Achmea Conditional Pass-Through Covered Bond Company B.V.

Annual Report 2020

Amsterdam, the Netherlands

Achmea Conditional Pass-Through Covered Bond Company B.V.
Prins Bernhardplein 200
1097 JB Amsterdam
The Netherlands
Chamber of Commerce 69.60.28.75

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Achmea Conditional Pass-Through Covered Bond Company B.V. Annual Report 2020

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1.1 Activities and results

General
Achmea Conditional Pass-Through Covered Bond Company B.V. ("the Company") was incorporated on 14 September 2017 and is located at Prins Bernhardplein 200, 1097 JB, Amsterdam which is registered at the Dutch Chamber of Commerce (69.60.28.75).

The main objective of the Company is to provide security for the Company's obligations under the Conditional Pass-through Covered Bond Programme ("Covered Bond Programme"). The Company guarantees, under the Trust Deed, the payment of interest and principal payable under the Covered Bonds issued by Achmea Bank N.V. ("Achmea" or "the Issuer") which is located at Spoorlaan 298, 5017 JZ Tilburg with its registered office in The Hague. As consideration for the Company to meet its obligation under the issued guarantee, Achmea will transfer eligible assets to the Company. Achmea transferred eligible mortgage loans to the Company through a so called silent assignment (stille cessie). Meaning that until the occurrence of an Assignment Notification Event, the Asset Cover test has been breached or a Notice to pay / CBC Acceleration Notice have been served ("the Events"), Achmea is entitled to all proceeds in relation to the transferred eligible assets. If one or more of the previously mentioned events occurs or notice(s) have been issued, the Company will be entitled to receive all proceeds in relation to the transferred assets, in order to fulfil its obligation under the issued guarantee; payment of interest and principal on the Covered Bonds.

Achmea may issue, under the Covered Bond Programme, various series of Covered Bonds with a total notional amount of EUR 5,000,000,000. On 22 November 2017 Achmea issued under the Covered Bond Programme a first series of Covered Bonds ("the Bonds") in a total value of EUR 500 million, on 20 February 2019 Achmea Bank N.V. has completed the second issuance of EUR 500 million and on 16 June 2020 Achmea Bank N.V. has completed the third issuance of EUR 500 million bonds. All Bonds were still outstanding as per 31 December 2020.

As per 31 December 2020 the net outstanding nominal amount of the transferred eligible mortgage loans was EUR 1,981.0 million.

The Bonds at issuance were rated by both Moody`s and Fitch. Moody`s rated the Bonds issued as Aaa and Fitch as AAA. The rating of the Bonds have not been amended since the issuance.

Since the issuance of the first series of Bonds neither an Assignment Notification Event, nor a breach of the Asset Cover Test has occurred nor has a Notice to pay or a CBC Acceleration Notice been served.

The Trust Deed entered into by the Company, Achmea and Stichting Security Trustee Achmea Conditional Pass-Through Covered Bond Company ("the Trustee") states that all costs and expenses of the Company and all cash flows from swaps if applicable of the Company will be received and paid on behalf of the Company by Achmea for its own account. As a result, all amounts remaining on the Company`s balance sheet will flow back periodically to Achmea. The Company`s cash transactions are limited to bank interest received and bank interest charged through to Achmea and the Company will not have the right to any of the proceeds.

In our opinion, the financial statements give a true and fair view of the assets, liabilities, financial position and statement of income of the Company and the director's report includes a fair view of the development and performance of the business and the position of the Company, together with a description of the principal risks that the Company faces.

RISK MANAGEMENT

In the event that the Company will take over the servicing of the Covered Bonds, the Company is exposed to interest rate and credit risk on the Covered Bonds and the mortgage portfolio. In the sections below the main risks and instruments that can be used for mitigation are being discussed.

Financial risk management

The Company has, under the Trust Deed, guaranteed the payment of interest and principal payable under the Covered Bonds issued by Achmea. As a result, the Company is exposed to interest rate risk for the Covered Bonds and the mortgage portfolio. As a consequence, the Company will then, amongst others, run interest rate risks on the Covered Bonds and the mortgage portfolio.

Credit and concentration risk

The Company has no exposure to credit risk, which is the risk that the Borrowers will be unable to pay amounts in full when due, unless the guarantee is invoked. When the guarantee is invoked all risks associated with the mortgage portfolio are transferred to the Company. Until that moment all risks and rewards associated with the assets are retained by Achmea and the transferred Mortgage Loans are not recognized on the Company`s balance sheet. However given the minimum legally required overcollateralisation of at least 5% a buffer is available to cover losses arising.

Interest rate risk

In order to limit or mitigate the potential interest rate risks the Company may, if deemed necessary, enter into swap agreements. In relation to the series issued and the portfolio transferred to the Company no swap agreement has been entered into by the Company. This given the fact that the average fixed interest rate on the Bonds, of 0.295%, is less than the average interest rate of all transferred receivables.

Furthermore, the notional amount outstanding of all transferred eligible mortgage receivables should at least be 105% of the Notional Amount Outstanding of all Bonds. At the balance sheet date the Notional Amount Outstanding of the transferred eligible mortgage receivables was 132.4%.

Liquidity risk

In order to mitigate the liquidity risk, a temporary shortfall in cash, a reserve account is established. Cash is deposited by Achmea on a separate bank account held with Citibank Europe plc.

Limited Recourse

Although Interest rate risk, credit risk and liquidity risk are recognized the exposure of the Company is limited. The Covered Bonds are issued at limited recourse. If a CBC Event of Default occurs and the Security is enforced, the proceeds may not be sufficient to meet the claims of all the Secured Creditors, including the Covered Bondholders. In the event following enforcement of the Security, the Secured Creditors have not received the full amount due to them pursuant to the terms of the Transaction Documents, the Secured Creditors will no longer have a claim against the Company after enforcement of the Security. The Secured Creditors may still have an unsecured claim against the Issuer for the shortfall.

1.2 Future developments
This section is largely based on data and expectations presented by De Nederlandse Bank ("DNB"), the Central Bureau of Statistics ("CBS") and the Dutch association of real estate agents ("NVM"). The prediction of future trends and the quantification of developments is inherently a difficult task, full of uncertainties. With the long-term effects of COVID-19 still very much unclear, this has become even more difficult. All economic data relevant to the Company, historic or prospective, is or will be significantly influenced by COVID-19 developments. DNB has published three possible scenarios for its expectations to illustrate the vast gap that the uncertainties surrounding COVID-19 has created.
The outlook presented below is based on the DNB's 'most likely scenario' but occasionally the 'best-case scenario' and 'worst-case scenario' expectations are also quoted to underline the range of possibilities. In addition, developments surrounding COVID-19 are very dynamic and can change on an almost daily basis. The calculation of economic indicators and predictions will inevitably lag and some of the information available may not be completely up to date with developments.

Moreover, the prospects of the Dutch economy are for a large part dependent on developments in the world economy. The effects of COVID-19 may well differ in the other major economies in the world and this would likely have an impact on the Dutch economy. Additionally, the most recent report issued by DNB has assumed a 'no-deal Brexit'. Whilst it is clear now that a deal was ultimately reached on the conditions surrounding the Brexit, the effects of that deal will not be known with any great certainty until the coming months.

The year 2020 was economically influenced in almost every aspect by the worldwide COVID-19 pandemic. Whilst the Dutch economy was very well placed at the start of 2020 for positive development in just about all economic indicators, almost all major indicators showed downturns during 2020 as a result of COVID-19. The drastic effects of lockdown and social distancing measures caused record downturns in many indicators, especially in the second quarter and, to a lesser extent, the last quarter of the year. Another factor that has contributed to the downturn is a lack of confidence shown by both consumers and businesses as investments were postponed.

Against this, public sector spending was increased significantly in terms of infrastructure project spending as well as significant financial support packages designed to support the economy against COVID-19 effects. Some encouragement can also be taken from the spectacular bounce back during the third quarter of 2020 and that the Dutch economy appeared to be somewhat more resilient than most comparable economies. The pressure on the banking sector has also clearly increased but the sector appears to be able to cope with this.

Gross Domestic Product ("GDP") decreased by around 3.8% in 2020, as compared to an increase of 1.6% in 2019. The current expectations are that GDP will bounce back somewhat by 2.9% in 2021 and 2.9% 2022. For 2021, the expectations are for increases of 4.9% in the best-case scenario and just 0.2% in the worst-case scenario. The impact of COVID-19 in 2020 was not evenly spread over the various sectors, with the tourism, recreation and entertainment sectors hardest hit, whilst some sectors experienced a positive impact. The recovery in the coming years will likely have its most positive impact on those sectors that suffered the most in 2020.

In the projections, the economy is expected to have the benefit of somewhat restored confidence by consumers and businesses alike, as well as a continuation of a high-level government spending. This is likely to be tempered by increasing levels of unemployment. The 1.7% surplus that government spending recorded in 2019 was already transformed to a deficit of 6.3% in 2020 though the deficit is projected to improve to a deficit of 4.9% in 2021. Much of these projections will depend on the extent and timing of government support for the economy.

Away from COVID-19, the threat of global trade wars has continued to recede but is certainly not eliminated. Whilst the prospect of a 'no-deal' Brexit has now disappeared, the exact consequences of the Brexit are still unclear and will probably impact the current projections.

Unemployment levels climbed from 3.4% to 4.0% during 2020 which appears to be a relatively modest rise under the circumstances, but this is expected to increase to 6.5% by the end of 2021 and 6.0% in 2022. For 2022, the ‘bestcase scenario’ and ‘worst-case scenario’ are 4.8% and 7.4%, respectively. The relatively low impact on the 2020 unemployment figures appears to be the result of government support, a reluctance by businesses to release staff after years of under capacity in the labour markets and the possibility of reducing the number of flexible workers (freelancers and agency staff).

Headline inflation decreased from 2.7% in 2019 to some 1.2% in 2020 mainly due to reduced energy prices. Particularly oil prices tumbled under reduced worldwide demand. The level of inflation is expected to remain relatively stable at around 1.5% in the coming years on the expectation that oil prices will continue at the relatively low levels and low wage inflation as a result of rising unemployment.

The domestic housing market appears to be relatively unaffected by COVID-19 thus far. The spectacular growth in domestic house prices has continued throughout 2020 and the last quarter of 2020 even showed an average increase of the price of a dwelling of more than 11% according to NVM although the CBS estimates the rise at 8.3%. Whilst the number of transactions for 2020 as a whole was up 3.7% as compared to the previous period, the market is currently under pressure from low levels of supply and the relatively short time the average dwelling spends on the market.

As always, regional variations and differences in the various price sectors continued in 2020. The overall shortage of housing, particularly for starters, is getting more severe as targets for the building of new dwellings are inadequate or not met. The Director expects house prices to increase by 7-11% in 2021 and by 0-5% in 2022, based on reports by Rabobank, ABN Amro Bank and ING Bank. The expectations are very much contingent on developments in unemployment levels, but low interest rates and housing shortages are expected to continue for some time.

Risk levels for existing homeowners and lenders alike have again generally decreased since last year though regional differences should not be ignored in the analysis. This trend is expected to level out in the coming years, but the market seems to be relatively sheltered from the major COVID-19 impacts. New homeowners have for years been subjected to stricter lending conditions and existing homeowners have seen debt ratios decrease as a result of rising prices. However, new loans have shown a tendency to be agreed for relatively long interest periods, at relatively low rates. Furthermore, competitive pressures are increasing in the mortgage market due to new entrants to the market and continued low interest rates. Whilst these factors generally increase risks, lenders are experiencing improved debt ratios on existing portfolios as a result of rising prices.

It is important to reiterate that the Company was incorporated specifically for its role in a structured finance transaction and is governed by the terms and conditions of the Prospectus and other Transaction Documents. These are drawn up, inter alia, to foresee all possible future economic conditions, including those caused by COVID-19. At this stage, it seems likely that the outbreak will result in an increased level of losses of both interest and principal on the Company’s assets. The limited recourse principle (see above) embedded in the Prospectus and Transaction Documents dictates that any such losses from the Company’s assets are to be borne by the Company’s creditors, in accordance with a pre-determined priority of payments waterfall.

Consequently, any such losses are unlikely to be borne by the Company’s itself but rather by the Company’s creditors, including the beneficiary of the Deferred Purchase Price, the Noteholders, other creditors and only ultimately the Company’s shareholder. The Company intends to continue to act within the terms and conditions set out for it by the Transaction Documents, and to otherwise comply with all its other obligations. The Company has no employees and is dependent on third-party service providers. However, the level or quality of the service provided has remained unaffected.

In conclusion, the Company expects to remain a going concern. The Director believes that the Company’s risks are adequately mitigated by the various credit enhancements, as described in the Financial statements and the Prospectus.

Director’s representation statement
The Director declares that, to the best of their knowledge, the financial statements prepared in accordance with the applicable set of accounting standards give a true and fair view of the assets, liabilities, financial position and result of the Company and that the Director’s report includes a fair review of the development and performance of the business and the financial position of the Company, together with a description of the principal risks and uncertainties it faces.

Director
During 2020 the Company was represented by Intertrust Management B.V. in the role as Director of the Company.

Amsterdam, June 30, 2021

The Director,
Intertrust Management B.V.

2. FINANCIAL STATEMENTS

2.1 Balance Sheet as at 31 December 2020 (before appropriation of result)

(Amounts are in EUR)		**31 December 2020**		**31 December 2019**	
ASSETS					
Fixed assets					
Other receivables	[1]		5,790		4,161
Cash and cash equivalents	[2]		4,855,917		4,705,458
			4,861,707		4,709,619
SHAREHOLDER'S EQUITY AND LIABIITIES					
Shareholder's equity	[3]				
Share capital		1		1	
Other reserves		4,617		2,592	
Net result current year		2,088		2,025	
			6,706		4,618
Long-term Liabilities	[4]				
Long-term liabilities			4,855,000		4,705,000
Current liabilities	[5]				
Tax liabilities			1		1
			4,861,707		4,709,619

The accompanying notes form an integral part of these financial statements.

2.2 Income statement for the year ended 31 December 2020

(Amounts are in EUR)		**2020**	**2019**
Income	[6]	3,934,872	2,743,648
General and administrative expenses	[7]	3,932,372	2,741,148
Income before taxation		2,500	2,500
Corporate Income Tax	[8]	412	475
Net Result current year		2,088	2,025

The accompanying notes form an integral part of these financial statements.

2.3 Cash flow statement for the year ended 31 December 2020

(Amounts are in EUR)		**2020**	**2019**
Net Result		2,088	2,025
Net cash flow from operating activities			
Net change in accounts receivable	[1]	- 1,629	- 920
Net change in current liabilities	[5]	-	- 647
Net cash flow from financing activities			
Long term liabilities issued	[4]	150,000	2,650,000
Capital addition	[3]	-	-
Net cash flow		150,459	2,650,458
Opening cash balance		4,705,458	2,055,000
Closing cash balance	[2]	4,855,917	4,705,458
Movements in Cash and Cash Equivalents		150,459	2,650,458

The accompanying notes form an integral part of these financial statements.

2.4 General notes to the financial statements for the year ended 31 December 2020

GENERAL INFORMATION
Achmea Conditional Pass-Through Covered Bond Company B.V. (“the Company”) was incorporated on 14 September 2017 and is located at Prins Bernhardplein 200, 1097 JB, Amsterdam which is registered at the Dutch Chamber of Commerce (69.60.28.75).

The main objective of the Company is to provide security for the Company’s obligations under the Conditional Pass-Through Covered Bond Programme (“Covered Bond Programme”). The Company guarantees, under the Trust Deed, the payment of interest and principal payable under the Covered Bonds issued by Achmea Bank N.V. (“Achmea” or “the Issuer”) which is located at Spoorlaan 298, 5017 JZ Tilburg with its registered office in The Hague. As consideration for the Company to meet its obligation under the issued guarantee, Achmea will transfer eligible assets to the Company. Achmea transferred eligible mortgage loans to the Company through a silent assignment (stille cessie). Meaning that until the occurrence of an Assignment Notification Event, the Asset Cover test has been breached or a Notice to pay / CBC Acceleration Notice have been served (“the Events”), Achmea is entitled to all proceeds in relation to the transferred eligible assets. If one or more of the previously mentioned events occurs or notice(s) have been issued the Company will be entitled to receive all proceeds in relation to the transferred assets, in order to fulfil its obligation under the issued guarantee; payment of interest and principal on the Covered Bonds.

Achmea may issue, under the Covered Bond Programme, various series of Covered Bonds with a total notional amount of EUR 5,000,000,000. On 22 November 2017 Achmea issued under the Covered Bond Programme a first series of Covered Bonds (“the Bonds”) in a total value of EUR 500 million, on 20 February 2019 Achmea Bank N.V. has completed the second issuance of EUR 500 million and on 16 June 2020 Achmea Bank N.V. has completed the third issuance of EUR 500 million bonds. All Bonds were still outstanding as per 31 December 2020.

As per 31 December 2020 the net outstanding nominal amount of the transferred eligible mortgage loans was EUR 1,981.0 million.

The Bonds at issuance were rated by both Moody`s and Fitch. Moody`s rated the Bonds issued as Aaa and Fitch as AAA. The rating of the Bonds have not been amended since the issuance.

Since the issuance of the first series of Bonds neither an Assignment Notification Event, nor a breach of the Asset Cover Test has occurred nor has a Notice to pay or a CBC Acceleration Notice been served.

The Trust Deed entered into by the Company, Achmea and Stichting Security Trustee Achmea Conditional Pass-Through Covered Bond Company (“the Trustee”) states that all costs and expenses of the Company and all cash flows from swaps if applicable of the Company will be received and paid on behalf of the Company by Achmea for its own account. As a result all amounts remaining in the Company will flow back periodically to Achmea. The Company`s cash transactions are limited to bank interest received and bank interest charged through to Achmea and the Company will not have the right to any of the proceeds.

In our opinion, the financial statements give a true and fair view of the assets, liabilities, financial position and statement of income of the Company and the director's report includes a fair view of the development and performance of the business and the position of the Company, together with a description of the principal risks that the Company faces.

RISK MANAGEMENT

In the event that the Company will take over the servicing of the Covered Bonds, the Company will run interest rate and credit risk on the Covered Bonds and the mortgage portfolio. In the sections below the main risks and instruments that can be used for mitigation are being discussed.

Financial risk management

The Company has, under the Trust Deed, guaranteed the payment of interest and principal payable under the Covered Bonds issued by Achmea. As a result, the Company is exposed to interest rate risk for the Covered Bonds and the mortgage portfolio. As a consequence, the Company will then, amongst others, run interest rate risks on the Covered Bonds and the mortgage portfolio.

Credit and concentration risk

The Company has no exposure to credit risk, which is the risk that the Borrowers will be unable to pay amounts in full when due, unless the guarantee is invoked. When the guarantee is invoked all risks associated with the mortgage portfolio are transferred to the Company. Until that moment all risks and rewards associated with the assets are retained by Achmea and the transferred Mortgage Loans are not recognised at the Company`s balance sheet. However given the legally minimum required overcollateralisation of at least 5% a buffer is available to cover losses arising.

Interest rate risk

In order to limit or mitigate the potential interest rate risks the Company may, if deemed necessary, enter into swap agreements. In relation to the series issued and the portfolio transferred to the Company no swap agreement has been entered into by the Company. This given the fact that the average fixed interest rate on the Bonds, of 0.295%, is less than the average interest rate of all transferred receivables.

Furthermore, the notional amount outstanding of all transferred eligible mortgage receivables should at least be 105% of the Notional Amount Outstanding of all Bonds. At the balance sheet date the Notional Amount Outstanding of the transferred eligible mortgage receivables was 132.4%.

Liquidity risk

In order to mitigate the liquidity risk, a temporary shortfall in cash, a reserve account is established. Cash is deposited by Achmea on a separate bank account held with Citibank Europe plc.

Limited Recourse

Although Interest rate risk, credit risk and liquidity risk are recognized the exposure of the Company is limited. The Covered Bonds are issued at limited recourse. If a CBC Event of Default occurs and the Security is enforced, the proceeds may not be sufficient to meet the claims of all the Secured Creditors, including the Covered Bondholders. In the event following enforcement of the Security, the Secured Creditors have not received the full amount due to them pursuant to the terms of the Transaction Documents, the Secured Creditors will no longer have a claim against the Company after enforcement of the Security. The Secured Creditors may still have an unsecured claim against the Issuer for the shortfall.

PRINCIPAL ACCOUNTING POLICIES
The principal accounting policies adopted in the preparation of these Financial statements are set out below:

Basis of presentation
The financial statements are drawn up in accordance with the provisions of Title 9, Book 2, of the Dutch Civil Code and the Dutch Accounting Standards applicable to small legal entities, as published by the Dutch Accounting Standards Board ("Raad voor de Jaarverslaggeving"). The Financial statements are prepared under the historical cost convention and presented in the joint currency of the European Monetary Union, the euro ("EUR" or "€"). All amounts are in EUR, unless stated otherwise. Unless specifically stated otherwise, assets and liabilities are recognised at the amounts at which they were acquired or incurred. The Balance sheet, Income statement and Cash flow statement include references to the notes.

Significant accounting judgments and estimates
In the process of applying the Company's accounting policies, the Company's management has exercised judgment and estimates in determining the amounts recognised in the Financial statements. The most significant uses of judgment and estimates are as follows.

Going concern
The Company's management has made an assessment of the Company's ability to continue as a going concern. The management is not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern. Therefore, the Financial statements are prepared on the going concern basis.

Financial instruments
The Financial statements contain the following financial instruments: other receivables, cash and cash equivalents, long-term liabilities and current liabilities.

Financial instruments are initially stated at fair value, including discount or premium and directly attributable transaction costs. After initial recognition, financial instruments are valued at amortised cost. For any specific applicable accounting policy see the specific descriptions of the financial instruments in this section.

Other receivables
Other receivables are initially stated at fair value. After initial recognition, other receivables are carried at amortised cost, less a provision for impairment, if deemed necessary. Impairment losses are deducted from amortised cost and expensed in the Income statement. The other receivables have a short-term character.

Cash and cash equivalents
Cash and cash equivalents are valued at nominal value and, insofar as not stated otherwise, are at the free disposal of the Company. Cash and cash equivalents relate to immediately due and payable withdrawal claims against credit institutions and cash resources.

Long-term liabilities
The long-term liabilities are initially recognized at fair value less transaction costs which can be directly attributed to the acquisition of the debt. After initial recognition, they are carried at amortised cost.

Current liabilities
On initial recognition current liabilities are recognised at fair value. After initial recognition current liabilities are recognised at the amortised cost, being the amount received taking into account premiums or discounts and minus transaction costs. This is usually the nominal value. The current liabilities have a short-term character and are expected to be paid off within a year.

Offsetting
Financial assets and liabilities are offset at the net amount reported in the balance sheet when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

Revenue recognition
Income and expenses are recognised in the Income statement on an accruals basis. Losses are accounted for in the year in which they are identified.
Income relates to charges to Achmea. The Trust Deed entered into by the Company, Achmea and the Trustee states that all costs and expenses of the Company will be received and paid on behalf of the Company by Achmea for its own account. Income therefore relates to expenses charged through to Achmea and are allocated to the year the costs relate to.

The Company does not recognise cash flows in which it has no beneficial interest, principally those flowing to the Issuer being the principal bearer of the risks and rewards associated with the Mortgage Loans.

Costs
Costs are determined on a historical basis and are attributed to the reporting year to which they relate.

CORPORATE INCOME TAX
The Company is liable to Dutch corporate income tax under a tax ruling. This stipulates that the Company should report annual income on the basis of a 10% mark-up on the Director's fee, with a minimum of EUR 2,500.

STATEMENT OF CASH FLOWS
The Statement of cash flows has been prepared using the indirect method. The cash items disclosed in the Statement of cash flows are comprised of cash and cash equivalents. Income taxes are included in cash from operating activities. Dividends paid if applicable are recognised as cash used in financing activities.

CONTINGENT LIABILITIES AND COMMITMENTS

Guarantee
Pursuant to the Guarantee issued under the Trust Deed, the Company will guarantee the payment of interest and principal payable under the Covered Bonds. The Company has granted a first ranking right of pledge over the transferred mortgage loans and beneficiary rights to the Trustee. The exercise of the pledge is subject to certain terms and conditions. Not meeting the Company's obligations to certain secured parties, including the covered bond holders, can lead to exercising the right of pledge by the Trustee. After exercising of the pledge the Company will receive all the proceeds of the transferred assets with the aim to pay the principal and interest payable under the covered bonds.

2.5 Notes to the Balance sheet as at 31 December 2020

OTHER RECEIVABLES [1]	**31 December 2020**	**31 December 2019**
(Amounts are in EUR)		
Current account with Achmea	5,790	4,161

The other receivables consists of the net position of income and costs reimbursed to Achmea by the Company, but still need to be received by the Company. Of those receivables an amount of EUR 0 (2019: EUR -/-458) has a short-term character and falls due within one year.

CASH AND CASH EQUIVALENTS [2]	**31 December 2020**	**31 December 2019**
(Amounts are in EUR)		
Reserve Account	4,855,000	4,705,000
Back-up Account	917	458
	4,855,917	4,705,458

Reserve Account
The Reserve Account relates to a reserve deposit with Citibank Europe plc, Netherlands Branch at Schiphol, the Netherlands. The Reserve Account Required Amount as per 31 December 2020 amounts to EUR 2,980,000. These funds are designated as reserve fund for the bond holders. These funds are not at the free disposal of the Company. The remaining balance of EUR 1,875,000 is free at the disposal of the Company. The rate of interest on the Reserve Account is determined by the EONIA. With effect from (and including) October 1, 2019, EONIA will be calculated as the Euro Short-Term Rate (€STR) plus a fixed spread of 8.5 bps (the "recalibrated methodology). These changes are being implemented to ensure the continuous publication of EONIA until it ceases to be published as of January 2022.

Back-up Account
The Back-up Account relates to a backup account with Coöperative Rabobank U.A. in Utrecht, the Netherlands. The rate of interest on the Back-up Account is determined by the EONIA.

SHAREHOLDER'S EQUITY AND LIABILITIES [3]

Share capital

The issued share capital amounts to EUR 1, consisting of 1 ordinary share of EUR 1.

Shareholder’s equity

Shareholder's equity

(Amounts are in EUR)	**31 December 2020**	**31 December 2019**
Share capital	1	1
Other reserves	4,617	2,592
Net result current year	2,088	2,025
Closing balance	6,706	4,618

Proposed appropriation
The net result for the current year is EUR 2,088. The Director proposes to add the net result to the other reserves.

LONG-TERM LIABILITIES [4]

(Amounts are in EUR)	**31 December 2020**	**31 December 2019**
Opening balance	4,705,000	2,055,000
Additions to reserve account	150,000	2,650,000
Closing balance	4,855,000	4,705,000

Long term liabilities relate to the obligatory cash deposit placed with Achmea. This cash amount is deposited in a separated account: the reserve account. The Company will need to refund the deposited amount, to Achmea, when there is no obligation to maintain a reserve fund anymore. This will be the case once the issued notes have been repaid in full. The maturity date of the first series is 22 November 2024, of the second series is 20 February 2026 and of the third series is 16 June 2025.

The required amount that needs to be deposited is based on the scheduled interest due on the issued Covered Bonds on the next following interest payment date. The reserve fund is maintained in order to guarantee an uninterrupted payment of the interest amounts due on the Covered Bonds. Achmea is entitled to receive all interest receipts in relation to deposited cash amount in the reserve account. The liability equals the amounts that have been deposited by Achmea on the reserve account.

CURRENT LIABILITIES [5]

Tax liabilities

(Amounts are in EUR)	31 December 2020	31 December 2019
Corporate income tax current year	-	1
Corporate income tax prior years	1	-
	1	1

The fair value of the current liabilities approximates the book value due to their short-term character.

2.6 Notes to the Income statement for the year ended 31 December 2020

Income [6]

(Amounts are in EUR)	2020	2019
Charged to Achmea	3,934,872	2,743,648

As part of the Trust Deed all expenses are charged and settled with Achmea. The income is the recharge of the expenses towards Achmea and these expenses include a net annual income on the basis of a 10% mark-up on the Director's fee, with a minimum of EUR 2,500 (according to the Tax Ruling).

General and administrative expenses (7)

Amounts are in EUR)	2020	2019
Poolservicing fee	3,767,432	2,598,464
Administration fee	54,582	53,090
Management fee	47,325	38,223
Independent auditor fee	21,592	18,755
Bank expenses	41,392	32,593
Other expenses	48	22
	3.932.372	2.741.148

The costs are determined on a historical basis and are attributed to the reporting year to which they relate.
Achmea Bank N.V. has charged EUR 3,767,432 as pool servicing fee related to providing pool services as outlined in the Servicing Agreement. The fee is calculated based on a fee of 0.2% per year of the aggregated outstanding principal of the secured portfolio of mortgage loans. The pool servicing fee increased by EUR 1,168.968 in 2020 as a result of the third issuance of EUR 500 million bonds in June 2020.
Achmea Bank has charged EUR 54,582 as administration fee which concerns the cost related to the execution of the administrative tasks by the Company Administrator as outlined in the Administration Agreement. These tasks includes the execution of the required Asset Cover Test.
The management fee of EUR 47,325 consists of annual remuneration and additional expenses regarding the Covered Bond Programme by the Company Management.
The independent auditor fee of EUR 21,592 is charged by PricewaterhouseCoopers Accountants N.V. (“PwC”) to the Company for the statutory audit of the annual accounts 2020.

Corporate income tax [8]

(Amounts are in EUR)	**2020**	**2019**
Corporate income tax	412	475

The Company and the Dutch Tax Authorities agreed by way of a ruling until the Final Maturity Date of the Notes that the taxable amount is calculated as the higher of a) 10% of the annual remuneration paid to the Director of the Company and b) EUR 2,500. The applicable tax rate for the year under review is 16.5% (2019: 19%) of the taxable amount.

Employees
During the year under audit the Company did not employ any personnel in the Netherlands or abroad.

Remuneration of the Director and Supervisory Board
The Board of Directors consists of one corporate director; the remuneration of the Director is included in the management fee as disclosed under General and administrative expenses above and amounts to EUR 24,666. The Company does not have a Supervisory Board.

Result
The result is the difference between the Income and the General and Administrative Expenses during the year, taking into account the tax ruling. The results on transactions are recognised in the year in which they are realised.

Post-balance sheet events
Based on analysis performed by the Director, no material subsequent events noted.

Amsterdam, June 30, 2021

The Director,
Intertrust Management B.V.

3. Other information

3.1 Profit appropriation according to the articles of association

In accordance with Article 20 of the Articles of Association, the result for the year is at the disposal of the General Meeting of Shareholders.

The general meeting is subsequently authorized to resolve to distribute or to reserve what then remains of the profits or a part thereof. The general meeting is also authorized to resolve to make interim distributions, which includes distributions from the reserves.
The Company may make distributions to the shareholders only to the extent that from the most recently adopted balance sheet it appears that the Company's shareholders' equity exceeds the reserves that must be maintained by law.

The Company may only follow a resolution of the general meeting to distribute after the management board has given its approval to do this. The management board withholds approval only if it knows or reasonably should be able to foresee that the Company cannot continue to pay its due debts after the distribution.

3.2. Independent auditor’s report

Independent auditor's report

To: the general meeting of Achmea Conditional Pass-Through Covered Bond Company B.V.

Report on the financial statements 2020

Our opinion

In our opinion, the financial statements of Achmea Conditional Pass-Through Covered Bond Company B.V. ('the Company') give a true and fair view of the financial position of the Company as at 31 December 2020, and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code.

What we have audited

We have audited the accompanying financial statements 2020 of Achmea Conditional Pass-Through Covered Bond Company B.V., Amsterdam.

The financial statements comprise:

- the balance sheet as at 31 December 2020;
- the income statement for the year then ended; and
- the notes, comprising the accounting policies and other explanatory information.

The financial reporting framework applied in the preparation of the financial statements is Part 9 of Book 2 of the Dutch Civil Code.

The basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. We have further described our responsibilities under those standards in the section 'Our responsibilities for the audit of the financial statements' of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of Achmea Conditional Pass-Through Covered Bond Company B.V. in accordance with the 'Verordening inzake de onafhankelijkheid van accountants bij assuranceopdrachten' (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA, Dutch Code of Ethics).

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Report on the other information included in the annual report

In addition to the financial statements and our auditor's report thereon, the annual report contains other information that consists of:

- the directors' report; and
- the other information pursuant to Part 9 of Book 2 of the Dutch Civil Code.

Based on the procedures performed as set out below, we conclude that the other information:

- is consistent with the financial statements and does not contain material misstatements;
- contains the information that is required by Part 9 of Book 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and understanding obtained in our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing our procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of such procedures was substantially less than the scope of those performed in our audit of the financial statements.

The director is responsible for the preparation of the other information, including the directors' report and the other information in accordance with Part 9 of Book 2 of the Dutch Civil Code.

Responsibilities for the financial statements and the audit

Responsibilities of the director

The director is responsible for:

- the preparation and fair presentation of the financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code; and for
- such internal control as the director determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, the director is responsible for assessing the Company's ability to continue as a going concern. Based on the financial reporting framework mentioned, the director should prepare the financial statements using the going concern basis of accounting unless the director either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The director should disclose events and circumstances that may cast significant doubt on the Company's ability to continue as a going concern in the financial statements.

Our responsibilities for the audit of the financial statements

Our responsibility is to plan and perform an audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence to provide a basis for our opinion. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high but not absolute level of assurance, which makes it possible that we may not detect all material misstatements. Misstatements may arise due to fraud or error. They are considered to be material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

A more detailed description of our responsibilities is set out in the appendix to our report.

Amsterdam, 24 June 2021
PricewaterhouseCoopers Accountants N.V.

C.C.J. Segers RA

Appendix to our auditor's report on the financial statements 2020 of Achmea Conditional Pass-Through Covered Bond Company B.V.

In addition to what is included in our auditor's report, we have further set out in this appendix our responsibilities for the audit of the financial statements and explained what an audit involves.

The auditor's responsibilities for the audit of the financial statements

We have exercised professional judgement and have maintained professional scepticism throughout the audit in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit consisted, among other things of the following:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the intentional override of internal control.
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the director.
- Concluding on the appropriateness of the director's use of the going concern basis of accounting, and based on the audit evidence obtained, concluding whether a material uncertainty exists related to events and/or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report and are made in the context of our opinion on the financial statements as a whole. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures, and evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the director regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.