due after the Exchange Date will be made on any Global Note unless exchange for an interest in a Permanent Global Note or for Definitive Notes or Registered Notes is improperly withheld or refused. Payments on any Temporary Global Note issued in compliance with the D Rules before the Exchange Date will only be made against presentation of certification as to non-U.S. beneficial ownership in the form set out in the Agency Agreement. All payments in respect of Notes represented by a Global Note in CGN form will be made against

presentation for endorsement and, if no further payment falls to be made in respect of the Notes, surrender of that Global Note to or to the order of the Fiscal Agent or such other Paying Agent as shall have been notified to the Noteholders for such purpose. If the Global Note is a CGN, a record of each payment so made will be endorsed on each Global Note, which endorsement will be *prima facie* evidence that such payment has been made in respect of the Notes. If the Global Note is a NGN or if the Global Certificate is held under the NSS, the Issuer shall procure that details of each such payment shall be entered *pro rata* in the records of the relevant clearing system and in the case of payments of principal, the nominal amount of the Notes recorded in the records of the relevant clearing system and represented by the Global Note or the Global Certificate will be reduced accordingly. Payments under the NGN will be made to its holder. Each payment so made will discharge the Issuer's obligations in respect thereof. Any failure to make the entries in the records of the relevant clearing system shall not affect such discharge. For the purpose of any payments made in respect of a Global Note, the relevant place of presentation shall be disregarded in the definition of "business day" set out in Condition 8(h) (*Non-Business Days*).

All payments in respect of Notes represented by a Global Certificate will be made to, or to the order of, the person whose name is entered on the Register at the close of business on the record date which shall be on the Clearing System Business Day immediately prior to the date for payment, where Clearing System Business Day means Monday to Friday inclusive except 25 December and 1 January.

4.2 Prescription

Claims against the Issuer in respect of Notes that are represented by a Permanent Global Note will become void unless it is presented for payment within a period of five years from the appropriate due date for payment.

4.3 Meetings

The holder of a Permanent Global Note or of the Notes represented by a Global Certificate shall (unless such Permanent Global Note or Global Certificate represents only one Note) be treated as being two persons for the purposes of any quorum requirements of a meeting of Noteholders and, at any such meeting, the holder of a Permanent Global Note shall be treated as having one vote in respect of each minimum Specified Denomination of Notes for which such Global Note may be exchanged. (All holders of Registered Notes are entitled to one vote in respect of each Note comprising such Noteholder's holding, whether or not represented by a Global Certificate.)

4.4 Cancellation

Cancellation of any Note represented by a Permanent Global Note that is required by the Conditions to be cancelled (other than upon its redemption) will be effected by reduction in the nominal amount of the relevant Permanent Global Note.

4.5 Purchase

Notes represented by a Permanent Global Note may only be purchased by the Issuer or any of its subsidiaries if they are purchased together with the rights to receive all future payments of interest (if any) thereon.

4.6 Issuer's Option

Any option of the Issuer provided for in the Conditions of any Notes while such Notes are represented by a Permanent Global Note shall be exercised by the Issuer giving notice to the Noteholders within the time limits set out in and containing the information required by the

Conditions, except that the notice shall not be required to contain the serial numbers of Notes drawn in the case of a partial exercise of an option and accordingly no drawing of Notes shall be required. In the event that any option of the Issuer is exercised in respect of some but not all of the Notes of any Series, the rights of accountholders with a clearing system in respect of the Notes will be governed by the standard procedures of Euroclear and/or Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion) or any other Alternative Clearing System (as the case may be).

4.7 Noteholders' Options

Any option of the Noteholders provided for in the Conditions of any Notes while such Notes are represented by a Permanent Global Note may be exercised by the holder of the Permanent Global Note giving notice to the Fiscal Agent within the time limits relating to the deposit of Notes with a Paying Agent set out in the Conditions substantially in the form of the notice available from any Paying Agent, except that the notice shall not be required to contain the serial numbers of the Notes in respect of which the option has been exercised, and stating the nominal amount of Notes in respect of which the option is exercised and at the same time, where the Permanent Global Note is a CGN, presenting the Permanent Global Note to the Fiscal Agent, or to a Paying Agent acting on behalf of the Fiscal Agent, for notation. Where the Global Note is a NGN or where the Global Certificate is held under the NSS, the Issuer shall procure that details of such exercise shall be entered *pro rata* in the records of the relevant clearing system and the nominal amount of the Notes recorded in those records will be reduced accordingly.

4.8 NGN Nominal amount

Where the Global Note is a NGN, the Issuer shall procure that any exchange, payment, cancellation, exercise of any option or any right under the Notes, as the case may be, in addition to the circumstances set out above shall be entered in the records of the relevant clearing systems and upon any such entry being made, in respect of payments of principal, the nominal amount of the Notes represented by such Global Note shall be adjusted accordingly.

4.9 Events of Default

Each Global Note provides that the holder may cause such Global Note, or a portion of it, to become due and repayable in the circumstances described in Condition 10 of the Term and Conditions of the Notes by stating in the notice to the Fiscal Agent the nominal amount of such Global Note that is becoming due and repayable. If principal in respect of any Note is not paid when due, the holder of a Global Note or Registered Notes represented by a Global Certificate may elect for direct enforcement rights against the Issuer under the terms of the relevant Global Note of Global Certificate to come into effect in relation to the whole or a part of such Global Note or one or more Registered Notes in favour of the persons entitled to such part of such Global Note or such Registered Notes, as the case may be, as accountholders with a clearing system. Following any such acquisition of direct rights, the Global Note or, as the case may be, the Global Certificate and the corresponding entry in the register kept by the Registrar will become void as to the specified portion or Registered Notes, as the case may be. However, no such election may be made in respect of Notes represented by a Global Certificate unless the transfer of the whole or a part of the holding of Notes represented by that Global Certificate shall have been improperly withheld or refused.

4.10 Notices

So long as any Notes are represented by a Global Note and such Global Note is held on behalf of a clearing system, and the rules of that clearing system permit, notices to the holders of Notes of that Series may be given by delivery of the relevant notice to that clearing system for

communication by it to entitled accountholders in substitution for publication as required by the Conditions or by delivery of the relevant notice to the holder of the Global Note, except that so long as the Notes are listed on the regulated market of Euronext Dublin and the rules of that exchange so require, notices shall also be published in a leading newspaper of general circulation in the Dublin (which is expected to be the Irish Times).

5 Electronic Consent and Written Resolution

While any Global Note is held on behalf of, or any Global Certificate is registered in the name of any nominee for, a clearing system, then:

(a) approval of a resolution proposed by the Issuer given by way of electronic consents communicated through the electronic communications systems of the relevant clearing system(s) in accordance with their operating rules and procedures by or on behalf of the holders of not less than 75 per cent. in nominal amount of the Notes outstanding (an "Electronic Consent" as defined in the Fiscal Agency Agreement) shall, for all purposes (including matters that would otherwise require an Extraordinary Resolution to be passed at a meeting for which the Special Quorum was satisfied), take effect as an Extraordinary Resolution passed at a meeting of Noteholders duly convened and held, and shall be binding on all Noteholders and holders of Coupons, Talons and Receipts whether or not they participated in such Electronic Consent; and

(b) where Electronic Consent is not being sought, for the purpose of determining whether a Written Resolution (as defined in the Fiscal Agency Agreement) has been validly passed, the Issuer shall be entitled to rely on consent or instructions given in writing directly to the Issuer by (a) accountholders in the clearing system with entitlements to such Global Note or Global Certificate and/or, where (b) the accountholders hold any such entitlement on behalf of another person, on written consent from or written instruction by the person identified by that accountholder as the person for whom such entitlement is held. For the purpose of establishing the entitlement to give any such consent or instruction, the Issuer shall be entitled to rely on any certificate or other document issued by, in the case of (a) above, Euroclear, Clearstream, Luxembourg or any other relevant alternative clearing system (the "**relevant clearing system**") and, in the case of (b) above, the relevant clearing system and the accountholder identified by the relevant clearing system for the purposes of (b) above. Any resolution passed in such manner shall be binding on all Noteholders and Couponholders, even if the relevant consent or instruction proves to be defective. Any such certificate or other document may comprise any form of statement or print out of electronic records provided by the relevant clearing system (including Euroclear's EUCLID or Clearstream, Luxembourg's CreationOnline system) in accordance with its usual procedures and in which the accountholder of a particular principal or nominal amount of the Notes is clearly identified together with the amount of such holding. The Issuer shall not be liable to any person by reason of having accepted as valid or not having rejected any certificate or other document to such effect purporting to be issued by any such person and subsequently found to be forged or not authentic.

USE OF PROCEEDS

The net proceeds from the issue of each Tranche of Notes will be applied by the Issuer for general corporate purposes. If, in respect of any particular issue, there is a particular identified use of proceeds, this will be stated in the applicable Final Terms.

DESCRIPTION OF THE ISSUER

General information

Achmea B.V. ("**Achmea**") was incorporated by deed of incorporation on 30 December 1991. Achmea is a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated and operating under the laws of the Netherlands, including the Dutch Civil Code (*Burgerlijk Wetboek*), with its corporate seat in Zeist. The registered office of Achmea is Handelsweg 2, 3707 NH Zeist, telephone number +31 (0)30 6937000. Achmea is registered with the Trade Register of the Dutch Chamber of Commerce, registration number 33235189. Achmea's commercial name is Achmea. The Legal Entity Identifier number of Achmea is 7245007QUMI1FHIQV531.

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

Objectives

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

History

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

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

Business

Overview

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

The 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 range of product offerings and a full range of distribution channels in order to position itself advantageously within different customer and pricing segments. Within the Netherlands, the Group primarily uses its brands Interpolis in the banking distribution channel, FBTO, Centraal Beheer, Zilveren Kruis, Inshared in the direct distribution channel and Avéro Achmea in the broker distribution channel. De Friesland Zorgverzekeraar (health) previously had a relatively independent position within the Group as a separate division and was also responsible for the operational management of FBTO's health portfolio, but has recently been integrated into Achmea Zorgverzekeringen N.V..

Business Lines

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

Non-life Netherlands

Achmea is one of the market leaders in the Netherlands in non-life insurance, holding an estimated market share of more than 20%, offering brands such as Centraal Beheer, Interpolis and FBTO. Through the direct, banking and brokerage channels, Achmea provides its private and commercial customers with car insurance, home insurance, home contents insurance, liability insurance, travel insurance. In addition, Achmea offers various types of sickness insurance and individual and group disability insurance. For the year ended 31 December 2018, 17%[7] of total gross written premiums ("**GWP**") are generated by Non-Life Netherlands.

Health Netherlands

Achmea is one of the market leaders in the Netherlands in health insurance[8]. Achmea provides health insurance for approximately five million people in the Netherlands. Health gross written premiums represent a significant share of total GWP, 69%[9] for the year ended 31 December 2018, mainly as a result of the mandatory basic health insurance. Achmea offers basic and supplementary health insurance and health services in the Netherlands.

Retirement Services Netherlands

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

Pension & life Netherlands

With the launch of the new Retirement Services strategy and the establishment of the CB APF, Achmea has taken the strategic decision to stop offering new pension insurance products and to focus its pension strategy completely towards providing services to the CB APF. With its Retirement Services solutions Achmea keeps a competitive offer to the pension market. It has created a closed-book pension which it integrated with the

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existing closed-book Life. The closed book organisation focuses on further cost management and on optimising free cash flows while maintaining the current high customer satisfaction scores. When it comes to new business, Achmea is focusing exclusively on term life insurance policies (the "**ORV**") and on immediately effective annuities and pensions. These insurance solutions are part of Achmea's proposition for retirement services. For the year ended 31 December 2018, gross written premiums from Achmea's Pension & Life activities represent 7% of total GWP[10].

International

Achmea operates in six markets outside the Netherlands: Greece, Turkey, Slovakia, Cyprus, Australia and Canada. In Greece, Interamerican Greece offers non-life, life and health products and services as well as an integrated roadside assistance service. Moreover, Interamerican Greece also offers online car insurances in Cyprus. Wholly-owned Eureko Sigorta in Turkey offers a full range of non-life and health products through the banking channel. Achmea also has a minority share in the Turkish pension services provider Garanti Emeklilik, Union Slovakia provides a product portfolio of non-life, health and life products. Achmea was granted a licence at the end of 2013 to sell insurances in Australia. Under the brand name Achmea Australia, Achmea sells non-life insurance products and services to amongst others Rabobank's agricultural customers in Australia. In 2018, Achmea expanded its activities into Canada where it launched its digital insurance company Onlia. Furthermore, Hagelunie is a Dutch insurance company specialising in glass horticultural insurance for growing agricultural products in Europe and the world. Gross written premiums from Achmea's International business line represent 5% of total GWP.[11]

Other Activities

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

Organisation structures

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

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

* Preference shares.

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Corporate Governance

Achmea adheres to the following relevant corporate governance codes: the Code of Conduct for Insurers, the Banking Code, the Dutch Corporate Governance Code and the Achmea Code of Conduct.

Code of Conduct for Insurers

The Code of Conduct for Insurers includes a number of principles relating to the careful treatment of customers and the permanent education of directors and internal supervisors. This Code of Conduct (2018 version) combines existing and new self-regulation of the sector with general provisions, including core values and rules of conduct. Based on the Code of Conduct for Insurers, insurers give more depth to their public role, drawing on their own corporate vision. Achmea is doing this by means of, for example, its cooperative identity and strategy map, and has integrated this into its processes and the Achmea Code of Conduct.

Banking Code

The services Achmea provides to its customers also include banking activities, which are offered through Achmea Bank N.V. The Banking Code (2015), Het Maatschappelijk Statuut (the Social Charter) and the rules of conduct associated with the Bankers' Oath together make up the Future-Oriented Banking package. The purpose of this package is to play a key role in restoring trust in society in relation to banks and their roles in the community. Achmea Bank N.V. abides by the Banking Code. Achmea Bank N.V. accounts for its compliance with the Banking Code principles on the websites www.achmeabank.nl and www.achmeabank.com. Here, specific examples are used to illustrate how the principles were complied with.

Corporate Governance Code

Since 1 January 2004, listed companies in the Netherlands have been required to report on compliance with the Dutch Corporate Governance Code in their management report on a 'comply or explain' basis. Although Achmea has listed instruments it is not a listed company. Achmea has voluntarily adopted and embedded the majority of the Code's principles in its governance structure. Where applicable, Achmea is almost fully in compliance with the principles and best practices. This description refers to the best practice provisions of the Dutch Corporate Governance Code that apply to the Issuer for the fiscal year ended 31 December 2018.In 2018, Achmea did not fully comply with the following three principles of the Dutch Corporate Governance Code:

• **The independence of members of the Supervisory Board (principle 2.1.8):** Although all members of Achmea's Supervisory Board fulfil their duties without interference or consultation as of 31 December 2018 two of the eight members of the Supervisory Board of Achmea B.V. did not comply with the individual independence principle because they are members of an executive board or supervisory board of an organisation holding more than 10% of the shares in Achmea. Members of Achmea's Supervisory Board are nominated by its shareholders (i) Vereniging Achmea, (ii) Rabobank, (iii) Gothaer Allgemeine Versicherung, Gothaer Finanz Holding and Schweizerische Mobiliar Holding jointly, and by the Central Works Council. Mr De Weijer was nominated by Vereniging Achmea and also serves on the board of Vereniging Achmea, which is composed of customers' representatives. However, this relationship is considered appropriate for Achmea because of its identity as a cooperative and the relationship with Vereniging Achmea as a shareholder, whose focus is more on the interests of the customer and Achmea's continuity. Ms Hofsté was nominated as a member of the Supervisory Board of Achmea by the Central Works Council in 2015 and joined the Rabobank Supervisory Board in late December 2016. In addition, no single group of members of the Supervisory Board nominated by individual shareholders or the Central Works Council has a majority on the Supervisory Board. Members of the Supervisory Board are nominated by the General Meeting based on their expertise and independence and take part in the meetings without reference to or prior consultation with the parties which nominated them. Where appropriate, they refrain from participating in deliberations or decision-making. Incidentally, principle 2.1.8 needs to be taken in conjunction with principle 2.1.7, whereby

2.1.7 pertains to the criteria for guaranteeing independence of the board as a whole. The independence of the board is guaranteed and its composition complies with the criteria laid down in principle 2.1.7.

• **The duration of the appointment of members of the Executive Board (principle 2.2.1.):** The Corporate Governance Code recommends that members of the Executive Board be appointed for a term of four years. The only exception, where Achmea does not comply with this principle, is the term of the Chairman of the Executive Board. His appointment is for an indefinite period of time, and this contractual arrangement is complied with.

• **Adoption of the remuneration policy for the executive board by the AGM (principle 3.1.1.):** The Supervisory Board determines the salary and the terms and conditions of employment of members of the Executive Board. Achmea's remuneration policy is also assessed by the Remuneration Committee and adopted by the Supervisory Board. Achmea regards this as a matter for the Supervisory Board and therefore does not submit the matter to the General Meeting. The General Meeting is of course informed annually of the remuneration of the Executive Board members via sections in the year report on this remuneration and via the annual Remuneration Report.

The manner in which Achmea has adopted and embedded the Corporate Governance Code was discussed with, and has been approved by, the Supervisory Board. The General Meeting has likewise approved Achmea's current corporate governance structure.

Achmea Code of Conduct

Achmea aims to be a leader in terms of its own rules of conduct and in terms of anticipating current and new regulations. For example, Achmea has decided that all employees take a special oath or affirmation for the financial industry, which is in line with the Achmea's cooperative identity. Active control exercised to foster integrity and prevent integrity violations and fraud limites any negative impact on trust, returns and the cost of claims. Achmea has therefore drawn up an Achmea Code of Conduct to ensure ethical conduct in accordance with Achmea's values and standards.

By recording duties and responsibilities in the area of fraud, risk management and checks, the control over and limitation of fraud is secured. Should an ethics violation or incident of fraud nevertheless occur, this can be reported on a confidential basis. A whistleblower policy is in place for this purpose and available at www.achmea.nl.

Agreement among the largest shareholders of Achmea

Following strategic agreements between Rabobank, Vereniging Achmea and Achmea in 2011, parties have agreed that the business cooperation between Rabobank and Achmea shall be based on a preferential partnership rather than on exclusivity. Furthermore, adjustments have been made to the Articles of Association that require that certain decisions as explained below must have the approval of 80% of the votes in the General Meeting.

Amongst others, the following decisions of the Executive Board of Achmea need the prior approval from the supervisory board and the General Meeting, where the General Meeting needs to resolve positively with a qualified majority of 80% of the votes and with observance of an 80% quorum:

1. crucial strategic resolutions that contain a fundamental change in course in the strategy of the company or changing the character of the company and/or affecting the interests of Rabobank materially including decisions to enter into or terminate strategic participations and/or lasting cooperation agreements; and

2. the acquisition or the selling of interests or of assets if these have a financial impact of more than €250 million.

In addition to the above, Rabobank has the right to nominate a member for appointment in Achmea's supervisory board.

Supervision

With the introduction of Solvency II on 1 January 2016 Achmea is under group supervision by DNB, as Achmea is the holding company of several (re) insurance subsidiaries. In such cases, supervision of the individual insurance firms in the group is supplemented by supervision of the group as a whole. This means that almost all elements of Solvency II are, *mutatis mutandis*, applied to the group (Section 3:285 of the Dutch Financial Supervision Act (*Wet op het financieel toezicht*)). In addition, Achmea is subject to supervision by the DNB under the Dutch Financial Supervision Act on the basis of the rules for supervision of financial conglomerates. Please note that several group companies of Achmea are subject to direct supervision of the AFM, and/or the DNB and are also subject to the Dutch Financial Supervision Act.

Supervisory and Executive Board

The Executive and Supervisory Boards of Achmea are composed as follows. Any principal activities performed by members of the Executive and Supervisory Boards are mentioned as well after their respective names.

Executive Board

Members of the Executive Board are appointed by the Supervisory Board on the non-binding nomination of the (indirect) A-shareholder: Vereniging Achmea. Executive Board members are selected based on their proven experience and competence in the financial services industry where Achmea strives for recruitment within the organisation for the appointment of members of the Executive Board. The members of the Executive Board provide a good mix of specific insurance experience (health, non-life, life & pensions) experience in the public/private market (healthcare, pensions) and the various distribution channels (direct, broker and banc assurance), as well as areas such as Finance, IT and HR. All current Achmea Executive Board members match the general profile for members of the Executive Board and have been approved by the Dutch regulators.

The Executive Board is comprised of six members (four male and two female). Achmea aims to establish a good male/female ratio on the Executive Board. In addition to the aim of maintaining a balance in the Executive Board's skills while ensuring at the same time that newly appointed members have the experience required in terms of insurance, financial and risk experience, improving gender diversity is included in considerations regarding the filling of Executive Board vacancies. The advancement of women to top positions remains a priority in successor planning for the Executive Board and the management level immediately below the Executive Board. Although Achmea recognises the importance of greater gender diversity and quality, maintaining and strengthening the right mix of skills remain the key decisive factors in the selection process.

W.A.J. van Duin (chairman)

- Member of the Board of European Alliance Partners Eurapco, Zürich - Switzerland
- Chairman of the Board Dutch Association of Insurers (Verbond van Verzekeraars VvV), The Hague - the Netherlands
- Chairman Supervisory Board Dutch Reinsurance for Terrorism (NHT), The Hague - the Netherlands
- Member of the Strategic Board of Insurance Europe, Brussels - Belgium
- Board member Dutch Organisation of Employers, (VNO-NCW, Vereniging van Nederlandse Ondernemers - Nederlands Christelijk Werkgeversverbond), The Hague - the Netherlands

- Board Member of the Achmea Foundation, Zeist - The Netherlands
- Board Member of the Stichting Beheer Aandelen Achmea, Zeist - the Netherlands
- Member Supervisory Board Pharm Access Group
- Vice Chairman EMEA International Federation of Health Plans (IFHP), London - UK
- Representative of Achmea in the Geneva Association
- Board Member of the Association RVS, Monte-Carlo, Monaco

M.A.N. Lamie (CFO)

- Chairman Supervisory Board Achmea Reinsurance Company N.V.

L. Suur (*as per 1 September 2019*)

- Member Advisory Board Foundation Microcredit for Mothers (Stichting Microkrediet voor Moeders)

H. Timmer (CRO)

- Member of the Expert Group on Security of Stichting Maatschappij en Veiligheid
- Representative of Achmea in the CRO Forum which is a group of professional risk managers representing the European insurance industry which focuses on developing and promoting best practices in Risk Management

R. Otto

- Board Member of The Association of online retailers Thuiswinkel.org
- Chairman of Sectorbestuur Schade (Non-Life Insurance Industry Board) of the Dutch Association of Insurers (*Verbond van Verzekeraars*)
- Chairman of the administrative consultation between the Dutch Association of Authorized Insurers (NVGA) and the Dutch Association of Insurers (*Verbond van Verzekeraars*)
- Chairman of the Supervisory Boards of Hagelunie and InShared
- Member Supervisory Board Achmea Reinsurance Company N.V.
- Chairman Supervisory Board Eureko Sigorta - Turkey
- Board Member AMICI
- Member of the Supervisory Board Achmea Schadeverzekeringen N.V.

B.E.M. Tetteroo

- Member Supervisory Board of De Kunsthal
- Member Supervisory Board Achmea Bank N.V.
- Member Supervisory Board Syntrus Achmea Real Estate & Finance

- Member Supervisory Board Achmea Investment Management N.V.

- Member Supervisory Board Achmea Pensioen- en Levensverzekeringen N.V.

Supervisory Board

The Supervisory Board currently has eight members. Members are appointed by the General Meeting for four years. They can be reappointed for a further four-year term. After such reappointment they can be reappointed twice for a two-year term. The composition of the Supervisory Board and nominations in the event of vacancies reflect the cooperative shareholder structure and employee participation through Achmea's Central Works Council. In conjunction with the shareholders, the company decided in 2013 to reduce the maximum number of Supervisory Board members from twelve to ten members, which coincided with a reduction in the number of nominations made by majority shareholders. Vereniging Achmea is authorised to nominate candidates for four[12] seats on the Supervisory Board.

The foundation (Stichting Administratie Kantoor Achmea) has three board members which are also board members of Vereniging Achmea. This foundation holds the A-share and has the right to appoint the chairman from among the members of the Supervisory Board. Rabobank may nominate a candidate for one[13] seat. Gothaer Allgemeine Versicherung, Gothaer Finanz Holding and Swiss Mobiliar have the right to jointly nominate one candidate. The Central Works Council is entitled to directly nominate three members[14], based on the enhanced right of recommendation of the Central Works Council. The members of the Supervisory Board each attend a meeting of the COR at least once a year. All the proposed changes to the composition of the Supervisory Board are submitted for approval to the General Meeting and are discussed with the COR.

The Supervisory Board currently has eight members. If a position becomes available, the company's objective is to maintain a balanced mix of skills in the Supervisory Board while at the same time ensuring that the newly appointed member also has the required insurance, financial and risk management experience. Members of the Supervisory Board are selected and appointed based on a profile of the required professional background, education, experience (international experience), skills, diversity and independence. The current composition of the Supervisory Board is such that the members can perform their duties properly because of the appropriate mix of experience and expertise. As of 11 April 2019, the Supervisory Board consisted of five male and three female members.

In addition to diversity in terms of knowledge, expertise and age, there is also gender diversity. Achmea's Supervisory Board therefore meets the legal requirement regarding gender diversity. All members of the Supervisory Board are in compliance with the Management and Supervision (Public and Private Companies) Act in terms of the number of supervisory board memberships that they hold.

A.W. Veenman, chairman	• Member of the Audit & Risk Committee Achmea B.V. • Member Supervisory Board Achmea Schadeverzekeringen N.V. • Chairman national economic cluster 'Topsector Logistiek' • Chairman Stichting Continuiteit SBM off shore • Chairman NINTES (talent development) • Advisor Royal Huisman Shipyard B.V. • Member Supervisory Board TenneT GmbH • Chairman Dutch Aerospace cluster (LRN) • Chairman Advisory Council National Aerospace Research Center (NLR)
R.Th. Wijmenga	• Chairman of the Audit & Risk Committee Achmea B.V. • Chairman Supervisory Board Achmea Pensioen & Levensverzekeringen N.V. • Member Supervisory Board Achmea Schadeverzekeringen N.V.

12 Effective 11 April 2019: Veenman, Wijmenga, De Weijer and Van den Berg

13 Vacancy

14 Lückerath, Sneller and Hofsté

	• Chairman Philips Pensioen Fonds • Member Supervisory Board and Member Audit Committee of Bouwinvest
W.H. de Weijer	• Chairman Supervisory Board of Achmea Zorgverzekeringen N.V. and its subsidiaries • Board Member Vereniging Achmea • Chairman Supervisory Board of Wielco B.V. • Member Supervisory Board of ADG • Member Supervisory Board Het Gastenhuis B.V. • Board Member Stichting Kinderopvang Noord-Holland • Director / Owner W. de Weijer, board advice
M. Lückerath-Rovers	• Member Supervisory Board Achmea Pensioen- en Levensverzekeringen N.V. • Professor Corporate Governance Tilburg University/TIAS • Member of the Board Dutch Payments Association (*Betaalvereniging Nederland*) • Member Supervisory Board and Member Audit Committee of the Royal Dutch Guide Dog Foundation • Member of the Pension Fund Code Monitoring Committee • Member of the editorial board of the Corporate Governance Yearbook • Member Supervisory Board NRC • Lid Raad van Toezicht Diergaarde Blijdorp
A.C.W. Sneller	• Member Audit & Risk Committee Achmea B.V. • Member Supervisory Board Achmea Zorgverzekeringen N.V. and its subsidiaries • Professor of Accounting Information Systems and Management Accounting at Nyenrode Business University • Member Supervisory Board ProRail • Member Supervisory Board CCV • Non-executive director at Ortec • Bestuurslid Coöperatie Bureau voor Management en ICT • Chairman External Audit Committee Wigo4IT • Member Advisory Board Bits of Freedom
P.H.M. Hofsté	• Member Audit & Risk Committee Achmea B.V. • Member Supervisory Board Achmea Pensioen- en Levensverzekeringen N.V. • Member Supervisory Board Achmea Investment Management N.V. • Member Supervisory Board and Chairman Audit Committee Rabobank • Member Supervisory Board and Chairman Audit Committee Kasbank N.V. • Member Supervisory Board and Audit Committee Fugro N.V. • Member of the Board and Executive Committee and Chairman Audit Committee of Stichting Nyenrode • Member of the Board and Treasurer of Vereniging Hendrick de Keyser • Member Advisory Council Amsterdam Institute of Finance • Member NBA-VRC programme council • Member Advisory Board Msc Accounting & Control, Faculty of Economics VU
J. van den Berg	• Member of the Supervisory Board of DHFL Pramerica Life Insurance • Member of the Supervisory Board of DHFL Pramerica Asset Management • Member of the Supervisory Board of Pramerica of Poland

R.A. Joosten	• Member of the Board of Migros Genossenschaftsbund, Switzerland • Member General Board and Daily Board Dutch organisation of employers, (VNO-NCW, Vereniging van Nederlandse Ondernemers), The Hague, the Netherlands

All members of the Executive and Supervisory Board elect domicile at Achmea B.V, Handelsweg 2 (3707 NH), the Netherlands.

At present there are no conflicts or potential conflicts of interest between any duties of the Executive Board and/or the Supervisory Board of Achmea and their private interests and/or other duties of members of the Executive Board and/or the Supervisory Board of Achmea. Members of the Executive Board and/or Supervisory Board may, however, obtain financial services from the Group. Further, internal rules are in place for the situation in which a conflict of interest should arise.

Audit & Risk Committee

The Audit & Risk Committee is a committee of the Supervisory Board and consists of at least three members of the Supervisory Board. The Audit & Risk Committee currently consists of Mr R.Th. Wijmenga (chairman), Mr A.W. Veenman, Ms P.H.M. Hofsté, and Mrs. A.C.W. Sneller. It meets at least seven times a year, next to at least one meeting a year with solely the external auditors. The external auditors may request an additional meeting if they consider this necessary without management being present. Meetings of the Audit & Risk Committee are usually attended by the Chairman of the Executive Board, the Chief Financial Officer, the Chief Risk Officer and the director of Internal Audit. At the Chairman's request, the directors of Finance, Compliance and Risk Management are invited to discuss the agenda items relevant to them. Specialists may be invited to attend part of the meeting for discussions on specific topics.

Responsibilities and duties

The Audit & Risk Committee advises the Supervisory Board in fulfilling its supervising responsibilities.

Therefore the Audit & Risk Committee reviews, amongst others:

(i) (the integrity of) the Group's financial reporting process;

(ii) the Group's actuarial reporting and modelling;

(iii) the effectiveness of the Group's internal controls;

(iv) the Group's risk management processes;

(v) the effectiveness of the compliance processes with regard to regulatory issues;

(vi) the external audit processes; and

(vii) any other matters as directed by the Supervisory Board.

Share capital

The authorised share capital as at 31 December 2018 comprises of 2,103,943,009 ordinary shares, 1 A share and 60,000,000 preference shares. The issued share capital as at 31 December 2018 is €434,724,234[15] and consists of 410,820,173 ordinary shares, 1 A share and 23,904,060 preference shares as at 31 December 2018. All issued shares have been paid up in full.

15 434,724,233 ordinary shares and 1 A-class share (all with a nominal value of €1,-)

The largest shareholder of the ordinary shares and holder of the A share of Achmea is Vereniging Achmea (directly and through Stichting Administratiekantoor Achmea, the shareholder that has issued depository receipts for shares to Vereniging Achmea), holding 60.76% of the voting rights as at 16 April 2018.

There are special rights attached to the A share. Certain shareholders resolutions require the approval of the holder of the A Share, as further set out in the Articles of Association, and including, without limitation, resolutions relating to the share capital of Achmea, mergers and the dissolution.

Each of the holders of ordinary shares, the A share and the preference shares are entitled to receive dividends as declared from time to time as well as to distributions upon liquidation of Achmea. The ordinary shares and the A share carry identical financial rights and each of these shares is entitled to one vote at the General Meetings. In addition, the A share is entitled to the special rights described above.

The preference shares in the share capital of Achmea B.V. are held by Achmea Tussenholding B.V. All shares in Achmea Tussenholding B.V. are held by Stichting Administratiekantoor Achmea Tussenholding that, in turn, has issued share certificates to investors. The investors are therefore the recipients of dividends paid on the preference shares; they do not have voting rights in the General Meeting. These lie with Achmea Tussenholding B.V.

The Articles of Association contain the following provisions regarding appropriation of results. The result will be appropriated pursuant to Article 34 of the Articles and the provisions of this article can be summarised as follows:

- The profit shall be at the disposal of the General Meeting;

- Profit may only be distributed to shareholders and other persons entitled to distributable profits to the extent that its equity exceeds the total amount of its issued share capital and the reserves to be maintained pursuant to the law. The distribution of profit must be approved by the Executive Board. The latter will only withhold its approval if it is aware that, or should reasonably be able to anticipate that, the company, upon payment, will not be able to continue paying its due and payable debts;

- If the General Meeting decides on the distribution of dividends, first of all, if possible, a dividend equal to 7.15% of the nominal amount shall be paid to preference shareholders plus the share premium paid-up upon issue. In 2014, the percentage was reviewed and set at 3.7%. Terms on the percentage will be reviewed every ten years. The next review will take place before 1 January 2024;

- Subject to the approval of the Supervisory Board, the Executive Board shall be authorised to increase the above mentioned percentage determined in February 2014 each year with a maximum of 1.8%;

- If no dividend in cash is distributed, a dividend in the form of preference shares can be resolved upon instead; and

- If the General Meeting decides on the distribution of dividend and dividend on preference shares has not been paid in previous years, cash dividends shall first be paid to preference shareholders on these previous years, before any distribution can take place on other shares.

Shares subject to option and derivative agreements

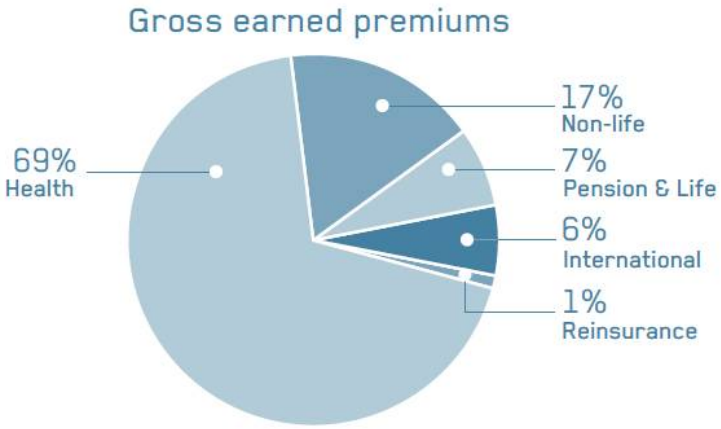
Pursuant to certain share repurchase agreements, several shareholders of Achmea B.V. have the right to sell their shares on market-based conditions during a certain timeframe to third parties which are not related to Achmea B.V. When an option is exercised, Achmea B.V. has the subsequent right to purchase these shares or to enter into a derivative transaction with the purchasing third party. Pursuant to this transaction Achmea B.V. will pay the purchaser an upfront premium equal to the settlement amount due by the purchaser to the selling shareholder under the related option. During the life of the derivative transaction, Achmea B.V. will receive all dividends distributed to the third party in return for a fixed fee. Upon unwinding of the derivative

transaction, Achmea B.V. will receive from the purchaser the upfront premium paid adjusted for part of the change in value of the Achmea B.V. shares held by the third party during the life of the derivative transaction.

The options can be settled in the form of a perpetual or a 30 year subordinated debt instrument. The options can be exercised until the date of listing of Achmea on a stock exchange. In total 6,824,836 Achmea shares remain subject to the option and derivative agreements as at 15 May 2019.

2018 Financial results

Group results



RESULTS (€ MILLION)			
	2018	**2017**	**Δ**
Gross earned premiums	19,918	19,350	3%
Net earned premiums	19,685	19,348	2%
Gross operating expenses[1]	2,211	2,136	4%
BREAKDOWN OF RESULTS			
Operational result (excluding Health Netherlands)	263	477	-45%
Health Netherlands	128	-128	n.m.
Operational result[2]	391	349	12%
Results before tax	566	321	76%
Net result	**315**	**216**	**46%**
BALANCE SHEET	**31-12-2018**	**31-12-2017**	**Δ**
Total assets	81,816	90,946	−10%
Total equity	9,705	9,949	-2%
SOLVENCY II			
Solvency ratio (Partial Internal Model)	198%	184%	14%-pt
FTEs	**31-12-2018**	**31-12-2017**	**Δ**
FTEs (internal)	13,714	14,582	−6%
FTEs (external)	2,922	2,848	3%

n.m.: not meaningful

1) *Gross operating expenses comprise personnel expenses, depreciation costs for land and buildings for company use and plant and equipment and general expenses, including IT expenses and marketing expenses. These are operating expenses excluding paid and due fees, profit sharing on reinsurance and fees and for the allocation of claims handling expenses and allocated investment costs*
2) *The operational result is calculated by adjusting the result before tax for certain items. These are items within income and expenses which are significant and which arise from events or transactions which are clearly distinct from the normal business operations, and are therefore not*

expected to occur regularly. Examples of such items include exceptional depreciation losses from goodwill and pre-tax results from disinvestments related to disinvestment operations

Overall results

The operational result over 2018 increased to €391 million (2017: €349 million). The strong result is supported by Pension & Life and Health. Non-Life also significantly contributed to the operational result. Additionally, Retirement Services and Achmea's International activities have also shown an improvement compared to 2017.

At 95.5%, the combined ratio of Achmea's Non-Life business is the same as last year. The underlying result of Non-Life improved further. The January storms, with an impact of €85 million and 2.6%-pt. on the combined ratio, were fully absorbed. The underlying results improved due to premium measures, claims management and operational expense measures. The lower operational result, compared to 2017, is caused by lower investment income.

Achmea's Health activities realised a higher result than in 2017, caused by a better result on previous years. In 2018, basic Health insurance is still loss-making. If the loss provision of €108 million, formed in 2017, is excluded, the result of basic Health is negative. Achmea was able to set basic healthcare premiums for 2019 closer to cost price than in previous years, meaning Achmea only had to make a loss provision of €21 million in the 2018 results. The result on supplementary health insurance increased due to lower use of healthcare services by Achmea's customers compared to 2017.

Pension & Life showed a strong and stable result over 2018 in which the higher technical result and lower operating expenses largely compensated the lower investment results. Achmea also continued to optimise the processes and systems in 2018 and further reduced the operational expenses.

The result of Retirement Services improved in 2018. The improvement is due to a higher interest margin at Achmea Bank, lower expenses as a result of outsourcing and lower start-up expenses of the Centraal Beheer General Pension Fund (APF). The result of Achmea Investment Management has also improved further and the AuM increased to €129 billion. The phasing out of pension administration to mandatory sectoral pension funds was successfully completed as of 1 July 2018.

Achmea's International activities show a sharp improvement in the operational result compared to 2017. With the launch of the online services in the Canadian property & casualty market and completion of the sale of Irish Life insurance company Friends First, Achmea took further steps in the implementation of the international strategy, which focuses on Achmea's core qualities: Non-Life and Healthcare expertise via digital and banking distribution channels.

The Other activities segment has a lower result this year compared to 2017. In addition to financing and shareholder expenses, the result was adversely affected by a higher cost of claims at Achmea Reinsurance, caused by storm Friederike on 18 January 2018. The reorganisation provision for reductions in the number of employees and office locations has been increased further within the context of Achmea's business plan "Delivering Together". The lower result compared to last year can also be partly attributed to one-off windfalls in 2017, a change in cost allocation and higher investments in innovation.

The net result is €315 million (2017: €216 million). This includes the transaction result from the joint venture with Fairfax in Canada (€8 million) and the sale of Independer (€167 million). In 2017, the transaction result related to the sale of Friends First, completion of the transfer of the Staalbankiers's private banking activities to Van Lanschot (€8 million) and expenses deriving from the migration of five sectoral pension funds to Centric.

OPERATIONAL RESULT SEGMENTS (€ MILLION)

	2018	2017
Non-Life Netherlands	97	166
Pension & Life Netherlands	334	342
Retirement Services Netherlands	15	12
International Activities	29	16
Other activities	−212	−59
Operational result (excl. Health)	**263**	**477**
Health Netherlands	128	−128
Operational result	**391**	**349**

BREAKDOWN OF NET RESULTS (€ MILLION)

	2018	2017
Operational result	**391**	**349**
Transaction results from sales	175	−28
Results before tax	**566**	**321**
Taxes	251	105
Net result	**315**	**216**

Gross earned premiums

Gross earned premiums increased by 3% to €19,918 million (2017: €19,350 million) in 2018. The increase in premiums was mainly driven by Achmea's basic Health insurance activities in the Netherlands.

Gross earned premiums in Retail and commercial Non-Life increased further due to portfolio growth and premium measures. Internationally, gross earned premiums also increased for the property & casualty activities in local currency, but decreased in euros due to exchange-rate effects. Gross earned premiums from life insurance activities decreased, in line with the expectations, as a result of the decision to stop actively selling pension insurance products in the Netherlands. Additionally, gross earned premiums were also lower due to the sale of Irish life insurance company Friends First as of 1 June 2018.

Operating expenses

Gross operating expenses increased to €2,211 million in 2018 (2017: €2,136 million). Adjusted for one-off effects, gross operating expenses decreased by €58 million (-3%). This decrease is mainly due to a reduction of the total workforce and lower housing expenses as a result of centralising office locations.

The reorganisation provision within the context of "Delivering Together" was further increased in 2018 in order to achieve these structural decreases. This will be used to fund a further reduction in the number of employees and office locations, partly because of merging of activities.

The total number of internal and external employees in the Netherlands declined to 13,772 FTE in 2018 (year-end 2017: 14,484 FTE). The decrease in the number of internal employees in the Netherlands with more than 700 FTE is due to the continued optimisation of processes and systems as well as strategic choices. An example is the sale of Independer which lead to a decrease of 292 FTE. Achmea previously stated that the

number of employees at Achmea will decrease by 2,000 in the business plan period up to 2020. Since the start of the business plan period, the number of employees in the Netherlands has decreased by over 1,500. Hence, Achmea is well on track with the execution of the business plan.

The number of internal and external employees outside the Netherlands decreased to 2,864 FTE (year-end 2017: 2,946 FTEs). This decrease is due to the sale of Irish life insurance company Friends First. When adjusted for this, the number of international employees has increased by 240 to support growth in Achmea's international business.

Investments

Investment income[5] from Achmea's own risk investment portfolio was €1,066 million in 2018 (2017: €1,248 million). Higher real estate revaluations due to improved market sentiment had a positive impact. Achmea also profited from a widening swap spread on part of the portfolio, of which the investments are valued at market interest rates and the liabilities at the swap rate. Counterbalancing these positive trends are lower realised gains on fixed income and equities, as well as lower equity valuations, caused by, among other reasons, market developments at the end of 2018. Foreign exchange results were also strongly negative in 2018. The increase in the value of the fixed-income securities and interest-rate derivatives in Achmea's Dutch pension and life insurance business, caused by fluctuations in the market interest rate, is not immediately visible in the results. All realised and unrealised investment results on fixed-income securities and interest-rate derivatives for own risk are set aside in the so-called Fund for Future Appropriation (FFA). This fund is part of Achmea's technical provisions to cover liabilities to Achmea's customers with pension or life insurance policies. As a result of lower interest rates, the FFA increased by €0.2 billion to €7 billion in 2018.

The value of Achmea's investment portfolio increased slightly to €45.1 billion (2017: €44.6 billion). This increase can mainly be attributed to the additional purchases that increased the value of the fixed-income portfolio.

Capital Management

Total equity decreased by €244 million to €9,705 million in 2018 (2017: €9,949 million). The total equity was positively affected by the net result of €315 million. The decrease is mainly the result of the share buy-back amounting to €100 million, negative revaluations, primarily on equities, exchange-rate differences arising from the depreciation of the Turkish lira, dividend payments on ordinary and preference shares and coupon payments on hybrid capital totaling €193 million.

TOTAL EQUITY MOVEMENT (€ MILLION)	
Total equity as at 31.12.2017	**9,949**
Net result	315
Movements in revaluation reserve	-225
Movements in reserve for exchange-rate difference	-53
Remeasurements of net defined benefit liability	12
Dividend and coupon payments on other equity instruments	-193
Repurchase of equity instruments	-100
Total equity as at 31.12.2018	**9,705**

[5] Investment income consists of investment income (own risk) in the Consolidated Income Statement, including income from associates and joint ventures and realised and unrealised gains and losses, adjusted for investment income directly related to the insurance liabilities (both fair value and other).

Capital and liquidity position

Achmea aims to be adequately capitalised at all times. This is necessary in order to be able to protect the interests of all stakeholders in the short and long term. In this respect it is necessary to at least comply with the capital requirements under Solvency II and to attain Achmea's rating ambitions.

Developments in 2018 and 2019

Key developments for capital management in 2018 and 2019:

- Achmea's capital policy describes the capital and liquidity standards for the Group and the supervised entities. Within the Group, at least €1 billion in available liquidity, consisting of a buffer at group level, excess capital above the limits of the supervised entities, and unused committed credit facilities is available to support the supervised entities if this becomes necessary.

- Besides monitoring, the capital position under Solvency II Achmea also monitors the economic solvency.

- Achmea's capital requirements are calculated via an approved partial internal model. Achmea uses an internal model for Non-Life and Health SLT from the start of Solvency II per 1 January 2016. In 2018, also the internal model for market risk was approved by the College of Supervisors. It is used for prudential reporting as of 1 July 2018. An internal model more accurately reflects the risks that Achmea considers appropriate to its profile. In its Own Risk and Solvency Assessment (ORSA) performed in 2018, Achmea has defined a set of stress scenarios. Based on the assumptions used, under all but one of these stress scenario's the Solvency II ratio is expected to remain above the 165% target level. The scenario in which the Solvency II ratio is expected to fall just below the 165% target level concerns a combination of both a financial crisis and a large increase in life expectancy.

- Linked to the ORSA and the Recovery plan, Achmea has identified a set of recovery measures, which, if implemented, could (partly) mitigate the impact on the Solvency II ratio of Achmea specific, or market wide, stress events. For each measure, the benefits, conditions for implementation, possible disadvantages and time needed for implementation have been identified.

Solvency II

Achmea determines the Solvency position by means of a PIM. The scope of the internal model parts is:

- Non-Life Premium and Reserve Risk stemming from the Dutch Non-life insurance activities, excluding Achmea Reinsurance Company N.V., and Greek Non-life insurance activities;

- NSLT Health Premium and Reserve Risk stemming from the Dutch Non-Life insurance activities and Greek Non-Life insurance activities;

- Non-Life Natural Catastrophe Risk stemming from the Dutch insurance activities and Greek insurance activities (excluding external incoming reinsurance contracts);

- Health Risk SLT stemming from the Dutch Non-Life insurance activities;

- Market Risk (excluding the Foreign Currency Risk and Concentration Risk), for the Dutch insurance entities1 and Achmea B.V. (Group).

The other risks are calculated using the Solvency II standard formula. The solvency ratio under Solvency II is 198% as at 31 December 2018 (31 December 2017: 184%). The Solvency II equity amounts to €8,925 million as at 31 December 2018 (31 December 2016: €8,386 million).

SOLVENCY RATIO (€ MILLION)

	2018	**2017**	**Δ**
Eligible own funds Solvency II	8.925	8.386	539
Solvency Capital Requirement	4.497	4.55	-58
Surplus	**4.428**	**3.831**	**597**
Ratio (%)	198%	184%	14%-pt

ELIGIBLE OWN FUNDS SOLVENCY II (€ MILLION)

	31-12-2018	**31-12-2017**
Tier 1 restricted	1,040	911
Tier 1 unrestricted	6,030	5,452
Tier 2	1,347	1,340
Tier 3	508	683
Total eligible own funds Solvency II	**8,925**	**8,386**
Available headroom restricted tier 1	468	452
Available headroom tier 2	394	255

The restricted tier 1 capital and tier 2 capital is composed of three hybrid loans and preference shares (as per 31 December 2018).

TIERING OF CAPITAL UNDER SOLVENCY II (€ MILLION)

	Tiering	**Market value**
Preference shares at 5.500% interest	Restricted tier 1	311
Perpetual at 6.000% interest	Restricted tier 1	729
Perpetual at 4.250% interest	Tier 2	794
Subordinated debt at 6.000% interest	Tier 2	553

As at 31 December 2018, the Solvency II ratio has increased by 14% to 198% (31 December 2017: 184%). The improved capital position is the result of a combination of a €539 million increase in the eligible own funds Solvency II to €8,925 million (2017: €8,386 million) and a €58 million decrease in the SCR to €4,497 million (2017: €4,555 million).

Own funds

The increase in the equity is the result of positive technical results, positive effects caused by trends on the financial markets and the sale of Independer.

In addition, a lower capping of Tier 3 capital has been achieved owing to a lower deferred tax asset resulting from loss recognition and the lower corporate tax rates for 2020 and 2021. This is partially cancelled out by planned dividends relating to the positive annual results.

Solvency Capital Requirement

The capital requirement has mainly decreased due to a decline in counterparty default risk, life and health risk. The increase of market risk and the decrease of counterparty default risk are mainly linked to the introduction of the internal model for market risk in which mortgages are treated as part of market risk. Life risk decreased due to the sale of Friends First and the declining life insurance portfolio in The Netherlands. The decrease of Health risk is linked to the sale of Friends First (Health SLT portfolio) and a lower level of claims provisions for the Dutch health business.

SOLVENCY CAPITAL REQUIREMENT (€ MILLION)

	2018	**2017**
Market Risk	2,566	2,075
Counterparty Default Risk	261	643
Life Underwriting Risk	1,636	1,760
Health Underwriting Risk	1,832	1,889
Non-Life Underwriting Risk	823	816
Diversification	-2,496	-2,632
Intangible Asset Risk	0	1
Basic Solvency Capital Requirement	**4,622**	**4,552**
Operational Risk	596	586
Loss-Absorbing Capacity	-787	-616
Solvency Capital Requirement (Cons)	4,431	4,522
SCR Other Financial Sectors & Other Entities	66	33
Solvency Capital Requirement	**4,497**	**4,555**

RECONCILIATION BETWEEN EQUITY FINANCIAL STATEMENTS AND SOLVENCY II (ELIGIBLE OWN FUNDS (€ MILLION)

	31-12-2018	31-12-2017
Equity Financial statements	9,705	9,949
Subordinated liabilities in Basic Own Funds	-1,350	-1,350
Own shares	335	235
Total IFRS excess of assets over liabilities	**8,690**	**8,834**
Valuation differences Solvency II	-355	-825
Total economic excess of assets over liabilities	**8,335**	**8,009**
Subordinated loans eligible under Solvency II and "grandfathered" instruments	2,076	1,940
Available own funds Solvency II	**10,411**	**9,949**
Foreseeable dividends, payments and expenses	-209	-315
Not qualifying tier 3 capital		-53
Own shares	-335	-235
Equity in banking- and investment institutions (CRD IV)	-911	-923
Other restrictions	-31	-37
Eligible own funds Solvency II	**8,925**	**8,386**

SOLVENCY II RATIO CORE LEGAL ENTITIES

	31-12-2018	31-12-2017
Non-Life	141%	140%
Pension & Life	178%	142%
Health	151%	142%

Movement in solvency ratio

The solvency ratio has grown from 184% at year-end 2017 to 198% at year-end 2018. The table below shows the different factors influencing the movement of the ratio:

SOLVENCY RATIO DEVELOPMENT

SCR as at 31-12-2017	**184%**
Market return and optimisation	+9%
Portfolio	+17%
Insurance risks	-2%
Other effects	-7%
2018 (before dividend, coupons, and share buy-back)	**201%**
Dividend, coupons, and share buy-back	-3%
SCR as at 31-12-2018	**198%**

Generally, the effect of the adjustment to the UFR from 4.05% to 3.90% as from 1 January 2019 has a negative impact of 2 percentage points.

Minimum Capital Requirement

Achmea also has to assess whether the capital components are able to cover the Group Minimum Capital Requirements. The calculation of the Group MCR is determined by simply adding all the solo MCR, which implies that the group MCR is calculated gross of intra group transactions. Compared to the SCR, Tier 3 capital is not eligible to cover the MCR and Tier 2 capital components may not exceed 20% of the Tier 1 capital. Any excess Tier 2 capital is not eligible to cover the MCR. In order to cover the MCR the restricted Tier 2 was €876 million.

ELIGIBLE OWN FUNDS VERSUS MCR (€ MILLION)

	31-12-2018
Tier 1 restricted	1,040
Tier 1 unrestricted	6,030
Tier 2	471
Tier 3	-
Eligible own funds to meet MCR	**7,541**
Minimum consolidated Group SCR	2,354
Minimum Capital Requirement ratio	**320%**

Litigation

General

Achmea B.V. and companies forming part of Achmea are involved in lawsuits and arbitration proceedings. These legal proceedings relate to claims instituted by and against these companies arising from ordinary operations and mergers, including the activities carried out in their capacity as insurers, credit providers, service providers, employers, investors and/or tax payers. Although it is not possible to predict or define the outcome of pending or imminent legal proceedings, the Executive Board believes that, other than as set out below, it is unlikely that the outcome of the actions will have a material, negative impact on the financial position of Achmea B.V.

Tax Dispute

The measurement of the income tax receivable depends among other things on the application of the tax rules. It can be unclear how a specific tax law provision applies to a certain transaction or event. There may be a lack of clarity regarding the application of the participation exemption facility to income derived from the sale of certain activities. At the end of 2018 this was the case for the divestment of Achmea's shareholding in the Polish insurer PZU. The acceptability of the tax treatment chosen by Achmea depends on a court judgement. The difference of opinion between Achmea and the tax authorities as to the tax treatment of this transaction ranges from €0 to €295 million. When determining the income tax payable Achmea has taken this uncertainty into account by assuming the most likely outcome within this range. However, the actual income tax to be paid depends on the judgement in legal proceedings and therefore may result in other 'cash flows' under the tax position. On 6 July 2018, Achmea announced that it has increased its provision for the fiscal settlement in the Netherlands regarding the compensation received for the divestment of its shareholding in the Polish insurer PZU by €35 million to a total of €233 million. The increase follows a recent ruling by the Dutch court Arnhem-Leeuwarden, whereby Achmea's views have been partially taken into account. Based on the ruling, a larger amount of the PZU settlement is subject to Dutch corporate income tax than cautiously

anticipated in building up the provision in previous years. Achmea disagrees with the Dutch tax authority on the fiscal treatment in the Netherlands of the compensation received for the divestment of its shareholding in PZU, in the years 2009 and 2010. The agreement with the Polish government at the time resulted in total proceeds for Achmea of €4.2 billion. The disagreement with the Dutch tax authority is regarding the tax treatment on the amount received of €1.2 billion. Achmea is of the opinion that this amount should be exempted from Dutch corporate income tax. The court has ruled that of the amount received of approximately €1.2 billion, an amount of €248 million is exempted from corporate tax. Achmea has analysed the ruling by the Court and has filed an appeal with the Dutch Supreme Court. The court session was held at 13 February 2019. Achmea expects a Supreme Court ruling before the end of 2019. The impact of the increase of the provision has been accounted for in the results over the financial year of 2018.

Unit-linked Products

Since 2006, an issue has arisen in the Netherlands regarding the costs of investment insurance policies (*beleggingsverzekeringen*), such as the life insurance policies with a Unit-Linked Alternative, commonly known as the "usury insurance policy affair" (*woekerpolisaffaire*). It is generally alleged that the costs of some of these products are disproportionally high, that in some cases a legal basis for such costs is lacking and that the information provided to the insured regarding these costs has not been transparent which is considered an alleged misselling issue. In 2010, Achmea reached agreement with certain customer interest groups in the Netherlands. The discussion related to these investment insurance policies is continuing, as was demonstrated by the summons that Achmea received in January 2019 from the association Vereniging Woekerpolis.nl and the Dutch Consumer Association. In November 2018, they approached Achmea, requesting that it entered into consultations on a far-reaching additional compensation scheme. Achmea declined this request because it does not recognise the picture depicted by the associations and the liability allegations.

Conflict between the Slovak Government and Achmea B.V.

In contradiction of an agreement to encourage investments between the Slovak Republic and the Netherlands, the Slovak government has enforced a ban on the distribution of profit on Slovak health insurers, including Achmea's Slovak subsidiary Union Zdravotná Poist'ovna A.S., in the period between 2007 and August 2011. Achmea sought compensation for the incurred loss and statutory interest paid through an international arbitration tribunal. In December 2012 the arbitration tribunal decided in favour of Achmea. Under this decision the Slovak Government is required to compensate Achmea for damages incurred and the statutory interest paid. The compensation amounted to approximately €25 million. The Slovak Government has publicly stated that it will not pay the amounts awarded to Achmea and has submitted the arbitral award for annulment to a German Court. In this first court case, the annulment request of the Slovak Republic has been rejected. The Slovak Government has appealed against this judgment with the Bundes Gerichtshof in Karlsruhe. The Bundes Gerichtshof submitted some legal questions on the interpretation of EU-law to the European Court of Justice, which has answered these questions in March 2018. The Bundes Gerichtshof has delivered its judgment on 31 October 2018, thereby following the ruling of the Bundes Gerichtshof and overturning the arbitral award. Achmea has filed a constitutional complaint against this judgment in Germany and in parallel submitted a claim for damages in Slovakia. These proceedings are still pending. Because of the continuing statutory interest, Achmea's claim now amounts to approximately €30 million. In view of the above, Achmea does not consider the receivable amount to be sufficiently certain to recognise it as an asset.

Recent developments

Can Akın Çağlar steps down as CEO of Eureko Sigorta

On 6 May 2019, Achmea announced that Can Akın Çağlar decided to step down from his position after five years as CEO of Eureko Sigorta, Achmea's subsidiary in Turkey, as per 10 May 2019. From 10 May 2019 he began his new position as an independent Vice-Chairman of the Supervisory Board of Eureko Sigorta, where he will serve until 31 July 2019. Can Akın Çağlar will also serve as a special advisor to Robert Otto,

member of the Executive Board of Achmea and Chairman of the Supervisory Board of Eureko Sigorta. Can Akın Çağlar will continue his role as Chairman of the Turkish Association of Insurance Companies.

Lidwien Suur appointed to Achmea's Executive Board

On 24 April 2019, Achmea announced that Lidwien Suur (44) has been appointed to Achmea's Executive Board with effect from 1 September 2019. She fills the vacancy that arose following the departure of Roelof Konterman at the end of 2018. Lidwien Suur's responsibilities will include the divisions of Non-life, Centraal Beheer and Interpolis.

Roelof Joosten appointed member of Achmea's Supervisory Board

On 11 April 2019, Achmea's General Meeting has appointed Roelof Joosten as a member of the Supervisory Board. He succeeds Antoon Vermeer, who retired from his position in 2018 at the end of his maximum term of office. Joosten's appointment is for a period of four years and has been approved by the DNB.

S&P upgrades Achmea's rating outlook to stable

On 11 April 2019, S&P announced an upgrade of Achmea's rating outlook to stable. The overall credit rating for the insurance entities remains 'A'. S&P is established in the European Economic Area and registered under the CRA Regulation. In its rating report, S&P states that Achmea has realised stable and improved operational results in recent times. The increase in the operational result to €391 million euro in 2018 exceeded S&P's expectations. It added that it expects Achmea to maintain its debt-leverage ratio and capital position stable at this strong level over the coming period.

For this reason, S&P has announced that it would raise the outlook to 'stable' for Achmea, with an 'A' rating for the insurance entities, an 'A-' rating for the 'highly strategic subsidiaries' Achmea Reinsurance Company N.V. and Achmea Bank N.V. and a 'BBB+' rating for Achmea B.V.

Achmea expands scale of international operations with the acquisition of Aegon Slovakia's property and casualty portfolio

On 9 April 2019, Achmea announced that it was expanding its presence in Slovakia by acquiring Aegon's property and casualty portfolio in Slovakia. The acquisition is being made by Achmea's subsidiary, Union poisťovňa, a.s. The portfolio consists of more than 18,000 home insurance policies.

Achmea targets its knowledge and experience where it expects rapid growth. For example, in 2018, Achmea used technology and robotisation in Slovakia to improve its customer service.

Outside the Netherlands, Achmea operates in five countries: Greece, Turkey, Slovakia, Canada and Australia. International written premiums amounted to around €1.1 billion in 2018. In local currency, written premiums at Non-life rose by 7%, with an 11% increase at Health. We offer our non-life and health insurance policies outside the Netherlands mainly via banks or online.

The acquisition has been submitted to the local regulatory authorities for approval.

Pensioenfonds Vervoer chooses Achmea Investment Management as integral asset manager

On 4 April 2019, it was announced that following an intensive selection process, Pensioenfonds Vervoer has chosen Achmea Investment Management as integral asset manager for the scheme. The arrival of Pensioenfonds Vervoer with effect from the end of 2019 reinforces the position of Achmea Investment Management as a leading Dutch asset manager.

Pensioenfonds Vervoer administers the pension schemes for employees in the road haulage, private bus and taxi transport, inland waterway and crane hire sectors, as well as the employees of company pension fund Orsima. Pensioenfonds Vervoer has over 670,000 members and at the end of the first quarter of 2019, assets

invested of approximately €28 billion. Achmea Investment Management currently has around €129 billion assets under management.

*Achmea acquires part of the banking operations of a.s.r. bank ("**a.s.r**")*

On 21 March 2019, Achmea and a.s.r. have agreed that Achmea Bank will acquire part of the banking operations of a.s.r.. These operations consist of a liability portfolio with savings of €1.7 billion and approximately 125,000 customers, and an asset portfolio consisting of mortgages with a volume of €1.5 billion.

The acquisition of the portfolio fits with Achmea's strategy, which is in part focused on growth in pensions and pension services, along with integrated banking products and asset management. For a.s.r., the transaction is in line with its previously presented strategy update, which stated that a.s.r. no longer classified pensions as a core activity.

Achmea first Dutch insurer to close new, sustainable credit facility

On 7 March 2019, Achmea successfully closed a new multicurrency revolving credit facility ("**RCF**") with sustainable characteristics. The €1 billion RCF closed with a syndicate of twelve international banks. The RCF has a maturity of five years with the optionality to extend the facility twice for a further period of one year. If the extension optionality is exercised, the facility will mature in 2026. The facility replaces an existing €750 million facility.

Achmea is the first Dutch insurer with a credit facility with sustainability features. The RCF is part of Achmea's liquidity management policy and is currently undrawn.

Selected Financial Information of Achmea

Achmea's publicly available audited annual consolidated financial statements for the year ended 31 December 2018 (set forth on pages 42 up to and including 179 of the annual report in the English language) are incorporated by reference into this Base Prospectus. See also "Incorporation by reference".

Independent Auditors

The consolidated financial statements of Achmea for 2018 and 2017 have been audited by PricewaterhouseCoopers Accountants N.V. In accordance with Section 393 of Book 2 of the Dutch Civil Code, PricewaterhouseCoopers Accountants N.V. has given an unqualified audit opinion for each of these years.

TAXATION

The following is a general summary of certain material Netherlands tax consequences of the acquisition, holding and disposal of the Notes. This summary does not purport to describe all possible tax considerations or consequences that may be relevant to a holder or prospective holder of Notes and does not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as trusts or similar arrangements) may be subject to special rules. In view of its general nature, it should be treated with corresponding caution.

This summary is based on the tax laws of the Netherlands, published regulations thereunder and published authoritative case law, all as in effect on the date hereof, and all of which are subject to change, possibly with retroactive effect. Where the summary refers to "the Netherlands" it refers only to the part of the Kingdom of the Netherlands located in Europe.

This discussion is for general information purposes only and is not tax advice or a complete descrip-tion of all tax consequences relating to the acquisition, holding and disposal of the Notes. Holders or prospective holders of Notes should consult their own tax advisors regarding the tax consequences relating to the acquisition, holding and disposal of the Notes in light of their particular circumstances.

Withholding tax

All payments of principal or interest made by the Issuer under the Notes may be made free of withholding or deduction of, for or on account of any taxes of whatever nature imposed, levied, withheld or assessed by the Netherlands or any political subdivision or taxing authority thereof or therein, unless the Notes qualify as equity of the Issuer for Netherlands tax purposes.

Taxes on income and capital gains

Please note that the summary in this section does not describe the Netherlands tax consequences for:

(i) holders of Notes if such holders, and in the case of individuals, such holder's partner or certain of their relatives by blood or marriage in the direct line (including foster children), have a substantial interest (*aanmerkelijk belang*) or deemed substantial interest (*fictief aanmerkelijk belang*) in the Issuer under The Netherlands Income Tax Act 2001 (*Wet inkomstenbelasting 2001*). Generally speaking, a holder of securities in a company is considered to hold a substantial interest in such company, if such holder alone or, in the case of individuals, together with such holder's partner (as defined in The Netherlands Income Tax Act 2001), directly or indirectly, holds (i) an interest of 5% or more of the total issued and outstanding capital of that company or of 5% or more of the issued and outstanding capital of a certain class of shares of that company; or (ii) rights to acquire, directly or indirectly, such interest; or (iii) certain profit sharing rights in that company that relate to 5% or more of the company's annual profits or to 5% or more of the company's liquidation proceeds. A deemed substantial interest arises if a substantial interest (or part thereof) in a company has been disposed of, or is deemed to have been disposed of, on a non-recognition basis;

(ii) pension funds, investment institutions (*fiscale beleggingsinstellingen*), exempt investment institutions (*vrijgestelde beleggingsinstellingen*) (as defined in The Netherlands Corporate Income Tax Act 1969; *Wet op de vennootschapsbelasting 1969*) and other entities that are , in whole or in part, not subject to or exempt from Netherlands corporate income tax; and

(iii) holders of Notes who are individuals for whom the Notes or any benefit derived from the Notes are a remuneration or deemed to be a remuneration for activities performed by such holders or certain individuals related to such holders (as defined in The Netherlands Income Tax Act 2001).

Netherlands Resident Entities

Generally speaking, if the holder of Notes is an entity that is a resident or deemed to be resident of the Netherlands for Netherlands corporate income tax purposes (a 'Netherlands Resident Entity'), any payment under the Notes or any gain or loss realised on the disposal or deemed disposal of the Notes is subject to Netherlands corporate income tax at a rate of 19% with respect to taxable profits up to €200,000 and 25% with respect to taxable profits in excess of that amount (rates and brackets for 2019).

Netherlands Resident Individuals

If the holder of Notes is an individual, resident or deemed to be resident of the Netherlands for Netherlands income tax purposes (a 'Netherlands Resident Individual'), any payment under the Notes or any gain or loss realised on the disposal or deemed disposal of the Notes is taxable at the progressive Netherlands income tax rates (with a maximum of 51.75% in 2019), if:

(i) the Notes are attributable to an enterprise from which the holder of Notes derives a share of the profit, whether as an entrepreneur (*ondernemer*) or as a person who has a co-entitlement to the net worth (*medegerechtigd tot het vermogen*) of such enterprise without being a shareholder (as defined in The Netherlands Income Tax Act 2001); or

(ii) the holder of Notes is considered to perform activities with respect to the Notes that go beyond ordinary asset management (*normaal, actief vermogensbeheer*) or derives benefits from the Notes that are taxable as benefits from other activities (*resultaat uit overige werkzaamheden*).

If the above-mentioned conditions (i) and (ii) do not apply to the individual holder of Notes, such holder will be taxed annually on a deemed return (with a maximum of 5.60% in 2019) of the individual's net investment assets (*rendementsgrondslag*) for the year at an income tax rate of 30%. Actual income, gains or losses in respect of the Notes are as such not subject to Netherlands income tax.

The net investment assets for the year are the fair market value of the investment assets less the allowable liabilities on 1 January of the relevant calendar year. The Notes are included as investment assets. For the net investment assets on 1 January 2019, the deemed return ranges from 1.94% up to 5.60% (depending on the aggregate amount of the net investment assets of the holder of Notes on 1 January 2019). The deemed return will be adjusted annually on the basis of historic market yields.

Non-residents of the Netherlands

A holder of Notes that is neither a Netherlands Resident Entity nor a Netherlands Resident Individual will not be subject to Netherlands taxes on income or capital gains in respect of any payment under the Notes or in respect of any gain or loss realised on the disposal or deemed disposal of the Notes, provided that:

(i) such holder does not have an interest in an enterprise or deemed enterprise (as defined in The Netherlands Income Tax Act 2001 and The Netherlands Corporate Income Tax Act 1969) which, in whole or in part, is either effectively managed in the Netherlands or carried on through a permanent establishment, a deemed permanent establishment or a permanent representative in the Netherlands and to which enterprise or part of an enterprise the Notes are attributable; and

(ii) in the event the holder is an individual, such holder does not carry out any activities in the Netherlands with respect to the Notes that go beyond ordinary asset management and does not derive benefits from the Notes that are taxable as benefits from other activities in the Netherlands.

Gift and inheritance taxes

Residents of the Netherlands

Gift or inheritance taxes will arise in the Netherlands with respect to a transfer of the Notes by way of a gift by, or on the death of, a holder of such Notes who is resident or deemed resident of the Netherlands at the time of the gift or the holder's death.

Non-residents of the Netherlands

No Netherlands gift or inheritance taxes will arise on the transfer of Notes by way of gift by, or on the death of, a holder of Notes who is neither resident nor deemed to be resident in the Netherlands, unless:

(i) in the case of a gift of a Note by an individual who at the date of the gift was neither resident nor deemed to be resident in the Netherlands, such individual dies within 180 days after the date of the gift, while being resident or deemed to be resident in the Netherlands; or

(ii) the transfer is otherwise construed as a gift or inheritance made by, or on behalf of, a person who, at the time of the gift or death, is or is deemed to be resident in the Netherlands.

For purposes of Netherlands gift and inheritance taxes, amongst others, a person that holds the Netherlands nationality will be deemed to be resident in the Netherlands if such person has been resident in the Netherlands at any time during the ten years preceding the date of the gift or such person's death. Additionally, for purposes of Netherlands gift tax, amongst others, a person not holding the Netherlands nationality will be deemed to be resident in the Netherlands if such person has been resident in the Netherlands at any time during the twelve months preceding the date of the gift. Applicable tax treaties may override deemed residency.

Value added tax (VAT)

No Netherlands VAT will be payable by a holder of the Notes on (i) any payment in consideration for the issue of the Notes or (ii) the payment of interest or principal by the Issuer under the Notes.

Other taxes and duties

No Netherlands registration tax, stamp duty or any other similar documentary tax or duty will be payable by a holder of the Notes in respect of (i) the issue of the Notes or (ii) the payment of interest or principal by the Issuer under the Notes.

SUBSCRIPTION AND SALE

Summary of Dealer Agreement

Subject to the terms and on the conditions contained in an amended and rested dealer agreement dated 15 July 2019 (the "**Dealer Agreement**") between the Issuer, the Permanent Dealers and the Arranger, the Notes will be offered on a continuous basis by the Issuer to the Permanent Dealers. However, the Issuer has reserved the right to sell Notes directly on its own behalf to Dealers that are not Permanent Dealers. The Notes may be resold at prevailing market prices, or at prices related thereto, at the time of such resale, as determined by the relevant Dealer. The Notes may also be sold by the Issuer through the Dealers, acting as agents of the Issuer. The Dealer Agreement also provides for Notes to be issued in syndicated Tranches that are jointly and severally underwritten by two or more Dealers.

The Issuer will pay each relevant Dealer a commission as agreed between them in respect of Notes subscribed by it. The Issuer has agreed to reimburse the Arranger for certain of its expenses incurred in connection with the establishment of the Programme and the Dealers for certain of their activities in connection with the Programme. The commissions in respect of an issue of Notes on a syndicated basis will be stated in the relevant Final Terms.

The Issuer has agreed to indemnify the Dealers against certain liabilities in connection with the offer and sale of the Notes. The Dealer Agreement entitles the Dealers to terminate any agreement that they make to subscribe Notes in certain circumstances prior to payment for such Notes being made to the Issuer.

Selling Restrictions

United States

The Notes have not been and will not be registered under the Securities Act. Notes in bearer form having a maturity of more than one year are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States. Each of the Dealers has represented and agreed that it will not offer, sell or deliver an Note within the United States except as permitted by the Dealer Agreement.

In addition, until 40 days after the commencement of the offering of any identifiable tranche of Notes, an offer or sale of Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

Prohibition of Sales to EEA Retail Investors

Unless the Final Terms in respect of any Notes specifies the "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", 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 EEA. 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 2016/97/EU (as amended or superseded, the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or

(iii) not a qualified investor as defined in Directive 2003/71/EC (as amended or superseded, the "**Prospectus Directive**"); and

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

If the Final Terms in respect of any Notes specifies "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", in relation to each Member State of the EEA 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 this Base Prospectus as completed by the final terms in relation thereto to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant Member State:

(i) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;

(ii) at any time 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;

(iii) at any time if the denomination per Note being offered amounts to at least €100,000 (or equivalent); or

(iv) at any time 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 and the expression "Prospectus Directive" means Directive 2003/71/EC (as amended or superseded).

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) in relation to any Notes which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the Financial Services and Markets Act 2000 (the "**FSMA**") by the Issuer;

(b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of

Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and

(c) 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.

The Netherlands

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 outside the scope of the approval of this Base Prospectus, as completed by the Final Terms relating thereto, to the public in the Netherlands in reliance on Article 3(2) of the Prospectus Directive (as defined above under "Prohibition of Sales to EEA Retail Investors" above) unless (i) such offer was or is made exclusively to persons or entities which are qualified investors (*gekwalificeerde beleggers*) as defined in the Dutch Financial Supervision Act (*Wet op het financieel toezicht*) or (ii) in addition to a requirement (if any) to prepare a key information document under Regulation (EU) No 1286/2014, standard exemption wording and a logo are disclosed as required by Section 5:20(5) of the Dutch Financial Supervision Act, in each case 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.

Zero coupon 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 Dutch 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 intermediary 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). However, no such intermediary services are required 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 distributed in the Netherlands in the course of primary trading or immediately thereafter.

Hong Kong

In relation to each Tranche of Notes issued by the Issuer, each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that:

(i) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes (which Notes are not a "structured product" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong) issued by the Issuer other than (a) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies Ordinance (Winding Up and Miscellaneous Provisions) (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and

(ii) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the Securities and Futures Ordinance and any rules made under that Ordinance.

Ireland

Each Dealer has represented and agreed that:

1. it will not underwrite the issue of, or place, the Notes otherwise than in conformity with the provisions of the European Union (Markets in Financial Instruments) Regulations 2017 (S.I. No. 375 of 2017) (as amended) the provisions of the Investment Intermediaries Act 1995 (as amended) of Ireland and the provisions of the Investor Compensation Act 1998 (as amended) of Ireland and it will conduct itself in accordance with any codes and rules of conduct and any conditions and requirements and any other enactment, imposed or approved by the Central Bank of Ireland (the "Central Bank of Ireland") with respect to anything done by it in relation to the Notes;

2. it has not underwritten and will not underwrite the issue of, or place, the Notes, otherwise than in conformity with the provisions of the Companies act 2014 (as amended) (the "Companies Act"), the Central Bank Acts 1942 to 2015 (as amended) and any codes of conduct rules made under Section 117(1) of the Central Bank Act 1989 or section 48 of the Central Bank (Supervision and Enforcement) Act 2013;

3. it has not underwritten and will not underwrite the issue of, or place, or do anything in Ireland in respect of the Notes otherwise than in conformity with the provisions of the Prospectus (Directive 2003/71/EC) Regulations 2005 (as amended or superseded) and any rules issued under Section 1363 of the Companies Act by the Central Bank of Ireland;

4. it has not underwritten and will not underwrite the issue of, place, or otherwise act in Ireland in respect of the Notes, otherwise than in conformity with the provisions of the Market Abuse Regulation (EU 596/2014), the Market Abuse Directive on Criminal Sanctions for market abuse (Directive 2014/57/EU) (as amended), the European Union (Market Abuse) Regulations 2016 and any rules issued under Section 1370 of the Companies Act by the Central Bank of Ireland; and

5. no Notes will be offered or sold with a maturity of less than 12 months except in full compliance with the notice issued by the Central Bank of Ireland of exemptions granted under Section 8(2) of the Central Bank Act 1971 (as amended) of Ireland (Notice BSD C 01/02 of November 2002).

Japan

The Notes issued by the Issuer have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (the "**FIEA**") and no offer or sale of Notes issued by any Issuer may be made directly or indirectly in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan), or to others for reoffering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan except pursuant to an exemption from the registration requirements of or otherwise in compliance with the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

Singapore

Each Dealer has acknowledged that this Base Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore (the "**MAS**"). Accordingly, 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 any Notes or caused such Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell such Notes or cause such Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Base Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of such Notes, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the "**SFA**")) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section

275, of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)), the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivative contracts (each term as defined in Section 2 (1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

(i) to an institutional investor or to a relevant person or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;

(ii) where no consideration is or will be given for the transfer;

(iii) where the transfer is by operation of law;

(iv) as specified in Section 276(7) of the SFA; or

(v) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018 of Singapore.

This Base Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Base Prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of Notes may not be circulated or distributed, nor may Notes be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA, (ii) to a relevant person pursuant to Section 275(2), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

SFA Product Classification: In connection with Section 309B of the SFA and the CMP Regulations 2018, prior to making any offering of Notes, the Issuer shall make a determination in relation to each issue of Notes, and notify all relevant persons (as defined in Section 309A(1) of the SFA), whether the Notes are (i) either 'prescribed capital markets products' (as defined in the CMP Regulations 2018) or capital markets products other than 'prescribed capital markets products' (as defined in the CMP Regulations 2018) and (ii) either 'Excluded Investment Products' or 'Specified Investment Products' (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

Switzerland

The Notes being offered pursuant to this Base Prospectus do not represent units in collective investment schemes within the meaning of the CISA. Accordingly, they have not been registered with the FINMA as foreign collective investment schemes, and are not subject to the supervision of the FINMA. Investors cannot invoke the protection conferred under the CISA.

This Base Prospectus does not constitute an "offering prospectus" under article 1156 of the Swiss Federal Code of Obligations. Accordingly, the Notes may not be offered to the public in or from Switzerland. This Base Prospectus and any other marketing material may not be made available to the public in or from Switzerland.

Neither the Issuer nor any Dealer has applied for a listing of the Notes being offered pursuant to this Base Prospectus on the SIX Swiss Exchange. Consequently, the information presented in this Base Prospectus does not comply with the information standards set out in the Listing Rules of the SIX Swiss Exchange.

General

These selling restrictions may be modified by the agreement of the Issuer and the Dealers following a change in a relevant law, regulation or directive. Any such modification will be set out in a supplement to this Base Prospectus.

No representation is made that any action has been taken in any jurisdiction that would permit a public offering of any of the Notes, or possession or distribution of the Base Prospectus or any other offering material or any Final Terms, in any country or jurisdiction where action for that purpose is required.

Each Dealer has agreed that it will, to the best of its knowledge, comply with all relevant laws, regulations and directives in each jurisdiction in which it purchases, offers, sells or delivers Notes or has in its possession or distributes the Base Prospectus, any other offering material or any Final Terms and neither the Issuer nor any other Dealer shall have responsibility therefor.

GENERAL INFORMATION

(1) Application has been made to Euronext Dublin for Notes issued under the Programme to be listed and admitted to trading on the regulated market of Euronext Dublin. However, unlisted Notes may be issued as well pursuant to the Programme.

(2) The Issuer has obtained all necessary consents, approvals and authorisations in the Netherlands in connection with the establishment and update of the Programme. The establishment and update of the Programme was authorised by resolutions of the Executive Board of the Issuer passed on 26 June 2006 and 8 July 2019 and resolutions of the Supervisory Board of the Issuer passed on 7 September 2006.

(3) There has been no significant change in the financial or trading position of the Issuer or of the Group since 31 December 2018 and no material adverse change in the financial position or prospects of the Issuer or of the Group since 31 December 2018.

(4) Except as disclosed in "*Litigation - Unit-linked Products*" beginning on page 136 and in "*Litigation - Conflict between the Slovak Government and Achmea B.V.*" on pages 136 and "*Litigation - Tax Dispute*" on page 136 of this Base Prospectus, neither the Issuer nor any of its subsidiaries is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) during the 12 months preceding the date of this Base Prospectus which may have or has had in the recent past significant effects on the financial position or profitability of the Issuer or the Group.

(5) Each Bearer Note having a maturity of more than one year, Coupon and Talon will bear the following legend: "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".

(6) Notes have been accepted for clearance through the Euroclear and Clearstream, Luxembourg systems (which are the entities in charge of keeping the records). The Common Code, the International Securities Identification Number (ISIN) and (where applicable) the identification number for any other relevant clearing system for each Series of Notes will be set out in the relevant Final Terms.

The address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium and the address of Clearstream, Luxembourg is 42 Avenue JF Kennedy, L-1855 Luxembourg. The address of any alternative clearing system will be specified in the applicable Final Terms.

(7) There are no material contracts entered into other than in the ordinary course of the Issuer's business which could result in any member of the Issuer's Group being under an obligation or entitlement that is material to the Issuer's ability to meet its obligations to noteholders in respect of the Notes being issued.

(8) Where information in this Base Prospectus has been sourced from third parties this information has been accurately reproduced and as far as the Issuer is aware and is able to ascertain from the information published by such third parties no facts have been omitted which would render the reproduced information inaccurate or misleading. The source of third party information is identified where used.

(9) The issue price and the amount of the relevant Notes will be determined, before filing of the relevant Final Terms of each Tranche, based on the prevailing market conditions. The Issuer does not intend to provide any post-issuance information in relation to any issues of Notes.

(10) For so long as Notes may be issued pursuant to this Base Prospectus, the following documents will be available, during usual business hours on any weekday (Saturdays and public holidays excepted),

for physical inspection at the specified office of the Fiscal Agent and the Registrar and from the specified office of the Issuer:

(i) the Agency Agreement (which includes the form of the Global Notes, the definitive Bearer Notes, the Certificates, the Coupons, the Talons);

(ii) the Dealer Agreement;

(iii) the Articles of Association (*statuten*) of the Issuer;

(iv) the published annual report and audited consolidated annual accounts of the Issuer for the two financial years ended 31 December 2017 and 31 December 2018;

(v) each Final Terms (save that Final Terms relating to a Note which is neither admitted to trading on a regulated market within the EEA nor offered in the EEA in circumstances where a base prospectus is required to be published under the Prospectus Directive will only be available for inspection by a holder of such Note and such holder must produce evidence satisfactory to the Issuer and the Fiscal Agent as to its holding of Notes and identity);

(vi) a copy of this Base Prospectus together with any Supplement to this Base Prospectus or further Prospectus;

(vii) a copy of the subscription agreement for Notes issued on a syndicated basis that are listed and admitted to trading on the regulated market of Euronext Dublin; and

(viii) all reports, letters and other documents, balance sheets, valuations and statements by any expert any part of which is extracted or referred to in this Base Prospectus.

The Base Prospectus, the Final Terms for Notes that are listed and admitted to trading on the regulated market of Euronext Dublin will be published on the website of the Central Bank of Ireland (www.centralbank.ie).

(11) Copies of the latest annual report and consolidated accounts of the Issuer and the latest interim consolidated accounts of the Issuer may be obtained, and copies of the Agency Agreement will be available for inspection, at the specified offices of each of the Paying Agents during normal business hours, so long as any of the Notes is outstanding.

(12) The Issuer's consolidated financial statements as at and for the year ended 31 December 2017 and 31 December 2018 incorporated by reference in this Base Prospectus, have been audited by PricewaterhouseCoopers Accountants N.V. ("**PwC**"), independent auditors with their address at Thomas R. Malthusstraat 5, 1066 JR, Amsterdam, The Netherlands, as stated in its report thereon appearing in such financial statements. PwC has given, and has not withdrawn, its consent to the inclusion of its report in this Base Prospectus in the form and context in which it is included. The auditor signing the auditor's report on behalf of PwC is a member of The Netherlands Institute of Chartered Accountants (*Nederlandse Beroepsorganisatie van Accountants*). The reports of the auditor are included by reference. PricewaterhouseCoopers Accountants N.V. has no material interest in the Issuer. Any financial data in this Base Prospectus not extracted from the audited accounts of the Issuer is based on internal records of the Issuer or external sources believed by the Issuer to be reliable, and is unaudited. The Issuer has organised a re-selection process for the appointment of a new external auditor.

(13) At the date of this Base Prospectus the Issuer has only one class of preferences shares. In order for there to be different classes of preference shares with different rankings on a winding-up, the articles of association of the Issuer would need to be amended.

(14) Any website referred to in this Base Prospectus does not form part of this Base Prospectus except as specifically provided otherwise.

(15) The total expenses related to the approval of the Programme are €100,000. An estimate of the total expenses related to the admission to trading of Notes issued under the Programme shall be included in the Final Terms relating to the issue of such Notes.

(16) The Issuer has an issuer credit rating from Standard & Poor's Ratings Services of BBB+ with a stable outlook. Standard & Poor's Ratings Services is established in the European Union and is registered under the CRA Regulation.

A credit rating is not a recommendation to buy, sell or hold securities. There is no assurance that a rating will remain for any given period of time or that a rating will not be suspended, lowered or withdrawn by the relevant rating agency if, in its judgement, circumstances in the future so warrant.

(17) Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for, the Issuer and its affiliates in the ordinary course of business. Certain of the Dealers and their affiliates may have positions, deal or make markets in the Notes issued under the Programme, related derivatives and reference obligations, including (but not limited to) entering into hedging strategies on behalf of the Issuer and its affiliates, investor clients, or as principal in order to manage their exposure, their general market risk, or other trading activities. In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or the Issuer's affiliates. Certain of the Dealers or their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes issued under the Programme. Any such positions could adversely affect future trading prices of Notes issued under the Programme. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

Registered Office of the Issuer

Achmea B.V.
Handelsweg 2
3707 NH Zeist
The Netherlands

Dealers

NatWest Markets N.V.
Claude Debussylaan 94
Amsterdam 1082 MD
Netherlands

NatWest Markets Plc
250 Bishopsgate
London EC2M 4AA
United Kingdom

Fiscal Agent and Principal Paying Agent, Registrar and Transfer Agent and Calculation Agent

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

Arranger

NatWest Markets Plc
250 Bishopsgate
London EC2M 4AA
United Kingdom

Irish Listing Agent

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

Irish Paying Agent

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

Auditors to the Issuer

PricewaterhouseCoopers Accountants N.V.
Thomas R Malthusstraat 5
1066 JR Amsterdam
The Netherlands

Legal Advisers

To the Issuer

in respect of Dutch law

NautaDutilh N.V.
Beethovenstraat 400
1082 PR Amsterdam
The Netherlands

To the Dealers

as to Dutch law

Simmons & Simmons LLP
Claude Debussylaan 247
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