

Bulletin:

# Ratings Unchanged On Achmea Bank's Soft Bullet Covered Bonds Based On Proposed Amendments

May 22, 2023

MILAN (S&P Global Ratings) May 22, 2023--S&P Global Ratings said today that it expects its 'AAA/Stable' credit ratings to be unchanged on bonds issued under Achmea Bank N.V.'s soft bullet covered bond program if the proposed transfer of assets and liabilities to the soft bullet covered bond program from its conditional pass-through covered bond program occurs.

Today, Achmea Bank N.V. proposed to amend the terms of the three covered bond series issued under its €5 billion conditional pass-through covered bond program. The purpose of the amendment is to change the guarantor and the conditional pass-through payment obligation structure to "soft bullet" maturities--where the repayment of principal can be extended for up to one year under specified conditions, instead of up to 32 years as previously envisaged under the conditional pass-through structure. If the bondholder vote is favorable, those covered bonds will be transferred to Achmea Bank's €5 billion soft bullet covered bond program and therefore be subject to the transaction documents governing it. Part or all the cover pool assets that currently form part of the conditional pass-through program will also be transferred to the soft bullet program.

We have reviewed the combined asset information the issuer provided as of March 2023. The underlying assets comprise €4.13 billion of Dutch residential mortgage loans (net of savings and construction deposits). In our cash flow analysis, we have modeled the three affected covered bonds (currently issued under the conditional pass-through covered bond program) under the proposed amended terms and conditions together with the three outstanding covered bonds under the issuer's soft bullet covered bond program.

Based on our cash flow analysis and our review of the proposed changes, we expect that the effective implementation of the proposed amendments would not, in and of itself, result in a change to our 'AAA/stable' ratings on the soft bullet covered bond program and the series of bonds issued thereunder.

This report does not constitute a rating action.

**PRIMARY CREDIT ANALYST**

**Adriano Rossi**

Milan

+ 390272111251

adriano.rossi

@spglobal.com

**SECONDARY CONTACT**

**Marta Escutia**

Madrid

+ 34 91 788 7225

marta.escutia

@spglobal.com

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