

GREEN STORM 2017 OBVION

FRAMEWORK OVERVIEW AND SECOND OPINION BY SUSTAINALYTICS

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1. INTRODUCTION

Obvion N.V. (Obvion), a Dutch mortgage provider and a wholly owned subsidiary of Rabobank¹, has engaged Sustainalytics to review its planned green residential mortgage-backed security (RMBS) issuance (“Green STORM 2017”) and provide an opinion as to its alignment with ICMA’s Green Bond Principles². As part of this engagement, Sustainalytics has held conversations with both Obvion’s treasury team and Rabobank’s sustainability and capital markets structuring teams to understand the use of proceeds, management of proceeds and reporting aspects of this transaction, as well as the sustainability strategy of the Rabobank Group (Obvion’s parent company). Sustainalytics also reviewed relevant public and internal documents to assess the expected impact of Obvion’s Green STORM 2017.

This document contains three sections: Overview of the issuer; Green Bond Framework Overview – summary of Obvion’s framework for the bond; and Sustainalytics’ Opinion – an opinion on the framework.

2. OVERVIEW OF ISSUER – OBVION AND RABOBANK

Obvion, the issuer of Green STORM 2017, is a subsidiary of Rabobank, an international cooperative bank focused on providing financial services in the Netherlands and involved in retail and wholesale banking, and food and agriculture internationally. Rabobank has the largest mortgage-lending business in the Netherlands, which is complemented with a lending portfolio that is directed towards retail customers and corporates. In 2016, Rabobank’s and Obvion’s share of the Dutch mortgage market amounted to 17.3% and 3.2% respectively.

Rabobank has identified responsible finance as a key differentiator and strategic opportunity for the bank. As such, it has implemented numerous initiatives to promote sustainable financial services and products, including impact loans and specialized green financing. The breadth of its offerings is strengthened by a commitment to provide EUR 40 billion in sustainability-related financing by 2020. In addition, Rabobank has a Sustainability Policy Framework³ which includes several responsible investment policies and guidelines with respect to its credit and loan business.

3. FRAMEWORK OVERVIEW

Obvion is planning to issue a green RMBS. The security will be part of Obvion’s residential mortgage securitization program known as STORM, which has about 17.9 billion euros of outstanding securities, and will be structured in line with other transactions in the STORM program (in particular the most recent STORM 2017-I). The aim of the Green STORM 2017 issuance is to refinance a mortgage asset pool with added environmental value, focusing namely on energy efficiency and energy performance. The security will refinance an existing mortgage loans portfolio with residential buildings in the Netherlands that meet the eligibility criteria described below. Furthermore, in alignment with the Green Bond Principles,

¹ Statutory name: Coöperatieve Rabobank U.A.

² “Green Bond Principles, 2016” dated 16 June 2016 issued by the International Capital Market Association (ICMA)

³ <https://www.rabobank.com/en/images/sustainability-policy-framework.pdf>

information on project evaluation and selection process, management of proceeds, and reporting is also documented.

The Green STORM 2017 will be a fully revolving transaction up to the call date (22 April 2022). In this transaction, the available principal will be used to purchase new loans in order to limit amortization, and the notes will be repaid at the call date as a bullet payment. Additional purchase criteria are in place to maintain the credit quality of the underlying pool, and all newly added loans must comply with the eligibility criteria (including the green eligibility criteria defined in Section 3.1 of this document).

3.1 Use of Proceeds

The proceeds of the Green STORM 2017 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, as detailed below. The mortgages to be refinanced reflect a diversified portfolio in terms of geography and building types.

Eligibility Criteria

The selection criteria for inclusion in the mortgage pool of the Green STORM 2017 are based on: (i) construction year, and (ii) Dutch residential Energy Performance Certificates. The Dutch Energy Performance Certificate system is a result of the Dutch government's implementation of the revised 2010 EU Energy Performance of Buildings Directive. Energy Performance Certificates assign a label between "A" and "G" to each property, with "A" representing the best performance.

The eligibility criteria for qualification for GREEN STORM 2017 pool are:

1. New residential buildings (built after 2002⁴) that represent the top 15% in terms of energy performance:

Buildings that have obtained an Energy Performance Certificate (energy label) of "A" or "B" by the Netherlands Enterprise Agency.⁵ Currently, "A" or "B" labeled residential buildings that received their building permit after the year 2000 represent the top 15%⁶ in terms of energy performance in the Dutch residential market.

2. Residential buildings built before 2002 that have achieved at least a 30% improvement in energy performance:

- Buildings that received the highest possible final Energy Performance Certificate ("A") due to the improvements made to the property, or
- Buildings with a definitive⁷ Energy Performance Certificate of "C" or higher that have demonstrated an improvement of two levels in the Energy Performance Certificate. This has been

⁴ Accounting for a two-year building period from the moment of obtaining the building permit.

⁵ Rijksdienst voor Ondernemend Nederland or RVO.

⁶ Specifically, for the Green STORM 2017 transaction, "A" and "B" labels after 2000 represent the top 13.6% of the Dutch residential market.

⁷ Prior to receiving a definitive Energy Performance Certificate, residential buildings are assigned a provisional Certificate. This Certificate provides a performance estimate based on general information such as the type of building, floor area and the year of construction. To acquire a definite Certificate, energy efficiency information will be verified by an expert.

calculated to represent a minimum improvement of 30% in terms of energy efficiency compared to an average home from the same building period.

Therefore, the eligible mortgage pool contains a mix of energy efficient homes and houses that have been refurbished to improve energy performance.

3.2 Project Evaluation and Selection Process

Obvion's database of mortgages has been matched against the external database provided by Calcasa, a Dutch valuation service agency. Calcasa sourced the underlying data with regards to definitive Energy Performance Certificates directly from the the Netherlands Enterprise Agency (RVO). Where definitive Performance Certificates were not available, Calcasa calculated them using the RVO's methodology for determining Dutch residential Energy Performance Certificates.

From the asset pool that has been classified by Energy Performance labels, Obvion has selected mortgages for inclusion in the Green STORM 2017 based on the defined Eligibility Criteria (see section 3.1), in addition to Obvion's usual mortgage loan criteria. For detailed information on the project evaluation and selection process see Appendix A.

To evaluate and select eligible loans, Obvion and Rabobank created a working group that included Obvion's Head of Funding & Balance Sheet Management and members of its Funding & Risk Management team, and Rabobank's Debt Capital Markets (Securitisation & Covered Bonds and Sustainable Markets teams).

3.3 Management of Proceeds

Management

Net proceeds from the issuance of the mortgage-backed notes shall be used to fund eligible mortgages in the portfolio, and thus there will be no balance of funds to be invested. Therefore, only mortgages meeting the eligibility criteria will be backing the Green STORM 2017.

The eligible loans that serve as collateral will be documented, and this information will be checked by an auditor.

Tracking

The total proceeds will be allocated in full at closing to existing eligible loans. Additionally, a third party (Intertrust) will report monthly on the portfolio regarding size, prepayments, defaults, losses, etc. Any new mortgage loans that are added to the transaction due to the revolving structure have to meet the green eligibility criteria as described in the Eligibility Criteria section (see Section 3.1 above). In case any loan fails to comply with the eligibility criteria, it will be purchased back by the seller (Obvion) and substituted by another loan that complies with the criteria.

3.4 Reporting

Allocation Reporting

Due to the nature of the green RMBS, proceeds of the transaction will be 100% allocated upon issuance to refinance the eligible portfolio. The information made available to investors will provide loan by loan data on the underlying pool of eligible assets. As mentioned in Section 3.3, an external party will publish a monthly report providing information regarding the mortgages included in Green STROM 2017, and Obvion will report yearly on the composition of the mortgages in terms of the green eligibility criteria. This information will be available on Bloomberg and well as on the website of the Dutch Securitisation Association.⁸

Impact Reporting

As a part of the requirements for the Climate Bond Standard for Low Carbon Buildings, Obvion appointed a third party to perform a CO₂ calculation study to demonstrate the climate impact of the Green STORM 2017. This estimate is based on a breakdown of the portfolio by Energy Performance Certificate. This report will be included in the investor package and made available to potential investors. The CO₂ calculation is based on the real energy consumption of the properties and uses an assumed emissions intensity of 505 g/kWh for electricity and 1.78 kg/m³ for natural gas.

⁸ www.dutchsecuritisation.nl

4 SUSTAINALYTICS' OPINION

Section 1: Sustainability Performance of the Issuer

Rabobank and Obvion: Strong Sustainability Performers

Based on Sustainalytics' ESG research, Rabobank⁹ is assessed as a leader among its banking peers.¹⁰ Although Rabobank has faced some business ethics issues in recent years, it demonstrates adequate performance on the key issues of responsible finance and financial product governance. Responsible finance refers to practices and strategies employed by banks to integrate sustainability criteria into financial lending and investment decisions. A reorganization of Rabobank in 2016,¹¹ may also have a positive impact for all operations to meet ESG compliance requirements and exercise control of company-wide ESG programmes.

Sustainalytics considers that Rabobank has strong credit and loan standards, strengthened by a list of industries that are excluded from financing for sustainability reasons. Additionally, Rabobank outperforms its peers with regards to financial product governance: the company has implemented strong programmes to integrate customer feedback and market its products and services responsibly. Notably, Rabobank is member of the executive board of the Green Bond Principles.

The bank has an important presence in the Dutch housing and real estate market and has enacted sustainability policies for the real estate sector that aim to promote higher energy efficiency, a circular economy, lower greenhouse gas emissions, and the use of more renewable energy in housing and real estate. Additionally, Rabobank supports Dutch retail customers investing in home improvements to improve energy efficiency, by acting as a co-financer of the Dutch National Energy Saving Fund (Nationaal Energiebespaarfonds). This fund allows home owners to invest in energy-saving measures with favourable conditions. Local Rabobank branches in the Netherlands are also organising *Smart Refurbishment* meetings, where retail customers can meet experts in the field of energy conservation and the generation of sustainable energy. Furthermore, the company is a signatory to the Dutch Energy Agreement for Sustainable Growth.¹²

Obvion (and its legal predecessor) has been investing in the Dutch housing market for over 30 years and, alongside its parent Rabobank, is using its presence in the local market to promote the country's transition towards a sustainable economy. Obvion has also demonstrated a strong commitment to responsible lending through its JobCoach programme, which supports customers having difficulty making their payments with career support.

These activities provide evidence that both Obvion and Rabobank are, in Sustainalytics' opinion, well positioned to issue a green RMBS. In addition, Sustainalytics considers that this issuance will provide a

⁹ As a wholly owned subsidiary of Rabobank, Sustainalytics' assesses Obvion's sustainability performance under its parent.

¹⁰ As of May 2017, Sustainalytics ranks 319 Banks. Rabobank's ESG performance places it amongst sector leaders in the Top 5 companies.

¹¹ Since 2016, all branches act under the central Rabobank umbrella, following the merger of 106 local banks into a single entity.

¹² <http://www.energieakkoordser.nl/energieakkoord.aspx>

positive contribution to the efforts towards improving the environmental impact of the Dutch housing and real estate market.

Well positioned to address common environmental and social risks associated with the projects

The Rabobank Group has a *Sustainability Policy Framework* which includes several responsible investment policies and guidelines with respect to its credit and loan business, communicating the company's stance and due diligence process to avoid potential social and environmental risks stemming from the financed projects. For instance, the group has position papers setting expectations on compliance with human rights issues and animal welfare, and has published several sector statements that serve as a guide for its credit policy. Overall, Sustainalytics considers that these policies and due diligence efforts strengthen the bank's ability to address and mitigate risks in its loan portfolio.

Section 2: Impact of Use of Proceeds

Alignment with the Dutch government's energy efficiency improvement initiatives

The Dutch government has implemented a comprehensive Energy Policy, with an important focus on saving energy in homes and other buildings¹³. In 2013, after extensive consultations with stakeholders, the Netherlands issued its Energy Agreement for Sustainable Growth, a roadmap towards ensuring a sustainable, long-term energy supply for the country. Alongside commitments by industry, the plan also highlighted that the energy efficiency of residential buildings was key to ensuring a successful execution of the Agreement and, more broadly, the shift to a sustainable economy. As part of this policy framework, the Dutch government also made mandatory the energy labelling for all privately owned and rented homes, indicating the level of energy efficiency and raising awareness of energy consumption. Furthermore, the government and other Dutch stakeholders have implemented stricter energy efficiency requirements for new homes, striving for "zero-energy by 2020"¹⁴. Considering this local context and the clear policy directives established by the Dutch government, Sustainalytics is of the opinion that the asset selection criteria defined by Obvion is aligned with the Dutch government's initiatives to improve energy efficiency in the housing sector and contribute to the overall efforts to achieve commitments. The assets selected represent the top 15% in terms of energy ratings ("A" and "B" ratings), or demonstrate a significant improvement in performance over time.

Climate Bonds Initiative Certification

Obvion's Green STORM 2017 has received certification under the Climate Bond Standard, as it is in alignment with the Climate Bonds Initiative Residential Property Eligibility Criteria and Guidelines.¹⁵

Adjustments in comparison to Obvion's Green STORM 2016

Obvion issued a Green STORM in 2016 using an approach similar to the one defined in this framework. In comparison to 2016, Obvion has selected a new eligible pool of assets in line with updated Energy

¹³ <https://www.government.nl/topics/energy-policy/contents/saving-energy>

¹⁴ This means that new homes must generate almost as much energy as they consume by 2020. To achieve this aim, the energy performance coefficient (EPC) will be reduced gradually.

¹⁵ <https://www.climatebonds.net/standards/certification>

Performance Certificates data from Calcasa. Furthermore, Obvion's Green STORM 2017 will be a fully revolving transaction up to the call date (like all STORM transactions of Obvion since September 2016, but unlike Green STORM 2016).

Alignment with the Green Bond Principles

Sustainalytics has determined that the Obvion's Green STORM 2017 aligns to the four pillars of the Green Bond Principles 2016. For detailed information please refer to Appendix B: Green Bond External Review Form.

Conclusion

Obvion's Green STORM 2017 will refinance existing mortgage loans from Dutch residential buildings within the top 15% in terms of energy performance in the Netherlands, or with at least 30% energy efficiency improvement. The security will be part of Obvion's residential mortgage securitization program known as STORM. Given the established process to select eligible mortgages, deriving energy performance information from credible third parties, Sustainalytics is confident that the refinanced loans will adhere to the eligibility criteria. The information made available to (potential) investors will be transparent and detailed by providing loan-by-loan data on the underlying pool of eligible assets. In Sustainalytics' opinion, Obvion's Green STORM 2017 is in alignment with the Green Bond Principles' four components: the use of proceeds, project evaluation and selection process, management of proceeds and reporting. Furthermore, Obvion's Green STORM 2017 has been certified under the Climate Bonds Standard. Overall, Sustainalytics is of the opinion that Obvion's Green STORM 2017 is credible and transparent.

APPENDICES

Appendix A: Green STORM 2017 - Portfolio evaluation and selection process

This appendix describes the methodology that Obvion applies to select energy efficient mortgage loans for its green RMBS programme in line with the Climate Bond Principles: (i) a selection of Dutch residential properties within the top 15% in terms of energy efficiency, and (ii) a selection of improved (refurbished) properties with at least 30% energy efficiency improvement.

Dutch Energy Performance Certificate (EPC) methodology – newly built houses

The analysis is based on the latest calculation methodology version 1.2 of the Dutch residential Energy Performance Certificates (EPC) presented in the official Energy Performance Certificate calculation documents and tables and the Dutch Buildings Directive “*Bouwbesluit*” which sets the Dutch Energy Performance Coefficient requirements, and is in line with the European Buildings Directive. EPC is the minimum environmental standard for newly built residential buildings and ranks houses based on their environmental impact with A being the best and G being the worst category. See Figure 1 and 2 for the energy labels per building period and the number of corresponding properties in each category.

	WONINGTYPE (C)	BOUWPERIODE (J)										
		T/M 1945	1946-1964	1965-1974	1975-1982	1983-1987	1988-1991	1992-1999	2000-2005	2006-2013	2014 en later	
		J1	J2	J3	J4	J5	J6	J7	J8	J9	J10	
C1	Vrijstaande woning	G	F	D	C	C	B	B	B	A	A	
C2	Twee / één kapwoning	G	F	D	C	C	C	B	B	A	A	
C3	Rijwoning hoek	G	F	D	C	C	C	B	B	A	A	
C4	Rijwoning tussen	F	E	C	C	C	C	B	A	A	A	
C5	Meergezinswoning	Flat/appartement*	G	E	E	B	C	C	C	B	A	A
C6		Maisonnette**	F	E	C	B	C	C	A	A	A	A

Figure 1. Schematic overview of Energy Performance Certificates based on building period and housing type by RVO, methodology version 1.2

	WONINGTYPE (C)	BOUWPERIODE (J)									
		T/M 1945	1946-1964	1965-1974	1975-1982	1983-1987	1988-1991	1992-1999	2000-2005	2006-2013	2014 en later
		J1	J2	J3	J4	J5	J6	J7	J8	J9	J10*
C1	Vrijstaande woning	266,686	114,103	101,304	93,179	37,169	51,196	136,005	57,583	49,677	143,895
C2	Twee / één kapwoning	167,147	121,531	131,203	75,619	43,613	65,687	139,302	53,339	51,309	
C3	Rijwoning hoek	169,568	186,619	254,999	165,939	64,576	51,832	74,496	44,650	33,111	
C4	Rijwoning tussen	350,674	304,247	437,978	326,243	176,446	93,667	173,296	97,802	101,400	
C5	Flat/appartement	310,048	386,856	437,485	210,740	172,402	80,479	197,612	154,540	191,249	
C6	Maisonnette	87,875	7,777	7,095	13,504	4,221	1,626	3,734	1,496	7,419	
		1,351,998	1,121,133	1,370,064	885,224	498,427	344,487	724,445	409,410	434,165	143,895
		18.6%	15.4%	18.8%	12.2%	6.8%	4.7%	9.9%	5.6%	6.0%	2.0%

* New buildings between 01-01-2014 and 31-12-2016 (Source: CBS)

Figure 2. Division of Energy Performance Certificates based on number of houses according to WoON2012 until J9. For J10 Obvion determined the number of new built houses

Dutch Energy Index (EI) methodology – existing houses

While EPC considers newly built properties, Energy Index (EI) is the measure that is used to express energy efficiency for existing properties and is based on the norm NEN7120+NV since 2015. NEN7120+NV is an improvement of the old norm ISSO 82.3 that was used until 2015. According to the Second Opinion Inijking Energielabels¹ is the new norm equal to the old norm in complexity. The most important difference is that the old norm is based on the original construction quality of the houses, while the new norm takes into

account the fact that many people did the most obvious energy improvements over the past years (e.g. double glazing). Consequently, under the new norm, older houses have on average a higher EPC/EI. By using the new norm the selection for refurbished houses will be stricter because the initial EPC/EI is higher and therefore a refurbished property will need to improve to a higher EPC in order to be eligible. In other words, the selected properties will have a 30% *additional* energy efficiency improvement compared to an average home from the same building period.

Identification of top 15% most energy efficient houses

The EPCs rank houses based on their environmental impact with A being the best and G being the worst category. The Energy Performance Coefficient norm has become more stringent from 1996 onwards by lowering the Energy Performance Coefficient norm for all newly builds (Table 1)

Date in Dutch Building Directive	Energy Performance Coefficient required for a building permit
1-1-1996	1.4
1-1-1998	1.2
1-1-2000	1.0
1-1-2006	0.8
1-1-2011	0.6
1-1-2015 (current norm)	0.4

Table 1. Historic Energy Performance Coefficients per start date in the Dutch Building Directive

To identify a portfolio consisting of the top 15% most energy efficient properties, all houses with an A or B label that were built from 2000 onwards (Energy Performance Coefficient ≤ 1.0) can be considered as a greener selection than properties that were constructed before 2000. Properties with A and B labels that were built after 2000 constitute the top 13.6% of the Dutch housing market and therefore remains well within the top 15%. A more graphical display of the selection is shown in the red square in Figure 3 below.

	WONINGTYPE (C)	BOUWPERIODE (J)									
		T/M 1945	1946-1964	1965-1974	1975-1982	1983-1987	1988-1991	1992-1999	2000-2005	2006-2013	2014 en later
		J1	J2	J3	J4	J5	J6	J7	J8	J9	J10
C1	Vrijstaande woning	G	F	D	C	C	B	B	B	A	A
C2	Twee / één kapwoning	G	F	D	C	C	C	B	B	A	A
C3	Rijwoning hoek	G	F	D	C	C	C	B	B	A	A
C4	Rijwoning tussen	F	E	C	C	C	C	B	A	A	A
C5	Meergezinswoning	G	E	E	B	C	C	C	B	A	A
	Flat/appartement*										
C6	Maisonnette**	F	E	C	B	C	C	A	A	A	A

Figure 3. Selection of houses with A and B labels that were built after 2000 constitute the top 13.6% of the Dutch housing

Identification of refurbished houses with at least 30% energy efficiency improvement

Although the most efficient A and B label properties represent the best-in-class properties in terms of energy efficiency, home improvements (refurbishments) of older properties are another important contributor to energy savings within the housing market. Therefore it is important that the selection also include these older refurbished properties that have improved their Energy Performance Certificate. According to the Climate Bond Standard, properties that have realised at least 30% improvement in energy performance qualify for the standard. Figure 4 quantifies the improvements and shows that improvement of the Energy Index of at least 30% is equal to an increase of 2 notches in EPC (with a

minimum of C label). Improvements to definitive label A are considered eligible in any case since this would be an improvement to the best possible energy certificate.

		TO					
EPC		A	B	C	D	E	
EI		0.6	1.2	1.4	1.8	2.1	
FROM	C	1.4	-57%	-14%			
	D	1.8	-67%	-33%	-22%		
	E	2.1	-71%	-43%	-33%	-14%	
	F	2.4	-75%	-50%	-42%	-25%	-13%
	G	2.7	-78%	-56%	-48%	-33%	-22%

Figure 4. Change in Energy Index (EI) and from the original EPC (rows) to the improved EPC (column). A lower Energy Index represents an improvement. The lower boundary of the EI was used. EI Values according to NEN 7120+NV.

Matching Obvion's mortgage loans with EPC-data

In order to identify the current Energy Performance Certificates of Obvion's mortgage pool, Obvion matched all postal codes and addresses of the residential buildings that serve as collateral to the mortgage loans with externally provided EPC data. The data was provided by real estate dataprovider Calcasa. The original source of the data is the Netherlands Enterprise Agency "Rijksdienst voor Ondernemend Nederland" (RVO) and contains both provisional and definitive Energy Performance Certificates. In case the definitive EPCs were not available the label was calculated by Calcasa based on the official EPC methodology version 1.2. Every house in the Netherlands has received a provisional EPC based on property characteristics such as construction year and property type (see Figure 1). Home owners are required to register a definitive EPC before the relevant property is sold or can register it on their own initiative. A definitive EPC has been audited by an expert; the expert does not visit the property in all cases but verifies the evidence provided by the home owner (such as pictures or invoices). Using definitive EPCs increases the certainty of selecting mortgages that have actually been improved by a minimum of 30%.

Obvion's green pool selection

Based on the analysis on page 10 and 11, Obvion selected mortgage loans connected to buildings with an A label or B label with a construction year from 2002 onwards. Because the Energy Performance Coefficient norm change in the year 2000 applies to the date of the building permit (as opposed to the actual date of building completion), Obvion only selected those A and B labels with a construction date from 2002 onwards in order to account for a building period of at least 2 years.

Additionally Obvion selected older houses that have improved (refurbished) their energy efficiency to at least a definitive label A and those houses that have improved by at least two notches from the original EPC as per Figure 1 to the definitive Energy Performance Certificate B or C (as a proxy for at least 30% improvement of energy efficiency) provided by the RVO database, both according to norm NEN7120+NV. In order to establish the energy efficiency improvement, Obvion has determined the original EPC of every house in the mortgage portfolio by means of the building period and the housing type as per the Figure 1. Since Obvion's housing type data does not 1-on-1 match with the classifications used by the RVO, this

was approached conservatively by classifying the properties in either an apartment (C5) or detached house (C1), and all other residential buildings as terraced houses (C4).

The above selection methodology leads to a total eligible provisional pool of assets for Obvion's Green RMBS. Obvion will randomly select a final pool from the provisional pool to match the final transaction size. The proceeds of the transaction will be used to refinance these existing mortgage loans.

Appendix B: Green Bond External Review Form

Green Bond External Review Form

Section 1. Basic Information

Issuer name: Obvion N.V.

Green Bond ISIN or Issuer Green Bond Framework Name, if applicable: Obvion Green STORM 2017

Review provider's name: Sustainalytics

Completion date of this form: May 10th, 2017

Publication date of review publication: May 10th, 2017

Section 2. Review overview

SCOPE OF REVIEW

The review assessed the following elements and confirmed their alignment with the GBPs:

- | | |
|--|--|
| <input checked="" type="checkbox"/> Use of Proceeds | <input checked="" type="checkbox"/> Process for Project Evaluation and Selection |
| <input checked="" type="checkbox"/> Management of Proceeds | <input checked="" type="checkbox"/> Reporting |

ROLE(S) OF REVIEW PROVIDER

- | | |
|---|--|
| <input checked="" type="checkbox"/> Consultancy (incl. 2 nd opinion) | <input type="checkbox"/> Certification |
| <input checked="" type="checkbox"/> Verification | <input type="checkbox"/> Rating |
| <input type="checkbox"/> Other (<i>please specify</i>): | |

EXECUTIVE SUMMARY OF REVIEW and/or LINK TO FULL REVIEW (*if applicable*)

Please refer to Obvion's Green STORM 2017 Framework and Second Opinion Document above.

Section 3. Detailed review

1. USE OF PROCEEDS

Overall comment on section (if applicable):

The security will be part of Obvion's residential mortgage securitization program known as STORM. The proceeds of the Green STORM 2017 will be used to refinance existing mortgage loans from Dutch residential buildings with added environmental value and in line with requirements under the Low Carbon Buildings criteria of the Climate Bonds Standard, namely: (i) Dutch residential properties within the top 15% in terms of energy performance in the country, and (ii) improved (refurbished) properties with at least 30% energy efficiency improvement. Energy efficiency is also one of the categories recognized by the Green Bond Principles as addressing key areas of environmental concern. Overall, Sustainalytics considers that this issuance will provide a positive contribution to the efforts of the Dutch government, Obvion and Rabobank to improve the environmental impact of the Dutch housing and real estate market, by targeting the finance of energy efficient assets and therefore reducing GHG emissions.

Use of proceeds categories as per GBP:

- | | |
|--|---|
| <input type="checkbox"/> Renewable energy | <input checked="" type="checkbox"/> Energy efficiency |
| <input type="checkbox"/> Pollution prevention and control | <input type="checkbox"/> Sustainable management of living natural resources |
| <input type="checkbox"/> Terrestrial and aquatic biodiversity conservation | <input type="checkbox"/> Clean transportation |
| <input type="checkbox"/> Sustainable water management | <input type="checkbox"/> Climate change adaptation |
| <input type="checkbox"/> Eco-efficient products, production technologies and processes | <input type="checkbox"/> Other (please specify): |
| <input type="checkbox"/> Unknown at issuance but currently expected to conform with GBP categories, or other eligible areas not yet stated in GBPs | |

2. PROCESS FOR PROJECT EVALUATION AND SELECTION

Overall comment on section (if applicable):

Obvion has outlined a clear decision-making process for the project selection and evaluation process involving teams both from Obvion and Rabobank. Eligible projects must adhere to specific eligibility criteria that is matched against an external database provided by Calcasa, a Dutch valuation service agency that sources the underlying data with regards to definitive Energy Performance Certificates directly from the the Netherlands Enterprise Agency (RVO). This ensures that the process to select an eligible pool of assets is credible. Obvion will randomly select a final pool from the provisional pool to

match the final transaction size. Sustainalytics is of the opinion that this selection process for eligible assets is transparent, and ensures that the refinanced loans adhere to the eligibility criteria.

Evaluation and selection

- | | |
|--|---|
| <input checked="" type="checkbox"/> Defined and transparent criteria for projects eligible for Green Bond proceeds | <input checked="" type="checkbox"/> Documented process to determine that projects fit within defined categories |
| <input checked="" type="checkbox"/> Summary criteria for project evaluation and selection publicly available | <input type="checkbox"/> Other (<i>please specify</i>): |

Information on Responsibilities and Accountability

- | | |
|---|---|
| <input type="checkbox"/> Evaluation / Selection criteria subject to external advice or verification | <input checked="" type="checkbox"/> In-house assessment |
| <input type="checkbox"/> Other (<i>please specify</i>): | |

3. MANAGEMENT OF PROCEEDS

Overall comment on section (*if applicable*):

The net proceeds from the issuance will be immediately allocated to fund eligible mortgages. These mortgages will be documented, and a third party will provide a monthly update regarding the portfolio's size, prepayments, defaults, losses, etc. Sustainalytics considers this process to be robust and transparent.

Tracking of proceeds:

- | |
|--|
| <input checked="" type="checkbox"/> Green Bond proceeds segregated or tracked by the issuer in a systematic manner |
| <input type="checkbox"/> Disclosure of intended types of temporary investment instruments for unallocated proceeds |
| <input type="checkbox"/> Other (<i>please specify</i>): |

Additional disclosure:

- | | |
|--|---|
| <input type="checkbox"/> Allocations to future investments only | <input checked="" type="checkbox"/> Allocations to both existing and future investments |
| <input type="checkbox"/> Allocation to individual disbursements | <input checked="" type="checkbox"/> Allocation to a portfolio of disbursements |
| <input type="checkbox"/> Disclosure of portfolio balance of unallocated proceeds | <input type="checkbox"/> Other (<i>please specify</i>): |

4. REPORTING

Overall comment on section (if applicable):

Allocation reporting

A third party will publish a monthly report providing insights into the mortgages included in the Green STORM 2017 portfolio, namely the ones that will be added over time and refinanced using the term. This information will be available on Bloomberg and well as on the website of the Dutch Securitisation Association.

Impact reporting

As a part of the requirements for the Climate Bond Standard for Low Carbon Buildings, Obvion appointed a third party to perform a CO₂ calculation study to demonstrate the climate impact of the Green STORM 2017. This report will be included in the investor package and made available to potential investors.

Sustainalytics considers Obvion's allocation and impact reporting to be strong and to provide sufficient transparency in terms of impact.

Use of proceeds reporting:

- | | |
|--|---|
| <input checked="" type="checkbox"/> Project-by-project | <input type="checkbox"/> On a project portfolio basis |
| <input type="checkbox"/> Linkage to individual bond(s) | <input type="checkbox"/> Other (please specify): |

Information reported:

- | | |
|---|--|
| <input checked="" type="checkbox"/> Allocated amounts | <input type="checkbox"/> GB financed share of total investment |
| <input type="checkbox"/> Other (please specify): | |

Frequency:

- | | |
|---|--------------------------------------|
| <input type="checkbox"/> Annual | <input type="checkbox"/> Semi-annual |
| <input checked="" type="checkbox"/> Other (please specify): Monthly | |

Impact reporting:

- | | |
|--|--|
| <input type="checkbox"/> Project-by-project | <input checked="" type="checkbox"/> On a project portfolio basis |
| <input type="checkbox"/> Linkage to individual bond(s) | <input type="checkbox"/> Other (please specify): |

Frequency:

- | | |
|---------------------------------|--------------------------------------|
| <input type="checkbox"/> Annual | <input type="checkbox"/> Semi-annual |
|---------------------------------|--------------------------------------|

Other (please specify): At the time of the transaction

Information reported (expected or ex-post):

- GHG Emissions / Savings
- Energy Savings
- Other ESG indicators (please specify):

Means of Disclosure

- Information published in financial report
- Information published in sustainability report
- Information published in ad hoc documents
- Other (please specify):
- Reporting reviewed (if yes, please specify which parts of the reporting are subject to external review):

Where appropriate, please specify name and date of publication in the useful links section.

USEFUL LINKS (e.g. to review provider methodology or credentials, to issuer’s documentation, etc.)

SPECIFY OTHER EXTERNAL REVIEWS AVAILABLE, IF APPROPRIATE

Type(s) of Review provided:

- Consultancy (incl. 2nd opinion)
- Certification
- Verification / Audit
- Rating
- Other (please specify):

Review provider(s):

Climate Bonds Initiative

Date of publication:

ABOUT ROLE(S) OF REVIEW PROVIDERS AS DEFINED BY THE GBP

- (i) Consultant Review: An issuer can seek advice from consultants and/or institutions with recognized expertise in environmental sustainability or other aspects of the issuance of a Green Bond, such as the establishment/review of an issuer’s Green Bond framework. “Second opinions” may fall into this category.
- (ii) Verification: An issuer can have its Green Bond, associated Green Bond framework, or underlying assets independently verified by qualified parties, such as auditors. In contrast to certification, verification may focus on alignment with internal standards or claims made by the issuer. Evaluation of the environmentally sustainable features of underlying assets may be termed verification and may reference external criteria.

- (iii) Certification: An issuer can have its Green Bond or associated Green Bond framework or Use of Proceeds certified against an external green assessment standard. An assessment standard defines criteria, and alignment with such criteria is tested by qualified third parties / certifiers.
- (iv) Rating: An issuer can have its Green Bond or associated Green Bond framework rated by qualified third parties, such as specialised research providers or rating agencies. Green Bond ratings are separate from an issuer's ESG rating as they typically apply to individual securities or Green Bond frameworks / programmes.

SUSTAINALYTICS

Sustainalytics is an independent ESG and corporate governance research, ratings and analysis firm supporting investors around the world with the development and implementation of responsible investment strategies. With 13 offices globally, Sustainalytics partners with institutional investors who integrate environmental, social and governance information and assessments into their investment processes. Today, the firm has more than 300 staff members, including 170 analysts with varied multidisciplinary expertise of more than 40 sectors. Through the IRRI survey, investors selected Sustainalytics as the best independent responsible investment research firm for three consecutive years, 2012 through 2014 and in 2015, Sustainalytics was named among the top three firms for both ESG and Corporate Governance research. The firm was also named the Best SRI or Green Bond Research Firm by Global Capital in 2015. For more information, visit www.sustainalytics.com

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