ABN AMRO Covered Bond Company B.V.

Financial statements 2020

Amsterdam, the Netherlands

ABN AMRO Covered Bond Company B.V.
Prins Bernhardplein 200
1097 JB Amsterdam
The Netherlands
Chamber of Commerce: 34229351

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1 Director's report

The Director herewith presents to the shareholder the Annual Report of ABN AMRO Covered Company B.V. (the "Company") for the year 2020.

1.1 Activities and results

1.1.1 General

The Company was incorporated on 4 July 2005. The shares of the Company are held by Stichting Holding ABN AMRO Covered Bond Company. The main objective of the Company is to grant security for the Company's obligations and debts and for the obligations and debts of third parties, including ABN AMRO Bank N.V.; in conformity with the Covered Bonds programme, which is established by ABN AMRO Bank N.V. The covered bonds issued by ABN AMRO Bank NV. (hereafter the 'Issuer') are secured by a portfolio of mortgage loans. At 31 December 2020 the Issuer had issued covered bonds for an amount of EUR 30.2 billion, secured by a portfolio of mortgage loans amounting approximately EUR 38.5 billion. A complete description of the transaction is included in the Base Prospectus dated 21 August 2020 which is publically available, although the Prospectus does not form a part of this Annual Report.

The Company does not engage in Research & Development and thus no relating expenses are recorded.

The Company does not employ any personnel.

The managing director is not a natural person, but a corporate director. The managing director is responsible for establishing and maintaining adequate internal control over financial reporting. The managing director is also responsible for the preparation and fair presentation of the financial statements.

During the period under review, activities and results of the Company developed in line with expectations. Each month an Asset Cover Test was performed which results were 'pass' during the period under review.

Ernst & Young Accountants LLP (EY) has been appointed as the external auditor.

1.1.2 Financial risk management

The main financial risks the Company is exposed to are credit and concentration risk, interest rate risk and liquidity risk. These risks relate to the Mortgage Loans as collateral.

Credit and concentration risk
As a company that solely invests in residential mortgage loans in the Netherlands, the Company has significant exposure to credit and concentration risks associated with the Dutch housing market.

Credit risk is mainly related to the economic conditions and the risk that individual borrowers might be unable to fulfil their payment obligations. However, these risks are mitigated because each loan is collateralised by the related property, and the loan portfolio is well spread over a large number of individual loans, a variety of mortgage types and collateral that is located in different geographical areas. If a borrower defaults and the Company forecloses on the property, the Company is entitled to all proceeds of the sale of the related property. If the proceeds from the sale of the property are insufficient to repay the outstanding principal amount of the loan, the Company could record a loss in this respect though, ultimately, such losses will very likely be borne by the Company's creditors that are also a party to the transaction.

Consequently, not only the creditworthiness of the borrower can be recognised as a risk but also the general economic conditions and the housing market in particular have an impact on the probability of a loss. At the same time, please note that, in principle, the Company itself is not exposed to credit risk due to the limited recourse nature of the issued Covered Bonds at year-end as the Covered Bondholder bears the credit risk of assets.

Notwithstanding the effects of the worldwide outbreak of the COVID-19 virus, the Dutch housing market continued the trend of recent years of significant growth. During the last quarter of 2020, prices increased by more than 11%, as compared to the previous period, according to the NVM although the CBS estimates the rise at 8.3%. The number of transactions was also up, by around 3.7%. Regional differences continue, as do developments in different classes of dwellings, but increases applied to almost the entire sector.

The market is likely to be under pressure in 2021 from a shortage in the supply of dwellings, both in terms of existing and newly built housing. Whilst the consequences of COVID-19 are very unpredictable, DNB expects house prices to increase by 1-2% in 2021-2022 in its 'most likely scenario'. The expectations are very much contingent on developments in unemployment levels, but low interest rates are expected to continue for some time.

This, coupled with the recent years of significant price increases, means that the Company still expects to be relatively well placed as regards to providing for security for the Company's obligations, taking into account the expected loss ratios on the Mortgage Portfolio. The gap between loan levels and the value of collateral is generally still relatively favourable. Whilst this has the effect of reducing the Company's exposure to credit risk, it does not eliminate it. The Director is aware of the potential volatility in macro-economic developments and the housing market in particular, and of the dangers it can bring with it.

The Company only has exposure to credit risk, which is the risk that the Borrowers will be unable to pay amounts in full when due, when a downgrade of ABN AMRO Bank N.V. occurs. Until that moment all risks and rewards associated with the assets are retained by ABN AMRO Bank.

Interest rate risk

The Company is exposed to various risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. Currently, there is an appreciable gap between the interest attracted on the underlying Mortgage Portfolio on the one hand and the covered bonds on the other hand. This situation is not expected to change appreciably in the coming years. The interest rate risk within the covered bond structure is now mainly mitigated via an interest reserve fund. Additionally there is a minimum interest rate of 1.5% for eligible mortgages in the cover pool. As both the mortgages and the covered bonds are mainly fixed rate, there is a natural hedging within the covered bond structure.

Liquidity risk

Matching maturities and assets and liaibilities and related cash flows is fundamental to the management of the Company. This risk is addressed and mitigated by various credit enhancements granted by the issuer.

In view of the above factors, the Company's risk appetite is considered to be low.

1.2 Future outlook

This section is largely based on data and expectations presented by De Nederlandse Bank ("DNB"), the Central Bureau of Statistics ("CBS") and the Dutch association of real estate agents ("NVM"). The prediction of future trends and the quantification of developments is inherently a difficult task, full of uncertainties. With the effects of COVID-19 still very much unclear, this has become even more difficult. All economic data relevant to the Company, historic or prospective, is or will be significantly influenced by COVID-19 developments. DNB has published three possible scenarios for its expectations to illustrate the vast gap that the uncertainties surrounding COVID-19 has created.

The outlook presented below is based on the DNB's 'most likely scenario' but occasionally the 'best-case scenario' and 'worst-case scenario' expectations are also quoted to underline the range of possibilities. In addition, developments surrounding COVID-19 are very dynamic and can change on an almost daily basis. The calculation of economic indicators and predictions will inevitably lag behind events and some of the information available may not be completely up to date with developments.

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

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

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

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

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

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

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

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

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

As always, regional variations and differences in the various price sectors continued in 2020. The overall shortage of housing, particularly for starters, is getting more severe as targets for the building of new dwellings are inadequate or not met. DNB expects house prices to increase by 1-2% in 2021-2022 in its 'most likely scenario'. The expectations are very much contingent on developments in unemployment levels, but low interest rates and housing shortages are expected to continue for some time.

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

It is important to reiterate that the Company was incorporated specifically for its role in a structured finance transaction and is governed by the terms and conditions of the Prospectus and other Transaction Documents. These are drawn up, inter alia, to foresee all possible future economic conditions, including those caused by COVID-19. At this stage, it seems likely that the outbreak will result in an increased level of losses of both interest and principal on on the underlying Mortgage Portfolio.

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

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

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

Personnel
As all operational activities are performed by external parties, the Company does not have any personnel.

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

Amsterdam, 28 May 2021

Managing director
Intertrust Management B.V.

2 Financial statements

2.1 Balance sheet as at 31 December 2020

(after appropriation of result)

	Notes	December 31, 2020		December 31, 2019	
			EUR		EUR
ASSETS					
Current assets	*2.4.1*				
Prepaid expenses and other receivables			25,977		26,015
Cash and cash equivalents	*2.4.2*				
Issuer Dutch Account			20,038		370,020,004
			46,015		370,046,019
SHAREHOLDER'S EQUITY AND LIABILITIES					
Shareholder's equity					
Share capital	*2.4.3*		20,000		20,000
Current liabilities	*2.4.4*				
Loan		-		370,000,000	
Accrued expenses and other liabilities		26,015		26,019	
			26,015		370,026,019
			46,015		370,046,019

2.2 Statement of income and expenses for the period 1 January 2020 until 31 December 2020

	Year 2020		Year 2019	
	EUR	**EUR**	**EUR**	**EUR**
Income				
Guarantee fee	15.000		15.000	
Reimbursed expenses	30.112		30.112	
		45.112		45.112
Operating expenses				
Administration fee	4.000		4.000	
Auditor fee	26.015		26.015	
		30.015		30.015
		15.097		15.097
Financial income and expenses				
Interest expenses	(97)		(97)	
		(97)		(97)
Income before taxation		15.000		15.000
Corporate tax		2.475		2.850
Net result		12.525		12.150

2.3 General notes to the financial statements

2.3.1 General information

ABN AMRO Covered Bond Company B.V., (the "Company" or the "CBC") was incorporated as a private company with limited liability under the laws of the Netherlands on 4 July 2005. The Company is registered under registration number 34229351 at the Chamber of Commerce of Amsterdam. The registered office of the Company is at Prins Bernhardplein 200 in Amsterdam, the Netherlands.

The objectives of the Company are:

a. to obtain, to hold, to transfer, encumber and otherwise dispose of assets, including claims on private persons, enterprises and public authorities, whether or not embodied in securities or bonds and to exercise all accessory and ancillary rights connected thereto;

b. to raise funds through, inter alia, borrowing under loan agreements, entering into financial derivatives or otherwise and to invest and put out funds obtained by the Company in, inter alia, (interests in) loans, bonds, debt instruments and other evidences of indebtedness, shares, warrants and other similar securities and also financial derivatives;

c. to grant security for the Company's obligations and debts and for the obligations and debts of third parties, including ABN AMRO Bank N.V.;

d. to enter into agreements, including, but not limited to, financial derivatives such as interest and/or currency exchange agreements, in connection with the objects mentioned under (a), (b) and (c);

e. to enter into agreements, including, but not limited to, bank, securities and cash administration agreements, asset management agreements and agreements creating security in connection with the objects mentioned under (a), (b), (c) and (d) above, everything in conformity with Covered Bonds Programs, which by the public Company ABN AMRO Bank N.V., with statutory seat at Amsterdam, are or will be established.

2.3.2 Transaction structure, management and related parties

The covered bonds issued by ABN AMRO Bank N.V. are secured by a portfolio of mortgage loans. In the event that the issuer ("ABN AMRO Bank N.V.") cannot meet its payment obligations on the covered bonds or after a significant downgrade of the issuer's rating, cashflows start running through the Company. The principal and interest payments of the mortgage portfolio will be used by the Company to meet its principal and interest payment obligations on the covered bonds. For non-euro covered bonds, ABN AMRO Bank N.V. has swapped the fixed rate interest obligations to floating rate interest obligations via an interest rate and cross-currency swap.

The structure of the covered bond programme can be described as follows:

The Company guarantees the Covered Bonds issued by ABN AMRO Bank N.V. through a Guarantee Support Agreement. The guarantee is secured by residential mortgage loans transferred to the Company by the Originators via silent assignment (stille cessie). Other assets may be included subject to contractual conditions. This means that legal title of the mortgage loans will be transferred to the Company by registration of a duly executed deed of assignement with the Dutch Tax Authority (Belastingdienst), without notification to the borrowers. The Company has granted a first ranking right of pledge over the Company rights to Stichting Trustee ABN AMRO Covered Bond Company. The exercise of the pledge is subject to certain terms and conditions. Not meeting the Company's obligations to certain secured parties, including the Covered Bond holders, can lead to exercising the right of pledge by Stichting Trustee ABN AMRO Covered Bond Company. ABN AMRO BANK N.V. and subsidiaries are considered related parties.ABN AMRO Bank N.V. continues to receive all cash flows until notification to the Borrowers occurs following the occurrence of a Notification Event. Borrowers may be notified of the assignment and cash flows start running through the Company following a default of the issuer on its obligations under the Covered Bonds or a significant downgrade of the issuer's ratings.

Programme

The net amount outstanding of the issued Bonds at year-end is EUR 30.2 billion (previous year: EUR 30.6 billion) against a portfolio of mortgage loans totalling EUR 38.5 billion (previous year: EUR 37.2 billion).

The long term rating for ABN AMRO Bank N.V. is

Fitch	"A"	negative outlook	26 October 2020
Moody's	"A1"	stable outlook	22 January 2021

Management
Intertrust Management B.V. manages the Company and ABN AMRO Hypotheken Groep B.V. handles the cash management, statutory accounting and Investment Reporting. Intertrust Management B.V. is not related to ABN AMRO Hypotheken Groep B.V. in any way.

The Company has an authorized share capital of EUR 20.000 of which all shares have been issued and fully paid-up.
The Stichting Holding ABN AMRO Covered Bond Company holds all shares.

Stichting Holding ABN AMRO Covered Bond Company is a foundation incorporated under the laws of the Netherlands on 10 June 2005. The objectives of Stichting Holding ABN AMRO Covered Bond Company are to incorporate, acquire and to hold shares of the Company and to exercise all rights attached to such shares and to dispose and encumber such shares.
Intertrust Management B.V. is the director of Stichting Holding ABN AMRO Covered Bond Company.

2.3.3 Financial risk management

The main financial risks the Company is exposed to are credit and concentration risk, interest rate risk and liquidity risk. These risks relate to the Mortgage Loans as collateral.

Credit and concentration risk
As a company that solely invests in residential mortgage loans in the Netherlands, the Company has significant exposure to credit and concentration risks associated with the Dutch housing market.

Credit risk is mainly related to the economic conditions and the risk that individual borrowers might be unable to fulfil their payment obligations. However, these risks are mitigated because each loan is collateralised by the related property, and the loan portfolio is well spread over a large number of individual loans, a variety of mortgage types and collateral that is located in different geographical areas. If a borrower defaults and the Company forecloses on the property, the Company is entitled to all proceeds of the sale of the related property. If the proceeds from the sale of the property are insufficient to repay the outstanding principal amount of the loan, the Company could record a loss in this respect though, ultimately, such losses will very likely be borne by the Company's creditors that are also a party to the transaction.

Consequently, not only the creditworthiness of the borrower can be recognised as a risk but also the general economic conditions and the housing market in particular have an impact on the probability of a loss.

Notwithstanding the effects of the worldwide outbreak of the COVID-19 virus, the Dutch housing market continued the trend of recent years of significant growth. During the last quarter of 2020, prices increased by more than 11%, as compared to the previous period, according to the NVM although the CBS estimates the rise at 8.3%. The number of transactions was also up, by around 3.7%. Regional differences continue, as do developments in different classes of dwellings, but increases applied to almost the entire sector.

The market is likely to be under pressure in 2021 from a shortage in the supply of dwellings, both in terms of existing and newly built housing. Whilst the consequences of COVID-19 are very unpredictable, DNB expects house prices to increase by 1-2% in 2021-2022 in its 'most likely scenario'. The expectations are very much contingent on developments in unemployment levels, but low interest rates are expected to continue for some time.

This, coupled with the recent years of significant price increases, means that the Company still expects to be relatively well placed as regards the expected loss ratios on the Mortgage Portfolio. The gap between loan levels and the value of collateral is generally still relatively favourable. Whilst this has the effect of reducing the Company's exposure to credit risk, it does not eliminate it. The Director is aware of the potential volatility in macro-economic developments and the housing market in particular, and of the dangers it can bring with it.

The Company only has exposure to credit risk, which is the risk that the Borrowers will be unable to pay amounts in full when due, when a downgrade of ABN AMRO Bank N.V. occurs. Until that moment all risks and rewards associated with the assets are retained by ABN AMRO Bank N.V.

Interest rate risk
The Company is exposed to various risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. Currently, there is an appreciable gap between the interest attracted on the underlying Mortgage Portfolio on the one hand and the covered bonds on the other hand. This situation is not expected to change appreciably in the coming years. The interest rate risk within the covered bond structure is now mainly mitigated via an interest reserve fund. Additionally there is a minimum interest rate of 1.5% for eligible mortgages in the cover pool. As both the mortgages and the covered bonds are mainly fixed rate, there is a natural hedging within the covered bond structure.

Liquidity risk
Matching maturities and assets and liaibilities and related cash flows is fundamental to the management of the Company. This risk is addressed and mitigated by various credit enhancements granted by the issuer.

In view of the above factors, the Company's risk appetite is considered to be low.

2.3.4 Principal accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below.

Basis of presentation
The financial statements are prepared in accordance with Generally Accepted Accounting Principles in the Netherlands and comply with Section 9 Book 2 of the Dutch Civil Code. The financial statements are prepared under the historical cost convention and presented in the joint currency of the European Monetary Union, the euro ("EUR"). In principle, unless otherwise stated, assets and liabilities are stated at nominal value and financial assets and financial liabilities are stated at amortised cost using the effective interest method. If deemed necessary, a provision is deducted from the nominal amount of accounts receivable. Initial measurement is at fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

The going concern assumption was applied during the preparation of the financial statements.

The Company is considered a small entity for Dutch statutory reporting purposes and therefore, in accordance with the provisions of Article 396, Title 9 of Book 2 of the Netherlands Civil Code, certain exemptions apply to the Company's financial statements and the Notes thereto.

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

Revenue recognition
Income is recognised in the statement of income when an increase in economic potential related to an increase in an asset or a decrease of a liability has arisen, the size of which can be estimated with a sufficient reliability. Expenses are recognised when a decrease in the economic potential related to a decrease in an asset or an increase of a liability has arisen, the size of which can be estimated with sufficient reliability. The revenue and expenses are allocated to the period to which they relate.

Comparison last year
If deemed necessary, comparative amounts have been reclassified or restated to conform to the current year's presentation.

Critical accounting estimates and judgements
The preparation of the financial statements requires management to form opinions and to make estimates and assumptions that influence the application of principles and the reported values of assets and liabilities and of income and expenditure. The estimates and the underlying assumptions are constantly assessed. Revisions of estimates are recognised in the period in which the estimate is revised and in future periods for which the revision has consequences.

2.3.5 Corporate income tax

Corporate income tax is calculated by applying the nominal tax rate to the profit before taxation of the financial year.
On 29 June 2005 the Company was granted a tax ruling by the Dutch Tax Authority.
In this ruling it is agreed that the Company will report a yearly result before taxes of EUR 15.000.

2.3.6 Contingent liabilities and comments

The Company has granted a first ranking right of pledge over the CBC Rights to Stichting Trustee ABN AMRO Covered Bond Company.

2.4 Notes to the balance sheet and the statement of income

2.4.1 Prepaid expenses and other receivables

The prepaid expenses and other receivables relate to a receivable on ABN AMRO Hypotheken Groep B.V.

2.4.2 Cash and cash equivalents

In June 2015 ABN AMRO Bank N.V. has put an amount of EUR 1,1 billion on the Company's account. This is because of the contractual obligation of ABN AMRO Bank N.V. under its Covered Bond Programme to have liquid assets in the cover pool following the downgrade of the Fitch short-term bank rating from F1+ to F1.
As ABN AMRO Bank meets the updated criteria of Fitch since January 2020, the Pre-Maturity required liquidity buffer is not needed anymore. Therefore, the cash amount deposited is reduced to zero.

2.4.3 Shareholder's equity

Share capital
The authorized share capital amounts to EUR 20.000 and consists of 20 ordinary shares of EUR 1.000 each, of which all shares are issued and fully paid-in. During 2020, no movements occurred in the shareholder's equity.

Result current year
The result out of the financial year 2020 amounts to EUR 12.525.

2.4.4 Current liabilities (due within one year)

Loan
This loan is payable to ABN AMRO Bank N.V. and reflects an additional funding under the Covered Bond Programme in order to provide for short term payment obligations. The payment obligation to ABN AMRO Bank N.V. reflects the amount held in cash in order to meet the requirements of the Programme. The loan was repaid in 2020.

Accrued expenses and liabilities
The accrued expenses and liabilities relate to the Ernst & Young Accountants LLP audit fee.

2.4.5 Income

Guarantee fee
The Guarantee fee relates to the minimum profit which at the same time will be the remuneration of the management.

Reimbursed expenses
According to the Administration Agreement with ABN AMRO Bank N.V. the Company will be reimbursed for its expenses and receives a guarantee fee.

2.4.6 Operating expenses

Auditor Fee
Ernst & Young Accountants LLP charged the Company EUR 26.015 (previous year: EUR 26.015) for the audit of the financial statements. Ernst & Young Accountants LLP did not deliver any other services to the Company during 2020.

2.4.7 Financial income and expenses

Interest expense concerns interest due to ABN AMRO Bank N.V.

2.4.8 Other notes to the financial statements

Employees
During the reporting period the Company did not employ any personnel.

Remuneration of the Directors Board of Supervisory Directors
The Board of Directors consists of one corporate director; the remuneration of the Director is nil.
The Company does not have a Board of Supervisory Directors.

2.4.9 Proposed appropriation

The profit for the year ended 31 December 2020 is EUR 12.525.
During September 2020, the management board of the Company has resolved to distribute an Interim Dividend in the net amount of EUR 12.525.

2.4.10 Post-balance sheet events

Management is not aware of any events that took place after balance sheet date that could have a major effect on the financial position of the Company.

Amsterdam, 28 May 2021

Managing director,
Intertrust Management B.V.

3 Other information

3.1 Statutory provisions regarding profit appropriation

In accordance with Article 14 of the Articles of Association, the result for the year is at the disposal of the Annual General Meeting of Shareholders.

3.2 Independent auditor's report

We refer to the next page for the independent auditor's report.

Building a better working world

Independent auditor's report

To: the shareholder of ABN AMRO Covered Bond Company B.V.

Report on the audit of the financial statements 2020 included in the annual report

Our opinion

We have audited the financial statements 2020 of ABN AMRO Covered Bond Company B.V. (the Company) based in Amsterdam.

In our opinion the accompanying financial statements give a true and fair view of the financial position of ABN AMRO Covered Bond Company B.V. as at 31 December 2020, and of its result for 2020 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:

- The balance sheet as at 31 December 2020
- The statement of income for 2020
- The notes comprising a summary of the accounting policies and other explanatory information

Basis for our opinion

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

We are independent of ABN AMRO Covered Bond Company B.V. in accordance with the EU Regulation on specific requirements regarding statutory audit of public-interest entities, the Wet toezicht accountantsorganisaties (Wta, Audit firms supervision act), the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

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

Report on other information included in the annual report

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

- The directors' report
- Other information as required by Part 9 of Book 2 of the Dutch Civil Code

Based on the following procedures performed, we conclude that the other information:

- Is consistent with the financial statements and does not contain material misstatements
- Contains the information as required by Part 9 of Book 2 of the Dutch Civil Code

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements. By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

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

Report on other legal and regulatory requirements

Engagement

We were engaged by the director as auditor of ABN AMRO Covered Bond Company B.V. on 2 April 2015, as of the audit for the year 2016 and have operated as statutory auditor ever since that financial year.

Description of responsibilities for the financial statements

Responsibilities of the director for the financial statements

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

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

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgment and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included among others:

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

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

Amsterdam, 28 May 2021

Ernst & Young Accountants LLP

signed by P.J.A.J. Nijssen