

OBVION N.V.

PRE-ISSUANCE VERIFICATION LETTER

LOW CARBON BUILDINGS CRITERIA OF THE CLIMATE BONDS STANDARD

Type of engagement: Assurance Engagement

Period engagement was carried out: April 2018

Approved verifier: Sustainalytics

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Scope and Objectives

Obvion N.V. (“Obvion”) has engaged Sustainalytics to review and verify that Obvion’s Green STORM 2018 meets the requirements under the Low Carbon Buildings criteria of the Climate Bonds Standard.

Obvion is a Dutch mortgage provider and a wholly-owned subsidiary of Rabobank, which has identified responsible finance as a strategic opportunity for the bank and committed to provide EUR 40 billion in sustainability-related financing by 2020. The security will be part of Obvion’s residential mortgage securitization program known as STORM. The aim of the issuance is a green residential mortgage backed security with added environmental value, mainly focusing on energy efficiency and energy performance. The securities will refinance an existing mortgage loans portfolio with residential buildings in the Netherlands that meet the following eligibility criteria:

- Residential buildings which have obtained an Energy Performance Certificate (energy label) of “A” based on the Methodology Energy Performance Certificate. These “A” labelled residential buildings constitute the top 10.1% in terms of energy performance in the Dutch residential market, well within the top 15% required by the Climate Bond Standard.
- Residential buildings that have achieved at least a 30% improvement in energy performance (at least a two-notch upgrade to a ‘definitive’ EPC of “C” or “B” or an upgrade to an EPC label “A”) compared to an average house within the same building period.

Climate Bonds Standards Criteria

Pre-issuance requirements under Climate Bond Standards Version 2.1¹:

- Low Carbon Buildings criteria
 - Residential Property Climate Bond²

Issuing Entity’s Responsibility

Obvion was responsible for providing information and documents relating to:

- The details concerning the selection process for the residential mortgages
- The details of the residential mortgages
- The management systems for internal processes and controls for the residential mortgages, including: tracking of proceeds, managing unallocated proceeds and earmarking funds to Nominated Projects

¹ Climate Bonds Standard, version 2.1 available at: https://www.climatebonds.net/files/files/Climate%20Bonds%20Standard%20v2_1%20-%20January_2017.pdf

² Residential Property Climate Bonds certification methodology available at: <https://www.climatebonds.net/files/files/Residential%20Property%20Criteria.pdf>

- The details of commitments for reporting prior to issuance, including: investment areas and frequency of periodic Assurance Engagements

Independence and Quality Control

Sustainalytics, a leading provider of ESG and corporate governance research and ratings to investors, conducted the verification of Green STORM 2018, to be issued to refinance residential mortgages related to eligible green buildings, and provided an independent opinion as to the conformance of Green STORM 2018 with the Pre-Issuance requirement and the Low Carbon Buildings criteria of the Climate Bonds Standard.

Sustainalytics has relied on the information and the facts presented by Obvion. Sustainalytics is not responsible if any aspect of the Nominated Projects referred to in this opinion including estimates, findings, opinions, or conclusions are incorrect. Thus, Sustainalytics shall not be held liable if any of the information or data provided by Obvion and used as a basis for this assessment were not correct or complete.

Sustainalytics makes all efforts to ensure the highest quality and rigor during its assessment process and enlisted its Sustainability Bonds Review Committee to provide oversight over the assessment of the bond.

Verifier's Responsibility

The work undertaken as part of this engagement included conversations with relevant Obvion employees and review of relevant documentation to confirm Green STORM 2018's conformance with the Climate Bonds Certification Pre-Issuance Requirements, which include:

- Conformance of Green STORM 2018 with the Climate Bonds Standard Version 2.1;
- Conformance with the Technical Criteria on the Low Carbon Buildings criteria
- Conformance with the Internal Processes & Controls requirements
- Conformance with Reporting Prior to Issuance requirements

Basis of the Opinion

Sustainalytics conducted the verification in accordance with the Climate Bond Standard Version 2.1 and with International Standard on Assurance Engagements 3000 – Assurance Engagements other than Audits or Reviews of Historical Information.

Sustainalytics performed the verification by obtaining evidence and other information and explanations that Sustainalytics considers necessary to give reasonable assurance that Green STORM 2018 meets the requirements of the Climate Bond Standard. Upon reviewing evidence and other information, Sustainalytics is of the opinion that Green STORM 2018 will ensure compliance with Climate Bond Standard requirements.

Conclusion

Based on the limited assurance procedures conducted, Sustainalytics believes that, in all material respects, Obvion's green bond issuance Green STORM 2018 is in conformance with the Low Carbon Buildings criteria of the Climate Bond Standard Pre-Issuance Requirements.

Schedule 2A: Pre-Issuance General Requirements

Selection of Nominated Projects and Assets:	<p>1.1 Statement on the environmental objectives of the bond</p> <p>1.2 Confirmation that Nominated Projects and Assets meet the Climate Bonds criteria</p> <p>1.3 Document a list of Nominated Projects and Assets</p> <p>1.4 Confirmation that Nominated Projects and Assets will not be nominated to other Climate Bonds</p> <p>1.5 Confirmation that Net Proceeds of the Green Bond shall not be greater than the value of the Nominated Projects and Assets</p>
Internal Processes and Controls	<p>2.1.1 Tracking of proceeds</p> <p>2.1.2 Managing of unallocated proceeds</p> <p>2.1.3 Earmarking funds to Nominated Projects and Assets</p>
Reporting Prior to Issuance	<p>3.1.1 Investment area of Nominated Projects and Assets</p> <p>3.1.2 Intended types of temporary investments for the management of unallocated proceeds</p> <p>3.1.3 Approach of Verifier</p> <p>3.1.4 Whether periodic Assurance Engagement will be undertaken, and the expected frequency of any periodic Assurance Engagements</p>

Schedule 2B: Conformance to the Pre-Issuance Requirements

Procedure Performed	Factual Findings	Error or Exceptions Identified
Verification of requirements specified under Selection of Nominated Projects and Assets	<p>1.1 The objective of the bond is to primarily use proceeds to refinance a mortgage asset pool with added environmental value, focusing namely on energy efficiency and energy performance. The proceeds will be used to refinance existing mortgage loans from Dutch residential buildings that represent the top 15% in terms of energy performance in the Netherlands, or which have achieved at least a 30% improvement in energy efficiency</p> <p>1.2 The Nominated Projects and Assets meet the Low Carbon Buildings criteria of the Climate Bond Standard.</p> <p>1.3 The Nominated Projects and Assets include an existing mortgage loans portfolio with residential buildings in the Netherlands.</p> <p>1.4 Obvion confirms that the projects shall not be nominated to other Climate Bonds.</p> <p>1.5 Obvion confirms that the net proceeds of the bond shall not be greater than the value of the projects.</p>	None
Verification of requirements specified under Internal Processes and Controls	<p>2.1.1 Obvion confirms that proceeds will be segregated and tracked in a systematic manner and will be exclusively used to finance Nominated Projects.</p> <p>2.1.2 Obvion confirms that the net proceeds from the issuance will be immediately allocated to fund eligible mortgages, and thus there will be no balance of funds to be invested.</p> <p>2.1.3 Obvion has confirmed that the proceeds from the bond will be allocated immediately upon the issuance and therefore no unallocated proceeds will result from the issuance.</p>	None
Verification of requirements specified under Reporting Prior to Issuance	<p>3.1.1 Obvion confirms that the proceeds of the transaction will primarily be used to refinance an existing mortgage loan portfolio with residential buildings in the Netherlands, focusing on namely on energy efficiency and energy performance.</p> <p>3.1.2 Obvion confirms the bond proceeds will be allocated immediately, and therefore no unallocated proceeds will result from the issuance.</p> <p>3.1.3 The bond's offer letter confirms that an approved third-party verifier has been appointed to confirm the bond's conformance with pre-issuance requirements of the Low Carbon Buildings criteria of the Climate Bonds Standard.</p> <p>3.1.4 The bond's offer letter confirms that an approved third-party verifier will conduct post-issuance assurance</p>	3.1.4: No third-party verifier has been appointed yet to conduct the post-issuance assurance exercise. Conducting periodic Assurance Engagements over the term of the bond is

	exercise within a year's time to reaffirm conformance of the bond with the Low Carbon Buildings criteria of the Climate Bonds Standard.	at the discretion of the bond Issuer, as per CBI guidelines.
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The Opinion was drawn up with the aim to explain why the analyzed bond is considered sustainable and responsible. Consequently, this Opinion is for information purposes only and Sustainalytics will not accept any form of liability for the substance of the opinion and/or any liability for damage arising from the use of this Opinion and/or the information provided in it.

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The client is fully responsible for certifying and ensuring its commitments’ compliance, implementation and monitoring.

Sustainalytics

Sustainalytics is a leading independent ESG and corporate governance research, ratings and analytics firm that support investors around the world with the development and implementation of responsible investment strategies. With 13 offices globally, the firm partners with institutional investors who integrate ESG information and assessments into their investment processes. Spanning 30 countries, the world's leading issuers, from multinational corporations to financial institutions to governments, turn to Sustainalytics for second-party opinions on green and sustainable bond frameworks. Sustainalytics has been certified by the Climate Bonds Standard Board as a verifier organization, and supports various stakeholders in the development and verification of their frameworks. Global Capital named Sustainalytics the "Most Impressive Second Party Opinion Provider in 2017". In 2018, the firm was recognized as the "Largest External Reviewer" by the Climate Bonds Initiative as well as Environmental Finance. In addition, Sustainalytics received a Special Mention Sustainable Finance Award in 2018 from The Research Institute for Environmental Finance Japan for its contribution to the growth of the Japanese Green Bond Market.

For more information, visit www.sustainalytics.com

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