

PROSPECTUS DATED 7 August 2007



**ACHMEA HYPOTHEEKBANK N.V.**

*(Incorporated in the Netherlands with its statutory seat in The Hague)*

**€10,000,000,000**

**Secured Debt Issuance Programme**

This Prospectus has been approved by the Netherlands Authority for the Financial Markets (*Autoriteit Financiële Markten*, the 'AFM'), which is the Netherlands competent authority for the purposes of Directive 2003/71/EC (the 'Prospectus Directive') and relevant implementing measures in the Netherlands, as a base prospectus issued in compliance with the Prospectus Directive and relevant implementing measures in the Netherlands for the purposes of giving information with regard to the issue by Achmea Hypotheekbank N.V. (the 'Issuer' or the 'Bank') of notes (the 'Notes') on a secured basis (as described under 'Description of the Security Arrangements' herein) and denominated in any currency agreed between the Issuer and the relevant Dealer (as defined below) under this euro 10,000,000,000 Secured Debt Issuance Programme (the 'Programme') during the period of twelve months after the date hereof.

Subject as set out herein, the Notes will not be subject to any maximum maturity but will have a minimum maturity of one month and the maximum aggregate nominal amount of all Notes from time to time outstanding will not exceed euro 10,000,000,000 (or its equivalent in other currencies calculated as described herein).

The Notes will be issued on a continuing basis to one or more of the Dealers specified herein and any additional dealer appointed under the Programme from time to time, which appointment may be for a specific issue or on an ongoing basis (each a 'Dealer' and together the 'Dealers'). The Dealer or Dealers with whom the Issuer agrees or proposes to agree on the issue of any Notes is or are referred to as the 'relevant Dealer' in respect of those Notes.

The Notes of each Tranche (as defined herein) will (unless otherwise specified in the applicable Final Terms) initially be represented by a global Note which will be deposited on the issue date thereof either (i) with a common depositary or a common safekeeper, as the case may be, on behalf of Euroclear Bank S.A./N.V., as operator of the Euroclear System ('Euroclear') and Clearstream Banking, société anonyme ('Clearstream, Luxembourg') and/or any other agreed clearing system or (ii) with Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V. ('Euroclear Netherlands'). See 'Form of the Notes' herein.

Notes issued under the Programme during the period of twelve months from the date of this Prospectus may be listed on Euronext Amsterdam N.V.'s Eurolist by Euronext ('Eurolist by Euronext Amsterdam'), the Luxembourg Stock Exchange or any other

stock exchange specified in the applicable Final Terms or may be unlisted. The AFM has been requested to provide the Luxembourg Commission de Surveillance du Secteur Financier (the 'CSSF') (in its capacity as the competent authority for the purposes of the Prospectus Directive) with a certificate of approval attesting that the Prospectus has been drawn up in accordance with the Prospectus Directive.

The Issuer may agree with any Dealer that Notes may be issued in a form not contemplated by the Terms and Conditions of the Notes herein, in which case a supplementary Prospectus, if appropriate, will be made available which will describe the effect of the agreement reached in relation to such Notes.

The Notes will not be obligations of any member of the Achmea Group (as described below) other than the Issuer. No liability whatsoever in respect of any failure by the Issuer to pay any amount due under the Notes will be accepted by any other member of the Achmea Group. No other member of the Achmea Group will be under any obligation whatsoever to provide funds to the Issuer.

*Arranger*  
**ABN AMRO**

*Dealers*

**ABN AMRO**  
**Citigroup**  
**Deutsche Bank**  
**Millennium Investment Banking**  
**Société Générale Corporate & Investment Banking**

**BNP PARIBAS**  
**Credit Suisse**  
**ING Wholesale Banking**  
**Rabobank International**  
**WestLB AG**

This Prospectus is issued in replacement of a prospectus dated 23 November, 2005 and accordingly supersedes that earlier prospectus.

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## **SUMMARY OF THE PROGRAMME AND TERMS AND CONDITIONS OF THE NOTES**

This summary must be read as an introduction to this Prospectus and any decision to invest in the Notes should be based on a consideration of the Prospectus as a whole, including the documents incorporated by reference. No civil liability attaches to the Issuer solely on the basis of the summary, including any translation thereof, unless it is misleading, inaccurate or inconsistent when read together with the other parts of this Prospectus. Where a claim relating to the information contained in this Prospectus is brought before a court in a Member State of the European Economic Area, the plaintiff may, under the national legislation of the Member State of the European Economic Area where the claim is brought, be required to bear the costs of translating the Prospectus before the legal proceedings are initiated.

The following summary does not purport to be complete and is taken from, and is qualified by, the remainder of this Prospectus and, in relation to the terms and conditions of any particular Tranche of Notes, the applicable Final Terms. Words and expressions defined under 'Form of the Notes' and 'Terms and Conditions of the Notes' below shall have the same meanings in this summary.

This Prospectus uses a number of conventions which investors should consider when reading the information contained herewith. See 'Important Information'.

Issuer:	Achmea Hypotheekbank N.V.
Description:	Secured Debt Issuance Programme
Arranger:	ABN AMRO Bank N.V.
Dealers:	ABN AMRO Bank N.V. Banco Millennium BCP Investimento, S.A. BNP PARIBAS Citigroup Global Markets Limited Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (Rabobank International) Credit Suisse Securities (Europe) Limited Deutsche Bank AG, London Branch ING Bank N.V. Société Générale WestLB AG and any other Dealers appointed in accordance with the Programme Agreement.
Certain Restrictions	Each issue of Notes denominated in a currency in respect of which, or offered in a jurisdiction where, particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see 'Subscription and Sale' below).

Issuing and Principal Paying Agent:	ABN AMRO Bank N.V.
Size:	Up to EUR 10,000,000,000 (or its equivalent in other currencies calculated as described herein) outstanding at any time. The Issuer may increase the amount of the Programme in accordance with the terms of the Programme Agreement.
Distribution:	Notes may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis. The method of distribution of each Tranche will be stated in the applicable Final Terms.
Currencies:	Subject to any applicable legal or regulatory restrictions, such currencies as may be agreed between the Issuer and the relevant Dealer, including, without limitation, Australian dollars, Canadian dollars, Danish kroner, euro, Hong Kong dollars, New Zealand dollars, Sterling, Swedish kronor, Swiss francs, U.S. dollars and Japanese yen.
Redenomination:	The applicable Final Terms may provide that certain Notes may be redenominated in euro. The relevant provisions applicable to any such redenomination are contained in Condition 4.
Maturities:	Any maturity, subject to applicable laws, regulations and restrictions and subject to a minimum maturity of one month.
Issue Price:	Notes may be issued on a fully-paid or a partly-paid basis and at an issue price which is at par or at a discount to, or premium over, par.
Form of Notes:	Each Tranche of Notes will (unless otherwise specified in the applicable Final Terms) initially be represented by a bearer global Note which will be deposited on the relevant Issue Date either (i) with a common depository or a common safekeeper, as the case may be, for Euroclear and Clearstream, Luxembourg and/or any other agreed clearing system or (ii) with Euroclear Netherlands. The bearer global Note will be exchangeable as described therein for either a bearer permanent global Note or bearer definitive Notes upon certain conditions including, in the case of a temporary global Note where the issue is subject to TEFRA D selling restrictions, upon certification of non- U.S. beneficial ownership as required by U.S. Treasury regulations. Any interest in a global Note will be transferable only in accordance with the rules and procedures for the time being of

either (i) Euroclear, Clearstream, Luxembourg and/or any other agreed clearing system or (ii) Euroclear Netherlands, as appropriate. Definitive Notes to be held in Euroclear Netherlands will be in either K-form or CF-form as described under 'Form of the Notes' below.

**Fixed Rate Notes:** Fixed interest will be payable on the date or dates specified in the applicable Final Terms and on redemption, and will be calculated on the basis of such Day Count Fraction as may be agreed between the Issuer and the relevant Dealer (as indicated in the applicable Final Terms).

**Floating Rate Notes:** Floating Rate Notes will bear interest either at a rate determined on the same basis as the floating rate under a notional interest-rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions (as published by the International Swaps and Derivatives Association, Inc., and as amended and updated as at the Issue Date of the first Tranche of the Notes of the relevant Series) or on the basis of a reference rate appearing on the agreed screen page of a commercial quotation service or on such other basis as may be agreed between the Issuer and the relevant Dealer (as indicated in the applicable Final Terms).

The Margin (if any) relating to such floating rate will be specified in the applicable Final Terms. Floating Rate Notes may also have a maximum interest rate, a minimum interest rate or both.

Interest on Floating Rate Notes in respect of each Interest Period, as selected prior to issue by the Issuer and the relevant Dealer, will be payable on the Interest Payment Dates specified in, or determined pursuant to, the applicable Final Terms and will be calculated on the basis of the Day Count Fraction so specified.

**Interest Period(s) or Interest Payment Date(s) for Floating Rate Notes:** Such period(s) or date(s) as may be specified in the applicable Final Terms.

**Dual Currency Notes:** Payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of Dual Currency Notes will be made in such currencies, and based on such rates of exchange, as may be specified in the applicable Final Terms.

Zero Coupon Notes:	Zero Coupon Notes will be offered and sold at a discount to their nominal amount or at par and will not bear interest other than in the case of late payment.
Index Linked Notes:	The Programme does not contain any provisions permitting the issuance of Index Linked Notes.
Redemption:	<p>The applicable Final Terms will indicate either that the relevant Notes cannot be redeemed prior to their stated maturity (other than in specified instalments (see below), if applicable, or for taxation reasons or following an Event of Default) or that such Notes will be redeemable at the option of the Issuer and/or the Noteholders upon giving not less than 15 nor more than 30 days' irrevocable notice (or such other notice period (if any) as is indicated in the applicable Final Terms) to the Noteholders or the Issuer, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices and on such terms as are indicated in the applicable Final Terms.</p> <p>The applicable Final Terms may provide that Notes may be repayable in two or more instalments in such amounts and on such dates as indicated in it.</p>
Denomination of Notes:	Notes will be issued in such denominations as may be specified in the applicable Final Terms save that the minimum denomination of each Note will be such as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency.
Taxation:	Payments in respect of the Notes will, as specified in the applicable Final Terms, be made either subject to withholding of applicable Dutch taxes (if any) or without withholding or deduction for or on account of taxes levied in The Netherlands, subject to certain exceptions as provided in Condition 8. If the applicable Final Terms provides that payments are to be made subject to withholding of applicable Dutch taxes (if any), it will also specify that Condition 7(b) will not apply to the Notes.
Negative Pledge:	The Notes will have the benefit of a negative pledge. See Condition 2.
Cross Default:	The Notes will have the benefit of a cross default. See Condition 10(iii).

Status of the Notes:	The Notes will constitute secured and unsubordinated obligations of the Issuer as described in Condition 2 and will rank <i>pari passu</i> without any preference among themselves and with all other present and future secured and unsubordinated obligations of the Issuer save for those preferred by mandatory provisions of law. The Notes will constitute countersigned instruments under the Trust Agreement.
Security:	The Notes will be issued on a secured basis as described in Condition 3. See also 'Description of the Security Arrangements' and 'Trust Agreement' for a detailed analysis of the rights and obligations of the Noteholders in relation to the security.
Listing:	Application has been made for Notes to be issued under the Programme to be listed on Eurolist by Euronext Amsterdam and the Luxembourg Stock Exchange. The Notes may also be listed on such other or further stock exchange or stock exchanges as may be agreed between the Issuer and the relevant Dealer in relation to each issue. Unlisted Notes may also be issued. The applicable Final Terms will state whether or not the Notes are to be listed and, if so, on which stock exchanges.
Governing Law:	The Notes will be governed by, and construed in accordance with, the laws of The Netherlands.
Risk Factors:	There are certain factors that may affect the Issuer's ability to fulfil its obligations under Notes issued under the Programme. These are set out under 'Risk Factors' below and include the fact that the Issuer's results can be adversely affected by (i) competition, (ii) general market conditions, (iii) regulatory changes and (iv) standard mortgage-banking risks including interest rate volatility, counterparty risk and operational risk. In addition, there are certain factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme - see 'Risk Factors' below.
Selling Restrictions:	There are selling restrictions in relation to the United States, the European Economic Area, the United Kingdom and Japan, and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Notes. See 'Subscription and Sale' below.

## **RISK FACTORS**

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

The order in which the risk factors and uncertainties are presented is not intended to be an indication of their probability of occurrence or the magnitude of their potential effect if they should materialise. Additional risks and uncertainties not presently known to the Issuer or that it currently deems immaterial may also have a material adverse effect on its business, results of operations or financial condition and could negatively affect the value of the Notes.

The Issuer believes that the factors described below represent the principal risks inherent in investing in Notes issued under the Programme, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with any Notes may occur for other reasons. Prospective investors should also read the detailed information set out elsewhere in this Prospectus and reach their own views prior to making any investment decision.

Before making an investment decision with respect to any Notes, prospective investors should consult their own stockbroker, bank manager, lawyer, accountant or other financial, legal and tax advisers and carefully review the risks entailed by an investment in the Notes and consider such an investment decision in the light of the prospective investor's personal circumstances.

## **RISK FACTORS REGARDING THE ISSUER**

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

There is substantial competition in The Netherlands for the issue of mortgage loans to private individuals and the other products and services that the Issuer provides. Competition in the financial services industry is furthered by the high level of consolidation in The Netherlands in the markets where the Issuer operates. Consolidation may create additional or stronger competitors and may intensify competition. The Issuer faces competition from companies such as SNS Bank N.V. and other financial institutions. If the Issuer is unable to offer competing attractive products and service that are profitable or is unable to innovate and provide new and competitively priced products and services to remain competitive, the Issuer may lose market share or incur losses on some or all of its activities. Consumer demand, technological changes, regulatory actions and other factors also affect competition. Competitive pressures could result in increased pricing pressures, particularly as competitors seek to win market share, and may harm the Issuer's ability to maintain or increase profitability.

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

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

Mortgage loans constitute a significant portion of the Issuer's total loan portfolio. As per 30 June 2006, mortgage loans accounted for 94 per cent<sup>1</sup> of the Issuer's assets. A significant downturn in the economy, especially if combined with a drop in property values and increased interest rates, could lead to a decrease in mortgage loans, increased default rates on these loans and may even have an adverse effect on the Bank's financial condition and/or results of operations.

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

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

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

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

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

## **The Issuer has counterparty risk exposure**

The Issuer is subject to general credit risks, including credit risk of borrowers. Third parties that owe the Issuer money, securities or other assets may not pay or perform under their obligations. These parties include borrowers under loans granted, trading counterparties, counterparties under swaps and credit and other derivative contracts, agents and other financial intermediaries. These parties may default on their

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<sup>1</sup> unaudited

obligations to the Issuer due to bankruptcy, lack of liquidity, downturns in the economy or real estate values, operational failure or other reasons.

In addition, certain of the Issuer's financial products and services are distributed through third parties or form part of broader products and services sold by third parties. Any negative publicity in respect of such third parties or such broader products and services could result in significant damage to the Issuer's reputation, which could in turn greatly hinder the Issuer's ability to retain clients or compete for new business.

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

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

**The Issuer's results of operations can be affected by significant adverse regulatory developments including changes in tax law**

The Issuer conducts its businesses subject to ongoing regulatory and associated risks, including the effects of changes in law, regulations, and policies in The Netherlands. The timing and form of future changes in regulation are unpredictable and beyond the control of the Issuer, and changes made could materially adversely affect the Issuer's business.

The Issuer is required to hold various licenses for its operations and is subject to regulation and supervision by authorities in The Netherlands (such as the Dutch Central Bank (*De Nederlandsche Bank N.V.*, the 'Dutch Central Bank'), the AFM and Euronext Amsterdam) 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 which may not be to the Issuer's benefit. A breach of any regulations by the Issuer could lead to intervention by supervisory authorities and the Issuer could come under investigation and surveillance, and be involved in judicial or administrative proceedings. The Issuer may also become subject to new regulations and guidelines that may require additional investments in systems and people and compliance with which may place additional burdens or restrictions on the Issuer. For example, the Basel Committee on Banking Supervision of the Bank for International Settlements has developed new capital adequacy guidelines commonly known as Basel II. These guidelines were endorsed by central bank governors and the heads of bank supervisory authorities in the Group of Ten (G-10) countries in June 2004 and are expected to be implemented in the Netherlands in 2007. The guidelines require banks to make a choice for an approach of capital requirements related to risk levels. Should the Issuer not be able to implement the approach of capital requirements it considers optimal, it may be required to maintain levels of capital which could potentially impact its credit ratings, funding conditions and limit the Issuer's growth opportunities.

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

On 18 October 2006, Standard & Poor's Rating Services lowered its long- and short-term counterparty credit rating on the Issuer to 'A-/A-2' from 'A/A-1'. The outlook is stable. At the same time the 'A+' rating on the Programme has been affirmed. The counterparty credit rating on Eureko B.V. remained unchanged at 'A-/positive'. A (further) downgrade of any of the Issuer's ratings (for whatever reason) would result in higher funding and refinancing costs for the Issuer in the capital markets. In addition, a downgrade of any of the Issuer's ratings may limit the Issuer's opportunities to extend mortgage loans and may have a particularly adverse effect on the Issuer's image as a participant in the capital markets, as well as in the eyes of its clients. These factors may have an adverse effect on the Issuer's financial condition and/or results of operations.

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

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

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

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

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

Achmea Personeel B.V. determines the pension cost under IFRS (*i.e.* IAS 19) for all Achmea employees, including employees of the Issuer, on an annual basis. The pensions for Achmea employees are insured within Achmea Pensioen- en Levensverzekeringen N.V. Achmea Personeel B.V. pays the premiums to the insurer

and, in turn, charges the IFRS pension cost to the various Achmea business units. In this system, all Achmea business units, including the Issuer, contribute a premium equal, in aggregate, to the IFRS pension cost. All IAS 19 liabilities are recognized on the balance sheet of Achmea Personeel B.V.

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

## **RISK FACTORS REGARDING THE NOTES**

### **Risks related to the structure of a particular issue of 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 the most common such features:

#### *Notes subject to optional redemption by the Issuer*

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

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

#### *Dual Currency Notes*

The Issuer may issue Notes with principal or interest payable in one or more currencies which may be different from the currency in which the Notes are denominated. Prospective investors should be aware that:

- (i) the market price of such Notes may be very volatile;
- (ii) they may receive no interest;
- (iii) payment of principal or interest may occur at a different time or in a different currency than expected;
- (iv) they may lose all or a substantial portion of their principal.

#### *Partly paid Notes*

The Issuer may issue Notes where the issue price is payable in more than one instalment. Failure to pay any subsequent instalment could result in an investor losing all of his investment.

### *Variable Rate Notes with a multiplier or other leverage factor*

Notes with variable interest rates can be volatile investments. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features or other similar related features, their market values may be even more volatile than those for securities that do not include those features.

### *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 those 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 the Notes since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Issuer converts from a fixed rate to a floating rate, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the Issuer converts from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing rates on its Notes.

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

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

## **Risks related to Notes generally**

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

### *Modification, waivers and substitution*

The 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 conditions of the Notes also provide that the Agent may, without the consent of Noteholders, Receipholders or Couponholders, agree to (i) any modification (not

being a modification requiring the approval of a meeting of Noteholders) of the Agency Agreement which is not materially prejudicial to the interests of the Noteholders; or (ii) any modification of the Notes, the Receipts, the Coupons or the Agency Agreement which is of a formal, minor or technical nature or is made to correct a manifest or proven error or to comply with mandatory provisions of the law of the Netherlands.

#### *Security proceeds*

Unless directed by a meeting of the creditors of the Issuer as provided in Article 24 of the Trust Agreement (as defined below) and save as provided in paragraph 2 of that Article, the Security Trustee is not bound to enforce the lien in the event that the Issuer is in default under the Notes or any of its other debt obligations which have the benefit of the Trust Agreement. However, in the event that notice of lien is given by the Security Trustee or the Security Trustee (as defined below) gives notice of a default to the Issuer under Article 11 of the Trust Agreement, an event of default under the Notes will occur and the Notes will automatically become due and repayable. In such event it is most likely that a similar default will occur under other borrowings and hedging transactions entered into by the Issuer with the benefit of the Trust Agreement. Given that the mortgage loans which have been pledged to the Security Trustee will not become due and repayable but will continue to be repaid in accordance with their terms, it is unlikely that sufficient funds will be available to repay all such borrowings and to close out all such hedging transactions at the time they become due. Accordingly, in such an event prospective Noteholders may experience considerable delays in securing repayment of their Notes and, in certain circumstances, may not receive such repayment in full. In addition, any payments due under the mortgage loans may be subject to defences as described in 'Description of Security Arrangements'.

#### *Life market loans*

Reduced value of investments may affect the proceeds under certain types of mortgage loans. The value of investments made by one of the insurance companies in connection with the life insurance policies may not be sufficient for the Borrower to fully redeem the related mortgage receivables at its maturity.

In addition, if the value of the investments under the life mortgage loans has reduced considerably, a borrower may invoke set-off or defences against the Issuer arguing that he has not been properly informed of the risks involved in the investments. The merits of any such claim will, to a large extent, depend on the manner in which the life mortgage loans have been marketed and the promotional material provided to the borrower. Moreover, there is a risk that a borrower will invoke set off with the relevant mortgage receivable or invoke any other defence against the Issuer or the Security Trustee (as defined below) based upon alleged defects in the structuring and selling of the unit-linked insurance policy. In this respect it should be noted that the AFM has issued a report on this subject and there have been publications that civil law suit or a class action against certain insurance companies might be prepared. Any such set-off or defences may lead to losses under the mortgage receivables and thus to losses under the Notes.

### *European Monetary Union*

If the United Kingdom joins the European Monetary Union prior to the maturity of the instruments, there is no assurance that this would not adversely affect investors in the Notes. It is possible that prior to the maturity of the Notes the United Kingdom may become a participating Member State and that the euro may become the lawful currency of the United Kingdom. In that event (i) all amounts payable in respect of any Notes denominated in Sterling may become payable in euro; (ii) the law may allow or require such Notes to be re-denominated into euro and additional measures to be taken in respect of such Notes; and there may no longer be available published or displayed rates for deposits in Sterling used to determine the rates of interest on such Notes or changes in the way those rates are calculated, quoted and published or displayed. The introduction of the euro in the United Kingdom could also be accompanied by a volatile interest rate environment, which could adversely affect investors in the Notes.

### *EU Savings Directive*

If, under EU Directive 2003/48/EC, a payment were to be made or collected through a Member State of the European Union which has opted for a withholding system and an amount of, or in respect of tax were to be withheld from that payment, neither the Issuer nor any Paying Agent nor any other person would be obliged to pay additional amounts with respect to any Note as a result of the imposition of such withholding tax. If a withholding tax is imposed on payment made by a Paying Agent following implementation of the Directive, the Issuer will be required to maintain a Paying Agent in a Member State of the European Union that will not be obliged to withhold or deduct tax pursuant to the Directive.

### *Tax consequences of holding the Notes*

Potential investors should consider the tax consequences of investing in the Notes and consult their tax adviser about their own tax situation. See also 'Netherlands Taxation' below.

### *Notes held in global form*

The Notes will initially be held by a common depositary on behalf of Euroclear and/or Clearstream, Luxembourg or by Euroclear Netherlands, in each case in the form of a global Note which will be exchangeable for definitive Notes in limited circumstances as more fully described in the section headed 'Form of the Notes' below. For as long as any Notes are represented by a global Note held by a common depositary or a common safekeeper, as the case may be, on behalf of Euroclear and/or Clearstream, Luxembourg, payments of principal, interest (if any) and any other amounts on a global Note will be made through Euroclear and/or Clearstream, Luxembourg (as the case may be) against presentation or surrender (as the case may be) of the relevant global Note and, in the case of a Temporary Global Note, certification as to non-U.S. beneficial ownership. The bearer of the relevant global Note, being the common depositary or the common safekeeper for Euroclear and/or Clearstream, Luxembourg or Euroclear Netherlands, shall be treated by the Issuer and any Paying Agent as the sole holder of the relevant Notes represented by such global Note with respect to the payment of principal, interest (if any) and any other amounts payable in respect of the Notes.

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

*Notes where denominations involve integral multiples: definitive Notes*

In relation to any issue of Notes which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Notes may be traded in amounts that are not integral multiples of such minimum Specified Denomination. In such a case a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system at the relevant time may not receive a definitive Note in respect of such a holding (should definitive Notes be printed) and would need to purchase a principal amount of Notes such that its holding amounts to a Specified Denomination.

*Nominee Arrangements*

Where, in the case of an issue of Notes a nominee service provider is used by an investor to hold the relevant Notes or such investor holds interests in any Series of Notes through accounts with a clearing system (such as Euroclear, Clearstream, Luxembourg or Euroclear Netherlands), such investor will receive payments in respect of principal, interest, (if any) or any other amounts due, as applicable, solely on the basis of the arrangements entered into by the investor with the relevant nominee service provider or clearing system, as the case may be. Furthermore, such investor must rely on the relevant nominee service provider or clearing system to distribute all payments attributable to the relevant Notes which are received from the Issuer. Accordingly, such an investor will be exposed to the credit risk of, and default risk in respect of, the relevant nominee service provider or clearing system, as well as the Issuer.

For the purposes of (a) distributing any notices to Noteholders, and (b) recognising Noteholders for the purposes of attending and/or voting at any meetings of Noteholders, the Issuer will recognise as Noteholders only those persons who are at any time shown as accountholders in the records of Euroclear and/or Clearstream, Luxembourg or Euroclear Netherlands as persons holding a principal amount of the relevant Series of Notes. Accordingly, an investor must rely upon the nominee service provider which is the accountholder with the relevant clearing system through which the investor made arrangements to invest in the Notes (and, if applicable, the domestic clearing system through which the Notes are held), to forward notices received by it from Euroclear and/or Clearstream, Luxembourg or Euroclear Netherlands and to return the investor's voting instructions or voting certificate application to Euroclear and/or Clearstream, Luxembourg or Euroclear Netherlands. Accordingly, such an investor will be exposed to the risk that the relevant nominee service provider or clearing system may fail to pass on the relevant notice to, or fail to take relevant instructions from, the investor.

In addition, such a Noteholder will only be able to sell any Note held by it prior to its stated maturity date with the assistance of the relevant nominee service provider.

None of the Issuer, the Arranger, any Dealer to be appointed under the Programme or the Agent shall be responsible for the acts or omissions of any relevant nominee service provider or clearing system nor makes any representation or warranty, express or implied, as to the services provided by any relevant nominee service provider or clearing system.

#### *Change of law and jurisdiction*

The conditions of the Notes are governed by Dutch law in effect as at the date of this Prospectus. No assurance can be given as to the impact of any possible change to Dutch law or administrative practice after the date of this Prospectus.

Prospective investors should note that the courts of the Netherlands shall have jurisdiction in respect of any disputes involving any Series of Notes. Noteholders may take any suit, action or proceedings arising out of or in connection with the Notes against the Issuer in any court of competent jurisdiction. The laws of the Netherlands may be materially different from the equivalent law in the home jurisdiction of prospective investors in its application to the Notes.

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

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

#### *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 very 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.

#### *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 (i) the Investor's Currency-equivalent yield on the Notes, (ii) the Investor's Currency-equivalent value of the principal payable on the Notes and (iii) the Investor's Currency-equivalent market value of the Notes.

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

#### *Interest rate risks*

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

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

One or more independent credit rating agencies may assign credit ratings to the 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.

#### **Return on an investment in Notes will be affected by charges incurred by investors**

An investor's total return on an investment in any Notes will be affected by the level of fees charged by the nominee service provider and/or clearing system used by the investor. Such a person or institution may charge fees for the opening and operation of an investment account, transfers of Notes, custody services and on payments of interest, principal and other amounts. Potential investors are therefore advised to investigate the basis on which any such fees will be charged on the relevant Notes.

#### **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 (i) Notes are legal investments for it, (ii) Notes can be used as collateral for various types of borrowing and (iii) 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.

#### **General risks**

The value of the Notes may be influenced by national and international political, economic, social and environmental circumstances and developments.

## IMPORTANT INFORMATION

Only the Issuer accepts responsibility for the information contained in this Prospectus. To the best of the knowledge of the Issuer (which has taken all reasonable care to ensure that such is the case) the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

Application has been made for the Notes to be issued under the Programme to be listed on Eurolist by Euronext Amsterdam and on the Luxembourg Stock Exchange. The AFM has been requested to provide the CSSF (in its capacity as the competent authority for the purposes of the Prospectus Directive) with a certificate of approval pursuant to Article 18 of the Prospectus Directive. Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and any other terms and conditions not contained herein which are applicable to each Tranche of Notes will be set forth in any final terms (each a 'Final Terms') which will be delivered to the AFM on or before the date of issue of the Notes of such Tranche.

The Programme provides that Notes may be listed on such other or further stock exchange or stock exchanges as may be agreed between the Issuer and the relevant Dealer. The Issuer may also issue unlisted Notes.

If the terms of the Programme are modified or amended in a manner which would make the Prospectus, as supplemented, inaccurate or misleading, a new Prospectus will be prepared.

This Prospectus is to be read and construed with any amendment or supplement hereto, with any Final Terms and in conjunction with all documents which are deemed to be incorporated herein by reference (see 'Documents Incorporated by Reference' below). This Prospectus shall be read and construed on the basis that such documents are incorporated in and form part of this Prospectus.

The Dealers have not verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Dealers as to the accuracy or completeness of the information contained or incorporated in this Prospectus or any other information provided by the Issuer in connection with the Programme. No Dealer accepts any liability in relation to the information contained or incorporated by reference in this Prospectus or any other information provided by the Issuer in connection with the Programme.

Subject as provided in the applicable Final Terms, the only person authorised to use this Prospectus in connection with an offer of Notes are the persons named in the applicable Final Terms as the relevant Dealer or the Distributor, as the case may be.

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

Neither this Prospectus nor any other information supplied in connection with the Programme (i) is intended to provide the basis of any credit or other evaluation (other than a credit or other evaluation of any Notes) or (ii) should be considered as a recommendation by the Issuer or any of the Dealers that any recipient of this Prospectus or any other information supplied in connection with the Programme or any Notes should purchase any Notes. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. Neither this Prospectus nor any other information supplied in connection with the Programme constitutes an offer or invitation by or on behalf of the Issuer or any of the Dealers to any person to subscribe for or to purchase any Notes.

Neither the delivery of this Prospectus nor the offering, sale or delivery of any Notes shall in any circumstances imply that the information contained herein concerning the Issuer is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. The Dealers expressly do not undertake to review the financial condition or affairs of the Issuer during the life of the Programme.

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

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the 'Securities Act') and 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 (see 'Subscription and Sale' below).

All references in this document to 'U.S. dollars', 'U.S.\$' and '\$' refer to the currency of the United States of America, those to 'Sterling' and '£' refer to the currency of the United Kingdom, those to 'euro', 'EUR', '€' and 'e' refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the

Treaty establishing the European Community, as amended from time to time (the 'Treaty').

## **STABILISATION**

**In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as the Stabilising Manager(s) or persons acting on behalf of any Stabilising Manager(s) in the applicable Final Terms may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager(s) (or person acting on behalf of the Stabilising Manager) will undertake stabilisation action. 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 of Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager(s) (or person(s) acting on behalf of any Stabilising Manager(s)) in accordance with all applicable laws and rules.**

## **DOCUMENTS INCORPORATED BY REFERENCE**

The following documents, which have previously been published or are published simultaneously with this Prospectus and have been filed with the AFM, shall be deemed to be incorporated in, and form part of, this Prospectus:

- (a) the Articles of Association of the Issuer;
- (b) the publicly available audited annual financial statements of Eureko B.V. for the financial years ended 31 December 2006, 31 December 2005 and 31 December 2004;
- (c) the publicly available audited annual financial statements of the Issuer for the financial years ended 31 December 2006, 31 December 2005 and 31 December 2004;

No other documents or information form part of, or are incorporated by reference into, this Prospectus.

The Issuer will provide, without charge, to each person to whom a copy of this Prospectus has been delivered, upon the oral or written request of such person, a copy of any or all of the documents which are deemed to be incorporated herein by reference. Written requests for such documents should be directed to the Issuer at its registered office set out at the end of this Prospectus. In addition, such documents will be available free of charge from the office in Amsterdam of ABN AMRO Bank N.V. in its capacity as the Agent and from the office in Luxembourg of Dexia Banque Internationale à Luxembourg, société anonyme in its capacity as the Luxembourg Listing Agent.

The Issuer will, in the event of any significant new factor, material mistake or inaccuracy relating to the information included in the Prospectus which is capable of affecting the assessment of any Notes, prepare a supplement to this Prospectus or publish a new Prospectus for use in connection with any subsequent issue of Notes. If the terms of this Programme are modified or amended in a manner which would make this Prospectus inaccurate or misleading, a new Prospectus will be prepared.

This Prospectus and any supplement will only be valid for listing Notes on Eurolist by Euronext Amsterdam, the Luxembourg Stock Exchange and/or any other stock exchange during the period of 12 months from the date of this Prospectus, in an aggregate nominal amount which, when added to the aggregate nominal amount then outstanding of all Notes previously or simultaneously issued under the Programme, does not exceed EUR 10,000,000,000 or its equivalent in other currencies. For the purpose of calculating the aggregate amount of Notes issued under the Programme from time to time:

- (a) the euro equivalent of Notes denominated in another Specified Currency (as defined under 'Form of the Notes' below) shall be determined, at the discretion of the Issuer, as of the date of agreement to issue such Notes (the 'Agreement Date') or on the preceding day on which commercial banks and foreign exchange markets are open for business in Amsterdam, in each case on the basis of the spot rate for the sale of the euro against the purchase of such Specified Currency in the Amsterdam foreign exchange market quoted by any leading bank selected by the Issuer on such date;

(b) the amount (or, where applicable, the euro equivalent) of Dual Currency Notes and Partly Paid Notes (each as defined under 'Form of the Notes') shall be calculated (in the case of Notes not denominated in euro, in the manner specified above) by reference to the original nominal amount of such Notes (in the case of Partly Paid Notes, regardless of the subscription price paid); and

(c) the amount (or, where applicable, the euro equivalent) of Zero Coupon Notes (as defined under 'Form of the Notes') and other Notes issued at a discount or premium shall be calculated (in the case of Notes not denominated in euro in the manner specified above) by reference to the net proceeds received by the Issuer for the relevant issue.

## FORM OF THE NOTES

Each Tranche of Notes will (unless otherwise indicated in the applicable Final Terms) initially be represented by a temporary global Note (or, if so specified in the applicable Final Terms, a permanent global Note), without receipts, interest coupons or talons, which will either:

- (a) if the global Notes are intended to be issued in new global note ('NGN') form, as stated in the applicable Final Terms, be delivered on or prior to the original issue date of the Tranche to a common safekeeper (the 'Common Safekeeper') for Euroclear and Clearstream, Luxembourg; or
- (b) if the global Notes are not intended to be issued in NGN form, (i) be delivered on or prior to the original issue date of the Tranche to a common depository for Euroclear and Clearstream, Luxembourg or (ii) be deposited with Euroclear Netherlands.

On 13 June 2006 the European Central bank (the 'ECB') announced that Notes in NGN form are in compliance with the 'Standards for the use of EU securities settlement systems in ESCB credit operations' of the central banking system for the euro (the 'Eurosystème'), provided that certain other criteria are fulfilled. At the same time the ECB also announced that arrangements for Notes in NGN form will be offered by Euroclear and Clearstream, Luxembourg as of 30 June 2006 and that debt securities in global bearer form issued through Euroclear and Clearstream, Luxembourg after 31 December 2006 will only be eligible as collateral for Eurosystème operations if the NGN form is used.

Whilst any Note is represented by a temporary global Note and subject to TEFRA D selling restrictions, payments of principal and interest (if any) due prior to the Exchange Date (as defined below) will be made (against presentation of the temporary global Note if the temporary global Note is not intended to be issued in NGN form) only to the extent that certification (in a form to be provided) to the effect that the beneficial owners of such Note are not U.S. persons or persons who have purchased for resale to any U.S. person, as required by U.S. Treasury regulations, has been received by the relevant clearing system(s) and the relevant clearing system(s) have given a like certification (based on the certifications they have received) to the Agent. Any reference in this section to the relevant clearing system(s) shall mean the clearing and/or settlement system(s) specified in the applicable Final Terms.

On and after the date (the 'Exchange Date') which is not less than 40 days nor (if the temporary global Note has been deposited with Euroclear Netherlands) more than 90 days after the date on which the temporary global Note is issued, interests in the temporary global Note will be exchangeable (free of charge), upon request as described therein, either for interests in a permanent global Note without receipts, interest coupons or talons or for definitive Notes (as indicated in the applicable Final Terms) in each case (if the Notes are subject to TEFRA D selling restrictions) against certification of beneficial ownership as described in the second sentence of the preceding paragraph unless such certification has already been given. The holder of a temporary global Note will not be entitled to collect any payment of interest, principal or other amount due on or after the Exchange Date unless, upon due certification,

exchange of the temporary global Note for an interest in a permanent global Note or for definitive Notes is improperly withheld or refused.

Definitive Notes will be either in the standard euromarket form, in K-form (including *verzamelbewijs*) (with Coupons) and/or in CF-form (with Coupon sheets). Definitive Notes and global Notes will be to bearer. Notes in K-form may, if applicable, have Talons for further Coupons attached but will not be issued with Receipts attached. Notes in CF-form will have neither Talons nor Receipts attached on issue and will be governed by the rules of the 'Algemeen Obligatiekantoor van het Centrum voor Fondsenadministratie B.V.' in Amsterdam.

Payments of principal and interest (if any) on a permanent global Note will be made through the relevant clearing system(s) (against presentation or surrender (as the case may be) of the relevant permanent global Note if the permanent global Note is not intended to be issued in NGN form) without any requirement for certification. A permanent global Note will be exchangeable (free of charge), in whole or (subject to the Notes which continue to be represented by the permanent global Note being regarded by the relevant clearing system(s) as fungible with the definitive Notes issued in partial exchange for such permanent global Note) in part in accordance with the applicable Final Terms, for security printed definitive Notes with, where applicable, receipts, interest coupons or coupon sheets and talons attached. Such exchange may be made, as specified in the applicable Final Terms either: (i) upon not less than 30 days' written notice to the Agent by Euroclear, Clearstream, Luxembourg (but not Euroclear Netherlands) as described therein or (ii) only upon the occurrence of an Exchange Event.

An 'Exchange Event' means (i) the Issuer has been notified that both Euroclear and Clearstream, Luxembourg or, if applicable, Euroclear Netherlands has been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or has announced an intention permanently to cease business or has in fact done so and no successor clearing system is available or (ii) the Issuer has or will become obliged to pay additional amounts as provided for or referred to in Condition 8 which would not be required were the Notes represented by the Global Note in definitive form. The Issuer will promptly give notice to Noteholders in accordance with Condition 14 upon the occurrence of an Exchange Event. In the event of the occurrence of any Exchange Event, Euroclear and/or Clearstream, Luxembourg and/or Euroclear Netherlands acting on the instructions of any holder of an interest in the global Note may give notice to the Agent requesting exchange and in the event of the occurrence of an Exchange Event as described in (ii) above, the Issuer may also give notice to the Agent requesting exchange. Any such exchange shall occur no later than 15 days after the date on which the relevant notice is received by the Agent. Global Notes and definitive Notes will be issued pursuant to the Agency Agreement. At the date hereof, neither Euroclear nor Clearstream, Luxembourg regard Notes in global form as fungible with Notes in definitive form.

In the case of Notes represented by a permanent global Note deposited with Euroclear Netherlands, the right of Noteholders to request delivery (*uitlevering*) of their Notes under the Dutch Securities Giro Transfer Act (*Wet giraal effectenverkeer*) shall be excluded except in the case of the occurrence of an Exchange Event as described above.

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

Any reference herein to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms, but shall not include Euroclear Netherlands.

The following legend will appear on all global Notes, definitive Notes, receipts and interest coupons (including talons) which are subject to TEFRA D selling restrictions:

'Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code.'

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

Pursuant to the Agency Agreement (as defined under 'Terms and Conditions of the Notes' below) the Agent shall arrange that, where a temporary global Note representing a further Tranche of Notes is issued which is intended to form a single Series with an existing Tranche of Notes, the Notes of such Tranche shall be assigned an ISIN and a common code by Euroclear and Clearstream, Luxembourg and/or a Fondscore by the LCH.Clearnet S.A. Amsterdam Branch which are different from the ISIN, common code and Fondscore assigned to Notes of any other Tranche of the same Series until at least the expiry of the distribution compliance period (as defined in Regulation S under the Securities Act) applicable to the Notes of such Tranche.

The following legend will appear on all global Notes held in Euroclear Netherlands:

'Notice: This Note is issued for temporary deposit with Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V. ('Euroclear Netherlands') at Amsterdam, the Netherlands. Any person being offered this Note for transfer or any other purpose should be aware that theft or fraud is almost certain to be involved'.

A Note may be accelerated in certain circumstances described in Condition 10 of the Notes and in accordance with Article 11 of the Trust Agreement (as hereafter defined). In such circumstances, where any Note is still represented by a global Note and a holder of such Note so represented and credited to his account with the relevant clearing system(s) (other than Euroclear Netherlands) gives notice that it wishes to accelerate such Note, unless within a period of 15 days from the giving of such notice payment has been made in full of the amount due in accordance with the terms of such global Note, holders of interests in such global Note credited to their accounts with the relevant clearing system(s) (other than Euroclear Netherlands) will become entitled to proceed directly against the Issuer on the basis of statements of account provided by the relevant clearing system(s) (other than Euroclear Netherlands) on and subject to the terms of the relevant global Note. In the case of a global Note deposited with Euroclear Netherlands, the rights of Noteholders will be exercised in accordance

with the Dutch Securities Giro Transfer Act (*Wet giraal effectenverkeer*) and the rules and regulations of Euroclear Netherlands.

## **FORM OF FINAL TERMS**

*Set out below is the Form of Final Terms which will be completed for each Tranche of Notes issued under the Programme. The Final Terms should be filed with the competent authority as soon as reasonably practicable and if possible in advance of the offer. The Final Terms must also be published in accordance with Article 14.2 of the Prospectus Directive.*

[Date]

**Achmea Hypotheekbank N.V.**  
**Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]**  
**under the €10,000,000,000**  
**Secured Debt Issuance Programme**

This document constitutes the Final Terms relating to the issue of Notes described herein for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the 'Prospectus Directive'). Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Prospectus constituting the base prospectus dated 7 August 2007 (the 'Base Prospectus') and any amendments or supplements thereto, which together constitute a base prospectus for the purposes of the Prospectus Directive. 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 and any amendments or supplements thereto. The Base Prospectus and any amendments or supplements thereto are available for viewing at [www.eureko.net](http://www.eureko.net), copies of which are provided by the Issuer following a written request delivered at the Issuer's office at Hervenplein 2, 5232 JE in 's Hertogenbosch. Any amendments and supplements to the Base Prospectus will also be available for viewing at [www.eureko.net](http://www.eureko.net).

These Final Terms are to be read in conjunction with the Terms and Conditions (the 'Terms and Conditions') set forth in the Base Prospectus. The Terms and Conditions as supplemented, amended and/or disappplied by these Final Terms constitute the conditions (the 'Conditions') of the Notes. Capitalised terms not defined herein have the same meaning as in the Terms and Conditions. Certain capitalised terms in the Terms and Conditions which are not defined therein have the meaning set forth in these Final Terms. All references to numbered Conditions and sections are to Conditions and sections of the Terms and Conditions set forth in the Base Prospectus.

*[The following language applies if the first tranche of an issue which is being increased was issued under a prospectus with an earlier date:* Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the 'Conditions') set forth in the prospectus dated [original date]. This document constitutes a supplement under Article 16 of the Prospectus Directive (Directive 2003/71/EC) (the 'Prospectus Directive') including the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and has been approved by the AFM. These Final Terms must be read in conjunction with the Base Prospectus dated [current date] (the 'Base Prospectus') which constitutes a base prospectus for the purposes of the Prospectus Directive, save in respect of the Conditions which are extracted from the prospectus dated [original date] and are attached hereto. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms, including the attached

Conditions, and the Base Prospectus. The Base Prospectus and any amendments or supplements thereto are available for viewing at [www.eureko.net](http://www.eureko.net), copies of which are provided by the Issuer following a written request delivered at the Issuer's office at Hervenplein 2, 5232 JE in 's Hertogenbosch. Any amendments and supplements to the Base Prospectus will also be available for viewing at [www.eureko.net](http://www.eureko.net).]

*[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 directions for completing the Final Terms.]*

*[When completing any final terms, or adding any other final terms or information, 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, the publication of which would in turn trigger the investors' right to withdraw their acceptances within a period of 2 business days.]*

1. Issuer: Achmea Hypotheekbank N.V.
2. (i) Series Number: [ ]  
(ii) Tranche Number: [ ]  
*(If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible)*
3. Specified Currency or Currencies: [ ]
4. Aggregate Nominal Amount:  
[*of Notes admitted to trading*]\*  
- Tranche: [ ]  
- Series: [ ]
5. Issue Price of Tranche: [ ] per cent of the Aggregate Nominal Amount [plus accrued interest from *[insert date]* (*in the case of fungible issues only, if applicable*)].
6. (i) Specified Denominations: [ ]  
[ ]

*(Note – where multiple denominations above [EUR 50,000] or equivalent are being used the following sample wording should be followed:*

*"[EUR 50,000] and integral multiples of [EUR 1,000] in excess thereof up to and including [EUR 99,000]. No notes in definitive form will be issued with a*

- denomination above [EUR 99,000].")*
- (ii) Calculation Amount: [ ]
- (Applicable to Notes in definitive form) *[The applicable Calculation Amount will be (i) if there is only one Specified Denomination, the Specified Denomination or (ii) if there are several Specified Denominations, the highest common factor of those Specified Denominations. Note: there must be a common factor in the case of two or more Specified Denominations]*
- (iii) Specified Form: [K/CF/Standard Euromarket]
7. (i) Issue Date: [ ]
- (ii) Interest Commencement Date [ ]
8. Maturity date: *[Fixed rate – specify date/  
Floating rate – Interest Payment Date falling in or nearest to [specify month and year]]*
9. Interest Basis: [[ ] per cent. Fixed Rate]  
[[LIBOR/EURIBOR/(specify other reference rate)]  
+/- [ ] per cent. Floating Rate]  
[Zero Coupon]  
[Dual Currency Interest]  
[specify other]  
(further particulars specified below)
10. Redemption/Payment Basis: [Redemption at par]  
[Dual Currency Redemption]  
[Partly Paid]  
[Instalment]  
[specify other]
11. Change of Interest Basis or Redemption/Payment Basis: *[Specify details of any provision for change of Notes into another Interest Basis or Redemption/ Payment Basis]*
12. Put/Call Options: [Investor Put]  
[Issuer Call]  
[(further particulars specified below)]
13. Status of the Notes: Senior Secured
14. Method of distribution: [Syndicated/Non-syndicated]

## PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15. **Fixed Rate Note Provisions** [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub- paragraphs of this paragraph)*
- (i) Rate(s) of Interest: [ ] per cent. per annum [payable [annually/semi-annually/quarterly] in arrear]  
*(If payable other than annually, consider amending Condition 5)*
- (ii) Interest Payment Date(s): [[ ] in each year up to and including the Maturity Date]/[specify other]  
*(NB: This will need to be amended in the case of long or short coupons)*
- (iii) Fixed Coupon Amount(s): [ ] per Calculation Amount
- (iv) Broken Amount(s): [ ] per Calculation Amount payable on the Interest Payment Date falling [in/on] [ ]  
*(Applicable to Notes in definitive form)*
- (v) Day Count Fraction: [30/360 or Actual/Actual (ICMA) or specify other]
- (vi) Determination Date(s): [ ] in each year  
*[Insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or a short first or last coupon]*  
*(NB: This will need to be amended in the case of regular interest payment dates which are not of equal duration)*  
*(NB: Only relevant where Day Count Fraction is Actual/Actual (ICMA))*
- (vii) Other terms relating to the method of calculating interest for Fixed Rate Notes: [None/Give details]
16. **Floating Rate Note Provisions** [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub- paragraphs of this paragraph)*
- (i) Specified Period(s)/Specified Interest Payment Dates: [ ]
- (ii) Business Day Convention: [Floating Rate Convention/Following

- Business Day Convention/Modified  
Following Business Day  
Convention/Preceding Business Day  
Convention/[specify other]]
- (iii) Additional Business Centre(s): [ ]
- (iv) Manner in which the Rate of Interest and Interest Amount is to be determined: [Screen Rate Determination/ISDA Determination/specify other]
- (v) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Agent): [ ]
- (vi) Screen Rate Determination: [Yes/No]
- Reference Rate: [ ]  
(Either LIBOR, EURIBOR or other, although additional information is required if other – including fallback provisions in the Agency Agreement)
- Interest Determination Date(s): [ ]  
(Second London business day prior to the start of each Interest Period if LIBOR (other than Sterling or euro LIBOR), first day of each Interest Period if Sterling LIBOR and the second day on which the TARGET System is open prior to the start of each Interest Period if EURIBOR or euro LIBOR)
- Relevant Screen Page: [ ]  
(In the case of EURIBOR, if not Reuters EURIBOR01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)
- (vii) ISDA Determination: [Yes/No]
- Floating Rate Option: [ ]
- Designated Maturity: [ ]
- Reset Date: [ ]
- (viii) Margin(s): [+/-] [ ] per cent. per annum

- (ix) Minimum Rate of Interest: [ ] per cent. per annum
- (x) Maximum Rate of Interest: [ ] per cent. per annum
- (xi) Day Count Fraction: [Actual/365  
Actual/365 (Fixed)  
Actual/365 (Sterling)  
Actual/360  
30/360  
30E/360  
Other]  
(See Condition 5 for alternatives)
- (xii) Fall back provisions, rounding provisions and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions: [ ]
- (xiii) Description of any market disruption events that affect the underlying: [ ]
- 17. Zero Coupon Note Provisions** [Applicable/Not Applicable]  
(If not applicable, delete the remaining sub- paragraphs of this paragraph)
- (i) Accrual Yield: [ ] per cent. per annum
- (ii) Reference Price: [ ]
- (iii) Any other formula/basis of determining amount payable: [ ]
- (iv) Day Count Fraction in relation to Early Redemption Amounts and late payment: [Conditions 7(e) and (j) apply/specify other]  
(Consider applicable day count fraction if not U.S. dollar denominated)
- 18. Dual Currency Interest Note Provisions** [Applicable/Not Applicable]  
(If not applicable, delete the remaining sub- paragraphs of this paragraph)
- (i) Rate of Exchange/method of calculating Rate of

- Exchange: [give details]
- (ii) Calculation Agent, if any, responsible for calculating the interest payable: [ ](add address details)
- (iii) Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable: [ ]
- (iv) Person at whose option Specified Currency(ies) is/are payable: [ ]

### PROVISIONS RELATING TO REDEMPTION

19. Issuer Call: [Applicable/Not Applicable]  
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Optional Redemption Date(s): [ ]
- (ii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s): [ ] per Calculation Amount
- (iii) If redeemable in part:
- (a) Minimum Redemption Amount of each Note: [ ]
- (b) Maximum Redemption Amount of each Note: [ ]
- (iv) Notice period (if other than as set out in the Conditions): [ ]  
(NB If setting notice periods which are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the

Agent)

20. Investor Put: [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub- paragraphs of this paragraph)*
- (i) Optional Redemption  
Date(s): [ ]
- (ii) Optional Redemption  
Amount(s) of each Note and  
method, if any, of  
calculation of such  
amount(s) of each Note: [ ] per Calculation Amount
- (iii) Notice period (if other than  
as set out in the Conditions): [ ]  
*(NB If setting notice periods which are  
different to those provided in the  
Conditions, the Issuer is advised to  
consider the practicalities of distribution  
of information through intermediaries,  
for example, clearing systems and  
custodians, as well as any other notice  
requirements which may apply, for  
example, as between the Issuer and the  
Agent)*
21. Final Redemption Amount of each  
Note: [[ ] per Calculation Amount/specify  
other/see Appendix]
22. Early Redemption Amount(s)  
payable on redemption for taxation  
reasons or on event of default  
and/or the method of calculating the  
same (if required or if different  
from that set out in Condition 7(e)): [[ ] per Calculation Amount/specify  
other/see Appendix]

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

**23 Form of Notes:**

- (i) Form: [Temporary Global Note exchangeable  
for a Permanent Global Note which is  
exchangeable for Definitive Notes [on 30  
days' notice given at any time/only upon  
an Exchange Event].]
- [Temporary Global Note exchangeable  
for Definitive Notes on and after the  
Exchange Date.]

[Permanent Global Note exchangeable for Definitive Notes [on 30 days' notice given at any time/only upon an Exchange Event/at any time at the request of the Issuer]]

*(Ensure that this is consistent with the wording in the "Form of the Notes" section in the Prospectus and the Notes themselves. N.B. The exchange upon notice/at any time options should not be expressed to be applicable if the Specified Denomination of the Notes in paragraph 6 includes language substantially to the following effect: [EUR 50,000] and integral multiples of [EUR 1,000] in excess thereof up to and including [EUR 99,000])*

*(add name and address of the entity in charge of keeping the records)*

(ii) New Global Note:

[Yes][No]

*(Must be "No" for Notes deposited with Euroclear Netherlands)*

24. Additional Financial Centre(s) or other special provisions relating to Payment Dates:

[Not Applicable/give details]

*(Note that this item relates to the place of payment and not Interest Period end dates to which item 16(iii) relates)*

25. Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature):

[Yes/No. If yes, give details]

26. Details relating to Partly Paid Notes:

amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment:

[Not Applicable/give details. NB: a new form of Temporary Global Note and/or Permanent Global Note may be required for Partly Paid issues]

27. Details relating to Instalment Notes
- (i) Instalment Amount(s): [Not Applicable/give details]
- (ii) Instalment Date(s): [Not Applicable/give details]
28. Redenomination applicable: Redenomination [not] applicable  
*[If Redenomination is applicable, specify the applicable Day Count Fraction and any provisions necessary to deal with floating rate interest calculation (including alternative reference rates)]*
29. Other terms or special conditions: [Not Applicable/give details]  
*(when adding any other final terms consideration should be given as to whether such terms constitute 'significant new factors' and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive)*

## **DISTRIBUTION**

30. (i) If syndicated, names [and addresses] of Managers [and underwriting commitment]: [Not Applicable/give legal names/give legal names, addresses and underwriting commitments]  
*(Include names and addresses of entities agreeing to underwrite the issue on a firm commitment basis and names and addresses of the entities agreeing to place the issue without a firm commitment or on a "best efforts" basis if such entities are not the same as the Managers.)*
- (ii) Date of Syndication Agreement: [ ]\*\*
- (iii) Stabilising Manager (if any): [Not Applicable/give legal name]
31. If non-syndicated, name [and address] of relevant Dealer: [specify name [and address]\*\* of Dealer/Not applicable. The Notes are not being underwritten by any Dealer(s).]
32. Total commission and concession\*\*: [ ] per cent. of the Aggregate Nominal Amount\*\*
33. Whether TEFRA D or TEFRA C rules applicable or TEFRA rules not

- applicable: [TEFRA D/TEFRA C/TEFRA not applicable]
34. Additional selling restrictions: [Not Applicable/give details]
- OPERATIONAL INFORMATION**
35. Any clearing system(s) other than Euroclear, Clearstream, Luxembourg and Euroclear Netherlands and the relevant identification number(s): [Not Applicable/give name(s) and number(s)]
- [N.B. If the Notes are designated as NGNs the Notes must be cleared through Euroclear and Clearstream, Luxembourg]
36. Delivery: Delivery [against/free of] payment
37. Additional Paying Agent(s) (if any): [                    ]
38. Intended to be held in a manner which would allow Eurosystem eligibility: [Yes][No]
- [Note that the designation "Yes" simply means that the Notes are intended upon issue to be deposited with an international central securities depository 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 satisfaction of the Eurosystem eligibility criteria.]
- [Include this text if "Yes" selected in which case the Notes must be issued in NGN form]
- OTHER**
39. (i) Listing: [Eurolist by Euronext Amsterdam/Luxembourg Stock Exchange/specify other/None]
- (ii) Admission to trading: [Application has been made for the Notes to be admitted to trading on Eurolist by Euronext Amsterdam with

effect from [\_\_\_\_].]/[Not Applicable].  
(Where documenting a fungible issue  
need to indicate if and on which market  
original securities are already admitted  
to trading.)\*\*

40. Ratings:

The Notes to be issued have been rated:

[S & P: [ ]]

[Moody's: [ ]]

[[Other]: [ ]]

[Include a brief explanation of the  
meaning of the ratings if this has  
previously been published by the rating  
provider.]\*\*

41. Reasons for the Offer, estimated net  
proceeds and total expenses

(i) Reasons for the Offer:

[ ]

[Also see 'Use of Proceeds' wording in  
Base Prospectus – if reasons for offer  
different from making profit and/or  
hedging certain risks will need to include  
those reasons here.]\*\*

(ii) Estimated net proceeds:

[ ]

[If proceeds are intended for more than  
one use will need to split out and present  
in order of priority. If proceeds  
insufficient to fund all proposed uses  
state amount and sources of other  
funding.]

(iii) Estimated total  
expenses related to  
admission to trading:

[ ] [Include breakdown of expenses]  
(If the Notes are derivative securities to  
which Annex XII of the Prospectus  
Directive Regulation applies or are  
wholesale Notes, it is only necessary to  
include disclosure of net proceeds and  
total expenses at (ii) and (iii) above  
where disclosure is included at (i)  
above.)]

42. [Notification:]

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

has been drawn up in accordance with the Prospectus Directive.]

[The Issuer has authorised the use of these Final Terms and the Prospectus dated [·] by the Dealers and *[include names [and addresses] of other financial intermediaries involved in the offer]* (the Distributors and together with the Dealers, the Financial Intermediaries) in connection with offers of Notes to the public in *[insert jurisdiction where the Prospectus has been approved and published and jurisdictions into which it has been passported]* for the period set out below in paragraph [49]\*\*

43. Interests of Natural and Legal Persons Involved in the Issue:

[Save for any fees payable to the Dealers, so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. – *Amend as appropriate if there are other interests]*

44. The effective yield of the Notes: [ ] per cent.  
(Fixed Rate Notes only)

[Calculated as *[include details of method of calculation in summary form]* on the Issue Date.]\*\*

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

45. Historic Interest Rates:  
(Floating Rate Notes only)\*\*

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

46. Performance of rate[s] of exchange and explanation of effect on value of investment:  
(Dual Currency Notes only)

*[Need to include details of where past and future performance and volatility of the relevant rate[s] can be obtained.][Need to include a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.]\*\**

47. For the purposes of Condition 14, notices to the published in the Financial Times: [yes/no]  
(generally yes, but no for domestic issues)

48. Whether Condition 8(a) of the Notes applies (in which case Condition 7(b) of the Notes will not apply) or Condition 8(b) and Condition 7(b) of the Notes apply: [Condition 8(a) applies and Condition 7(b) does not apply/Condition 8(b) and Condition 7(b) apply]

49. (i) Offer Period: [The offer of the Notes is expected to open at [ ] hours ([ ] time) on [ ] and close at [ ] hours ([ ] time) on [ ] or such earlier or later date or time as the Issuer may determine, following consultation with the relevant Dealer where practical,] [and will be announced in [ ] [Not Applicable]
- [the aggregate principal amount of the Notes to be issued and allotted will be announced by the Issuer at [ ] hours ([ ] time) on [ ] or such earlier or later date or time as the Issuer may determine and will be announced in the forementioned publications]
- (ii) Delivery: Delivery [against/free of] payment
- [(iii) Payment: Method and time limits of paying up the Notes – *to be included if any agreement in this respect is entered into between Issuer and Manager(s)*]

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ISIN: [ ]

Common Code: [ ]

Fondscore: [ ]

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[*Other relevant code*] [ ]

50. [Other] [insert any other relevant information]

### **[ADMISSION TO LISTING AND TRADING**

This Final Terms comprises the final terms required to list and admit to trading the issue of Notes described herein pursuant to the EUR 10,000,000,000 Secured Debt Issuance Programme of Achmea Hypotheekbank N.V.]

### **RESPONSIBILITY**

The Issuer accepts responsibility for the information contained in these Final Terms. To the best of the knowledge and belief of the Issuer (having taken all reasonable care to ensure that such is the case) the information contained in these Final Terms is in accordance with the facts and does not omit anything likely to affect the import of such information.

[[ ] has been extracted from [ ]. 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 [ ], no facts have been omitted which would render the reproduced information inaccurate or misleading.] *(Include where any information sourced from a third party has been reproduced, and provide necessary details.)*

Signed on behalf of the Issuer

By: .....

*Duly authorised*

Countersigned by Stichting Trustee Achmea Hypotheekbank

By: .....

*Duly authorised*

Notes:

\* Not required if the minimum denomination is less than €50,000

\*\* Not required if the minimum denomination is €50,000

## TERMS AND CONDITIONS OF THE NOTES

*The following are the Terms and Conditions of Notes to be issued by the Issuer which (except for the paragraphs in italics) will be incorporated by reference into each global Note and which will be endorsed on (or, if permitted by the relevant stock exchange and agreed between the Issuer and the relevant Dealer, incorporated by reference into) each definitive Note in the standard euromarket form and K-form and will be applicable to each definitive Note in CF-form. The applicable Final Terms in relation to any Tranche of Notes may specify other terms and conditions which shall to the extent so specified or to the extent inconsistent with the following Terms and Conditions, replace or modify the following Terms and Conditions for the purpose of such Tranche of Notes. The applicable Final Terms will be endorsed on, incorporated by reference into, or attached to, each global Note and definitive Note in the standard euromarket form and K-form and will be applicable to each definitive Note in CF-form. Reference should be made to 'Form of the Notes' above for a description of the content of Final Terms which includes the definition of certain terms used in the following Terms and Conditions.*

This Note is one of a series of Notes issued by Achmea Hypotheekbank N.V. (the 'Issuer'), pursuant to the Agency Agreement (as defined below). References herein to the 'Notes' shall be references to the Notes of this Series (as defined below) and shall mean (i) in relation to any Notes represented by a global Note, units of each Specified Denomination in the Specified Currency, (ii) definitive Notes issued in exchange (or part exchange) for a global Note and (iii) any global Note. The Notes, the Receipts (as defined below) and the Coupons (as defined below) have the benefit of, and are subject to the provisions of, (i) an Amended and Restated Agency Agreement dated 7 August 2007 (the 'Agency Agreement') and made between the Issuer, ABN AMRO Bank N.V. as issuing and principal paying agent and agent bank (the 'Agent', which expression shall include any successor agent) and the other paying agents named therein (together with the Agent, the 'Paying Agents', which expression shall include any additional or successor paying agents) and (ii) a Trust Agreement dated 22 January, 1996, as amended on 21 March, 2000 and 2 November, 2000, and as further amended from time to time (together the 'Trust Agreement') between the Issuer and Stichting Trustee Achmea Hypotheekbank (the 'Security Trustee').

Interest bearing definitive Notes in the standard euromarket form (unless otherwise indicated in the applicable Final Terms) have interest coupons ('Coupons') and, if indicated in the applicable Final Terms, talons for further Coupons ('Talons') attached on issue. Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons. Definitive Notes in the standard euromarket form repayable in instalments have receipts ('Receipts') for the payment of the instalments of principal (other than the final instalment) attached on issue. Any reference herein to 'Noteholders' shall mean the holders of the Notes, and shall, in relation to any Notes represented by a global Note, be construed as provided below. Any reference herein to 'Receiptholders' shall mean the holders of the Receipts and any reference herein to 'Couponholders' shall mean the holders of the Coupons, and shall, unless the context otherwise requires, include the holders of the Talons. Any holders mentioned above include those having a credit balance in the collective depots held by Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V. ('Euroclear Netherlands') or one of its participants.

Interest bearing definitive Notes in K-form will have Coupons and, if indicated in the applicable Final Terms, Talons attached but will not be issued with Receipts attached. Interest bearing definitive Notes in CF-form will have Coupon sheets attached but will not be issued with Talons or Receipts attached. References in these Terms and Conditions to 'Coupons' will include references to such Coupon sheets.

The Final Terms for this Note is endorsed hereon or attached hereto or applicable hereto or incorporated by reference herein and supplements these Terms and Conditions and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these Terms and Conditions, replace or modify these Terms and Conditions for the purposes of this Note. References herein to the 'applicable Final Terms' are to the Final Terms for this Note.

As used herein, 'Tranche' means Notes which are identical in all respects (including as to listing) and 'Series' means a Tranche of Notes together with any further Tranche or Tranches of Notes which are (i) expressed to be consolidated and form a single series and (ii) are identical in all respects (including as to listing) from the date on which such consolidation is expressed to take effect except for their respective Issue Dates, Interest Commencement Dates and/or Issue Prices.

Copies of the Agency Agreement and the Trust Agreement are available for inspection (and copies of the applicable Final Terms are obtainable) at the specified offices of each of the Agent and the other Paying Agents save that a Final Terms relating to an unlisted Note will only be available for inspection by a Noteholder upon such Noteholder producing evidence as to identity satisfactory to the relevant Paying Agent. The Noteholders, the Receiptholders and the Couponholders are deemed to have notice of, are entitled to the benefit of, and are subject to all the provisions of the Agency Agreement, the Trust Agreement and the applicable Final Terms which are binding on them.

Words and expressions defined in the Agency Agreement or used in the applicable Final Terms shall have the same meanings where used in these Terms and Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Agency Agreement and the applicable Final Terms, the applicable Final Terms will prevail.

## **1. Form, Denomination and Title**

The Notes are in bearer form and, in the case of definitive Notes, serially numbered, in the Specified Currency, the Specified Denomination(s) and the Specified Form(s).

This Note may be a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, a Dual Currency Interest Note or a combination of any of the foregoing, depending on the Interest Basis shown in the applicable Final Terms.

This Note may be an Instalment Note, a Dual Currency Redemption Note, a Partly Paid Note or a combination of any of the foregoing, depending on the Redemption/Payment Basis shown in the applicable Final Terms.

Notes in definitive form are issued with Coupons attached, unless they are Zero Coupon Notes in which case references to Coupons and Couponholders in these Terms and Conditions are not applicable.

Subject as set out below, title to the Notes, Receipts and Coupons will pass by delivery. For Notes held through Euroclear Netherlands deliveries will be made in accordance with the Dutch Securities Giro Transfer Act (*Wet giraal effectenverkeer*). Except as ordered by a court of competent jurisdiction or as required by law or applicable regulations, the Issuer, the Agent and any Paying Agent may deem and treat the bearer of any Note, Receipt or Coupon as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any global Note, without prejudice to the provisions set out in the next succeeding paragraph.

For so long as any of the Notes is represented by a global Note held on behalf of Euroclear Bank S.A./N.V., as operator of the Euroclear System ('Euroclear') and/or Clearstream Banking, société anonyme ('Clearstream, Luxembourg') each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer and any Paying Agent as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on the Notes, for which purpose the bearer of the relevant global Note shall be treated by the Issuer and any Paying Agent as the holder of such Notes in accordance with and subject to the terms of the relevant global Note (and the expressions 'Noteholder' and 'holder of Notes' and related expressions shall be construed accordingly). Notes which are represented by a global Note held by a common depositary or a common safekeeper, as the case may be, for Euroclear and Clearstream, Luxembourg will be transferable only in accordance with the rules and procedures for the time being of Euroclear or of Clearstream, Luxembourg, as the case may be. In the case of Notes represented by a permanent global Note deposited with Euroclear Netherlands, a Noteholder shall not have any right to request delivery (*uitlevering*) of his Notes under the Dutch Securities Giro Transfer Act (*Wet Giraal Effectenverkeer*) other than as set out in the permanent global Note.

References to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms but shall not include Euroclear Netherlands.

## **2. Status of the Notes and Negative Pledge**

The Notes and the relative Receipts and Coupons constitute secured and unsubordinated obligations of the Issuer and rank *pari passu* without any preference among themselves and with all other present and future secured and unsubordinated obligations of the Issuer which constitute countersigned instruments under the Trust Agreement save for those preferred by mandatory provisions of law.

So long as any of the Notes remains outstanding (as defined in the Agency Agreement) (i) save as provided in the Trust Agreement and (ii) save, to the extent still applicable, in respect of Woonfonds Holland B.V. only, as provided in the Trust

Agreement between Woonfonds Holland B.V. and Stichting Trustee Woonfonds Holland dated July, 1992, the Issuer shall not, and will procure that none of its subsidiaries shall, create or have outstanding any mortgage, charge, lien, pledge or other security interest (each a 'Security Interest') upon, or with respect to, any of its respective present or future business, undertaking, assets or revenues (including any uncalled capital) to secure any Indebtedness for Borrowed Money (as defined below) or any guarantee of any Indebtedness for Borrowed Money, unless the Issuer has created Security Interests with respect to the countersigned certificates of indebtedness (including the Notes and the relative Receipts and Coupons) as required pursuant to the Trust Agreement.

For the purpose of this Condition, 'Indebtedness for Borrowed Money' means any present or future indebtedness of the Issuer or any of its subsidiaries (whether being principal, premium, interest or other amounts) for or in respect of (i) money borrowed, (ii) liabilities under or in respect of any acceptance or acceptance credit or (iii) any notes, bonds, debentures, debenture stock, loan stock or other securities offered, issued or distributed whether by way of public offer, private placement, acquisition consideration or otherwise and whether issued or cash or in whole or in part for a consideration other than cash.

### **3. Security**

Pursuant to the Trust Agreement, the Issuer has granted, and from time to time will grant, to the Security Trustee, for the benefit of the creditors (including the Noteholders) under instruments which have been countersigned by the Security Trustee pursuant to the Trust Agreement, a right of pledge from time to time over existing mortgage loans and/or other security permitted pursuant to the Trust Agreement of the Issuer.

Pursuant to the Trust Agreement the Issuer is obliged to ensure that at all times (x) the aggregate principal amounts of claims under debt instruments or hedging instruments which have the benefit of the Trust Agreement shall not exceed (y) the sum of the principal amount of the mortgage loans pledged to the Security Trustee, the securities and bonds pledged to the Security Trustee and the cash assets held by the Trustee in accordance with the Trust Agreement. Special provisions are included in the Trust Agreement in respect of the valuation of obligations which could result in a foreign exchange exposure and in respect of hedging arrangements.

The Security Trustee is entitled (but not bound) to enforce the lien by notifying all or several debtors of the mortgage loans or any other security pledged to it of the right of pledge on such mortgage loans or other instruments or otherwise enforce the lien if, *inter alia*:

- (a) the Issuer fails to perform any obligations under any instruments countersigned by the Security Trustee;
- (b) the Issuer defaults in its obligations to the Security Trustee; or
- (c) the Security Trustee has good reason to believe that the Issuer will fail to perform one or more of the obligation referred to in (a) or (b) above.

In the event of the lien being enforced in the manner referred to above, the Security Trustee will become entitled to receive payments due under the mortgage loans or

other instruments the subject of the lien in respect of which notice has been given to the debtors of the issue of pledge by the Trust Agreement and, after deduction for its cost and expenses, will pay such proceeds pro rata to the Issuer's creditors (including, but not limited to, the holders of Notes issued under the Programme) whose loans have the benefit of the Trust Agreement in accordance with the provisions of the Trust Agreement.

All security arrangements established for the benefit of the creditors (including the Noteholders) with the benefit of the Trust Agreement shall be exclusively governed and determined by the Trust Agreement.

***Prospective Noteholders should note that, unless directed by a meeting of the creditors of the Issuer as provided in Article 24 of the Trust Agreement and save as provided in paragraph 2 of that Article, the Security Trustee is not bound to enforce the lien in the event that the Issuer is in default under the Notes or any of its other debt obligations which have the benefit of the Trust Agreement. However, in the event that notice of lien is given by the Security Trustee or the Security Trustee gives notice of a default to the Issuer under Article 11 of the Trust Agreement an event of default under the Notes will occur and the Notes will automatically become due and repayable. In such event it is most likely that a similar default will occur under other borrowings and hedging transactions entered into by the Issuer with the benefit of the Trust Agreement. Given that the mortgage loans which have been pledged to the Security Trustee will not, however, become due and repayable but will continue to be repaid in accordance with their terms, it is unlikely that sufficient funds will be available to repay all such borrowings and to close out all such hedging transactions at the time they become due. Accordingly, in such an event prospective Noteholders may experience considerable delays in securing repayment of their Notes and, in certain circumstances, may not receive such repayment in full. In addition, any payments due under the mortgage loans may be subject to defences as described in 'Description of Security Arrangements'.***

#### **4. Redenomination**

##### *(a) Redenomination*

Where redenomination is specified in the applicable Final Terms as being applicable, the Issuer may, without the consent of the Noteholders, the Receiptholders and the Couponholders, on giving prior notice to the Agent, Euroclear, Clearstream, Luxembourg and, if applicable, Euroclear Netherlands and at least 30 days' prior notice to the Noteholders in accordance with Condition 14, elect that, with effect from the Redenomination Date specified in the notice, the Notes shall be redenominated in euro.

Subject to any applicable regulations, the election will have effect as follows:

- (i) the Notes and the Receipts shall be deemed to be redenominated in euro in the denomination of EUR 0.01 with a nominal amount for each Note and Receipt equal to the nominal amount of that Note or Receipt in the Specified Currency, converted into euro at the Established Rate provided that, if the Issuer determines, with the agreement of the Agent, that the then market practice in respect of the redenomination into euro of internationally offered securities is different from the provisions specified above, such provisions shall be deemed

to be amended so as to comply with such market practice and the Issuer shall promptly notify the Noteholders, the stock exchange (if any) on which the Notes may be listed and the Agent and other Paying Agents of such deemed amendments;

- (ii) save to the extent that an Exchange Notice has been given in accordance with paragraph (iv) below, the amount of interest due in respect of the Notes will be calculated by reference to the aggregate nominal amount of Notes presented (or, as the case may be, in respect of which Coupons are presented) for payment by the relevant holder and the amount of such payment shall be rounded down to the nearest EUR 0.01;
- (iii) if definitive Notes are required to be issued after the Redenomination Date they shall be issued at the expense of the Issuer in the denominations of EUR 1,000, EUR 10,000, EUR 100,000 and (but only to the extent of any remaining amounts less than EUR 1,000 or such smaller denominations as the Agent may approve) EUR 0.01 and such other denominations as the Agent shall determine and notify to the Noteholders;
- (iv) if issued prior to the Redenomination Date, all unmatured Coupons denominated in the Specified Currency (whether or not attached to the Notes) will become void with effect from the date on which the Issuer gives notice (the 'Exchange Notice') that replacement euro-denominated Notes, Receipts and Coupons are available for exchange (provided that such securities are so available) and no payments will be made in respect of them. The payment obligations contained in any Notes and Receipts so issued will also become void on that date although those Notes and Receipts will continue to constitute valid exchange obligations of the Issuer. New euro-denominated Notes, Receipts and Coupons will be issued in exchange for Notes, Receipts and Coupons denominated in the Specified Currency in such manner as the Agent may specify and as shall be notified to the Noteholders in the Exchange Notice. No Exchange Notice may be given less than 15 days prior to any date for payment of principal or interest on the Notes;
- (v) after the Redenomination Date, all payments in respect of the Notes, the Receipts and the Coupons, other than payments of interest in respect of periods commencing before the Redenomination Date, will be made solely in euro as though references in the Notes to the Specified Currency were to euro. Payments will be made in euro by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or, at the option of the payee, by a euro cheque;
- (vi) if the Notes are Fixed Rate Notes and interest for any period ending on or after the Redenomination Date is required to be calculated for a period ending other than on an interest Payment Date, it will be calculated:
  - (A) in the case of the Notes represented by a global Note, by applying the Rate of Interest to the aggregate outstanding nominal amount of the Notes; and
  - (B) in the case of definitive Notes, by applying the Rate of Interest to the Calculation Amount;

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Fixed Rate Note in definitive form comprises more than one Calculation Amount, the amount of interest payable in respect of such Fixed Rate Note shall be the aggregate of the amounts (determined in the manner provided above) for each Calculation Amount comprising the Specified Denomination without any further rounding;

- (vii) if the Notes are Floating Rate Notes, the applicable Final Terms will specify any relevant changes to the provisions relating to interest; and
- (viii) such other changes shall be made to this Condition as the Issuer may decide, after consultation with the Agent, and as may be specified in the notice, to conform them to conventions then applicable to instruments denominated in euro. Any such other changes will not take effect until after they have been notified to the Noteholders in accordance with Condition 14.

(b) *Definitions*

In these Terms and Conditions, the following expressions have the following meanings:

'Established Rate' means the rate for the conversion of the Specified Currency (including compliance with rules relating to roundings in accordance with applicable European Community regulations) into euro established by the Council of the European Union pursuant to Article 123 of the Treaty; 'euro' means the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty;

'Redenomination Date' means (in the case of interest bearing Notes) any date for payment of interest under the Notes or (in the case of Zero Coupon Notes) any date, in each case specified by the Issuer in the notice given to the Noteholders pursuant to paragraph (a) above and which falls on or after the date on which the country of the Specified Currency first participates in the third stage of European economic and monetary union; and 'Treaty' means the Treaty establishing the European Communities, as amended from time to time.

## **5. Interest**

(a) *Interest on Fixed Rate Notes*

Each Fixed Rate Note bears interest on its outstanding nominal amount (or, if it is a Partly Paid Note, the amount paid up) from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest payable in arrear on the Interest Payment Date(s) in each year up to (but excluding) the Maturity Date.

If the Notes are in definitive form, except as provided in the applicable Final Terms, the amount of interest payable on each Interest Payment Date in respect of the Fixed Interest Period ending on (but excluding) such date will amount to the Fixed Coupon

Amount. Payments of interest on any Interest Payment Date will, if so specified in the applicable Final Terms, amount to the Broken Amount so specified.

Except in the case of Notes in definitive form where a Fixed Coupon Amount or Broken Amount is specified in the applicable Final Terms, interest shall be calculated in respect of any period by applying the Rate of Interest to:

- (i) in the case of Fixed Rate Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Fixed Rate Notes represented by such Global Note (or, if they are Partly Paid Notes, the aggregate amount paid up); or
- (ii) in the case of Fixed Rate Notes in definitive form, the Calculation Amount;

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Fixed Rate Note in definitive form comprises more than one Calculation Amount, the amount of interest payable in respect of such Fixed Rate Note shall be the aggregate of the amounts (determined in the manner provided above) for each Calculation Amount comprising the Specified Denomination without any further rounding. In these Terms and Conditions:

*'Day Count Fraction'* means, in respect of the calculation of an amount of interest in accordance with this Condition 5(a):

- (i) if *'Actual/Actual (ICMA)'* is specified in the applicable Final Terms:
  - (a) in the case of Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the *'Accrual Period'*) is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (i) the number of days in such Determination Period and (ii) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year assuming interest was to be payable in respect of the whole of that year; or
  - (b) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:
    - (1) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year (as specified in the applicable Final Terms) assuming interest was to be payable in respect of the whole of that year; and
    - (2) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number

of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year assuming interest was to be payable in respect of the whole of that year; and

- (ii) if '30/360' is specified in the applicable Final Terms, the number of days in the period from and including the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to but excluding the relevant payment date (such number of days being calculated on the basis of a year of 360 days with 12 30-day months) divided by 360.

*'Determination Period'* means the period from and including a Determination Date to but excluding the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date);

*'Fixed Interest Period'* means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date; and

*'sub-unit'* means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and with respect to euro, means one cent.

(b) *Interest on Floating Rate Notes*

(i) Interest Payment Dates

Each Floating Rate Note bears interest on its outstanding nominal amount (or, if it is a Partly Paid Note, the amount paid up) from (and including) the Interest Commencement Date at the rate equal to the Rate of Interest payable in arrear on either:

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

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

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

- (1) in any case where Specified Periods are specified in accordance with Condition 5(b)(i)(B) above, the Floating Rate Convention, such Interest Payment Date (i) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (B) below shall apply *mutatis mutandis* or (ii) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (A) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (B) each subsequent Interest Payment Date shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Interest Payment Date occurred; or
- (2) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or
- (3) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date (or other date) shall be brought forward to the immediately preceding Business Day; or
- (4) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

In these Terms and Conditions, 'Business Day' means a day which is both:

- (A) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in Amsterdam and in any Additional Business Centre specified in the applicable Final Terms; and
- (B) either (i) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (if other than Amsterdam or any Additional Business Centre and which if the Specified Currency is Australian dollars shall be Sydney) or (ii) in relation to any sum payable in euro, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET) System (the 'TARGET System') is open.

(ii) Rate of Interest

The Rate of Interest payable from time to time in respect of the Floating Rate Notes will be determined in the manner specified in the applicable Final Terms on the following basis:

- (A) ISDA Determination  
Where ISDA Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Final Terms) the Margin (if any). For the purposes of this sub-paragraph (A), 'ISDA Rate' for an Interest Period means a rate

equal to the Floating Rate that would be determined by the Agent under an interest rate swap transaction if the Agent were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the 2006 ISDA Definitions as published by the International Swaps and Derivatives Association, Inc. as amended and updated as at the Issue Date of the first Tranche of the Notes, (the 'ISDA Definitions') and under which:

- (1) the Floating Rate Option is as specified in the applicable Final Terms;
- (2) the Designated Maturity is the period specified in the applicable Final Terms; and
- (3) the relevant Reset Date is either (i) if the applicable Floating Rate Option is based on the London inter-bank offered rate (LIBOR) or on the Euro-zone inter-bank offered rate ('EURIBOR') for a currency, the first day of that Interest Period or (ii) in any other case, as specified in the applicable Final Terms.

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

When this sub-paragraph (A) applies, in respect of each relevant Interest Period the Agent will be deemed to have discharged its obligations under Condition 5(b)(iv) in respect of the determination of the Rate of Interest if it has determined the Rate of Interest in respect of such Interest Period in the manner provided in this sub- paragraph (A).

(B) Screen Rate Determination

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

- (1) the offered quotation (if there is only one quotation on the Relevant Screen Page); or
- (2) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) 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 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 plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Agent. If five or more such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

The Agency Agreement contains provisions for determining the Rate of Interest pursuant to this subparagraph (B) in the event that the Relevant Screen Page is not available or if, in the case of (1) above, no such quotation appears

or, in the case of (2) above, fewer than three such offered quotations appear, in each case as at the time specified in the preceding paragraph.

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

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

If the applicable Final Terms specifies a Minimum Rate of Interest for any Interest Period, then the Rate of Interest for such Interest Period shall in no event be less than such Minimum Rate of Interest and/or if it specifies a Maximum Rate of Interest for any Interest Period, then the Rate of Interest for such Interest Period shall in no event be greater than such Maximum Rate of Interest.

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

The Agent will, at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period.

The Agent will calculate the amount of interest (the 'Interest Amount') payable on the Floating Rate Notes for the relevant Interest Period by applying the Rate of Interest to:

- (A) in the case of Floating Rate Notes which are represented by a global Note, the aggregate outstanding nominal amount of the Notes represented by such global Note (or, if they are Partly Paid Notes, the aggregate amount paid up); or
- (B) in the case of Floating Rate Notes in definitive form, the Calculation Amount;

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Floating Rate Note in definitive form comprises more than one Calculation Amount, the Interest Amount payable in respect of such Note shall be the aggregate of the amounts (determined in the manner provided above) for each Calculation Amount comprising the Specified Denomination without any further rounding.

'Day Count Fraction' means, in respect of the calculation of an amount of interest in accordance with this Condition 5(b):

- (i) if 'Actual/365' or 'Actual/Actual' is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);
- (ii) if 'Actual/365 (Fixed)' is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;

- (iii) if 'Actual/365 (sterling)' is specified in the applicable Final Terms, the actual number of days in the Interest 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 in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;
  - (v) if '30/360', '360/360' or 'Bond Basis' is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 1230-day months (unless (a) the last day of the Interest Period is the 31st day of a month but the first day of the Interest Period is a day other than the 30th day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or (b) the last day of the Interest Period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month)); and
  - (vi) if '30E/360' or 'Eurobond Basis' is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 1230-day months, without regard to the date of the first day or last day of the Interest Period unless, in the case of the final Interest Period, the Maturity Date is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month).
- (v) Notification of Rate of Interest and Interest Amount

The Agent will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer and any stock exchange on which the relevant Floating Rate Notes are for the time being listed not later than the first date of the Interest Period and notice thereof to be published in accordance with Condition 14 as soon as possible after their (as defined below) determination but in no event later than the fourth Amsterdam Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to each stock exchange on which the relevant Floating Rate Notes are for the time being listed and to the Noteholders in accordance with Condition 14. For the purposes of this paragraph, the expression 'Amsterdam Business Day' means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in Amsterdam.

- (vi) Certificates to be Final

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this paragraph (b) by the Agent shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Agent, the other Paying Agents and all Noteholders, Receiptholders and Couponholders and (in the absence as aforesaid) no liability to the Issuer, the Noteholders, the Receiptholders or the Couponholders shall attach to the Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

(c) *Interest on Dual Currency Interest Notes*

The rate or amount of interest payable in respect of Dual Currency Interest Notes shall be determined in the manner specified in the applicable Final Terms.

(d) *Interest on Partly Paid Notes*

In the case of Partly Paid Notes (other than Partly Paid Notes which are Zero Coupon Notes), interest will accrue as aforesaid on the paid-up nominal amount of such Notes and otherwise as specified in the applicable Final Terms.

(e) *Accrual of Interest*

Each Note (or in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from the date for its redemption unless, upon due presentation thereof, payment of principal is improperly withheld or refused. In such event, interest will continue to accrue until whichever is the earlier of:

- (1) the date on which all amounts due in respect of such Note have been paid; and
- (2) five days after the date on which the full amount of the moneys payable has been received by the Agent and notice to that effect has been given to the Noteholders in accordance with Condition 14 or individually.

## **6. Payments**

(a) *Method of Payment*

Subject as provided below:

- (i) payments in a Specified Currency other than euro will be made by credit or transfer to an account in the relevant Specified Currency (which, in the case of a payment in Japanese yen to a non-resident of Japan, shall be a non-resident account) maintained by the payee with, or by a cheque in such Specified Currency drawn on, a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars, shall be Sydney); and
- (ii) payments in euro will be made by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or, at the option of the payee, by a euro cheque.

Payments will be subject in all cases to any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 8.

(b) *Presentation of Notes, Receipts and Coupons*

Other than in the case of definitive Notes in CF-form, payments of principal in respect of definitive Notes will (subject as provided below) be made in the manner provided in paragraph (a) above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of definitive Notes, and payments of interest in respect of definitive Notes will (subject as provided below) be made as aforesaid

only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Coupons, in each case at the specified office of any Paying Agent (in the case of any payments to be made in U.S. dollars, outside the United States, which expression, as used herein, means the United States of America (including its 50 states and the District of Columbia, its territories, its possessions and other areas subject to its jurisdiction)).

Payments of principal in respect of any definitive Notes in CF-form will be made in the manner provided in paragraph (a) above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of definitive Notes together with the Coupon sheet attached. Payments of interest in respect of any definitive Notes in CF-form will be made in conformity with the agreement concluded between the Issuer and the 'Algemeen Obligatiekantoor van het Centrum voor Fondsenadministratie B.V.' in Amsterdam (the 'Obligatiekantoor'), under which agreement the Issuer has accepted the rules and regulations of the Obligatiekantoor.

Payments of instalments of principal (if any), other than the final instalment, will (subject as provided below) be made in the manner provided in paragraph (a) above against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Receipt. Payment of the final instalment will be made in the manner provided in paragraph (a) above against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Note. Each Receipt must be presented for payment of the relevant instalment together with the definitive Note to which it appertains. Receipts presented without the definitive Note to which they appertain do not constitute valid obligations of the Issuer. Upon the date on which any definitive Note becomes due and repayable, unmatured Receipts (if any) relating thereto (whether or not attached) shall become void and no payment shall be made in respect thereof.

Fixed Rate Notes in definitive form (other than Dual Currency Interest Notes and Long Maturity Notes (as defined below)) should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of ten years after the Relevant Date (as defined in Condition 8) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 9) or, if later, five years from the date on which such Coupon would otherwise have become due, but in no event thereafter. Upon any Fixed Rate Note in definitive form becoming due and repayable prior to its Maturity Date, all unmatured Receipts and Talons (if any) appertaining thereto will become void and no payments in respect of any such Receipts and no further Coupons in respect of any such Talons will be made or issued, as the case may be.

Upon the date on which any Floating Rate Note, Dual Currency Interest Note or Long Maturity Note in definitive form becomes due and repayable, unmatured Receipts, Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be

made in respect thereof. Where any such Note is presented for redemption without all unmatured Receipts, Coupons or Talons relating to it, redemption shall be made only against the provision of such indemnity as the Issuer may require. A 'Long Maturity Note' is a Fixed Rate Note (other than a Fixed Rate Note which on issue had a Talon attached) whose nominal amount on issue is less than the aggregate interest payable thereon provided that such Note shall cease to be a Long Maturity Note on the Interest Payment Date on which the aggregate amount of interest remaining to be paid after that date is less than the nominal amount of such Note.

If the due date for redemption of any definitive Note is not an Interest Payment Date, interest (if any) accrued in respect of such Note from (and including) the preceding Interest Payment Date or, as the case may be, the Interest Commencement Date shall be payable only against surrender of the relevant definitive Note.

(c) *Payments in respect of Global Notes*

Payments of principal and interest (if any) in respect of Notes represented by any global Note will (subject as provided below) be made in the manner specified above in relation to definitive Notes and otherwise in the manner specified in the relevant global Note against presentation or surrender, as the case may be, of such global Note at the specified office of any Paying Agent outside the United States. A record of each payment made against presentation or surrender of such global Note, distinguishing between any payment of principal and any payment of interest, will be made on such global Note by such Paying Agent and such record shall be *prima facie* evidence that the payment in question has been made.

(d) *General provisions applicable to payments*

The holder of a global Note shall be the only person entitled to receive payments in respect of Notes represented by such global Note and the Issuer will be discharged by payment to, or to the order of, the holder of such global Note in respect of each amount so paid. Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg as the beneficial holder of a particular nominal amount of Notes represented by such global Note must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for his share of each payment so made by the Issuer to, or to the order of, the holder of such global Note. No person other than the holder of such global Note shall have any claim against the Issuer in respect of any payments due on that global Note.

Notwithstanding the foregoing, U.S. dollar payments of principal and interest in respect of the Notes will be made at the specified office of a Paying Agent in the United States if:

- (i) the Issuer has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment in U.S. dollars at such specified offices outside the United States of the full amount of principal and interest on the Notes in the manner provided above when due;
- (ii) payment of the full amount of such principal and interest at all such specified offices outside the United States is illegal or effectively precluded by

exchange controls or other similar restrictions on the full payment or receipt of principal and interest in U.S. dollars; and

- (iii) such payment is then permitted under United States law without involving, in the opinion of the Issuer, adverse tax consequences to the Issuer.

(e) *Payment Day*

If the date for payment of any amount in respect of any Note, Receipt or Coupon is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes (unless otherwise specified in the applicable Final Terms), 'Payment Day' means any day (subject to Condition 9) which is both:

- (i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in:
  - (A) the relevant place of presentation; and
  - (B) any Additional Financial Centre specified in the applicable Final Terms; and
- (ii) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (if other than the place of presentation and any Additional Financial Centre and which if the Specified Currency is Australian dollars shall be Sydney) or (2) in relation to any sum payable in euro, a day on which the TARGET System is open.

(f) *Interpretation of Principal and Interest*

Any reference in these Terms and Conditions to principal in respect of the Notes shall be deemed to include, as applicable:

- (i) any additional amounts which may be payable with respect to principal under Condition 8;
- (ii) the Final Redemption Amount of the Notes;
- (iii) the Early Redemption Amount of the Notes;
- (iv) the Optional Redemption Amount(s) (if any) of the Notes;
- (v) in relation to Instalment Notes, the Instalment Amounts;
- (vi) in relation to Zero Coupon Notes, the Amortised Face Amount (as defined in Condition 7(e)); and
- (vii) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Notes.

Any reference in these Terms and Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 8.

## **7. Redemption and Purchase**

(a) *At Maturity*

Unless previously redeemed or purchased and cancelled as specified below, each Note (including each Dual Currency Redemption Note) will be redeemed by the Issuer at its Final Redemption Amount specified in, or determined in the manner specified in, the applicable Final Terms in the relevant Specified Currency on the Maturity Date or by instalments in the instalment amount(s) and on the instalment date(s) specified in the applicable Final Terms (in the case of a Note redeemable in instalments).

(b) *Redemption for Tax Reasons*

Unless otherwise specified in the applicable Final Terms, Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time (in the case of Notes other than Floating Rate Notes or Dual Currency Interest Notes) or on any Interest Payment Date (in the case of Floating Rate Notes or Dual Currency Interest Notes), on giving not less than 30 nor more than 60 days' notice to the Noteholders in accordance with Condition 14 (which notice shall be irrevocable) if, on the occasion of the next payment due under the Notes, the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 8 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 Issue Date of the first Tranche of the Notes.

Each Note redeemed pursuant to this Condition 7(b) will be redeemed at its Early Redemption Amount referred to in paragraph (e) below together (if appropriate) with interest accrued to (but excluding) the date of redemption.

(c) *Redemption at the Option of the Issuer (Issuer Call)*

If Issuer Call is specified in the applicable Final Terms, the Issuer may, having given:

- (i) not less than 15 nor more than 30 days' notice to the Noteholders in accordance with Condition 14; and
- (ii) not less than 15 days before the giving of the notice referred to in (i), notice to the Agent,

(both of which notices shall be irrevocable), redeem all or some only of the Notes then outstanding on the Optional Redemption Date(s) and at the Optional Redemption Price(s) specified in, or determined in the manner specified in, the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date(s).

Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount or not more than the Maximum Redemption Amount, in each case as may be specified in the applicable Final Terms. In the case of a partial redemption of Notes, the Notes to be redeemed ('Redeemed Notes') will be selected individually by lot, in the case of Redeemed Notes represented by definitive Notes, and in accordance with the rules of Euroclear, Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion) and/or Euroclear

Netherlands, in the case of Redeemed Notes represented by a global Note, not more than 30 days prior to the date fixed for redemption (such date of selection being hereinafter called the 'Selection Date'). In the case of Redeemed Notes represented by definitive Notes, a list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 14 not less than 15 days prior to the date fixed for redemption. The aggregate nominal amount of Redeemed Notes represented by definitive Notes shall bear the same proportion to the aggregate nominal amount of all Redeemed Notes as the aggregate nominal amount of definitive Notes outstanding bears to the aggregate nominal amount of the Notes outstanding, in each case on the Selection Date, provided that such first mentioned nominal amount shall, if necessary, be rounded downwards to the nearest integral multiple of the Specified Denomination, and the aggregate nominal amount of Redeemed Notes represented by a global Note shall be equal to the balance of the Redeemed Notes. No exchange of the relevant global Note will be permitted during the period from and including the Selection Date to and including the date fixed for redemption pursuant to this paragraph (c) and notice to that effect shall be given by the Issuer to the Noteholders in accordance with Condition 14 at least 5 days prior to the Selection Date.

Any Redemption of Notes at the option of the Issuer according to this Condition 14(c) should promptly after notification of the Noteholders be notified to any stock exchange on which the notes are for the time being listed.

*(d) Redemption of Notes at the Option of the Noteholders (Investor Put)*

If Investor Put is specified in the applicable Final Terms, upon the holder of any Note giving to the Issuer in accordance with Condition 14 not less than 15 nor more than 30 days' notice or such other period of notice as is specified in the applicable Final Terms (which notice shall be irrevocable), the Issuer will, upon the expiry of such notice, redeem, subject to, and in accordance with, the terms specified in the applicable Final Terms, such Note on the Optional Redemption Date and at the Optional Redemption Price specified in, or determined in the manner specified in, the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date.

To exercise the right to require redemption of this Note its holder must, if this Note is in definitive form and held outside Euroclear and Clearstream, Luxembourg, or, if applicable, Euroclear Netherlands, deliver at the specified office of any Paying Agent at any time during normal business hours of such Paying Agent falling within the notice period, a duly signed and completed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent (a 'Put Notice') and in which the holder must specify a bank account (or, if payment is by cheque, an address) to which payment is to be made under this Condition accompanied by, if this Note is in definitive form, this Note or evidence satisfactory to the Paying Agent concerned that this Note will, following delivery of the Put Notice, be held to its order or under its control. If this Note is represented by a global Note or is in definitive form and held through Euroclear or Clearstream, Luxembourg, or, if applicable, Euroclear Netherlands, to exercise the right to require redemption of this Note the holder of this Note must, within the notice period, give notice to the Agent of such exercise in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg (which may include notice being given on his instruction by Euroclear or Clearstream, Luxembourg or, if applicable, Euroclear Netherlands, or

any common depository or safekeeper, as the case may be, for them to the Agent by electronic means) in a form acceptable to Euroclear and Clearstream, Luxembourg or, if applicable, Euroclear Netherlands from time to time and, if this Note is represented by a global Note, at the same time present or procure the presentation of the relevant global Note to the Agent for notation accordingly.

Any Put Notice given by a holder of any Note pursuant to this paragraph shall be irrevocable except where prior to the due date of redemption an Event of Default shall have occurred and be continuing in which event such holder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this paragraph and instead to declare such Note forthwith due and payable pursuant to Condition 10.

*(e) Early Redemption Amounts*

For the purpose of paragraph (b) above and Condition 10, each Note will be redeemed at its Early Redemption Amount calculated as follows:

- (i) in the case of a Note with a Final Redemption Amount equal to the Issue Price, at the Final Redemption Amount thereof; or
- (ii) in the case of a Note (other than a Zero Coupon Note but including an Instalment Note and a Partly Paid Note) with a Final Redemption Amount which is or may be less or greater than the Issue Price or which is payable in a Specified Currency other than that in which the Note is denominated, at the amount specified in, or determined in the manner specified in, the applicable Final Terms or, if no such amount or manner is so specified in the applicable Final Terms, at its nominal amount; or

- (iii) in the case of a Zero Coupon Note, at an amount (the 'Amortised Face Amount') calculated in accordance with the following formula:

$$\text{Early Redemption Amount} = \text{RP} \times (1 + \text{AY})^y$$

where:

'RP' means the Reference Price;

'AY' means the Accrual Yield expressed as a decimal; and

'y' is a fraction the numerator of which is equal to the number of days (calculated on the basis of a 360-day year consisting of 12 months of 30 days each) from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator of which is 360,

or on such other calculation basis as may be specified in the applicable Final Terms.

*(f) Instalments*

Instalment Notes will be redeemed in the instalment amounts and on the instalment dates specified in the applicable Final Terms. In the case of early redemption, the Early Redemption Amount will be determined pursuant to paragraph (e) above.

*(g) Partly Paid Notes*

If the Notes are Partly Paid Notes, they will be redeemed, whether at maturity, early redemption or otherwise, in accordance with the provisions of this Condition and the applicable Final Terms.

*(h) Purchases*

The Issuer may at any time purchase Notes (provided that, in the case of definitive Notes, all unmatured Receipts, Coupons and Talons appertaining thereto are purchased therewith) at any price in the open market or otherwise. If purchases are made by tender, tenders must be available to all Noteholders alike. Such Notes may be held, re-issued, resold or, at the option of the Issuer, surrendered to any Paying Agent for cancellation.

*(i) Cancellation*

All Notes which are redeemed will forthwith be cancelled (together with all unmatured Receipts and Coupons attached thereto or surrendered therewith at the time of redemption). All Notes so cancelled and the Notes purchased and cancelled pursuant to paragraph (h) above (together with all unmatured Receipts and Coupons cancelled therewith) shall be forwarded to the Agent and cannot be re-issued or resold.

*(j) Late Payment on Zero Coupon Notes*

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to paragraph (a), (b), (c) or (d) above or upon its becoming due and repayable as provided in Condition 10 is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in paragraph (e)(iii) above as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Note becomes due and payable were replaced by references to the date which is the earlier of:

- (i) the date on which all amounts due in respect of such Zero Coupon Note have been paid; and
- (ii) five days after the date on which the full amount of the moneys payable has been received by the Agent and notice to that effect has been given to the Noteholders in accordance with Condition 14.

**8. Taxation**

All payments of principal and interest in respect of the Notes, Receipts and Coupons by the Issuer will be made without withholding or deduction for or on account of any present or future taxes or duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of the Netherlands or any political subdivision or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In such event, the Issuer will depending on which provision is specified in the applicable Final Terms either:

- (a) make the required withholding or deduction of such taxes, duties, assessments or governmental charges for the account of the holders of the Notes, Receipts

or Coupons, as the case may be, and shall not pay any additional amounts to the holders of the Notes, Receipts or Coupons; or

- (b) pay such additional amounts as shall be necessary in order that the net amounts received by the holders of the Notes, Receipts or Coupons 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, Receipts or Coupons, as the case may be, in the absence of such withholding or deduction; except that no such additional amounts shall be payable with respect to any Note, Receipt or Coupon:
- (i) presented for payment by or on behalf of a Noteholder, Receiptholder or Couponholder who is liable for such taxes or duties in respect of such Note, Receipt or Coupon by reason of his having some connection with the Netherlands other than the mere holding of such Note, Receipt or Coupon or the receipt of principal or interest in respect thereof; or
  - (ii) presented for payment by or on behalf of a Noteholder, Receiptholder or Couponholder who would not be liable or subject to the withholding or deduction by making a declaration of non-residence or other similar claim for exemption to the relevant tax authority; or
  - (iii) presented for payment by more than 30 days after the Relevant Date (as defined below) except to the extent that the holder thereof would have been entitled to an additional amount on presenting the same for payment on such thirtieth day (assuming that day to have been a Payment Day (as defined in Condition 6(e))); or
  - (iv) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to, such Directive; or
  - (v) presented for payment by or on behalf of a Noteholder, Receiptholder or Couponholder who would have been able to avoid such withholding or deduction by presenting the relevant Note, Receipt or Coupon to another Paying Agent in a Member State of the European Union.

As used herein, the 'Relevant Date' means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Agent on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Noteholders in accordance with Condition 14.

## **9. Prescription**

Claims for payment in respect of the Notes, Receipts and Coupons will be prescribed and become void unless made within a period of five years starting on the day following the date on which such payment first becomes due.

There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this

Condition or Condition 6(b) or any Talon which would be void pursuant to Condition 6(b).

## **10. Events of Default**

If any one or more of the following events (each an 'Event of Default') shall have occurred and be continuing:

- (i) default is made in the payment of any principal or interest due in respect of the Notes or any of them and the default continues for a period of 7 days in the case of principal and 14 days in the case of interest; or
- (ii) the Issuer fails to perform or observe any of its other obligations under the Notes or any covenant or undertaking or agreement of the Issuer in respect of the Notes and (except in any case where the failure is incapable of remedy when no continuation or notice as is hereinafter mentioned will be required) the failure continues for the period of 30 days next following the service by any Noteholder on the Issuer of notice requiring the same to be remedied; or
- (iii) any Indebtedness for Borrowed Money (as defined in Condition 2) of the Issuer or any of its subsidiaries becomes due and repayable prematurely by reason of an event of default (however described) or the Issuer or any of its subsidiaries fails to make any payment in respect of any Indebtedness for Borrowed Money on the due date for payment as extended by any originally applicable grace period or any security given by the Issuer or any of its subsidiaries for any Indebtedness for Borrowed Money becomes enforceable or default is made by the Issuer or any of its subsidiaries in making any payment due under any guarantee and/or indemnity given by it in relation to any Indebtedness for Borrowed Money of any other person; or
- (iv) an order is made by any competent court or resolution passed for the winding up or dissolution of the Issuer or any of its subsidiaries; or
- (v) the Issuer or any of its subsidiaries ceases or threatens to cease to carry on the whole or a substantial part of its business, or the Issuer or any of its subsidiaries stops or threatens to stop payment of, or is unable to, or admits inability to, pay, its debts (or any class of its debts) as they fall due or is deemed unable to pay its debts pursuant to or for the purposes of any applicable law or is adjudicated or found bankrupt or insolvent; or
- (vi) (a) proceedings are initiated against the Issuer or any of its subsidiaries under any applicable liquidation, insolvency, composition, reorganisation or other similar laws, or an application is made for the appointment of an administrative or other receiver, manager, administrator or other similar official, or an administrative or other receiver, manager, administrator or other similar official is appointed, in relation to the Issuer or any of its subsidiaries or, as the case may be, in relation to the whole or a part of the undertaking or assets of the Issuer or any of its subsidiaries, or an encumbrancer takes possession of the whole or a part of the undertaking or assets of the Issuer or any of its subsidiaries, or a distress, execution, attachment, sequestration or other process is levied, enforced upon, sued out or put in force against the whole or a part of the undertaking or assets of the Issuer or any of its

subsidiaries and (b) in any case (other than the appointment of an administrator) is not discharged within 14 days; or

- (vii) the Issuer or any of its subsidiaries initiates or consents to judicial proceedings relating to itself under any applicable liquidation, insolvency, composition, reorganisation or other similar laws or makes a conveyance or assignment for the benefit of, or enters into any composition or other arrangement with, its creditors generally (or any class of its creditors) or any meeting is convened to consider a proposal for an arrangement or composition with its creditors generally (or any class of its creditors); or
- (viii) any amendment to the Issuer's Articles of Association which is detrimental to the interests of the Noteholders is effected and is not reversed within three months following the service by any Noteholder on the Issuer of a notice requiring the same to be reversed; or
- (ix) the Security Trustee takes any steps to enforce the lien by notifying the respective debtors of the mortgage loans of the pledge on such mortgage loans under the Trust Agreement or the Security Trustee gives notice of acceleration to the Issuer in respect of the Notes under Article 11 of the Trust Agreement; or
- (x) the Issuer is declared bankrupt, or a declaration in respect of the Issuer is made under Paragraph 3.5.5 of the Financial Markets Supervision Act,

then (except in the case of the events referred to in paragraph (viii) which will result in the Notes automatically becoming due and repayable) any Noteholder may, by written notice to the Issuer at the specified office of the Agent, effective upon the date of receipt thereof by the Agent, declare the Note held by the holder to be forthwith due and payable whereupon the same shall be forthwith due and payable at the Early Redemption Amount (as described in Condition 7(e)), together with accrued interest (if any) to the date of repayment, without presentment, demand, protest or other notice of any kind.

***The Trust Agreement does not allow individual creditors of the Issuer (including the Noteholders) to enforce the lien.***

***Prospective Noteholders should note that, unless directed by a meeting of creditors of the Issuer as provided in Article 24 of the Trust Agreement and save as provided in paragraph 2 of that Article, the Security Trustee is not bound to enforce the lien in the event that an Event of Default occurs under the Notes. The Trust Agreement does not preclude individual Noteholders from bringing actions against the Issuer in respect of any Event of Default.***

## **11. Replacement of Notes, Receipts, Coupons and Talons**

Should any Note, Receipt, Coupon or Talon be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Agent upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Notes, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

## **12. Agent and Paying Agents**

The names of the initial Agent and the other initial Paying Agents and their initial specified offices are set out below.

The Issuer is entitled to vary or terminate the appointment of any Paying Agent and/or appoint additional or other Paying Agents and/or approve any change in the specified office through which any Paying Agent acts, provided that:

- (i) so long as the Notes are listed on any stock exchange, there will at all times be a Paying Agent with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange;
- (ii) there will at all times be an Agent;
- (iii) there will at all times be a Paying Agent with a specified office situated outside the Netherlands; and
- (iv) there will at all times be a paying agent in a Member State of the European Union that is not obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to, such Directive.

In addition, the Issuer shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in the final paragraph of Condition 6(d). Any variation, termination, appointment or change shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not less than 30 nor more than 45 days' prior notice thereof shall have been given to the Noteholders in accordance with Condition 14.

In acting under the Agency Agreement, the Paying Agents act solely as agents of the Issuer and do not assume any obligation to, or relationship of agency or trust with, any Noteholders, Receiptholders or Couponholders. The Agency Agreement contains provisions permitting any entity into which any Paying Agent is merged or converted or with which it is consolidated or to which it transfers all or substantially all of its assets to become the successor paying agent.

## **13. Exchange of Talons**

On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of the Agent or any other Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Note to which it appertains) a further Talon, subject to the provisions of Condition 9. Each Talon shall, for the purposes of these Terms and Conditions, be deemed to mature on the Interest Payment Date on which the final Coupon comprised in the relative Coupon sheet matures.

## **14. Notices**

All notices regarding the Notes shall be published (i) in at least one daily newspaper of wide circulation in the Netherlands, (ii) if so specified in the applicable Final

Terms in a leading English language daily newspaper of general circulation in London (which is expected to be the Financial Times), (iii) if and for so long as the Notes are listed on Eurolist by Euronext Amsterdam, in the Daily Official List (*Officiële Prijscourant*) of Euronext Amsterdam N.V. and (iv) if and for so long as the Notes are listed on the Luxembourg Stock Exchange and for so long as the rules of such exchange so require, in a daily newspaper of general circulation in Luxembourg (which is expected to be the *d'Wort* or *Tageblatt*). Any such notice will be deemed to have been given on the date of the first publication in all the newspapers in which such publication is required to be made.

Until such time as any definitive Notes are issued, there may (provided that, in the case of any publication required by the rules of a stock exchange, the rules of that stock exchange agrees), so long as the global Note(s) is or are held in its or their entirety on behalf of Euroclear and Clearstream, Luxembourg, be substituted for publication in some or all of the newspapers referred to above, the delivery of the relevant notice to Euroclear and Clearstream, Luxembourg for communication by them to the holders of the Notes. Any such notice shall be deemed to have been given to the holders of the Notes on the seventh day after the day on which the said notice was given to Euroclear and Clearstream, Luxembourg.

Where the identity of all the holders of the Notes is known to the Issuer, the Issuer may (provided that, in the case of any publication required by a stock exchange, that stock exchange agrees) give notices individually to such holders in lieu of publication as provided above.

Notices to be given by any holder of the Notes shall be in writing and given by lodging the same, together (in the case of Notes in definitive form) with the relative Note or Notes, with the Agent. Whilst any of the Notes are represented by a global Note, such notice may be given by any holder of a Note to the Agent via Euroclear and/or Clearstream, Luxembourg, as the case may be, in such manner as the Agent and Euroclear and/or Clearstream, Luxembourg, as the case may be, may approve for this purpose.

## **15. Meetings of Noteholders, Modification and Waiver**

The Agency Agreement contains provisions for convening meetings of the Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Notes, the Receipts, the Coupons or certain provisions of the Agency Agreement. Such a meeting may be convened by the Issuer or Noteholders holding not less than five per cent. in nominal amount of the Notes for the time being remaining outstanding. The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding or representing not less than 50 per cent. in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Noteholders whatever the nominal amount of the Notes so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Notes, Receipts or Coupons (including modifying the date of maturity of the Notes or any date for payment of interest thereof, reducing or cancelling the amount of principal or the rate of interest payable in respect of the Notes or altering the currency of payment of the Notes, Receipts or Coupons), the necessary quorum for passing an Extraordinary Resolution will be one or more

persons holding or representing not less than two-thirds, or at any adjourned such meeting not less than one-third, in nominal amount of the Notes for the time being outstanding. An Extraordinary Resolution passed at any meeting of the Noteholders shall be binding on all the Noteholders, whether or not they are present at the meeting, and on all Receiptholders and Couponholders.

The Agent and the Issuer may agree, without the consent of the Noteholders, Receiptholders or Couponholders, to:

- (i) any modification (except as mentioned above) of the Agency Agreement which is not materially prejudicial to the interests of the Noteholders; or
- (ii) any modification of the Notes, the Receipts, the Coupons or the Agency Agreement which is of a formal, minor or technical nature or is made to correct a manifest or proven error or to comply with mandatory provisions of the law of the Netherlands.

Any such modification shall be binding on the Noteholders, the Receiptholders and the Couponholders and any such modification shall be notified to the Noteholders in accordance with Condition 14 as soon as practicable thereafter.

In this paragraph 15 (*Meetings of Noteholders, Modification and Waiver*), the expression "**Extraordinary Resolution**" means a resolution passed at a meeting of the Noteholders duly convened and held in accordance with the provisions herein contained by a majority consisting of not less than 75 per cent. of the persons voting thereat upon a show of hands or if a poll be duly demanded then by a majority consisting of not less than 75 per cent. of the votes given on such poll.

***Prospective Noteholders should note the provisions of Article 21 to and including Article 25 of the Trust Agreement relating to meetings of creditors of the Issuer which will apply to them in their capacity as such creditors.***

## **16. Further Issues**

The Issuer shall be at liberty from time to time without the consent of the Noteholders, Receiptholders or Couponholders to create and issue further notes having terms and conditions the same as the Notes or the same in all respects save for the amount and date of the first payment of interest thereon and so that the same shall be consolidated and form a single Series with the outstanding Notes.

## **17. Additional obligations**

### *Trust Agreement*

By means of and at the moment of acquiring any Note, Receipt or Coupon, the Noteholder, Receiptholder or Couponholder, as the case may be, accepts and/or is deemed to accept that the Security Trustee will accept certain security for the benefit of the Noteholders subject to the terms of the Trust Agreement.

## **18. Governing Law and Submission to Jurisdiction**

The Agency Agreement, the Notes, the Receipts and the Coupons are governed by, and shall be construed in accordance with, the laws of the Netherlands.

The Issuer submits for the exclusive benefit of the Noteholders, the Receiptholders and the Couponholders to the jurisdiction of the courts of The Hague, the Netherlands, judging in first instance, and its appellate courts. Without prejudice to the foregoing, the Issuer further irrevocably agrees that any suit, action or proceedings arising out of or in connection with the Agency Agreement, the Notes, the Receipts and the Coupons may be brought in any other court of competent jurisdiction.

## **USE OF PROCEEDS**

Except as otherwise specified in the applicable Final Terms, the net proceeds from each issue of Notes will be applied by the Issuer to finance mortgage loans or refinance its existing indebtedness. If in respect of any particular issue, there is a particular identified use of proceeds, this will be stated in the applicable Final Terms.

## **EUREKO B.V. AND EUREKO GROUP**

IT IS NOTED THAT THE INFORMATION BELOW ON EUREKO B.V. IS PROVIDED BY WAY OF BACKGROUND ONLY. The Secured Debt Issuance Programme and Notes issued thereunder will not be obligations of any member of the Eureko Group other than the Issuer. No liability whatsoever in respect of any failure by the Issuer to pay any amount due under the Secured Debt Issuance Programme and Notes issued thereunder will be accepted by any other member of the Eureko Group (such as Eureko). No other member of the Eureko Group (such as Eureko) will be under any obligation whatsoever to provide funds to the Issuer.

### **Profile**

The Eureko Group consists of Eureko and its subsidiaries and comprises, among others, Achmea, Interpolis, Friends First, Interamerican, Union, Império France, Garanti and a strategic investment in among other things PZU in Poland (33% minus one share) and in F&C Asset Management in the UK (10.5%). The Eureko Group also has start-up operations in Bulgaria, Romania and Cyprus. The Eureko Group has operations in the following countries (under the respective operating company brands):

The Netherlands, Luxembourg and Belgium:	Achmea and Interpolis
Greece:	Interamerican
Ireland:	Friends First
Slovakia:	Union
France:	Império France
Turkey:	Garanti Sigorta and Garanti Emeklilik
Romania, Bulgaria and Cyprus:	developing companies

In addition, the Eureko Group has a company based in Warsaw (Eureko Polska), which is engaged in the development of the shareholding of the Eureko Group in PZU, Poland.

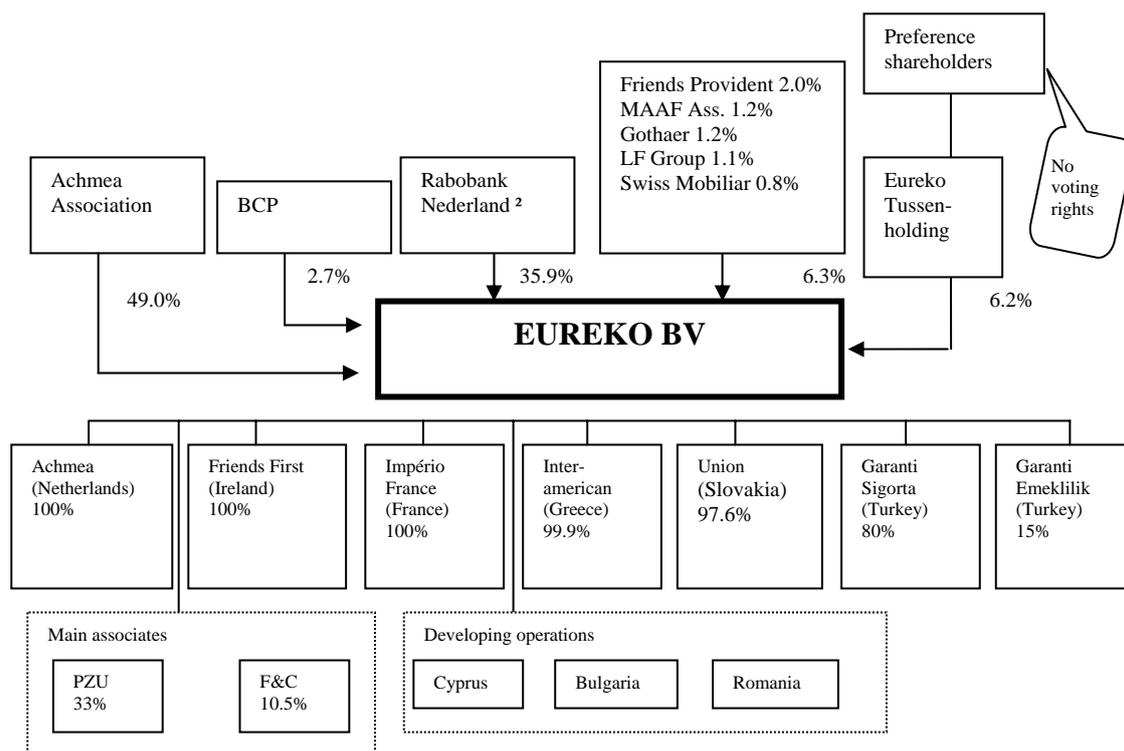
Eureko is a privately owned holding company of a financial services group, whose core business is primarily insurance. The Eureko Group has operations in twelve European countries. The Eureko Group has evolved from its origins as an alliance of likeminded, independent insurance companies with shared goals, to its position as a broad group with a number of operating companies which it fully owns or in which it has a significant share holding.

As a holding company, Eureko, and its major Dutch holding subsidiaries rely principally on distributions of internal dividends and excess liquidity from operating

subsidiaries and associated companies to meet their funding needs. Such distributions are usually subject to regulatory restrictions, and, in the case of associated companies, by the dividend policies as determined by those companies.

The organisation structure of the Eureko Group is as follows as of June 2007:

### Shareholder and Organisational structure <sup>1</sup> (per June 2007)



<sup>1</sup> Percentages reflect to total share capital in Eureko with voting rights

<sup>2</sup> Represents 38,2% of the ordinary shares with voting rights

### General operations of the Eureko Group

The Eureko Group offers a full range of insurance products (life insurance, health insurance and non-life insurance), pension products and banking services. The Eureko Group philosophy is to create an integrated European group consisting of leading market players in the territories in which its companies operate, providing 'local solutions, shared goals'. Each of its operating companies has strong brands; they know their local markets, and are customer-focused. It is this local expertise, combined with the backing of a strong European group and sharing of skills and experience throughout the Eureko Group which is the cornerstone of the Eureko Group's values. The operating companies retain their own brand names, as brand recognition in their territories is very strong.

### Dutch operations of the Eureko Group

Through Achmea Group as a leading financial services provider in the Netherlands, the Eureko Group offers businesses, institutions and consumers a broad range of insurance, banking and mortgage products. The Achmea Group links other services to these products so as to enhance their value and to provide greater convenience for the consumer. These services include emergency assistance at home and abroad, health and safety services, absenteeism prevention and workplace reintegration services, as well as health services, which aim for prevention rather than cure, and encourage a healthy lifestyle for its policyholders. The Achmea Group also administers pension schemes and provides asset management services.

Through its power brands, including, among others, Interpolis, Centraal Beheer Achmea, Zilveren Kruis Achmea, Avéro Achmea and FBTO, the Eureko Group holds an important position in the non-life, (occupational) health and life insurance market segments. The Eureko Group makes use of all the major distribution channels, both traditional and relatively new channels: personal, telephone and workplace sales, as well as sales through agents, intermediaries and banks (via Interpolis) and, increasingly, direct sales via the internet.

The Achmea Group banking activities primarily focus on retail banking and, through Staalbankiers N.V., private bank for high net worth individuals.

## **Incorporation and history**

### *Incorporation*

Eureko was incorporated on 30 December 1991 as a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) under the laws of The Netherlands. It has its corporate seat in Amsterdam, the Netherlands. The articles of association of Eureko were most recently amended on 28 December 2004. Eureko is registered in the Commercial Register of Utrecht under number 33235189 and it has its offices at Handelsweg 2, 3707 NH Zeist.

In 2005, Eureko acquired all issued and paid-up shares in the share capital of Interpolis N.V. As consideration for the acquisition of these shares, Eureko issued new shares in the capital of Eureko to Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A., trading as Rabobank Nederland ("Rabobank Nederland"), Interpolis N.V.'s former parent company, on 15 November 2005. As a result, Rabobank Nederland increased its shareholding in Eureko from 4.5% to 34.4%.

### *Agreement among the two largest shareholders of Eureko*

Vereniging Achmea (together with Stichting Administratiekantoor Achmea through which Vereniging Achmea holds its shares in Eureko), Rabobank Nederland and Eureko entered into a cooperation agreement. Pursuant to this cooperation agreement each of Vereniging Achmea and Rabobank Nederland is entitled to an equal number of representatives on a coordination committee. The coordination committee aims to advise the Eureko Supervisory Board and the Eureko Executive Board on important issues. In addition, Vereniging Achmea and Rabobank Nederland have the right to appoint directors in each others supervisory and management boards and have agreed to respect each other's interests and the mutual interest of Eureko. Finally, they have

undertaken not to enter into strategic alliances with third parties which could harm the competitive position of one of the parties.

## **Supervision**

Eureko is subject to supplementary supervision of insurance companies within an insurance group as referred to in section 3:282 of the Financial Markets Supervision Act ("FMSA") (*Wet op het financieel toezicht*). Eureko is not subject to supervision by the Dutch Central Bank (*De Nederlandsche Bank*) under the FMSA.

## **Recent developments**

### *Developing the Strategic European Focus*

Eureko B.V. and T. Garanti Bankası ("Garanti") of Turkey have announced on 15 February 2007 that they have reached agreement for a long-term, exclusive insurance partnership, whereby Eureko is to acquire 80% of Garanti's Non-Life insurance business - Garanti Sigorta A.S. ("GS"), as well as a 15% stake in Garanti Emeklilik ve Hayat A.S. ("GE"), Garanti's Life and Pensions business. The transaction also provides Eureko with an option to acquire a further 35% of GE, and encompasses a long-term agency agreement with Garanti, covering both GS' and GE's current and new business. The total consideration payable for the transaction is EUR 465 million. This reflects both the potential that lies within the dynamic and fast-developing Turkish market, and the quality of Garanti as a business partner. The deal is completed on 21 June 2007.

### *Agis Zorgverzekeringen*

On 14 June 2007, Eureko and Agis Zorgverzekeringen have reached agreement to merge their health insurance activities. It is expected that the merger will be completed before the end of this year. This merger will create the largest health insurance group in The Netherlands, with a total of 4.7 million persons insured. On the merger date, Agis will become an autonomous business unit within Achmea, the Dutch operation owned by Eureko. Both the Agis brand and the Agis organisation will be retained. The merger will have no impact on jobs. Owing to their cooperative backgrounds, Achmea and Agis complement one another well in terms of philosophy and culture.

## **Outlook and trends**

The Eureko Group's focus is twofold: (i) increasing operational efficiency and achieving cost leadership in mature European markets, particularly in The Netherlands through the integration of the Achmea Group and Interpolis, and (ii) expand in maturing markets in Central and Eastern Europe through an increased focus on organic growth and the pursuit of selective merger and acquisition opportunities. The resolution of the conflict with the Polish State with respect to the privatisation of PZU remains a key element of the Eureko Group's expansion strategy in that region.

Part of Eureka's strategy is to seek further cooperation with Rabobank with the aim to optimise and align the activities, operations and systems of the two groups. Such optimisation and alignment may be pursued in the Dutch operations, as well as internationally.

## Key figures

The following table sets out in summary form consolidated key figures relating to the Eureka Group. Such information is derived from the audited consolidated financial statements of the Eureka Group as at and for the years ended 2002, 2003, 2004, 2005 and 2006. The financial information presented below should be read in conjunction with such financial statements:

Eureka's consolidated key figures are as follows:

Key figures	IFRS			Eureka GAAP		
	2006	2005 <sup>1</sup>	2004	2004	2003	2002
EUR million						
<b>Group income statement</b>						
Gross written premiums	14,302	6,577	5,524	6,209	5,656	7,431
Profit before tax and discontinued operations	1,216	826	386	605	437	-838
Net profit	985	706	1,023	1,153	243	-389
Number of employees (FTEs)	21,784	20,166	14,550	14,550	15,234	18,179
<b>Insurance gross written premiums</b>						
Life	4,464	2,807	2,312	2,879	2,603	3,921
Non-Life	2,684	1,699	1,477	1,471	1,432	1,793
Health	7,154	2,072	1,735	1,860	1,620	1,717
<b>Banking</b>						
Net interest margin	142	161	136	138	209	184
<b>Net contribution per Operating Company</b>						
Achmea Benelux	757	467	297	325	212	-543
Friends First Ireland	35	29	21	27	20	14
Império France	3	3	3	3	2	2
Interamerican Greece	25	-58	0	-17	19	-84
Union Slovakia	-17	1	1	1	1	0
Other Operating Companies	9	6	-2	-2	0	0
<b>Group balance sheet</b>						
Total assets	86,448	83,293	52,911	51,296	47,779	46,756
Total investments (excluding unit-linked)	38,736	39,062	23,500	23,046	19,177	18,876
Banking credit portfolio	17,272	16,459	16,942	16,781	17,134	16,611
Total equity	9,632	8,525	3,251	4,138	2,224	2,034
Embedded value Life business	6,089	4,537	2,348	2,744	2,593	2,355
<b>Key ratios</b>						
<b>Group</b>						
Return on equity	13.0%	12.7%	10.9%	39.0%	14.2%	-20.0%
Return on adjusted equity <sup>2</sup>	14.7%	16.9%	17.1%			
Debt leverage <sup>3</sup>	6.1%	9.6%	12.8%	11.5%	31.6%	48.2%
<b>Insurance</b>						
Combined ratio Non-Life	88.5%	89.9%	92.6%	92.5%	97.0%	104.1%
Combined ratio Health	100.4%	94.5%	97.4%	97.6%	99.1%	101.2%
<b>Banking</b>						
Cost/Income ratio	84.2%	72.2%	103.9%	106.6%	88.7%	73.6%
BIS ratio	14.2%	16.0%	13.5%	13.3%	10.6%	10.5%

<sup>1</sup> Does not include Interpolis acquisition.

<sup>2</sup> The ratio of adjusted Net profit to average adjusted Total equity whereas Net profit is adjusted for payments to holders of preference shares and holders of other equity instruments and impairment loss on goodwill. Total equity is adjusted for preference shares, other equity instruments and goodwill.

<sup>3</sup> Non-bank debt, as a percentage of the sum of group capital base and non-bank debt.

Figures per ordinary share						
Net profit	<b>2.92</b>	2.98	1,74	5.29	1.22	-1.94
(Proposed) dividend	<b>1.41</b>	1,41	1,96	1,96	0,45	0,00

## ACHMEA HYPOTHEEKBANK N.V.

### General Information

The Bank is a wholly owned subsidiary of Achmea Bank Holding N.V. Achmea Bank Holding N.V. is a fully owned subsidiary of Achmea Holding N.V. Achmea Holding N.V. is the holding organisation of Eureko's Dutch operations and as such forms part of the Eureko Group.

### Incorporation

The Bank was incorporated on 16 June 1995 as a public limited liability company, and is operating, under Dutch law. The Bank has its corporate seat in The Hague, the Netherlands. The Articles of Association were executed on 16 June, 1995 before Mr. P.J. Dortmund, notary public at Rotterdam. The statement of no-objection of the Minister of Justice, in respect of the Articles of Association was issued by the Ministry of Justice under number N.V. 532.216. The Bank is registered in the Commercial Register of Oost-Brabant under number 27 154.399 and has its registered office at Lange Houtstraat 8, 2511 CW, The Hague and its principal office at Hervenplein 2, 5232 JE, 's Hertogenbosch. The telephone number of the Bank is +31 (0) 73 64 34 000.

### Object and Purpose

Achmea Hypotheekbank provides mortgage loans to private customers via the Centraal Beheer Achmea, Avéro Achmea and Woonfonds operating companies. This separate activity is of significance to the Achmea Group. The mission of Achmea Hypotheekbank is to meet, in a professional manner, the financing needs of its customers, directly and through intermediaries, and to monitor the interest and other risks inherent in these activities.

This mission must be attained within the return threshold set by the Executive Board.

### Management

As of 1 February 2007, the Executive and Supervisory Boards of Achmea Hypotheekbank N.V. 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*

R.J. Hof	Member of the supervisory board of Cargarantie N.V.
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P.W. van den Bosch		Board member of the foundation <i>Stichting Financiële Dienstverlening (StFD)</i>
		Board member of the association <i>Vereniging Financieringsondernemingen in Nederland (VFN)</i>
		Chairman of Financierings Data Netwerk (FDN)
		Chairman of the supervisory board of CK Software B.V.
		Member of the management board of <i>Hypotheken Data Netwerk (HDN)</i>
		Board member of <i>Eurofinas</i> (European Finance Association)
		University (guest) lecturer <i>Technische Universiteit Delft</i> programme 'Growing Adaptive'
		Member of the advisory board of <i>Nederlandse Vereniging van Volkskredietbanken (NVVK)</i>
J.J.P.M. van Benthem		Board member of the Thialf foundation ( <i>Stichting Thialf</i> )

### *Supervisory Board*

E.A.J. van de Merwe (Chairman)		Chairman of the supervisory board of Achmea Beleggingsfondsen Beheer B.V.
		Chairman of the supervisory board of Achmea Hypotheekbank N.V.
		Chairman of the supervisory board of Achmea Retail Bank N.V.
		Chairman of the supervisory board of Levob Bank N.V.
		Chairman of the supervisory board of Exact
		Chairman of the supervisory board of Fornix BioSciences
		Chairman of the supervisory board of GWK Travelex
		Chairman of the supervisory board and audit committee of Achmea Bank
		Chairman of the supervisory board and audit committee of Staalbankiers
		Member of the supervisory board and

		chairman of the audit committee of Achmea Holding and of its holding companies Eureka N.V.
		Member of the supervisory board of Mizuho Corporate Bank and chairman of the audit committee
		Chairman of the supervisory board of Nova Innovene
		Member of the supervisory board and chairman of the audit committee of <i>Nederlandse Brandwonden Stichting</i>
		Member of the advisory board of Credit Force B.V.
		Member of the advisory board of Trebax B.V.
		Member of the advisory board of CCC B.V.
		Owner of own consultancy firm
		Member of the Jury Sijthoff Award
		Member of the arbitration committee of the Dutch Security Institute
		Member of the board of a foundation which collects money from various charities
		Advisor of various companies with regard to corporate governance, finance issues, risk management, transparency in reporting and compliance
		Member of the foundation <i>De Nieuwe Kerk</i>
G. van Olphen		Member of the board of directors Eureka Tussenholding B.V.
		Chairman of Eureka Consultancy Services B.V.
		Member of the supervisory board of PZU S.A., Warsaw Poland
		Member of the supervisory board of Staalbankiers N.V.
		Member of the supervisory board of Achmea Bank Holding N.V.
		Member of the supervisory board of Achmea Beleggingsfondsen Beheer B.V.
		Member of the supervisory board of Achmea Hypotheekbank N.V.
		Member of the supervisory board of Achmea Retail Bank N.V.

		Member of the supervisory board of Levob Bank N.V.
		Member of the board of directors of PVF Nederland N.V.
		Member <i>Commissie CVS Verbond van Verzekeraars</i>
		Member of the supervisory board of <i>Weekblad Pers Groep</i>
		Member of <i>HBO Raad</i>
A.A. Lugtigheid		Member of the supervisory board of Achmea Hypotheekbank N.V.
		Member of the supervisory board of Achmea Beleggingsfondsen Beheer B.V.
		Member of the supervisory board of Achmea Retail Bank N.V. Company S.A.
		Member of the supervisory board of Levob Bank N.V.
		Member of the board of directors of International Insurance Society
		Member of the supervisory board of Achmea Bank Holding N.V.
		Member of the board of directors of Achmea RE Management Company S.A.
		Member of the board of directors of Achmea Reinsurance S.A.
		Member of the board of directors of Eureko Reinsurance S.A.
		Member of the board of directors of Interlife Insurance Company Ltd. (Cyprus)
		Chairman of the advisory committee of <i>Stichting Estella Fonds</i>
		Member of the board of directors of <i>Stichting Algemeen Reserve Fonds</i>
R.T. Wijmenga		Member of the board of life insurance of the <i>Dutch Association of Insurers</i> and member of several commissions
		Member commission <i>Financieel Economische Zaken Verbond van Verzekeraars</i>
		Chairman of the board of <i>Friends First</i> (31-08-2007)
		Member of the supervisory board of Achmea Beleggingsfondsen Beheer

		B.V.
		Member of the supervisory board of Achmea Bank Holding N.V.
		Member of the supervisory board of Achmea Hypotheekbank N.V.
		Member of the supervisory board of Achmea Retailbank N.V.
		Member of the Supervisory Board of Levob Bank N.V.

The Audit Committee of the Bank consists of 3 members; all members of the Supervisory Board of the Bank:

- E.A.J. van de Merwe;
- G. van Olphen; and
- R.T. Wijmenga

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

#### *Corporate Governance*

The most recent version of the Dutch Corporate Governance Code (*Code Tabaksblat*, the "Code") applies to companies of which the shares are listed on a recognized stock exchange. Although it therefore does not apply to the Bank, the Bank endorses most principles of the Code. The elected domicile of each of the members of the Executive Board and the Supervisory Board is the registered office of the Issuer.

#### *Conflicts of interest*

No potential conflicts of interest exist between the duties of members of the Executive Board and the Supervisory Board of the Bank and their private interest and other duties.

#### **Capitalisation and Indebtedness**

	<i>as at 31 December, 2006 (IFRS)</i>	<i>as at 31 December, 2005 (IFRS)</i>
	<i>(in millions of EUR)</i>	<i>(in millions of EUR)</i>
Total Shareholders' equity	264	264
Share Capital	18	18
Authorised 200,000 ordinary shares		
Issued 40,001 ordinary shares		

(e453.78 par value)			
Share premium reserve	164		164
Other reserves	80		54
Unappropriated profits	2		27
Revaluation reserve	-1		1
Total long term subordinated debt		164	195
NLG loan 6.75% 1996-2006	0		91
NLG loan 5.68% 1999-2015	6		6
NLG loan 5.57% 1999-2014	1		1
NLG loan 5.55% 1999-2009	15		15
EUR loan 6.27% 2001-2013	25		25
EUR loan 5.77% 2001-2010	6		6
EUR loan 5.87% 2001-2011	6		6
EUR loan 5.95% 2001-2012	6		6
EUR loan 6.12% 2001-2015	6		6
EUR loan 5.96% 2002-2012	8		8
EUR loan 5.89% 2002-2012	5		5
EUR loan 5.89% 2002-2012	3		3
EUR loan 5.89% 2002-2012	11		11
EUR loan 5.89% 2002-2012	5		5
EUR loan 4.22% 2006-2016	60		0
<b>Total capitalisation</b>		<u>428</u>	<u>459</u>

*The following table sets out the redemption schedule on loans as at 31 December 2006*

**Year (in millions of EUR)**

2009	<u>15</u>
2010	6
2011	6
2012	38
2013	25
2014	1
2015	13
2016	60
	<u>164</u>

**Key figures**

*(in millions of euro except for ratio's)*

	<i>IFRS</i>	<i>IFRS</i>	<i>IFRS</i>	<i>Dutch GAAP</i>	<i>Dutch GAAP</i>
	<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>	<b>2002</b>
Total assets	14,493	13,805	13,098	13,006	12,729
Mortgage with Government	2,363	2,330	2,200	2,105	2,130

guarantee (NHG)					
Other residential mortgages	11,269	10,375	10,222	9,813	9,151
Total residential mortgages	13,632	12,705	12,422	11,918	11,281
Shareholders' equity	264	264	247	241	315
Subordinated Capital Fund for general banking risks	164	195	195	195	195
	0	0	0	28	28
Capital base	428	459	442	464	538
Income	51	80	67	77	81
Expenses	44	38	37	40	50
Impairment on financial instruments and other assets	1	2	2	2	1
Operating profit	6	40	28	35	30
Taxes	4	13	11	12	10
Net profit	2	27	17	23	20
Efficiency ratio	86.3	47.5	55.2	51.9	61.7
BIS-ratio	10.9%	12.4%	11.3%*	11.5%	10.4%

\* Based on Dutch GAAP.

## Profile

The Bank was incorporated on 16 June 1995 with the purpose of collectively attracting funding on the capital and money markets to fund the mortgage portfolios of the mortgage companies of Achmea ("Achmea Group"). Until the legal merger as of 1 September 2000 the mortgage companies of which each have granted loans under its own name were the following:

- Avéro Hypotheken B.V.
- FBTO Hypotheken B.V.
- Centraal Beheer Hypotheken B.V.

- Centraal Beheer Woninghypotheken B.V.
- Woonfonds Holland B.V.
- Woonfonds Nederland B.V.
- Zilveren Kruis Hypotheken B.V.

Since the legal merger, the Bank issues mortgage loans under several (insurance) brand names to private individuals in the Netherlands. Two methods are used: direct writing (Centraal Beheer Achmea, FBTO, Zilveren Kruis Achmea) and through an intermediary (Avéro Achmea, Woonfonds Hypotheken). The mortgage business of the Bank is linked with the other activities of the Achmea Group, especially the life insurance and the investment funds business. In principle, mortgages are provided for residential property only. The Bank has merged with its sole subsidiary Woonfonds Holland B.V. on 1 January 2004.

In 2006, the Interpolis mortgage portfolio was taken over by Buying Interpolis BTL Hypotheken B.V. and Interpolis Schade Hypotheken B.V.

As per 5 April 2007 Interpolis Schade Hypotheken B.V. and Interpolis BTL Hypotheken B.V. merged with Achmea Hypotheekbank N.V.

The total mortgage-portfolio of the Bank expanded from EUR 4.2 billion at the end of 1995 to EUR 13.6 billion per 31 December 2006. The funding of the Bank in 1995 depended fully on private placements with mostly Dutch institutional investors. Nowadays the Bank taps the Euromarket with private and public loans under its own MTN programme. The Bank issues debt instruments secured by a pledge of mortgage receivables under a trust agreement entered into by the Bank, with Stichting Trust Achmea Hypotheekbank as most recently amended on 2 November 2000 (the "Trust Agreement"). The portfolio subject to the Trust Agreement amounted to EUR 5.5 billion as at 31 December 2006. In 1999 the first private securitisation of EUR 0.2 billion was completed. Securitisation as at 31 December 2006 totals EUR 6.4 billion. Profits in the last five years varied from EUR 2 to 27 million per year. The result for 2005 was EUR 27 million and for 2006 EUR 2 million. The main reason for this decline was the narrower interest margin, owing to heightened competition, and the decreased income from penalty interest. The main reason for this decline was the narrower interest margin, owing to heightened competition, and the decreased income from penalty interest. The Bank of International Settlement - ratio ("BIS-ratio") as at 31 December 2006 was 10.9 per cent.

On the 26 February 2007, under its new covered bond programme (programme size EUR 10 billion), Achmea Hypotheekbank concluded an initial issue of EUR 1.5 billion (AAA/Aaa). The bonds are issued with the guarantee of a mortgage portfolio transferred to an SPV.

## **Operations**

The bank issues mortgage loans to private individuals in the Netherlands. There are three mortgage scenarios: direct writing (Centraal Beheer Achmea Hypotheken), FBTO via the mortgage service of Vereniging Eigen Huis and through an intermediary (Avéro Achmea Hypotheken and Woonfonds Hypotheken). It should be noted that the mortgage business of the Bank is linked with the other activities of the

Group, especially the life insurance business and investment funds. In principle, mortgage facilities are provided only for residential property. At present the mortgage businesses carry the following range of residential mortgage products:

- combined life assurance mortgage;
- savings mortgage (spaarhypotheek);
- redemption-free mortgage;
- annuity mortgage;
- linear mortgage;
- unit linked mortgage;
- investment mortgage; or
- any combination thereof.

In the near future other mortgage products might be introduced.

Within the directives of the Achmea Group, the Bank is responsible for the acceptance and the servicing of mortgages, as well as risk, product and pricing policies.

The Bank's basic responsibilities include:

- the operation of a commercial policy and the marketing of mortgage loans;
- the operation of a reliable financial, mortgage and policy administration;
- the operation of an adequate administrative organisation and reliable automation system;
- the provisions of information sufficient to enable it to comply with its obligations and responsibilities;
- compliance with statutory requirements regarding solvency and cash position;
- supervision of compliance with directives issued by the Dutch Central Bank, regarding the maintenance of a reliable administrative organisation and internal control system by the mortgage brands and regulations issued by the AFM; and
- ensuring a reliable and continuous data processing system, more specifically on the basis of maintenance of the Bank's systems and of the interfaces with the systems operated by the individual mortgage brands.

The task which the Bank performs on the basis of these responsibilities include:

- determination of the funding requirements;
- preparation and monitoring of the interest rate and risk policies and execution of clearing transactions in relation to funds transfers;

- preparation and maintenance of the administrative organisation, performance of internal control procedures;
- preparation and monitoring of risk standards and of product, acceptance and pricing policies;
- preparation and maintenance of a reliable and continuous data processing system and providing support in the areas of market analysis and product development;
- compilation of management reports;
- execution of specialist tasks such as special management and legal and fiscal matters; and
- coordination of the contacts with the Dutch Central Bank and other representative organisations.

The mortgage portfolio of the Bank amounts as at 31 December 2005 to approximately EUR 12.7 billion. This portfolio consists of approximately EUR 2.3 billion of mortgages with the benefit of the Gemeente Garantie (municipality mortgage guarantee). Apart from that it consists of approximately EUR 3.2 billion of mortgages less than or equal to 75 per cent of the value of the security granted, indexed from the time of granting of the mortgage and for approximately EUR 0.9 billion relating to other. The remaining approximately EUR 6.3 billion of mortgages forming part of mortgage backed securitisation transactions.

### **Supervision by the Dutch Central Bank**

On 1 November, 1995 the Dutch Central Bank issued a general banking licence to the Bank which pursuant to the provisions of the former Act on the supervision of the credit system (Wet toezicht kredietwezen 1992) was consequently registered as a credit institution without special restrictions and which is therefore under the permanent supervision of the Dutch Central Bank, pursuant to which it provides the latter with all information required on banking developments, such as cash position and solvency. Pursuant to the security arrangements under the Trust Agreement, the Security Trustee is required to countersign a certificate of indebtedness only if on the date of such countersigning the total amount remaining owed by the Bank under the existing countersigned certificates of indebtedness and its obligations on account of countersigned financially derived products, together with the amount of the certificate of indebtedness to be countersigned, does not exceed the total amount of the security pledged to the Security Trustee. This check by the Security Trustee does not provide for an assessment of the quality of the security pledged. See also 'Description of the Security Arrangements'.

### **Interest rate mismatch**

As a financial institution, managing interest rate risk is a normal part of the Bank's business. The Bank maintains a conservative approach in terms of interest rate mismatches and actively manages those mismatches. It should be understood, however, that interest rate risk may still affect the results of the Bank.

### **Acquisitions and disposals**

As a result of the merger between Averro Achmea and Levob, the Bank acquired the retail mortgage loan portfolio of Levob at 1 July 2005, with a total volume of approximately EUR 102 million. On 1 December 2006 the Bank has acquired two legal entities which hold the mortgage portfolio of Interpolis with a total volume of approximately EUR 926 million. Otherwise there were no material acquisitions and disposals during 2005, 2006 or to date in 2007.

### **Material contracts**

The Bank did not enter into any material contracts outside the ordinary scope of business during 2005, 2006 or to date in 2007.

### **Competitive position**

There is substantial competition in the Netherlands for the types of mortgages and other products and services the Bank provides. Competition in the financial services industry is furthered by the high level of consolidation in the Netherlands in the markets where the Bank operates. The Bank faces competition from companies such as Rabobank, ABN AMRO Bank N.V., SNS Bank N.V. and many others.

### **Recent developments**

In addition to challenges of a competitive mortgage market, the penalty interest due to early redemption is reduced substantially. As a result, the interest margin of the Bank has come under pressure. The BIS ratio of the bank will continue to be targeted at a minimum of 10.5%.

On 30 July 2007, Achmea Bank Holding N.V., the shareholder of the Bank, made an additional contribution of EUR 55 million to the shares of the Bank. This contribution can be regarded as (non-stipulated) share premium (*niet-bedongen agio*) and will be added to the share premium reserve of the Bank.

On 30 July 2007, an investor paid EUR 30 million on an investment in subordinated debt (LT2) for the Bank.

In July 2007, parties invested in the new Covered Bond issues of the Bank amounting to EUR 1.25 billion and CHF 200 million. The money will be paid in August 2007 and will be used to buy back loans for an amount of EUR 1.41 billion.

## *OTHER INFORMATION*

### **Auditor's Report**

#### **Introduction**

We have audited whether the accompanying key figures of Achmea Hypotheekbank N.V., The Hague, for the year 2006 as set out on pages 83 to 84 have been derived consistently from the audited financial statements of Achmea Hypotheekbank N.V., for the year 2006. In our auditor's report dated 15 March 2007 we expressed an unqualified opinion on these financial statements. Management is responsible for the preparation of the key figures in accordance with the accounting policies as applied in the 2006 financial statements of Achmea Hypotheekbank N.V. Our responsibility is to express an opinion on these key figures.

#### **Scope**

We conducted our audit in accordance with Dutch law. This law requires that we plan and perform the audit to obtain reasonable assurance that the key figures have been derived consistently from the financial statements.

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

#### **Opinion**

In our opinion, these key figures have been derived consistently, in all material respects, from the financial statements.

#### **Emphasis of matter**

For a better understanding of the financial position of Achmea Hypotheekbank N.V. and results and the scope of our audit, we emphasize that the key figures should be read in conjunction with the financial statements, from which the key figures were derived and our unqualified auditor's report thereon dated 15 March 2007. Our opinion is not qualified in respect of this matter.

Amstelveen, 7 August 2007

KPMG Accountants N.V.

*PROVISIONS OF THE ARTICLES OF ASSOCIATION CONCERNING PROFIT APPROPRIATION*

The profit has been appropriated in accordance with Article 35 of Achmea Hypotheekbank N.V.'s Articles of Association, which reads as follows:

**Profit and loss**

*Article 35*

35.1 The profit shall be at the free disposal of the general meeting.

35.2 Distribution of profit shall be made after adoption of the annual accounts that show that such distribution is permissible.

35.3 Dividends shall be made payable four weeks after being declared, unless the general meeting sets another date on the proposal of the Executive Board. Dividends that have not been received within five years of becoming payable shall revert to the Company.

35.4 Notwithstanding the provisions of Article 6, if, on the proposal of the Executive Board, the general meeting so resolves, an interim dividend may be distributed, such to include an interim distribution from reserves, subject to the provisions of Article 105 (4), Book 2 of the Netherlands Civil Code.

35.5 The general meeting may resolve that dividends be distributed in whole or in part in another form than in cash.

35.6 The Company may make distributions to shareholders and to any other party entitled to distributable profit only in so far as its equity is greater than the sum of the issued capital plus the reserves required by law.

35.7 A deficit may be offset against the reserves required by law only in so far as permitted by law.

## DESCRIPTION OF THE SECURITY ARRANGEMENTS

### General

The Bank has entered into the Trust Agreement with the Security Trustee. Pursuant to the Trust Agreement the Bank may from time to time (i) borrow funds (*inter alia* by way of loans and issues of Notes under the Programme) for the purposes of funding mortgage loans to various borrowers (the 'Mortgagors') or to refinance its existing indebtedness and (ii) enter into hedging arrangements with respect to some or all of such borrowings. Pursuant to the terms of the Trust Agreement the Bank has by way of security for the payment of the obligations referred to in (i) and (ii) above undertaken to grant to the Security Trustee a right of pledge (*'pandrecht'*) on certain of its mortgage loans and to the extent possible any rights it has under insurance policies entered into by the Mortgagors relating to the mortgage loans and possibly certain other assets.

In order to ensure that an effective right of pledge is granted by the Bank to the Security Trustee for the benefit of the creditors entitled to the benefit of the Trust Agreement, the Trust Agreement provides that the Security Trustee has an independent claim against the Bank which is also secured by the right of pledge referred to above. This claim is equal to the aggregate amount of the claims of all creditors entitled to the benefit of the Trust Agreement.

Pursuant to the Trust Agreement the Bank must ensure that at all times the aggregate principal amounts of claims under debt instruments or hedging instruments with the benefit of the Trust Agreement shall not exceed the sum of the principal amount of the mortgage loans and other assets pledged to the Security Trustee in accordance with the Trust Agreement. Special provisions are included in the Trust Agreement in relation to the valuation of obligations which could result in a foreign exchange exposure and with respect to hedging arrangements.

Under the Trust Agreement, the Security Trustee may (but is not bound to) enforce the pledge, by notifying all or several debtors of the mortgage loans or other security pledged to it of the pledge on such mortgage loans or other assets in the following events:

1. the Bank failing to fulfil its obligations under any debt instruments countersigned by the Security Trustee (such countersignature evidencing entitlement to the benefit of the Trust Agreement); or
2. the Bank failing to fulfil its obligations towards the Security Trustee; or
3. the Security Trustee having good reason to believe that the Bank will fail to perform one or more of its obligations referred to under 1 or 2 above.

Should the pledge be enforced in the manner referred to above, payment of outstanding principal, interest and costs due under the mortgage debts subject to the pledge will be paid to the Security Trustee and, after deduction of the Security Trustee's costs and expenses, will be paid to the creditors (including, but not limited to, the Noteholders) whose loans have the benefit of the Trust Agreement in accordance with the Trust Agreement. Such payments will be made on a pro rata basis

provided that no amount paid to a creditor shall exceed the amount due and payable to that creditor.

### **Mortgage Loans**

In the Netherlands different types of mortgages are granted. These include mortgages securing specific loans, mortgages securing credit facilities, known as credit mortgages (*krediethypotheeken* or Credit Mortgage) and mortgages securing all monies payable, known as bank mortgages (*bankhypotheeken* or 'Bank Mortgage'). A substantial part of the mortgages that are granted to the Bank are Credit Mortgages or Bank Mortgages. Prospective Noteholders should note that, in the case of Bank Mortgages or Credit Mortgages, it is uncertain whether the rights of the mortgagee would pass to the Security Trustee under the pledge to the Security Trustee of the underlying mortgage receivables and that the Security Trustee would not therefore be able to exercise rights of foreclosure and other similar rights of a mortgagee in respect of such mortgages.

### **Insurance arrangements**

Many of the mortgage loans are life assurance mortgages (*levenhypotheeken*) or savings mortgages (*spaarhypotheeken*), under which no principal, but interest only, is paid by the Mortgagors to the Bank prior to maturity of the loan. The Mortgagor enters into a life insurance policy under which the insurance company agrees to pay at maturity (or on earlier death of the Mortgagor) a specified amount. It is possible that such amount payable could be less than the outstanding principal under the mortgage.

The Bank may receive payments in respect of the insurance policies from the relevant insurance companies. Often the Mortgagors will have appointed themselves as first beneficiaries under the policies for any payment 'during life' (at maturity date) and a co-obligor or third party for any payment 'at death' of the insured.

To the extent that the Mortgagors are designated as beneficiaries in respect of payments to be made 'during life' on the expiration date of the insurance policy (maturity date) the Mortgagors have generally pledged their rights to receive such payment to the Bank. It should be noted, however, that in respect of rights which have been pledged to the Bank, to the extent that they serve not only as security for the relevant mortgage loans, but for all monies payable to the Issuer, or in respect of credit facilities, the above stated with respect to Bank Mortgages or Credit Mortgages applies *mutatis mutandis* to such pledges. It should also be noted that a right to receive payment as a beneficiary may constitute a future right. If such right qualifies as a future right it will not be subject to the pledge by the Mortgagor in favour of the Bank if it is deemed to arise after the commencement of bankruptcy proceedings or a moratorium of payments of a Mortgagor. In addition it is possible that the right of a beneficiary is a personal right which cannot be transferred. In this case the right of the Mortgagors to receive such payments as beneficiaries will also not be subject to the pledge in favour of the Bank.

In respect of payment 'at death' the Mortgagors will, for inheritance law reasons, often have granted a power of attorney to the insurance companies pursuant to which the insurance companies are instructed to apply the proceeds towards satisfaction of the obligations of the Mortgagors to the Bank under the mortgage loans. In the event that the power of attorney is deemed not to have been properly granted or where rights in

respect of payments are deemed to be those of the relevant beneficiary 'at death' the Bank will in certain scenarios be deemed to be the first beneficiary in respect of payments 'upon death'. Upon notification being given to the Mortgagors and the insurance companies of the pledge in favour of the Security Trustee, the insurance company acting upon a power of attorney in respect of payments 'at death' will be obligated to make payments directly to the Security Trustee unless the insurance company can successfully assert a right of set-off. If the Bank is deemed to be the beneficiary, the insurance companies will be obligated to make the payments to the Bank, unless such rights have been successfully pledged to the Security Trustee and the insurance company has been notified of such pledge in which case the payment must be made to the Security Trustee. As mentioned above, a right to receive payment as a beneficiary may constitute a future right. If this is the case, the right to receive these payments will not be subject to a pledge by the Bank in favour of the Security Trustee if it is deemed to arise after the commencement of bankruptcy proceedings or a moratorium of payments of a Mortgagor.

### **Defences**

As set out in more detail below it cannot be excluded that, in respect of life assurance mortgage loans that are not savings mortgage loans, a Mortgagor could assert a defence in the event that the relevant insurance company fails to make payment under the insurance policies. In particular, this would be the case in the event that the life insurance policy was entered into specifically in connection with the granting of the mortgage loans and, even more so, if the life insurance company issuing such policy forms part of the Achmea group. The same analysis would apply in the case of investment linked products. In respect of savings mortgage loans a Mortgagor would have an even greater chance to successfully invoke such a defence in view of the close connection between the terms of the savings insurance policy and savings mortgage loans.

If any insurance company is no longer able to meet its obligations under the savings insurance policies (for example it is declared subject to emergency regulations or bankruptcy) Mortgagors that have entered into such savings insurance policies may try to limit the rights of the Bank or the Security Trustee under the mortgage receivables. Such Mortgagors would argue that they are not liable to pay the amount outstanding under the mortgage receivables to the extent the Bank or the Security Trustee would have received such amount from the relevant insurance company, but for such default by this insurance company. The Mortgagors could, *inter alia*, argue that it was at least the intention of the parties involved that they could rightfully interpret the mortgage documentation and the promotional materials in such manner that the mortgage loan and the relevant insurance policy are to be regarded as one inter-related legal relationship or that the mortgage receivable would be repaid (fully or partially) by means of the proceeds of the insurance policy and that, failing such proceeds being so applied, the Mortgagor is not obliged to repay the (corresponding) part of the mortgage loan. On the basis of similar reasoning; a Mortgagor may also argue that the mortgage loans and the insurance policy were entered into as a result of 'error' (*dwaling*) or that it would be contrary to principles of reasonableness and fairness (*redelijkheid en billijkheid*) for the Mortgagor to be obliged to repay the mortgage loan to the extent that he has failed to receive the proceeds of the insurance policy.

As described above, the Bank will pledge the mortgage loans and any rights it may have in respect of insurance policies (such as the right to receive payments as a beneficiary, relating to such loan). It is unlikely that such beneficiary rights will pass to the Security Trustee as a result of the pledge of the mortgage loans. Therefore the Bank, as provided in the Trust Agreement, will separately pledge its rights (to the extent possible) in respect of the insurance policies. In respect of this pledge by the Bank it should be noted that the right of the Bank to receive payment as a beneficiary may constitute a future right. If this is the case, the right to receive these payments will not be subject to a pledge by the Bank in favour of the Security Trustee if it is deemed to arise after an emergency procedure (*noodregeling*) or bankruptcy of the Bank. The insurance companies may exercise a right of set-off in respect of payments due to the Bank as beneficiary in respect of the life insurances, particularly in cases where the premia received by the insurance companies have been on-lent to the Bank.

It should be noted that the above description of security arrangements sets out a general description of different provisions of the terms of the agreements with the Mortgagors. The exact terms of the mortgage loans and related insurance arrangements may differ since different types of documents are used by the different mortgage companies forming part of the Bank.

### **Legal Merger**

As of 1 September 2000 Woonfonds Nederland B.V. (an indirect subsidiary of the Bank) and certain other entities have legally merged (*juridisch gefuseerd*) into Centraal Beheer Hypotheken B.V., and Centraal Beheer Hypotheken B.V., Avéro Hypotheken B.V. and FBTO Hypotheken B.V. and certain other entities have legally merged (*juridisch gefuseerd*) into the Bank. As of 1 January 2004 Woonfonds Holland B.V. has legally merged into the Bank. As a result of these legal mergers the Mortgage Companies ceased to exist and the Bank remained as the surviving entity. In the case of a legal merger (*juridische fusie*) all rights and obligations of the disappearing entity (the 'transferor') pass on to the acquiring or surviving entity (the 'transferee') by operation of law (Article 2:309 of the Dutch Civil Code). Exceptions to this general principle can exist as a result, *inter alia*, of statutory restrictions, the intention of the transferor and its contracting parties or the nature of the relationship between the transferor and such parties.

As a result of the legal mergers of the Mortgage Companies into the Bank, all rights and obligations between each of the Mortgage Companies and the Mortgagors in relation to the mortgage loans, the mortgage rights securing the mortgage receivables and the rights of the Mortgage Companies as beneficiaries under insurance policies have passed on to the Bank as set out below.

### **Mortgages and Pledges**

As a result of the legal mergers described above, all rights and obligations of the Mortgage Companies under the mortgage loans, the mortgage rights securing the mortgage receivables and the pledges by the Mortgagors have passed on to the Bank subject to the following two paragraphs.

In respect of Bank Mortgages and Credit Mortgages, there is case law of the Dutch Supreme Court which has held that a security right under a Bank Mortgage or Credit Mortgage will not always transfer to an assignee in the case of a specific assignment

(*overgang onder bijzondere titel*). The foregoing principle applies *mutatis mutandis* to pledges by the Mortgagors in favour of the Bank that secure the same liabilities as the Bank Mortgages and Credit Mortgages ('Bank Pledges' and 'Credit Pledges' respectively). However, although there is no express decision of the Dutch Supreme Court on this point in the case of a transfer under universal title (*overgang onder algemene titel*) such as in the event of a legal merger, it is highly unlikely that the security rights of each Mortgage Company under a Bank Mortgage, a Credit Mortgage, a Bank Pledge or a Credit Pledge (to the extent that such Bank Mortgage, Credit Mortgage, Bank Pledge or Credit Pledge secured receivables of the Mortgage Companies against the Mortgagors that existed at the time of the legal mergers), have not passed on to the Bank, subject to the possible exceptions mentioned in the following paragraph.

Upon a legal merger and the passing on of a mortgage receivable to a transferee, the mortgage right or right of pledge may not pass to the transferee if the mortgage right or right of pledge was created with the view of granting such right only to the relevant transferor, in this case a Mortgage Company. In order to determine whether this special circumstance would exist, a Dutch court would primarily look at the text of the mortgage deed and, if applicable the deed of pledge, but would also take other facts into consideration. The chances that a Mortgagor will be successful in demonstrating that the mortgage right or right of pledge has not passed on to the Bank as transferee following the legal mergers as a result of the right having been granted only to the relevant Mortgage Company are remote where the agreements entered into consist only of the standard mortgage documentation used by the Mortgage Companies.

### **Insurance Policies**

Some legal authors hold the view that rights with a strictly personal character do not pass onto a transferee in case of a legal merger. It has been argued that the right of a beneficiary under an insurance policy could constitute a personal right and therefore would not pass on to a transferee. However, reasonable arguments can be made, that the appointment by the Mortgagors of the relevant Mortgage Companies as beneficiary under an insurance policy issued under standard documentation of an insurance company has occurred solely to provide for a repayment at maturity of all or part of the loan made to the Mortgagor with proceeds of the insurance policy of the Mortgagor. It is highly unlikely that a Dutch court would come to the conclusion that the rights of the Mortgage Companies as beneficiaries under savings insurance policies or life insurance policies granted to the Mortgage Company by the Mortgagors in connection with the mortgage loans made by the Mortgage Companies to those Mortgagors would not have passed on to the Bank upon the legal mergers referred to above.

### **Enforcement**

**Prospective Noteholders should note that, unless directed by a meeting of the creditors of the Bank as provided in Article 24 of the Trust Agreement and save as provided in paragraph 2 of that Article, the Security Trustee is not bound to enforce the pledge in the event that the Issuer is in default under the Notes or any of its other debt obligations which have the benefit of the Trust Agreement. However, in the event that the pledge is enforced by the Security Trustee or the**

**Security Trustee gives notice of an acceleration to the Bank under Article 11 of the Trust Agreement an event of default under the Notes will occur and the Notes will automatically become due and repayable. In such event it is most likely that a similar default will occur under other borrowings and hedging transactions entered into by the Issuer with the benefit of the Trust Agreement. Given that the mortgage loans which have been pledged to the Security Trustee will not, however, become due and repayable but will continue to be repaid in accordance with their terms, it is unlikely that sufficient funds will be available to repay all such borrowings and to close out all such hedging transactions at the time they become due. It is also possible that Mortgagors will invoke certain defences as described above. Accordingly, in such an event prospective Noteholders may experience considerable delays in securing repayment of their Notes and, in certain circumstances, may not receive such repayment in full.**

The Security Trustee is required to ensure that it does not countersign borrowing or hedge transactions (being valued as provided in the Trust Agreement) with a principal amount owing in excess of the sum of the outstanding amount of the mortgage loans the subject of the pledge and certain assets of the Issuer (see Article 4 of the Trust Agreement) pledged to the Security Trustee as provided in the Trust Agreement. Prospective Noteholders should note that there is a risk that the value of the security pledged may, as a result of adverse movements in Dutch property values or for other reasons, from time to time be less than the principal amount owing on the borrowing and hedge transactions which have been countersigned by the Security Trustee. In addition, prospective Noteholders should note that in respect of payments under the mortgage loans Mortgagors may invoke certain defences as provided above.

The Trust Agreement provides that by accepting debt instruments of the Bank which have been countersigned by the Security Trustee, the holders of such debt instruments shall be deemed to have knowledge of and to be bound by the provisions of the Trust Agreement.

The Security Trustee and its Board members are entirely independent of the Issuer and the Achmea Group.

The Board of the Security Trustee is formed by L.J.A. Simons, Prof. A.H.J. Kolnaar, H.P. de Haan and J.C. Terlouw.

## UNOFFICIAL TRANSLATION OF TRUST AGREEMENT

*The form set out below is an English translation of the Dutch text of the proposed amendment to the Trust Agreement. This translation from the Dutch language has been prepared so as to follow text of the proposed document as closely as possible. However, when determining the rights of the parties only the original Dutch text of the executed document will apply.*

On the second day of November of the year two thousand appeared before me, Krista Yu Lian de Bakker, *kandidaat-notaris* (civil-law notary candidate) hereinafter '*notaris*', acting for Reinhard Willem Clumpkens, notaris, practising in Amsterdam, who is absent with leave:

1. Ludovicus Jacobus Anthonius Simons, residing at Kasteel Doorwerthstraat 2, 5037 TT Tilburg, the Netherlands, born in Terneuzen, the Netherlands, on April 6, 1931, whose identity has been established on the basis of driving licence number: 3180132156, for the purpose hereof acting in his capacity as board member (chairman) of the foundation: **Stichting Trustee Achmea Hypotheekbank**, according to its articles having its seat in The Hague, the Netherlands, and its place of business at Lange Houtstraat 8, 2511 CW The Hague, the Netherlands; and in that capacity representing Stichting Trustee Achmea Hypotheekbank
2. Martin Paul Brandt, residing at Van Tienhovenlaan 17, 1412 EB Naarden, the Netherlands, born in Amsterdam on July 5, 1960, whose identity has been established on the basis of driving licence number: 3170089462, for the purpose hereof acting in his capacity as attorney authorised in writing of the *naamloze vennootschap* (limited liability company) **Achmea Hypotheekbank N.V.**, having its statutory seat in The Hague, the Netherlands, and its place of business at Lange Houtstraat 8, 2511 CW The Hague, the Netherlands, registered with the Trade Register of the relevant Chamber of Commerce under number N.V. 532.216; and in that capacity representing Achmea Hypotheekbank N.V.,

The persons appearing declared:

- that their principals referred to in 1 and 2 have entered into a trust agreement with Centraal Beheer Hypotheken B.V., Centraal Beheer Woninghypotheken B.V., Woonfonds Nederland B.V., FBTO Hypotheken B.V., and Avéro Hypotheken B.V., hereinafter collectively the '**Mortgage Companies**', recorded in a private deed dated January 22, 1996, and in a notarial deed executed before A.A. Schulting, notaris in Rotterdam, on July 2, 1996,
- that said principals have decided to amend the trust agreement,
- that the Meeting of Creditors of Achmea Hypotheekbank N.V. approved the Trust agreement so amended on 27 December 1999
- that Achmea Hypotheekbank N.V., Stichting Trustee Achmea Hypotheekbank, the Mortgage Companies and Zilveren Kruis Hypotheken B.V. amended the trust agreement by deed executed before R.W. Clumpkens, notaris in Amsterdam on March 21, 2000;

- that as a result of the legal merger on September 1, 2000 the Mortgage Companies and Zilveren Kruis Hypotheken B.V. have merged into Achmea Hypotheekbank N.V. and are consequently no longer independent entities,
- that the Meeting of Creditors of Achmea Hypotheekbank N.V. also approved the agreement laid down in this deed on 27 December 1999
- that the trust agreement will be laid down in a notarial deed and that the Trust agreement, including the recitals, will read as follows:

**'WHEREAS'**

- i Achmea (as defined hereinafter) is *inter alia* engaged in the business of providing mortgage loans;
- ii the Mortgage Companies have merged into Achmea Hypotheekbank N.V. and are consequently no longer independent entities;
- iii for the financing of the mortgage loans, Achmea has raised private and public loans and Achmea wishes to raise such loans in the future;
- iv certain lenders were and are only prepared to provide such loans to Achmea under the condition that certain security interests will be provided consisting of rights of pledge on (i) the claims of Achmea under the mortgage loans provided by them or other further specified claims and (ii) certain negotiable instruments which Achmea has entrusted to the Trustee (as defined hereinafter);
- v the composition of the group of lenders in whose benefit the rights of pledge referred to in (v) of the recitals will be created and the composition of the claims to be pledged will vary constantly;
- vi in order to promote an effective management of the security interests created for the benefit of the above mentioned lenders in view of the changes referred to in recital (v) and in order to ensure that the lenders will equally share in the securities provided and to be provided, the Trustee will be charged with the management of the securities provided and to be provided in accordance with the provisions of this agreement;
- vii the Trustee will act as the person entitled to the rights of pledge referred to in recital (iv) provided for the benefit of the lenders;
- viii in order to secure the validity of the rights of pledge referred to in recital (iv), a provision has been included in this agreement that the Trustee has a direct claim on Achmea; the rights of pledge referred to in recital (iv) will also secure repayment of this obligation;
- ix the provisions of this agreement have been approved by the Meeting of Creditors (as defined hereinafter) in accordance with Article 14 of the Original Agreement (as defined hereinafter).

**HAVE AGREED AS FOLLOWS:**

## DEFINITIONS

### *Article 1*

Unless explicitly provided to the contrary in this agreement, the following terms will have the meaning as set forth below:

- Achmea: Achmea Hypotheekbank N.V.;
- Countersigning: the signing by the Trustee in accordance with the provisions of Article 5 of this agreement of certain deeds so as to evidence certain claims with respect to which Countersigning is requested;
- Dependent and Ancillary Rights: all dependent rights pertaining to a claim within the meaning of section 3:7 of the Dutch Civil Code and ancillary rights within the meaning of section 6:142 of the Dutch Civil Code;
- Independent Obligation: the Independent Obligation as defined in Article 3, paragraph 1, of this agreement;
- Market Value: the Market Value as defined in Article 5, paragraph 4, of this agreement;
- Meeting of Creditors: the meeting of the Secured Creditors;
- Mortgage Claims: claims of Achmea arising from the mortgage loans provided by Achmea;
- Notification: the notification or a notification as defined in Article 9, paragraph 1, of this agreement;
- Notification Ground: a fact or circumstance as described in Article 9, paragraph 1, of this agreement;
- Original Agreement: the trust agreement among the Trustee, Achmea and the Mortgage Companies, which has been laid down in a private deed of January 22, 1996, and in a notarial deed dated July 2, 1996, executed before A.A. Schulting, notaris in Rotterdam;
- Pledged Claims: the claims pledged pursuant to Article 4, paragraph 1, of this agreement or any remaining part thereof;
- *Pro resto* Amount: the aggregate of the outstanding principal amounts pursuant to the books and

- records of the Trustee with respect to the Secured Claims of the Secured Creditors, regardless of whether they are due and payable, on the understanding that, to the extent the Secured Claims result from financially derived products, the Market Values thereof will be taken into account;
- Related Secured Creditor: a Secured Creditor belonging to the group of companies (within the meaning of section 2:24b DCC) to which Achmea belongs;
  - Rights of Pledge: the rights of pledge which have been created from time to time in accordance with the provisions of this agreement, or the rights of pledge which have been substituted therefor by virtue of the law;
  - Secured Claims: the claims which have been countersigned or any remaining portion thereof including interest, costs and penalties due in connection therewith;
  - Secured Creditor: any person/party entitled to a Secured Claim;
  - Secured Creditors: the persons/parties entitled to the Secured Claims;
  - Threshold Amount: the Threshold Amount as defined in Article 5, paragraph 2, of this agreement;
  - Trustee Bank Account: the Trustee Bank Account as defined in Article 7, paragraph 1, of this agreement;
  - Trustee: Stichting Trustee Achmea Hypotheekbank and its legal successors;
  - Verification Date: the Verification Date as defined in Article 8 paragraph 1 of this agreement;

## **DUTIES OF THE TRUSTEE:**

### *Article 2*

1. The Trustee shall promote the joint interests of the Secured Creditors in accordance with the provisions of this agreement and with due observance of the objects described in the articles of association of the Trustee.
2. When fulfilling its duties the Trustee will act as mandatory (*lasthebber*) for the Secured Creditors;

3. The Trustee will act in its own name only;
4. Section 7:420 DCC will not be applicable

### **INDEPENDENT OBLIGATION OF ACHMEA VIS-A-VIS TRUSTEE:**

#### *Article 3*

1. Achmea and the Trustee hereby agree that Achmea owes the Trustee an amount that will at all times be equal to the total amount of the Secured Claims. The obligation of Achmea vis-à-vis the Trustee described herein will hereinafter be referred to as the '**Independent Obligation**'.
2. The Independent Obligation is an independent obligation of Achmea vis-à-vis the Trustee, which does not in any way prejudice the obligations of Achmea vis-à-vis the Secured Creditors under the Secured Claims; it being understood that payments under the Independent Obligation will be deemed to reduce the Secured Claims by the same amount. The Trustee will make the payments referred to in the preceding sentence to the Secured Creditors in accordance with Article 13 of this agreement.
3. The claim of the Trustee under the Independent Obligation will not be payable until the validity of the rights of pledge has been challenged in a court of law.

### **RIGHTS OF PLEDGE:**

#### *Article 4*

1. Achmea will provide the following securities to the Trustee in order to secure all of their payment obligations under the Secured Claims and the Independent Obligation:
  - a. a right of pledge as referred to in section 3:239 DCC in respect of one or more Mortgage Claims; if it concerns a savings-based mortgage or a similar mortgage claim – to the extent possible – the claim on the Insurer which arises from the underlying insurance payments will also be pledged;
  - b. a right of pledge in respect of certain negotiable instruments which are officially listed on the Amsterdam Exchanges N.V., or on any other exchange which has been approved by the Trustee, and in respect of unlisted negotiable instruments issued by governments and financial institutions with a 'credit rating' for long-term debts of at least S&P AA minus or Moody's Aa3 (or an equivalent rating of another credit agency which has been approved by the Trustee), provided that the custodian of the negotiable instruments has waived any rights of pledge or any power of set-off it may have and which Achmea has entrusted to the Trustee;
  - c. a right of pledge in respect of bonds which are officially listed on the Amsterdam Exchanges N.V., or on any other exchange which has been approved by the Trustee, and in respect of unlisted bonds issued by governments and financial institutions with a 'credit rating' for long-term debts of at least S&P AA minus or Moody's Aa3 (or an equivalent rating of another credit agency which has been approved by the Trustee), provided that the custodian of the bonds has waived any rights of pledge or any power of set-off it may have.  
The Rights of Pledge will at all times be created in a manner that meets the wishes of the Trustee, and also with due observance of other

conditions which the Trustee has set with regard to the creation of the Rights of Pledge. These conditions and any instructions the Trustee has given or any agreement between Achmea and the Trustee in this respect will be laid down in writing.

## **COUNTERSIGNING:**

### *Article 5*

1. The Rights of Pledge have been and will only be created in respect claims on Achmea and the creditors of such claims will only be entitled to share in the proceeds pursuant to the provisions of Article 13 of this agreement, of amounts received by the Trustee if and to the extent that such claims have been countersigned.
2. Countersigning may only occur if:
  - (i) it concerns claims arising from (privately placed or publicly placed) non- subordinated loans to Achmea, all or almost all of which have been provided to finance mortgage loan or financially derived products.
  - (ii) the *Pro resto* Amount plus the amounts of the claims with respect to which Countersigning has been requested will, on the date of countersigning, not exceed the aggregate of the principal amounts of the Mortgage Claims pledged to the Trustee, the negotiable instruments and bonds pledged to the Trustee in accordance with Article 4 paragraph 1(b). and (c). and the liquid assets held by the Trustee in connection with this agreement.
  - (iii) there is no Notification Ground pursuant to which the Trustee exercises its power to make a Notification or expresses its intention to do so. The latter amount referred to in (ii) of this paragraph will hereinafter be referred to as the '**Threshold Amount**'.
3. When determining the Threshold Amount, a claim with respect to which Countersigning has been requested which is not expressed in Dutch currency and in respect of which Achmea runs any currency risk, will be taken into account for the equivalent in Dutch Guilders or Euros determined on the basis of the exchange rate on the date of Countersigning, plus an amount equal to twenty percent (20%) of the equivalent thereof.
4. A claim in respect of which Countersigning has been requested arising from a financially derived product will be taken into account for the negative substitute value on the date of Countersigning; the positive substitute value will not be not taken into account in this respect (the '**Market Value**').
5. When determining the *Pro resto* Amount the Secured Claims which are not expressed in Dutch Guilders or Euros and in respect of which Achmea runs a currency risk will be taken into account for the equivalent in Dutch Guilders or in Euros determined on the basis of the exchange rate effective on the date of Countersigning, plus an amount equal to twenty percent (20%) of such equivalent.
6. When determining the *Pro resto* Amount the Secured Claims arising from financially derived products will be taken into account for the amounts that would be due and payable in the event payments under the financially derived products would have to be made on the date of Countersigning.
7. Countersigning occurs by means of signing by the Trustee of the deed in which the claim is evidenced in respect of which Countersigning occurs.

#### Article 6

1. Achmea will ensure that each party that has or will have a claim against Achmea in respect of which Countersigning has been requested will be given a reasonable opportunity to take note of the contents of this agreement.
2. Countersigning results in the relevant creditor becoming a party to this agreement.
3. Assignment of or encumbrance of a Secured Claim will not affect the rights of the Trustee under this agreement.
4. Legal successors of a Secured Creditor will have the same rights under this agreement as the original creditor.
5. If and to the extent the provisions of a claim in respect of which Countersigning has taken place will be in conflict with the provisions of this agreement, the provisions of this agreement will prevail.

#### Article 7

1. The amounts to be provided by a lender to Achmea pursuant to a loan in respect of which Countersigning has been requested will be deposited in a bank account designated for such purpose (the '**Trustee Bank Account**').
2. The Trustee will pay the amounts received pursuant to paragraph 1 to Achmea on behalf of the relevant creditor within two (2) days of the Countersigning of the relevant loan or after such period required to arrange for Countersigning by and on behalf of the relevant lender, under the condition that, during the period between receipt of the relevant amounts and payment thereof to Achmea, the Trustee has not received a notice (i) from Achmea that a Notification Ground has occurred, or (ii) from the relevant lender that a ground for repayment of that loan in full has occurred which is still in full force and effect.
3. If and to the extent that it has been established that payment by the Trustee to Achmea of the amounts referred to in paragraph 1 received by the Trustee will not be made, the Trustee will transfer such amounts to a bank account to be designated by the relevant lender.

#### **SUPERVISION RELATIONSHIP BETWEEN AMOUNT OF SECURED CLAIMS AND AMOUNT OF PLEDGED PROPERTY RIGHTS:**

#### Article 8

1. Whenever such is determined by the Trustee, but at least once a month, the Trustee will determine whether the *Pro resto* Amount does not exceed the Threshold Amount on the relevant day (the 'Verification Date').
2. Article 5, paragraphs 5 and 6, of this agreement will apply accordingly, provided that in this case the 'date of Countersigning', shall be read as the 'Verification Date'.
3. If, for any reason whatsoever the *Pro resto* Amount exceeds the Threshold Amount at any time, Achmea and/or the Mortgage Company shall immediately and upon a first request of the Trustee provide additional security. This security shall at least cover the difference between the *Pro resto* Amount and the Threshold Value. In the event that this additional security, irrespective of the reason thereof, has become insufficient at any time, Achmea will be obliged, at the first request of the Trustee, to replenish or replace the security, with due observance of the previous sentence.

## **RIGHTS OF PLEDGE: NOTIFICATION:**

### *Article 9*

1. As pledge holder of the Pledged Claims the Trustee will be entitled to make a notification as referred to in of section 3:239, subsection 3, of the Dutch Civil Code (the '**Notification**' or a '**Notification**') of the pledges referred to in Article 4 paragraph 1 of this agreement, to – at the discretion of the Trustee – all or certain debtors of the respective Pledged Claims if and when one of the following facts or circumstances occur (a '**Notification Ground**'):
  - (i) Achmea has failed in the performance of one or more obligations by virtue of the Secured Claims;
  - (ii) Achmea has failed in the performance of one or more of its obligations vis-à-vis the Trustee;
  - (iii) the Trustee has reason to believe that Achmea will fail in the performance of one or more of the above-mentioned obligations.
2. Without prejudice to Article 9, paragraph 3, of this agreement, the Trustee hereby grants permission to Achmea to receive all payments under the Pledged Claims and to grant discharge thereof, and to demand performance in respect to the Pledged Claims in and out of court, to enter into settlement agreements and to exercise the Dependent and Ancillary Rights with respect to the Pledged Claims.
3. Upon the occurrence of a Notification Ground the Trustee may withdraw the permission granted pursuant to Article 9, paragraph 2, of this agreement, with respect to – at the discretion of the Trustee – all or a certain number of the Pledged Claims pursuant to Article 4, paragraph 2, of this agreement.
4. As soon as a Notification Ground occurs with respect to Achmea, Achmea will be obliged to notify the Trustee thereof immediately.
5. Upon the Trustee's first request Achmea will be obliged reimburse the Trustee's costs and expenses incurred in connection with the Notification.
6. At the request of Achmea the Trustee may waive the rights of pledge with regard to Pledged Claims identified by Achmea, on the condition that the Threshold Value will at all times at least be equal to the *Pro resto* Amount. The Trustee will not unreasonably refuse such waiver.

### *Article 10*

1. After the Notification or, as the case may be, the withdrawal of the permission referred to in Article 9, paragraph 2, the Trustee, in stead of Achmea, will be entitled to receive all payments relating to the Pledged Claims in respect of which the Notification has occurred and to grant discharge in respect thereof, to demand performance thereof in and out of court, to enter into settlement agreements with respect thereto, to exercise the Dependent and Ancillary Rights with respect to the Pledged Claims and, with due observance of 3:255, subsection 1, of the Dutch Civil Code and the provisions of this agreement, to procure that the Secured Claims will be settled from the proceeds thereof or, to the extent applicable, to procure that claims arising from the Independent Obligation will be settled from the proceeds thereof, and to perform any acts necessary or useful for the management, maintenance and disposal of the securities provided.
2. In the event that the Trustee would not be authorised to exercise the Dependent and Ancillary Rights, Achmea hereby grants the Trustee

irrevocable power of attorney to exercise these rights on behalf of Achmea after the Notification.

3. Without prejudice to the provisions of paragraphs 1 and 2, Achmea will be obliged to do anything in order to enable the Trustee to settle the Secured Claims and, to the extent applicable, to settle the claim arising from the Independent Obligation, from the proceeds of the Pledged Claims.
4. The provisions of paragraphs 1, 2 and e will not prejudice the other rights and powers of the Trustee as pledge holder of the Secured Claims pursuant to the provisions of the Dutch Civil Code and the relevant deeds of pledge.
5. The provisions of subsection 2 of section 3:233 of the Dutch Civil Code and section 3:249 of the Dutch Civil Code will not be applicable.
6. The powers as referred to subsection 1, Section 3:251 of the Dutch Civil Code will exclusively be vested in the Trustee.

#### **DECLARING THE SECURED CLAIMS DUE AND PAYABLE BY THE TRUSTEE:**

##### *Article 11*

1. Without prejudice to the provisions regarding the maturity of the Secured Claims arising from the agreement and irrespective of the fact whether these agreements were entered into prior to or after the conclusion of this agreement, the Trustee may, upon the occurrence of a Notification Ground – at the discretion of the Trustee – declare all amounts with respect to all or part of such claims to be immediately due and payable, by a notice of termination.
2. The Trustee may not give notice of termination as referred to paragraph 1 hereof, until the Trustee has notified Achmea of the applicability of the Notification Ground and of the Trustee's intention to proceed with the termination and the Notification Ground will still be in full force and effect after the expiry of ten days of the notification, including the date of the Notification.
3. The notification referred to in paragraph 2 will not be required upon the occurrence of an event referred to in section 6:83 of the Dutch Civil Code or in case of bankruptcy or a moratorium of payments or, as the case may be, in the event that the emergency regulation of Chapter X of the 1992 Act on the Supervision of the Credit System (*Wet toezicht kredietwezen*) will be applicable to Achmea.
4. Without prejudice to the provisions of this agreement, the consequence of the termination of a Secured Claim by the Trustee will be determined by the agreement from which the Secured Claim stems.

#### **REQUEST FOR BANKRUPTCY OF ACHMEA BY TRUSTEE:**

##### *Article 12*

In the event that the Trustee will be entitled to terminate the Secured Claims pursuant to the provisions of Article 11 of this agreement, the Trustee will also be authorised to file a petition for Achmea's bankruptcy.

#### **PAYMENT OF PROCEEDS TO SECURED CREDITORS:**

##### *Article 13*

1. The Trustee will use all amounts received by virtue of the Rights of Pledge and as payments under the Independent Obligation in order to settle the Secured Claims in proportion to the outstanding principal amounts and interest due (*'verschenen'*) on the date of payment. Once the principal amounts and interest due on all Secured Claims have been settled, payments will be made in proportion to the respective amounts of interests, cost and penalties due by virtue of the Secured Claims
2. Payment of the amounts received by the Trustee to the Secured Creditors pursuant to paragraph 1, will be made whenever, once and to extent the relevant amounts have become due and payable; if necessary the Trustee may reserve amounts pending the maturity of the Secured Claims and the Independent Obligation.
3. The amounts received by the Secured Creditors pursuant to paragraph 2 will subsequently be deducted from the maturity of the first interest, the principal amount, the accrued current interest, the costs and the penalties under the relevant Secured Claim.
4. The Trustee will only be obliged to make the payments referred to in paragraph 1 to the extent it has actually received these amounts.

#### **RELATIONSHIP TRUSTEE – SECURED CREDITORS:**

##### *Article 14*

1. Without prejudice to the provisions of Article 21, paragraph 2, of this agreement the Trustee will not be obliged to comply with recommendations of Secured Creditors or one Secured Creditor with respect to the performance by the Trustee of its duties.
2. With respect to the Rights of Pledge, regardless of the fact whether or not Achmea may be bankrupt, only the Trustee as the holder thereof, will, both in and out of court, be entitled to exercise all rights and powers relating thereto and the Secured Creditors will have no independent rights or powers with respect to the Rights of Pledge.
3. Unless expressly provided to the contrary in this agreement and without prejudice to the provisions of Article 21, paragraph 2, of this agreement, the Trustee may at all times exercise the rights and powers referred to in paragraph 2 under all circumstances if Achmea were to be solvent or insolvent, or, as the case may be, in the event that the emergency regulation of Chapter X of the 1992 Act on the Supervision of the Credit System (*Wet toezicht kredietwezen*) will be applicable to Achmea and both in and out of court, .without the intervention of or approval of or consultation with, or prior notification to, the Secured Creditors or the Meeting of Creditors.
4. With respect to the Secured Claims the Trustee will only be authorised to give notice of termination as provided in Article 11 of this agreement. The provisions of this agreement will not prejudice the rights and powers of each Secured Creditor pursuant to the agreement relating to the relevant Secured Claim and pursuant to the law.

#### **OBLIGATIONS OF ACHMEA:**

##### *Article 15*

Insofar as possible Achmea will cover possible currency and interest risks resulting from the Secured Claims.

#### *Article 16*

Achmea will procure the timely repayments of the principal and interest due under the Secured Claims.

#### *Article 17*

Achmea undertakes to use all or almost all of the amounts received pursuant to the provisions of Article 7, paragraph 2 of this agreement to grant mortgage loans.

#### *Article 18*

Within one month of the expiry of any calendar quarter, Achmea will provide the Trustee with an overview of the outstanding amounts by virtue of the Mortgage Claims pledged as on the first day of the first month of the relevant quarter.

#### *Article 19*

1. Pursuant to agreements to be entered into between Achmea and the Trustee, which agreements will be submitted to the Amsterdam Exchanges N.V. established in Amsterdam, the Netherlands, and will be deposited for inspection by all Secured Creditors at a location in Amsterdam, the Netherlands, Achmea will inform the Trustee with respect to financing transactions to which Achmea is a party, with respect to any securities which may be or have been provided by Achmea with respect thereto and with respect to any changes to these financing transactions and/or securities.
2. Without prejudice to the provisions of paragraph 1 Achmea will notify the Trustee, if requested, but in any event within one month after the expiry of each calendar quarter, of the *Pro resto* Amount as on the first day of the first month of the relevant quarter.
3. Without prejudice to the provisions of paragraphs 1 and 2, Achmea will provide the Trustee at all times with the information requested by the Trustee and provide the Trustee access to its administration.
4. Within one week after the adoption of Achmea's balance sheet and profit and loss account with explanatory notes, Achmea will provide the Trustee with copies thereof.

#### *Article 20*

Achmea will at all times follow up reasonable instructions of the Trustee with respect to the conditions to be included in the mortgage deeds which Achmea will use in connection with the mortgage loans to be granted by it.

### **CREDITORS' MEETING:**

#### *Article 21*

1. The Meeting of Creditors will have the specific rights and powers vested in it pursuant to this agreement.
2. The Meeting of Creditors will be authorised to provide the Trustee with guidelines regarding
  - (i) the use by the Trustee of its rights to make the Notification;
  - (ii) the use by the Trustee of its right to withdraw the permission referred to in Article 9, paragraph 3, of this agreement;

- (iii) the use by the Trustee of its right to terminate the claims referred to in Article 11, paragraph 1, of this agreement;
  - (iv) the frequency of the verifications by the Trustee as referred to in Article 8, paragraph 1, of this agreement;
  - (v) the use of the Trustee's power to demand additional security pursuant to Article 8, paragraph 3, of this agreement.
3. The Trustee will notify the Meeting of Creditors with respect to all matters which are known to the Trustee with respect to Achmea and which could be of importance in connection with the relationship between the Secured Creditors and Achmea.
  4. The Trustee will not be authorised to inform the Meeting of Creditors with respect to matters regarding Achmea which are not essential to the relationship between the Secured Creditors and Achmea.

*Article 22*

1. The Meeting of Creditors will meet whenever such is required pursuant this agreement and further whenever the Trustee deems such desirable.
  2. The Trustee will be obliged to call a Meeting of Creditors upon a written request thereto of Achmea or (a) Secured Creditor(s) the principal sum(s) of which, independently or in aggregate amount to at least fifteen per cent of the outstanding Secured Claims or the equivalent thereof in another currency.
  3. When determining the principal amount as referred to in paragraph 2, the *Pro resto* Amount at the time of such request, regardless of the maturity thereof, will be decisive and Secured Claims in respect of which no vote may be cast will not be taken into account.
  4. In the event that the Trustee fails to call a meeting within fourteen (14) days of receipt of the request which meets the requirements of paragraph 2:
    - a. in the event the request is made by Achmea, Achmea will be authorised to call such meeting, and
    - b. if the request is made by the Secured Creditor(s) referred to in paragraph 2, each Secured Creditor will be so authorised.
  5. A meeting must be convened with due observance of Article 25, at a term of least fourteen (14) days and not exceeding twenty-one (21) days, between the day of the notice of the meeting and the day of the meeting, on the understanding that in urgent cases, such at the discretion of the Trustee, the second meeting as referred to in Article 23 paragraph 11 of this agreement may be convened at a term of seven (7) days.
  6. The notice for the meeting shall state the agenda for the meeting and must be accompanied by explanatory notes with respect to the items specified on the agenda or contain a statement as to the location where the agenda, the explanatory notes and other documents will be obtainable in Amsterdam, free of charge.
  7. The agenda shall specify all issues to be adopted at the meeting.
  8. The Trustee will announce the meeting by means of an advertisement in a nationally distributed daily newspaper. The advertisement shall state the manner in which the notice referred to in Article 23 paragraph 2 should be made, and the manner in which Secured Creditors may gain access to the meeting, or contain a statement as to the location where such instructions will be obtainable free of charge.
- If the Trustee deems it necessary that, in addition to the advertisement, other

information regarding a Meeting of Creditors is to be sent to Secured Creditors, the Trustee will be free as to the choice of means and terms.

9. In the event that Achmea makes proposals to the Secured Creditors, the Trustee will, timely and prior to such meeting, issue a written report to the Secured Creditors in respect thereof and make this report obtainable free of charge at a location in Amsterdam, the Netherlands, announced in an advertisement in a nationally distributed daily newspaper.

#### *Article 23*

1. The Meeting of Creditors will be held in The Hague, the Netherlands. The meeting will be chaired by a person appointed by the board of the Trustee, whether or not from its members.
2. In order to participate in the meeting, the Secured Creditor should (cause to) notify the Trustee and, if requested by the Trustee, Achmea of its intention to attend the meeting no later than three days prior to such meeting.
3. Each Secured Creditor has the right to be represented at the meeting by written proxy.
4. Each amount of Secured Claims of two thousand Euros (EUR 2,000) to which a Secured Creditor is entitled, confers the right to one vote. For the purpose of the provisions of this paragraph, Secured Claims in an amount of less than two thousand Euros (EUR 2,000) or the equivalent thereof in foreign currency will be rounded upwards. If a Secured Creditor holds a multiple of two thousand Euros (EUR 2,000) or the equivalent thereof in foreign currency of Secured Claims, it will have the corresponding multiple of votes. Partial votes will incidentally be disregarded.
5. Other than provided in paragraph 4, a Related Secured Creditor may not cast a vote with respect to a Secured Claim which has been created within a period of one year prior to the relevant meeting.
6. Related Secured Creditors who have had Secured Claims for a period of more than one year prior to the relevant meeting may only cast their votes in accordance with their corporate objects, even if such would be inconsistent with the interest of Achmea. The objects clause of the articles of association of a Related Secured Creditor may only be amended upon the prior approval of the Amsterdam Exchanges NV.  
When determining the amounts of the *Pro resto* Amount represented at the meeting the Secured Claims for which no votes may be cast will not be taken into account.
7. Resolutions will be adopted by an absolute majority of votes, unless otherwise provided in this agreement.
8. Resolutions may only be adopted with respect to subjects which have been included on the agenda of meeting. The proposals drawn up pursuant to the agenda may not be amended during a meeting other than in respect of minor points; at a meeting, only the Trustee may, for reasons of urgency or efficiency, rephrase a proposal made by the Trustee.
9. Resolutions shall be binding upon all Secured Creditors, including Secured Creditors who have voted against the resolution, the Secured Creditors who did not attend the meeting, and Secured Creditors who have no voting rights.
10. Resolutions regarding
  - (i) an amendment to this agreement which will result in an amendment to the rights of the Secured Creditors under this agreement; and

- (ii) a deviation by the Trustee from the provisions of this agreement which will result in a deviation from the rights of the Secured Creditors provided in this agreement  
may only be adopted during a meeting at which at least three-fourths of the aggregate outstanding *Pro resto* Amount are represented, provided that such resolution has been adopted by a majority of at least three-fourths of the votes cast at that meeting.
11. In the event that the amount of Secured Claims referred to in paragraph 10 is not represented at the meeting, a second meeting shall be held. Irrespective of the amount of Secured Claims represented at such meeting, the resolutions referred to in paragraph 10 may be adopted by a majority of at least three-fourths of the votes cast at that meeting.
12. Contrary to the provisions of paragraph 10, the Trustee will be entitled to adopt resolutions with respect to matters requiring urgent action, such as a reorganisation, imminent bankruptcy of or the applicability of the emergency regulation of the 1992 Act on the Supervision of the Credit System with respect to Achmea, such at the discretion of the Trustee, without a resolution of the Meeting of Creditors as referred to in paragraph 10, including resolutions pursuant to which the rights of the Secured Creditors under this agreement will be reduced or waived, if and to the extent the interest of the Secured Creditors demands such measures, and to take measures in the interest of the Secured Creditors, if the Trustee following consultation with Amsterdam Exchanges N.V. believes that such action should not be postponed.
13. In the event that the Trustee has adopted a resolution referred to in paragraph 12 without a decision of the Meeting of Creditors as meant in paragraph 10, the Trustee shall, within one month upon the adoption of such resolution hold a meeting at which the Trustee will explain the reasons why such resolution was adopted.

#### *Article 24*

1. The Trustee will be obliged to implement the resolutions of the Meeting of Creditors within the term set for that purpose in the resolution concerned.
2. Should, in the opinion of the Trustee, a resolution, including the resolution to provide a guideline as referred to in Article 21 paragraph 2 of this agreement, of the Meeting of Creditors be in conflict with the interest of the Secured Creditors, the Trustee will be authorised to suspend the implementation of the resolution and to call another Meeting of Creditors.
3. At the meeting referred to in paragraph 2 a resolution may – irrespective of the amount of Secured Claims represented at the meeting – be adopted by a majority of at least three-fourths of the votes cast in respect of the subject relevant to the resolution referred to in paragraph 2.
4. If the Trustee has not exercised the power referred to in paragraph 2 within fourteen days after the resolution has been adopted, the resolution will be final.
5. The provisions of paragraph 2 will not apply with respect to a resolution referred to in Article 31, paragraph 1, of this agreement.

#### *Article 25*

All notices to be given under this agreement shall be given in the manner set forth in Article 46 of the Listing Rules and Regulations (*Fondsenreglement*), including an advertisement in the Price List (*Officiële Prijscourant*) or, as the case may be – in lieu thereof – in an official publication by virtue of a resolution of Amsterdam Exchanges NV.

## **PROVISIONS REGARDING THE TRUSTEE:**

### *Article 26*

The Trustee shall obtain the approval of the Meeting of Creditors with respect to decisions of the Trustee regarding:

- a. amendment to this agreement;
- b. a deviation by the Trustee from the provisions of this agreement which leads to a deviation of the rights of the Secured Creditors provided in this agreement;
- c. an amendment to the articles of association of the Trustee unless it concerns an amendment which (i) will not prejudice the interests of the Secured Creditors or (ii) are of a formal, minor or technical nature.

### *Article 27*

1. Countersigning of the deeds by the Trustee in accordance with the provisions of this agreement will not result in the Trustee assuming obligations other than those arising from this agreement.
2. In connection with its responsibilities by virtue of this agreement, the Trustee will not be liable other than as a result of wilful misconduct or gross negligence of (the board) of the Trustee.

### *Article 28*

When performing its duties under this agreement, the Trustee may be assisted by one or more experts. These experts may not fulfil an advisory function with or for Achmea or the financial institutions involved in the financing of Achmea. This expert may neither be the accountant referred to in Article 30.

### *Article 29*

1. All expenses of the Trustee, including the expenses of the management and the administration of the Trustee and the expert(s) referred to in Article 28 of this agreement, will be for the account of Achmea.
2. In the event that the Trustee will be held liable by third parties in or out of court in connection with the performance of its duties set forth in this agreement, Achmea will, if so requested by the Trustee, be obliged to provide an advance to the Trustee in respect of the expenses that may be reasonably expected by the Trustee.
3. If Achmea is unable to pay the expenses referred to in paragraph 1, or to make the advance payment referred to in clause 2 respectively, the Secured Creditors will, in anticipation of such payment, provide such advance payment.
4. The Trustee will not be bound to perform any activities under this agreement if and as long as a certain amount of security has not been provided for the reimbursement of the costs to be incurred in connection therewith,

irrespective of Achmea's or the Secured Creditors' obligations respectively as meant in the preceding paragraphs of this Article.

#### *Article 30*

1. At the end of each calendar year a chartered accountant (*registeraccountant*) to be appointed by the Trustee will verify whether the Trustee has performed its duties in accordance with the provisions of this agreement and with its articles of association, more in particular if:
  - a. Countersigning has taken place in accordance with the provisions of Article 5 of this agreement;
  - b. the Trustee has satisfied itself that all or almost all of the funds obtained from the Secured Creditors have been applied to provide mortgage loans; and
  - c. the rights of pledge required pursuant to Article 4 paragraph 1 of this agreement have actually been granted in a timely manner.The chartered accountant shall issue a statement of his findings.
2. Within two months after the adoption of Achmea's balance sheet and profit and loss account with explanatory notes, the Trustee will issue a report to the Secured Creditors with respect to the duties performed by it during the financial year, as well as possible other acts performed by the Trustee during the financial year, to the extent such report will not be in conflict with the interests of the Secured Creditors. The report will also contain comments of the Trustee which the Trustee deems to be in the interest to the Secured Creditors.
3. The Trustee will attach the statement referred to in paragraph 1 to the report referred to in paragraph 2.
4. In accordance with the provisions of Article 25 of this agreement the Trustee will announce that the report referred to in paragraph 2 and the statement referred to in paragraph 1 will be obtainable free of charge at the location in Amsterdam referred to in the announcement.

#### *Article 31*

1. The Meeting of Creditors will be allowed to terminate this agreement with respect to the Trustee under the simultaneous appointment of a new Trustee as a mandatory (*lasthebber*) for the Secured Creditors. The Trustee, the Secured Creditors and Achmea will be obliged to cooperate with the transfer of all rights and obligations under this agreement to the new Trustee, explicitly including, if necessary, the creation of new rights of pledge as provided in this agreement and the entry into a new Independent Obligation as referred to in Article 3, paragraph 1, of this agreement.
2. A resolution as referred to in paragraph 1 may only be adopted in a meeting at which at least three-fourths of the *Pro resto* Amount are represented, provided that such resolution is adopted by a majority of at least three-fourths of the votes cast at such meeting.
3. In the event the amount of Secured Creditors referred to in paragraph 2 is not represented at such meeting, a second meeting will be held. If at the second meeting at least thirty percent of the *Pro resto* Amount is represented a resolution may be adopted by a majority of at least three-fourths of the votes cast at such meeting.
4. Contrary to the provisions of paragraphs 2 and 3, the Meeting of Creditors may, in the event the Trustee does not act in accordance with Article 24 of this

agreement, terminate this agreement with the Trustee and appoint a new trustee as mandatory for the Secured Creditors by means of a resolution of the Meeting of Creditors adopted by a majority of at least three-fourths of the votes cast at such meeting, irrespective of the amount of the *Pro resto* Amount represented at such meeting.

*Article 32*

1. The Trustee will be entitled to terminate this agreement without stating the reasons thereof, by providing a notice of termination to Achmea with twelve months prior notice, effective as of the first day of a calendar quarter. The Trustee will announce the termination at the first Meeting of Creditors after the termination.
2. If on the day on which the Trustee has terminated the agreement pursuant to the provisions of paragraph 1 hereof, no new Trustee has become a party to this agreement to whom all rights and obligations under this agreement, including the rights of pledge created pursuant to this agreement have been transferred and there are still Secured Creditors, the Trustee will continue to be a party to this agreement until a new Trustee has become a party to this agreement and the rights of pledge created pursuant to this agreement shall have been transferred to such new Trustee, or if there are no longer any Secured Creditors.

**DISSOLUTION, SUSPENSION, SET-OFF:**

*Article 33*

1. Neither of the parties to this agreement will have the right to dissolve this agreement.
2. Neither of the parties to this agreement will have the right to suspend the performance of its obligations under this agreement for whatever reason.
3. Achmea will not have the right to set off its obligations vis-à-vis the Trustee.

**TRANSITIONAL PROVISIONS:**

*Article 34*

1. Upon the approval of the provisions of this agreement by the Meeting of Creditors in accordance with Article 14 of the Original Agreement, the rights and obligations under this agreement will supersede the rights and obligations under the Original Agreement.
2. By giving the approval referred to in paragraph 1 the Secured Creditors will authorise the Trustee to waive the rights of pledge created pursuant to the Original Agreement.
3. References to provisions in the Original Agreement are deemed to relate to the corresponding provisions in this agreement.

**BANK ACCOUNTS:**

*Article 35*

1. Upon the conclusion of this agreement the Trustee will provide Achmea with information regarding the Trustee Bank Account.
2. The Trustee may use an account other than the one referred to in paragraph 1 in connection with execution of this agreement, provided that Achmea has been notified thereof hereof prior thereto.

## **STATEMENTS:**

### *Article 36*

1. Statements, including notifications, which will be given to a party in connection with this agreement may only be given in person or by courier against acknowledgement of receipt or by registered letter with acknowledgement of receipt or by telefax with confirmation of the correct code of receipt.
2. Statements addressed to a party to this agreement may only be made in the Dutch or English language.
3. A statement or notice to a party to this agreement which does not meet the requirements set forth in paragraphs 1 and 2 will not be effective.
4. Paragraphs 1 to and including e will apply to all statements to a party to this agreement which are being made in connection with the agreements pertaining to this agreement, to the extent such agreement does not explicitly provide otherwise.
5. The provisions of paragraph 1 through 4 will not apply with respect to statements to a Secured Creditor, and will not apply with respect to notices in connection with a Meeting of Creditors and announcements as referred to in Article 25.

## **CHOICE OF LAW AND JURISDICTION:**

### *Article 37*

1. This Agreement, including the existence and validity thereof, will exclusively be governed by the laws of the Netherlands.
2. Paragraph 1 will also apply with respect to agreements pertaining to this agreement to the extent such agreement does not specifically provide otherwise.

### *Article 38*

Disputes arising in connection with this agreement, including disputes regarding the existence and validity thereof, are to be brought exclusively before the competent court in Amsterdam, the Netherlands.

Sufficient proof of the existence of the powers of attorney has been given to me, *notaris*.

The written powers of attorney are evidenced by \*\* private instruments which will be attached to this deed.

A copy of the minutes of the meeting of creditors of Achmea mentioned at the beginning of this deed will be attached to this deed.

A copy of the minutes of the meeting of creditors of Achmea held on December 8, 1999 will also be attached to this deed.

IN WITNESS WHEREOF, the original of this deed is executed in Amsterdam, on the date first given in the head of this deed.

After having conveyed the substance of this deed, given an explanation thereto and pointed out the consequences arising from the contents of the deed for the parties or one or more of them and following the statement of the person appearing that they have taken cognisance of the contents of the deed and to agree with the same, this deed was signed, immediately after the reading of those parts of the deed which the law prescribes to be read out, by the person appearing, who is known to me, *notaris*,

and by myself, *notaris*, at 15.56 hrs  
(was signed): L.J.A. Simons; M.P. Brandt; K.Y.L. de Bakker.

## DUTCH TAXATION

The following is intended as general information only and it does not purport to present any comprehensive or complete picture of all aspects of Dutch tax law which could be of relevance to a holder of Notes. Prospective holders of a Note ("**Noteholder**") should therefore consult their tax adviser regarding the tax consequences of any purchase, ownership or disposal of Notes.

The following summary is based on Dutch tax law as applied and interpreted by Dutch tax courts and as published and in effect on the date hereof, without prejudice to any amendments introduced at a later date and implemented with or without retroactive effect.

For the purpose of this paragraph, "**Dutch Taxes**" shall mean taxes of whatever nature levied by or on behalf of the Netherlands or any of its subdivisions or taxing authorities.

### **Withholding Tax**

A Noteholder is not subject to Dutch withholding tax with respect to payments made under the Note, except if the Note functions as equity for the Issuer within the meaning of article 10 (1) (d) Dutch Corporate Income Tax Act 1969 ("**CITA**", *Wet op de vennootschapsbelasting 1969*), in which case any payment under the Note, other than a repayment of principal, will be subject to 15% Dutch withholding tax. As determined by case law, a Note functions as equity if:

- (i) the Note is subordinated to all debt;
- (ii) the Note does not have a final maturity date or has a term of more than 50 years; and
- (iii) any amount whatsoever to be paid under the Note is, either wholly or mainly dependent on the amount of profits realised or distributed by the Dutch Issuer.

Under circumstances, exemptions from, reductions in, or refunds of withholding tax may be available pursuant to Dutch domestic tax law or treaties for the avoidance of double taxation.

### **Taxes on income and capital gains**

This section does not purport to describe the possible Dutch tax considerations or consequences that may be relevant to a Noteholder who has a (fictitious) substantial interest in the Issuer.

Generally, a Noteholder has a substantial interest if such Noteholder, alone or together with his partner, directly or indirectly:

- (i) owns, or holds certain rights on, shares representing five percent or more of the total issued and outstanding capital of the Issuer, or of the issued and outstanding capital of any class of shares of the Issuer;
- (ii) holds rights to acquire shares, whether or not already issued, representing five percent or more of the total issued and outstanding capital of the Issuer, or of the issued and outstanding capital of any class of shares of the Issuer; or
- (iii) owns, or holds certain rights on, profit participating certificates that relate to

five percent or more of the annual profit of the Issuer or to five percent or more of the liquidation proceeds of the Issuer.

A Noteholder who has the ownership of shares of the Issuer, will also have a substantial interest if his partner or one of certain relatives of the Noteholder or of his partner has a (fictitious) substantial interest.

Generally, a Noteholder has a fictitious substantial interest (fictief aanmerkelijk belang) if (a) he has disposed of, or is deemed to have disposed of, all or part of a substantial interest or (b) he is an individual and has transferred a business enterprise in exchange for shares in the Issuer, on a non-recognition basis.

*(a) Residents of the Netherlands*

The description of certain Dutch tax consequences in this paragraph is only intended for the following Noteholders:

- (i) individuals who are resident or deemed to be resident in the Netherlands;
- (ii) individuals who opt to be treated as a resident in the Netherlands for purposes of Dutch taxation ((i) and (ii) jointly "**Dutch Individuals**"); and
- (iii) entities that are subject to the CITA and are resident or deemed to be resident of the Netherlands for the purposes of the CITA, excluding:
  - pension funds (pensioenfondsen) and other entities, that are in full or in part exempt from Dutch corporate income tax; and
  - Investment institutions (beleggingsinstellingen);("Dutch Corporate Entities").

Dutch Individuals not engaged or deemed to be engaged in an enterprise or in miscellaneous activities

Generally, a Dutch Individual who holds Notes that are not attributable to an enterprise from which he derives profits as an entrepreneur (ondernemer) or pursuant to a co-entitlement to the net worth of such enterprise other than as an entrepreneur or a shareholder, or to miscellaneous activities (overige werkzaamheden), will be subject annually to an income tax imposed on a fictitious yield on such Notes. The Notes held by such Dutch Individual will be taxed under the regime for savings and investments (inkomen uit sparen en beleggen). Irrespective of the actual income or capital gains realized, the annual taxable benefit of all the assets and liabilities of a Dutch Individual that are taxed under this regime, including the Notes, is set at a fixed amount. The fixed amount equals 4 percent of the average net fair market value of these assets and liabilities measured, in general, at the beginning and end of every calendar year. The current tax rate under the regime for savings and investments is a flat rate of 30 percent.

Dutch Individuals engaged or deemed to be engaged in an enterprise or in miscellaneous activities

Dutch Individuals are generally subject to income tax in the hands at progressive rates with a maximum of 52 percent with respect to any benefits derived or deemed to be derived from Notes (including any capital gains realized on the disposal thereof) that are either attributable to an enterprise from which a Dutch Individual derives profits,

whether as an entrepreneur or pursuant to a co-entitlement to the net worth of such enterprise (other than as an entrepreneur or a shareholder), or attributable to miscellaneous activities (resultaat uit overige werkzaamheden) including, without limitation, activities which are beyond the scope of active portfolio investment activities.

### Dutch Corporate Entities

Dutch Corporate Entities are generally subject to corporate income tax at statutory rates up to 25.5 percent with respect to any benefits derived or deemed to be derived (including any capital gains realized on the disposal thereof) of Notes.

#### *(b) Non-residents of the Netherlands*

A Noteholder other than a Dutch Individual or Dutch Corporate Entity will not be subject to any Dutch taxes on income or capital gains in respect of the ownership and disposal of the Notes, other than withholding tax as described above, except if:

- the Noteholder derives profits from an enterprise, whether as entrepreneur or pursuant to a co-entitlement to the net worth of such enterprise other than as an entrepreneur or a shareholder, which enterprise is, in whole or in part, carried on through a permanent establishment (vaste inrichting) or a permanent representative (vaste vertegenwoordiger) in the Netherlands, to which Notes are attributable; or
- the Noteholder is an individual and derives benefits from miscellaneous activities (resultaat uit overige werkzaamheden) performed in the Netherlands in respect of Notes, including, without limitation, activities which are beyond the scope of active portfolio investment activities; or
- the Noteholder is entitled to a share in the profits of an enterprise effectively managed in the Netherlands, other than by way of the holding of securities or through an employment contract, to which the Notes are attributable.

### **Gift tax or inheritance tax**

No Dutch Taxes are due in respect of any gift of the Notes by, or inheritance of the Notes on the death of, a Noteholder, except if:

- (a) the Noteholder is a resident, or is deemed to be a resident, of the Netherlands; or
- (b) at the time of the gift or death of the Noteholder, his Notes are attributable to an enterprise (or an interest in an enterprise) which is, in whole or in part, carried on through a permanent establishment or permanent representative in the Netherlands; or
- (c) the Noteholder passes away within 180 days after the date of the gift of the Notes and is not, or not deemed to be, at the time of the gift, but is, or deemed to be, at the time of his death, resident of the Netherlands;
- (d) the Noteholder is entitled to a share in the profits of an enterprise effectively managed in the Netherlands, other than by way of the holding of securities or through an employment contract, to which the Notes are attributable, at the time

of the gift, or at the time of his death.

For purposes of Dutch gift or inheritance tax, an individual who is of Dutch nationality will be deemed to be a resident of the Netherlands if he has been a resident in the Netherlands at any time during the ten years preceding the date of the gift or his death. For purposes of Dutch gift tax, any individual, irrespective of his nationality, will be deemed to be a resident of the Netherlands if he has been a resident in the Netherlands at any time during the 12 months preceding the date of the gift. Furthermore, under circumstances a Noteholder will be deemed to be a resident of the Netherlands for purposes of Dutch gift an inheritance tax, if the heirs jointly or the recipient of the gift, as the case may be, so elect.

### **Other taxes**

No other Dutch Taxes, such as turnover tax, or other similar tax or duty (including stamp duty and court fees), are due by the Issuer or the Noteholder by reason only of the issue, acquisition or transfer of the Notes.

### **Residency**

Subject to the exceptions above, a Noteholder will not become a resident, or a deemed resident, of the Netherlands for tax purposes, or become subject to Dutch Taxes, by reason only of the Issuer's performance, or the Noteholder's acquisition (by way of issue or transfer to it), holding and/or disposal of the Notes.

### **EC Council Directive**

As of 1 July 2005, based on Directive 2003/48/EC, the tax authorities of the EU Member States provide each other with details of payments of interest and similar income made to individuals who are the beneficial owner of those payments, but permits Austria, Belgium and Luxembourg instead to impose a withholding tax on the payments concerned for a "transitional period". The Directive also provides that no such withholding tax should be levied where the beneficial owner of the payment authorises an exchange of information and/or where the beneficial owner presents a certificate from the tax authority of the EU Member State in which the beneficial owner is resident. A number of non-EU countries and certain dependent or associated territories have agreed to adopt similar measures (in certain cases on a reciprocal basis). The Directive does not preclude EU Member States from levying other types of withholding tax.

## **SUBSCRIPTION AND SALE**

The Dealers have in an amended and restated programme agreement dated 7 August 2007 (the 'Programme Agreement') agreed with the Issuer a basis upon which they or any of them may from time to time agree to purchase Notes. Any such agreement will extend to those matters stated under 'Form of the Notes' and 'Terms and Conditions of the Notes' above. In the Programme Agreement, the Issuer has agreed to reimburse the Dealers for certain of their expenses in connection with the establishment of the Programme.

### **United States**

The Notes have not been and will not be registered under the United States Securities Act of 1933 as amended (the 'Securities Act') and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act.

Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that, except as permitted by the Programme Agreement, it will not offer, sell or deliver Notes (i) as part of their distribution at any time and (ii) otherwise until 40 days after the completion of the distribution of all Notes of the Tranche of which such Notes are a part, within the United States or to, or for the account or benefit of, U.S. persons. Each Dealer has further agreed and each further Dealer appointed under the Programme will be required to agree that it will send to each dealer to which it sells Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in the preceding paragraph and in this paragraph have the meanings given to them by Regulation S under the Securities Act.

In addition, until 40 days after the completion of the distribution of all Notes of the Tranche of which such Notes are a part, 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 if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

The Notes (other than any Notes issued with an initial maturity of 365 days or less) are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a U.S. person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code 1986, as amended and U.S. Treasury regulations issued thereunder.

Each issue of Dual Currency Notes shall be subject to such additional U.S. selling restrictions as the Issuer and the relevant Dealer may agree, as indicated in the applicable Final Terms. Each relevant Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that it will offer, sell or deliver such Notes only in compliance with such additional U.S. selling restrictions.

### **European Economic Area**

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive, (each a 'Relevant Member State') each Dealer has represented and agreed, and each Dealer appointed under the Programme will be required to represent and agree 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 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:

- (a) if the final terms in relation to the Notes specify that an offer of those Notes may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State (a 'Non-exempt Offer') following the date of publication of a prospectus in relation to those Notes which 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, provided that any such prospectus has subsequently been completed by the final terms contemplating such Non-exempt Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the date specified in such prospectus or final terms, as applicable;
- (b) at any time to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;
- (c) at any time to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than EUR 43,000,000 and (3) an annual net turnover of more than EUR 50,000,000, as shown in its last annual or consolidated accounts; or
- (d) at any time to fewer than 100 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (e) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes referred to in (b) to (e) above 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 'offer of Notes to the public' in relation to any Notes in any 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 and includes any relevant implementing measure in each Relevant Member State.

## **United Kingdom**

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 only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (the 'FSMA')) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA would not, if the Issuer was not an authorised person, apply to the Issuer; and
- (ii) 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.

## **Japan**

The Notes have not been and will not be registered under the Securities and Exchange Law of Japan (the 'Securities and Exchange Law') and each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that it will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (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 re-offering or resale, directly or indirectly, in Japan or to a resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Securities and Exchange Law and any other applicable laws and regulations of Japan.

## **General**

Each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers or sells Notes or possesses or distributes this Prospectus and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries. Save (in the case of the Issuer) for having obtained the approval by the AFM of this Prospectus as a base prospectus issued in compliance with the Prospectus Directive and relevant implementing measures in the Netherlands and having requested the AFM to provide the CSSF with a certificate of approval attesting that the Prospectus has been drawn up in accordance with the Prospectus Directive, neither the Issuer nor any Dealer shall have any responsibility for obtaining any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries.

Neither the Issuer nor any of the Dealers represents that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements

in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

With regard to each Tranche, the relevant Dealer will be required to comply with any other restrictions on the Issuer or the relevant Dealer shall agree and as shall be set out in the applicable Final Terms.

### *Zero Coupon Notes*

In addition, Zero Coupon Notes in definitive form may only be transferred or accepted directly or indirectly, within, from or into the Netherlands through the mediation of either the Issuer or a member firm of Euronext Amsterdam N.V. with due observance of the Savings Certificates Act (*Wet inzake Spaarbewijzen*) (including identification and registration requirements) (as amended), provided that no mediation is required in respect of (i) the initial issue of those Notes to the first holders thereof, (ii) any transfer and delivery by individuals who do not act in the conduct of a profession or trade, and (iii) the issue and trading of those 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. As used herein, 'Zero Coupon Notes' are Notes which qualify as savings certificates under the Savings Certificates Act, *i.e.* Notes that are in bearer form and that constitute a claim for a fixed sum against the Issuer and on which interest does not become due during their tenor or on which no interest is due whatsoever.

## **GENERAL INFORMATION**

### **Authorisation**

The establishment of the Programme and the issue of Notes under the Programme have been duly authorised by a resolution of the Board of Managing Directors of the Issuer dated 23 April, 1996. Increases in the amount and Updates of the Programme to its current level of EUR 10,000,000,000 were duly authorised by resolutions of the Board of Managing Directors of the Issuer dated 7 August, 1997, 6 November, 1998, 18 December, 2000, 5 November, 2001, 17 August, 2004, 8 September 2005 and 6 August 2007.

### **Listing**

Application has been made for the Notes to be issued under the Programme to be listed on Eurolist by Euronext Amsterdam and the Luxembourg Stock Exchange.

The Issuer may also issue unlisted Notes or Notes listed on any other stock exchange as agreed between the Issuer and the relevant Dealer and as specified in the applicable Final Terms.

### **Documents Available**

So long as Notes are capable of being issued under the Programme, copies of the following documents will, when published, be available, free of charge, from the registered office of the Issuer and from the specified offices of each of the Agent and the Luxembourg Listing Agent:

- (i) an English translation of the most recent Articles of Association of the Issuer;
- (ii) the most recently available published annual report and semi-annual interim financial statements (if any) of the Issuer (in each case in English);
- (iii) the Programme Agreement, the Trust Agreement and the Agency Agreement (which contains the forms of the temporary and permanent global Notes, the Definitive Notes, the Receipts, the Coupons and the Talons);
- (iv) a copy of this Prospectus;
- (v) any future prospectuses, offering circulars, supplementary listing particulars, information memoranda and supplements to this Prospectus and any other documents incorporated herein or therein by reference; and
- (vi) the Final Terms for each Tranche of Listed Notes.

### **Clearing and Settlement Systems**

The Notes have been accepted for clearance through Euroclear, Clearstream, Luxembourg and the LCH.Clearnet S.A. Amsterdam Branch. The appropriate common code, ISIN and Fondscodex for each Tranche allocated by Euroclear, Clearstream, Luxembourg and the LCH.Clearnet S.A. Amsterdam Branch, and any other relevant security code, will be specified in the applicable Final Terms. If the

Notes are to clear through an additional or alternative clearing system the appropriate information will be specified in the applicable Final Terms.

#### *Clearing systems addresses*

The address of Euroclear is 1 Boulevard de Roi Albert II, 1210 Brussels, Belgium. The address of Clearstream, Luxembourg is 42 Avenue J.F. Kennedy, L-1855 Luxembourg. The address of Euroclear Netherlands is Damrak 70, 1012 LM Amsterdam, the Netherlands.

#### **Information from Third Parties**

The information in this Prospectus that has been sourced from Auditors has been accurately reproduced and, as far as the Issuer is aware and able to ascertain from the information published by that Auditor, no facts have been omitted which would render the reproduced information inaccurate or misleading.

#### **Conditions for determining price**

The price and amount of Notes to be issued under the Programme will be determined by the Issuer and each relevant Dealer at the time of issue in accordance with prevailing market conditions and will be specified in the applicable Final Terms.

#### **No Significant or Material Adverse Change**

Other than the developments described under "Achmea Hypotheekbank N.V." – "Competitive position" and "Recent Developments", there has been no significant or material adverse change in the condition (financial or otherwise) or prospects of the Issuer since 31 December, 2006.

#### **Litigation**

Other than the litigation in relation to PZU, as described under "Eureko B.V." – "Litigation/PZU", there have been no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware), during the 12 months before the date of this Prospectus which may have, or have had in the recent past, significant effects on the financial position or profitability of the Issuer and/or the Achmea group.

#### **Auditors**

KPMG Accountants N.V. of Burgemeester Rijnderslaan 10-20, 1185 MC Amstelveen, the Netherlands, act as the auditors of the financial statements of the Issuer and have audited the financial statements without qualification for the last three years. KPMG Accountants N.V. is a member of the Dutch Institute for Chartered Accountants (the *Koninklijk Nederlands Instituut van Register Accountants*).

The report of the auditor of the Issuer is included or incorporated in the form and context in which it is included or incorporated, with the consent of the auditor who has authorised the contents of those parts of this Prospectus.

#### **Website**

More information about the Issuer and Eureko, recent developments and press releases can be found at: <http://www.eureko.net/>.

Information on the Issuer's website does not form part of the Prospectus and may not be relied upon in connection with any decision to invest in the Notes.

**Registered office of the Issuer  
Achmea Hypotheekbank N.V.**

Lange Houtstraat 8  
2511 CW Den Haag  
The Netherlands

**Security Trustee  
Stichting Trustee Achmea Hypotheekbank**

Lange Houtstraat 8  
1511 CW Den Haag  
The Netherlands

**Agent**

**ABN AMRO Bank N.V.**

Kemelstede 2  
4817 ST Breda  
The Netherlands

**Paying agents**

**ING Belgium NV/SA**

24 Avenue Marnix  
1050 Brussels  
Belgium

**Dexia Banque Internationale  
à Luxembourg**

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