Van Lanschot Conditional Pass-Through Covered Bond Company B.V.

Report for the year 2015

Amsterdam, the Netherlands

Van Lanschot Conditional Pass-Through Covered Bond Comp. B.V.
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1. Director's report

Van Lanschot Conditional Pass-Through Covered Bond Comp. B.V. Report for the period December 11, 2014 till December 31, 2015

1.1 Activities and results

General
Van Lanschot Conditional Pass-Through Covered Bond Comp. B.V. (“the Company”) was incorporated on December 11, 2014 The shares of the Company are held by Stichting Holding Van Lanschot Conditional Pass-Through Covered Bond Company. This report covers the period from December 11, 2014 till December 31, 2015.

The Company is a special purpose vehicle, which objectives are, in the framework of a Conditional Pass-Through Covered Bond Programme of the Issuer, (a) to acquire, purchase, conduct the management of, dispose of and to encumber receivables and other goods under or in connection with loans granted by a third party or by third parties, and to exercise any rights connected to such receivables and other goods, (b) to issue guarantees in favour of holders of covered bonds issued by the Issuer, (c) to on-lend and invest any funds held by the Company, (d) to hedge interest rate and other financial risks, amongst others by entering into derivatives agreements, such as swaps, (e) in connection with the foregoing: (i) to borrow funds; and (ii) to grant security rights to third parties or to release security rights and (f) to do anything which, in the widest sense of the words, is connected with or may be conducive to the attainment of these objects.

The Covered Bonds issued by F. Van Lanschot Bankiers N.V. (hereafter ‘the Issuer’) are secured by a portfolio of mortgage loans originated by the Issuer. On 2 March 2015 the Issuer had issued the first series of covered bonds for an amount of EUR 1 million. On 28 April the Issuer had issued the second series of covered bonds for an amount of EUR 500 million. At 31 December 2015 both series are secured by a portfolio of mortgage loans amounting approximately EUR 642 million. The Bonds have been rated individually by Standard & Poor's and Fitch. On issuance the rating by Standard & Poor's was AAA and by Fitch AAA.
Apart from an agreed upon minimum profit with the Dutch tax authorities, all income and expenses are allocated to the parties concerned in the funding arrangement. We refer to the notes to the financial statements for further details.

We are of the view that the financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and that the director’s report includes a fair view of the development and performance of the business and the position of the Company, together with a description of the principal risks that the Company faces.

Interest rates
In the reporting year the average interest rate of the Company’s mortgage portfolio amounted to 5.4% and the average funding rate amounted to 3.8%.

The resulting net interest margin amounted to EUR 5 million.

Loans performance
Realized losses on mortgage loans (net of recoveries) during the reporting year amounted to EUR 0.
At year-end, the principal amount of loans under special management is nil; the principal amount of loans with arrears of more than 90 days amounted to EUR 0.
Because the Mortgage Receivables should meet the Eligible Receivables Criteria the Company solld and reassigned the Defaulted Receivables and F. Van Lanschot Bankiers N.V. has repurchased and accepted reassignment of such Mortgage Receivables. Therefor defaulted Mortage Receivables are excluded from the portfolio.

Financial risk management
The Company's activities are exposed to a variety of financial risks, being credit risk, concentration risk, interest rate risk and liquidity risk. These risks are adequately mitigated; please refer to general notes of the financial statements for a more detailed overview of the financial risks involved.

We also refer to the Prospectus for a description of the financial risks. The information disclosed in the annual report should be read in conjunction with the full text and definitions of the Prospectus. However, this document does not form part of the annual report.

1.2 Future developments

The Dutch economy continued its recovery in 2015 which started in 2014, after two years of negative economic growth. It grew in 2015 by 1.9% (2014: 0.8%) and is projected to grow in 2016 by 1.7% and a further growth of 2.2% is projected for 2017 (Source: DNB).

Although the growth in export is expected to decline, a larger contribution from consumer spending is expected, resulting in a net economic growth. The increase in purchasing power of consumers is also reflected in the recovery of the housing market. Consumers are more eager to buy a house and are willing to pay the current market price, which increased in 2015 compared to 2014. This expected recovery of the housing market will also have a positive impact on expected future economic growth (Source: DNB).

The economic growth is also having a positive effect on the unemployment rate, which decreased from 7.4% in 2014 to 6.9% in 2015 (Source: DNB). The unemployment rate is expected to remain more or less stable over the next few years because of the increase in the supply of labor (Source: DNB). The number of foreclosures and forced sales are correlated with the levels of unemployment. A decline in unemployment will reduce the probability of default.

The increase in average house prices in the fourth quarter of 2015 was 5% compared to the fourth quarter of 2014 (Source: NVM). Although the current price level is still 10% lower than at the start of the economic crisis in 2008, prices have already recovered by 10% compared to the lowest level during the economic crisis (Source: NVM).

In addition to the increasing house prices, the number of houses sold has also increased. The number of transactions in the fourth quarter of 2015 increased by 15% compared to 2014 (Source: NVM). It is expected that both the house prices as well as the number of transactions will continue to increase in the upcoming years.

The current and expected development of both prices and the number of transactions is expected to result in a decline in loan to foreclosure value ratios. Also the recently amended legislation, resulting in a decline in the market share of interest-only mortgages, will have a positive impact on the future development of the loan to foreclosure value ratios. This will all have a positive impact on the expected loss given default; a declining loss per default.

As outlined above, it is expected that with the expected decline of both the probability of default and the loss given default, the loss levels will further decline.

The historically low mortgage interest rates also contribute to the recovery of the housing market and the increase in number of houses sold (Source: NVM). With lower interest rates, interest income for the Company is expected to decline. Against this, the historically low base rates have reduced the Company’s borrowing costs.

As described in the general notes to the financial statements (2.4), there are several risks for the Company, in addition to those discussed here, but management believes that under the contracts of the transaction, as disclosed in the Prospectus these risks are adequately mitigated. Therefore it is expected that the aforementioned risks will have no significant influence on the current position of the Company in the next 12 months.

Amsterdam, April 18, 2016

Managing Director,
Intertrust Management B.V.

2. FINANCIAL STATEMENTS

2.1 Balance sheet as at December 31, 2015

(Before result appropriation)

		December 31, 2015	
ASSETS		€	€
Fixed assets			
Financial fixed assets	[1]		
Mortgage loans		641,945,016	
			641,945,016
Current assets			
Receivables	[2]		
Accounts receivable		15,668,747	
Interest receivable		2,001,060	
			17,669,807
Cash and cash equivalents	[3]		1,107,244
			660,722,067
SHAREHOLDER'S EQUITY AND LIABILITIES			
Shareholder's equity	[4]		
Share capital		1	
Net result financial year		2,000	
			2,001
Long-term liabilities	[5]		
Subordinated loan		658,718,506	
Accrued Deferred Purchase Price		1,112,711	
			659,831,217
Current liabilities	[6]		
Taxes		500	
Interest payable		811,416	
Accrued expenses and other liabilities		76,933	
			888,849
			660,722,067

2.2 Statement of income for the period December 11, 2014 till December 31, 2015

		2015	
		€	€
Interest income			19,482,120
Interest on subordinated loan	[7]		-14,068,317
Interest margin			5,413,803
Other Operating expenses			
General and administrative expenses	[8]	669,262	
			669,262
			4,744,541
Accrued Deferred Purchase Price			-4,742,041
Income before taxation			2,500
Corporate Income Tax	[9]	-500	
			-500
Net result			2,000

2.3 Statement of cash flows for the period December 11, 2014 till December 31, 2015

The statement of cash flows has been prepared according to the indirect method.

	2015	
	€	€
Net result		2,000
Adjustments to statement of income:		
Interest expenses subordinated loan	14,068,317	
Interest income	-19,482,120	
Accrued Deferred Purchase Price	4,742,041	
Provission for Income taxes	500	
		-671,262
Movements in working capital		
Change in accounts receivable	-15,668,747	
Change in accrued expenses and other liabilities	76,933	
		-15,591,814
Interest expense paid	-13,256,901	
Interest income received	17,481,060	
		4,224,159
Cash flow from operating activities		-12,036,917
Cash flow from investing activities		
Initial investment mortgage loans	-77,012,632	
Repayments and prepayments mortgage loans	52,205,579	
Repurchases mortgage loans	17,319,532	
Replenishments mortgage loans	-634,457,495	
Cash flow from investing activities		-641,945,016
Cash flow from financing activities		
Issued and paid-up capital	1	
Initial amount Subordinated loan	77,075,132	
Redemption Subordinated loan	-52,814,121	
Drawing Subordinated Loan	634,457,495	
Paid Deferred Purchase Price	-3,629,330	
Cash flow from financing activities		655,089,177
Movements in cash		1,107,244
Notes to the cash resources		
Starting balance		-
Movements in cash		1,107,244
Closing balance		1,107,244

2.4 General notes to the financial statements

GENERAL INFORMATION

Van Lanschot Conditional Pass-Through Covered Bond Comp. B.V. (“the Company”) is a private company with limited liability incorporated under the laws of the Netherlands on December 11, 2014. The statutory seat of the Company is in Amsterdam, the Netherlands. The sole managing director of the Company is Intertrust Management B.V.

The Company is a special purpose vehicle, which objectives are, in the framework of a Conditional Pass-Through Covered Bond Programme of the Issuer, (a) to acquire, purchase, conduct the management of, dispose of and to encumber receivables and other goods under or in connection with loans granted by a third party or by third parties, and to exercise any rights connected to such receivables and other goods, (b) to issue guarantees in favour of holders of covered bonds issued by the Issuer, (c) to on-lend and invest any funds held by the Company, (d) to hedge interest rate and other financial risks, amongst others by entering into derivatives agreements, such as swaps, (e) in connection with the foregoing: (i) to borrow funds; and (ii) to grant security rights to third parties or to release security rights and (f) to do anything which, in the widest sense of the words, is connected with or may be conducive to the attainment of these objects.

Act on the Financial Supervision
The Company is not subject to any license requirement under Section 2:11 of the Act on the Financial Supervision, since the Bonds will be offered solely to professional market parties within the meaning of Section 1.1 of this Act. Furthermore the Company is not subject to any license requirement under Section 2:60 of the Act on the Financial Supervision as the Company has outsourced the servicing and administration of the Mortgage Loans to the Servicer of the Company. The Servicer holds a license under the Financial Services Act and the Company thus benefits from this exemption.

TRANSACTION STRUCTURE, MANAGEMENT AND RELATED PARTIES

The mortgage covered bonds issued by Van Lanschot's conditional pass-through covered bond program will constitute senior unsecured unsubordinated obligations of Van Lanschot. If Van Lanschot is unable to pay the outstanding covered bonds, the Company will guarantee payments on the bonds. The Company is a bankruptcy-remote SPV with the mandate to manage the mortgage receivables in the cover pool and to guarantee payment of the covered bonds to the noteholders. In order to enable the Company to guarantee payments on the covered bonds, Van Lanschot sold the cover pool assets to the SPV at closing and further sales may take place regularly.

Intertrust Management B.V. manages the Company. F. van Lanschot Bankiers N.V. services the Mortgage Pool. Intertrust Administrative Services B.V. handles cash management, statutory accounting and Investment Reporting. Reference is made to the Prospectus for further details. As F. van Lanschot Bankiers N.V. performs several roles in the transaction, F. van Lanschot Bankiers N.V. is considered to be a related party of the Company.

Stichting Holding Van Lanschot Conditional Pass-Through Covered Bond Company ("the Foundation") is incorporated under the laws of the Netherlands on December 9, 2014. The objectives of the Foundation are to acquire and hold shares in the Company and to do everything that is in the interest of the Company and all those involved in the Company, including its creditors. The sole managing director of the Foundation is Intertrust Management B.V. Intertrust Management B.V. and Intertrust Administrative Services B.V. belong to the same group of companies but are not related to F. van Lanschot Bankiers N.V.

At closing, the Company did not enter into an interest rate swap agreement to mitigate interest rate risk. Such risk is partially mitigated by the fact that the bonds pay a fixed interest rate and by the fact that the servicer is contractually obliged to offer a reset rate that is at least equal to 1.5%. Moreover, the program documentation allows the Company to enter into a portfolio or interest rate swap after closing.

RISK MANAGEMENT

Following the purchase of the mortgage receivables and the acquired Subordinated Loan, the Company is exposed to a variety of risks. As the company acquired the Subordinated Loan with limited recourse, the risks for the company itself are limited. However, given the limited recourse (meaning a risk transfer towards the Subordinated Loan Provider), the company took a variety of measurement to minimize the risks linked to the transaction. All risk related to the transaction are well defined in the transaction documentation to inform all parties involved accordingly.

The risk appetite of the company is low and matches the risk-profile of the Company. As said, various measurements have been taken to mitigate the risks for the Company. The main risks are various financial risks which will be dealt with separately.

Next to the financial risks the company also faces operational risk. The company outsources their main activities, such as the servicing of the mortgage loans and the entity administration and investor reporting, to regulated and or well-known companies. The operating risk is mitigated as the Company has contractual agreements with these companies and these companies either provide annual audit statements on the mortgage portfolios and or a ISAE 3402 report in respect to the services provided. Furthermore the transaction includes measurements to be taken once a party does no longer maintain a specific credit rating. Management believes that the operational risk is limited and no further measurements are deemed necessary.

The Company and the Tax Authorities agreed by way of a ruling that the Company realizes a fixed profit for tax purposes, both in terms of determining the annual profit and for determining total profits. As a result, the risks as described do not influence the profit of the Company.

The Company believes that no ongoing risk assessment is deemed necessary, as the most significant risks are adequately covered.

Financial Risk management

The main financial risks the company is exposed to are interest rate risk, credit, concentration and market risk and liquidity risk.

Interest rate risk

The interest rate risk arises when the interest received on the mortgage receivables is insufficient to cover the fixed interest due on the Subordinated Loan. Such risk is partially mitigated by the fact that the interest rate for each mortgage receivable must be at least 1.5%. The servicer is contractually obliged to offer a reset rate that is at least equal to 1.5%.

Moreover, historically, the weighted average interest rate on the mortgage receivables has been sufficient to cover the interest due on the Subordinated Loan. As of December 31, 2015 the average interest rate is 3.48% whereas the interest due on the Subordinated Loan is 3%.

The interest rate risk is also mitigated through the structure of the waterfall. The Interest Available Amounts and the Principal Available Amounts are both used to meet the Priority of Payments. As the interest due on the Subordinated Loan is senior to the principal due on the Subordinated loan, this further reduces the interest rate risk. Through the subordination in the waterfall structure, funds are distributed only to the extent available and as such the interest rate risk is addressed.

The Company did not enter into an interest rate swap agreement to mitigate interest rate risk. However, if the interest received on the mortgage portfolio is insufficient to cover the interest due on the Subordinated Loan, the program documentation does allow the Company to enter into an interest rate swap agreement to mitigate the interest rate risk.

The liabilities of the Company are limited recourse obligations. If the funds received by the Company are insufficient to pay in full all principal and interest on the Subordinated Loan, the Subordinated Loan Provider shall have no further claim against the Company in respect of any such unpaid amounts.

Credit, concentration and market risk

As an investment company that solely invests in residential mortgage loans in the Netherlands, the Company has credit and concentration risks in the Dutch housing market.

The credit risk for the Company is mainly related to the economic conditions and the risk that individual borrowers might be unable to fulfill their payment obligations. However, these risks are well spread over a large number of individual loans, a variety of mortgage types, and over various geographical areas. In general the company is entitled to all proceed of the sale of the related property. If the proceeds of the sale of the property is insufficient to repay the outstanding principal amount of the loan the company could bears a loss.

So not only the creditworthiness of the borrower can be recognized as a risk but also the housing market has an impact on the probability of a loss.

The Dutch economy continued its recovery in 2015 which started in 2014, after two years of negative economic growth. It grew in 2015 by 1.9% (2014: 0.8%) and is projected to grow in 2016 by 1.7% and a further growth of 2.2% is projected for 2017 (Source: DNB).

Although the growth in export is expected to decline, a larger contribution from consumer spending is expected, resulting in a net economic growth. The increase in purchasing power of consumers is also reflected in the recovery of the housing market. Consumers are more eager to buy a house and are willing to pay the current market price, which increased in 2015 compared to 2014. This expected recovery will also have a positive impact on future economic growth (Source: DNB).

The economic growth is also having a positive effect on the unemployment rate, which decreased from 7.4% in 2014 to 6.9% in 2015 (Source: DNB). The unemployment rate is expected to remain more or less stable over the next few years because of the increase in the supply of labor (Source: DNB). The number of foreclosures and forced sales are correlated with the levels of unemployment. A decline in unemployment will reduce the probability of default.

The increase in house prices in the fourth quarter of 2015 was 5% compared to the fourth quarter of 2014 (Source: NVM). Although the current price level is still 10% lower than at the start of the economic crisis in 2008, prices have already recovered by 10% compared to the lowest level during the economic crisis (Source: NVM).

In addition to the increasing prices, the number of houses sold has also increased. The number of transactions in the fourth quarter of 2015 increased by 15% compared to 2014 (Source: NVM). It is expected that both the prices as well as the number of transactions will continue to increase in the upcoming years.

The current and expected development of both prices and number of transactions is expected to result in a decline in loan to foreclosure value ratios. Also the recently amended legislation, resulting in a decline of interest-only mortgages, will have a positive impact on the future development of the loan to foreclosure value ratios. This will all have a positive impact on the expected loss given default; a declining loss per default.

Even though the economy is recovering, the economic growth is still far from robust and the unemployment rate is still high compared to pre-crisis levels. This might lead to losses on forced sales of the underlying assets, although the amount of losses is expected to be lower than previous years, due to the improved economic situation.

The risk that the above factors influence the Company's position are mitigated by the fact that the Issuer guaranteed to repurchase all defaulted mortgage receivables and all mortgage receivables in arrear, so that any (future) losses will be excluded from the mortgage portfolio.

Liquidity risk

Matching maturities of assets and liabilities and related cash flows is fundamental to the management of the Company. This risk is addressed and mitigated through the subordination in the waterfall structure: funds are distributed only to the extent available and as such the liquidity risk is mitigated.

It is expected that the aforementioned risks will have no significant influence on the current position of the Company in the next 12 months. Furthermore, the risk that the above described factors jeopardize the Company's ability to fulfill its obligations is mitigated by the Reserve Account (refer to note 2.5) and the subordinated ranking of the Deferred Purchase Price.

In the unlikely situation that all risk measures as described above fail, the limited recourse clause as part of the Transaction Documentation will take effect. If the funds received by the Company are insufficient to pay in full all principal and interest on the Subordinated Loan, the Subordinated Loan Provider shall have no further claim against the Company in respect of any such unpaid amounts.

As a consequence of all risk control measures, the risk profile for the Company is considered to be low which matches the risk appetite of the Company. In view of the above, no changes or improvements to the Company's risk management system are deemed necessary.

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 accounting principles generally accepted in the Netherlands and comply with the financial reporting requirements included in Part 9 of 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"). Assets and liabilities are stated at amortized cost, unless otherwise stated.

First book year
These are the Company's first financial statements and reflect the period since incorporation on December 11, 2014 and ending on December 31, 2015.

Recognition and derecognition of assets and liabilities
The Company will remove a previously recognized financial asset or liability from the balance sheet if either the Company's contractual rights to the asset's cash flows have expired or the asset has been transferred to a third party (along with the risks and rewards of ownership). If the risks and rewards of ownership have not passed to the buyer, then the Company still recognizes the entire financial asset and treats any consideration received as a liability.

If a transaction results in a transfer of future economic benefits and/or when all risks relating to assets or liabilities are transferred to a third party, the asset or liability is no longer included in the balance sheet. Assets and liabilities are not included in the balance sheet if economic benefits are not probable or cannot be measured with sufficient reliability.

Mortgage Loans and other receivables
Mortgage Loans and other receivables are carried at amortized cost.

Other payables
Other payables are carried at amortized cost.

Loans
The mortgage loans are valued at the face value of the amounts receivable from the borrowers at the balance sheet date.

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

Revenue recognition
Interest income and expense are recognized in the statement of income on an accruals basis. Operating expenses are accounted for in the year in which these are incurred. Losses are accounted for in the year in which they are identified.

Realized losses are defined as any remaining unpaid amounts of principal and accrued interest on a Loan after the sale proceeds (net of repossession costs) on the foreclosed property, plus any other amounts set-off against the borrower, have been deducted.

FAIR VALUE FINANCIAL INSTRUMENTS

Due to the short-term nature of the cash and cash equivalents, accounts receivable, interest receivable and payable and accrued expenses and other liabilities included in these financial statements, the estimated fair value for these financial instruments approximates the book value, as disclosed in the aforementioned accounting policies.

The financial fixed assets and long-term liabilities are also valued at amortized cost, but if material differences exist between amortized cost and estimated fair values, these amounts have been estimated in the table below.

	Book value 2015	Fair value 2015
	'000 €	'000 €
Financial assets		
Mortgage Loans	641,945	674,478
Financial liabilities		
Deferred Purchase Price and Subordinated loan	659,831	668,954

General
The fair value of the financial asset and liabilities are estimated using discounted cash flow models developed in-house by the Company's Management. Due to the size of the Company and the resulting cost-benefit assessment, the model is simple and subject to significant limitations as set out below. More accurate models could lead to a different fair value.

In order to substantiate part of these limitations Management has obtained a market study with developments in the financial markets, specifically focused on the valuation aspects with regards to the asset-backed mortgage loans. The result of this study is considered to give a fair reflections of the mortgage loans portfolio of the Company and therefore certain elements are offset in the discounted cash flow model. One of the key drivers is the discount spread as part of the euro area yield curve, which on the basis of this study is derived from a "so called" base case scenario, which is an average in comparison with a low case and a high case discount spread model. The discount spread referred to is based on a series of elements for the costs of capital from the point of view of the issuer of asset-backed mortgage loans. Generally the deviations calculated in the low case and high case scenario are in the 2-2.5% range below or above the base case scenario. However, current sentiments in the financial markets indicate that discount spreads from an investors' point of view may go beyond the high case scenario, but in view of limited trade it is hard to substantiate other factors.

Mortgage loans
The estimated fair value of the loans represents the discounted amount of estimated future cash flows, expected to be received. Expected cash flows are discounted at the effective euro area yield curve for a 6 year period.

Deferred Purchase Price and Subordinated loan
The fair value of the Deferred Purchase Price combined with the Subordinated loan loan, both payable to FvL, can be deemed equal to the fair value of the mortgage portfolio. The monthly cash flow of the mortgage pool is already set-off against the cash flow under the Subordinated loan and the Deferred Purchase Price, as the CBC has a monthly payment date. As a result, the funds do not flow through the Company, as F.van Lanschot Bankier N.V. is under the transaction documentation entitled to these funds.

CORPORATE INCOME TAX

The Company is liable to Dutch corporate income tax, calculated by applying the corporate income tax rate of 20%, which rate is applicable on taxable profits up to EUR 200,000. The tax ruling obtained by the Company on february 18, 2015 states that the Company should report an annual remuneration on the basis of a 10% mark-up on the annual Director's fee of the Company with a minimum of EUR 2,500.

CONTINGENT LIABILITIES AND COMMITMENTS

The Company has granted a first ranking right of pledge on the Mortgage Receivables and Beneficiary Rights to Stichting Security Trustee Van Lanschot Conditional Pass-Through Covered Bond Company. In addition the Company has granted a right of pledge over all rights of the Company under or in connection with the Guarantee Support Agreement, the Servicing Agreement, the Administration Agreement, the Asset Monitor Appointment Agreement, the GIC and in respect of the GIC-accounts to the Stichting Security Trustee Van Lanschot Conditional Pass-Through 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 can lead to exercising the right of pledge by Stichting Security Trustee Van Lanschot Conditional Pass-Through Covered Bond Company.

STATEMENT OF CASH FLOWS

The statement of cash flows is prepared based on the indirect method. For the purposes of the cash flow statement, cash and cash equivalents comprise balances with less than 90 days maturity.

2.5 Notes to the balance sheet

FIXED ASSETS

Financial fixed assets [1]

Mortgage Loans

The movement in the mortgage loans can be detailed as follows:

	2015
	€
Opening balance	-
Initial purchase price Mortgage Loans	77,012,632
Repayments and prepayments Mortgage Loans	-52,205,579
Repurchases Mortgage Loans	-17,319,532
Replenishments Mortgage Loans	634,457,495
Closing balance	641,945,016

On March 2, 2015 the Company purchased and accepted from the Seller the assignment of both legal and economic ownership of mortgage receivables amounting to EUR 77,012,632. During the reporting year EUR 634,457,495 of Mortgage Receivables was purchased and accepted by the Company. The assignment of the mortgage receivables to the Company was not notified to the borrowers.

If an Assignment Notification Event occurs, a notice to the borrowers will be given to perfect the legal title to the mortgage receivables under Dutch Law. Notification events include:

• A default is made by the Transferor (F. van Lanschot Bankiers N.V.) in the payment on the due date of any amount due and payable by it under any Transaction Document to which it is a party and such failure is not remedied within ten Business Days after notice thereof has been given by the Company or the Security Trustee to the Transferor;
• The Transferor fails duly to perform or comply with any of its obligations under any Transaction Document to which it is a party and if such failure is capable of being remedied, such failure, is not remedied within ten Business Days after notice thereof has been given by the Company or the Security Trustee to the Transferor or such other party;
• The Transferor takes any corporate action or other steps are taken or legal proceedings are started or threatened against it for its dissolution, liquidation or legal demerger involving the Transferor or for its being converted in a foreign entity, or its assets are placed under administration;
• The Transferor takes any corporate action, or other steps are taken or legal proceedings are started or threatened against it, for (i) its entering into emergency regulations as referred to in Chapter 3 of the Wft or suspension of payments, as the case may be, (ii) its bankruptcy, (iii) any analogous insolvency proceedings under any applicable law or (vii) the appointment of a liquidator, administrator or a similar officer of it or of any or all of its assets;
• A Notice to Pay is served on the Issuer and the Company;
• An Issuer Acceleration Notice is served on the Issuer;
• An Issuer Acceleration Notice is served on the Issuer;
• A Security Trustee Pledge Notification Event occurs.

The estimated contractual redemptions for the year 2016 amount to EUR 1.5 million (Actual redemptions 2015: EUR 1.0 million). On the first Transfer Date, the Transferor sold and transfered to the Company the respective Eligible Receivables. The Issuer and the Transferor may at any time offer for sale and transfer further Eligible Assets to the Company. The Company shall accept each such offer to purchase new Mortgage Receivables if the relevant conditions precedent set out in the Guarantee Support Agreement have been met, including in the case of sale and transfer of mortgage receivables (the "New Mortgage Receivables") receipt of a confirmation that the Mortgage Receivables Warranties are true and correct in all material respects and not misleading in any material respect as at the relevant Transfer Date.

The Transferor shall repurchase and request the retransfer of a Mortgage Receivable from the Company if a material breach of the Mortgage Receivables Warranties occurs on or appears after the relevant Transfer Date in respect of such Mortgage Receivable. The Transferor shall repurchase and request a retransfer of a Mortgage Receivable from the Company if (a) the Transferor becomes entitled to a Further Advance, (b) such Further Advance is secured by the same Mortgage that secures the Mortgage Receivable and (c) such Further Advance does not result in an Eligible Receivable and, as a consequence thereof, such Mortgage Receivable would not qualify as an Eligible Receivable if it were tested against the Eligibility Criteria at that time.

The redemption type of the Mortgage Loans can be detailed as follows:

	2015	
	€	%
Annuity	13,818,824	2.15%
Interest Only	449,311,411	69.99%
Investment	63,324,801	9.86%
Life	78,811,336	12.28%
Lineair	11,404,815	1.78%
Savings	25,273,829	3.94%
	641,945,016	100.00%

The Weighted Average Loan to Foreclosure Value ratio (defined as current principal per contract minus savings value divided by the original foreclosure value) of the portfolio as per December 31, 2015 amounts to 84,25%.

CURRENT ASSETS

Receivables [2]

	31-12-2015
	€
Accounts receivable	
Prepayments and scheduled repayments of principal loans and savings	15,668,747

The above-mentioned prepayments and scheduled repayments were received from the pool servicer in January 2016.

	31-12-2015
	€
Interest receivable	
Interest and penalties loans	2,001,060

The penalties and the above-mentioned interest on Loans were received from the pool servicer in January 2016.

	31-12-2015
	€
Cash and cash equivalents [3]	
Transaction Account	2,500
Reserve Account	1,104,744
	1,107,244

CBC Account

The CBC Account relates to a floating rate current account with Societe Generale S.A. in Amsterdam, the Netherlands.

The rate of interest on the Issuer Collection Account is determined by Euro Overnight Index Average ("Eonia").

Reserve Account

The reserve account relates to an optional reserve deposit with Societe Generale S.A. in Amsterdam, the Netherlands. These funds are not available to finance the Company's day-to-day operations but serve as a security to enable the Company to meet its fees and interest payment obligations. If and to the amount that excess funds are available after the aforementioned fees and interest payments, these will be deposited on the reserve account up to the Reserve Account Required Amount. If the reserve amount reaches the required amount, excess funds are available for payment of the Deferred Purchase Price Obligations (refer to note 2.5). On each monthly payment date an adjustment of the balance of the reserve account is effected in order to correspond the balance of this bank account with the required amount.

The rate of interest on the reserve account is determined by Eonia.

2.5 Notes to the balance sheet

SHAREHOLDER'S EQUITY [4]

Share capital

The authorized capital which are issued and paid-in amounts to € 1, consisting of 1 ordinary share of € 1.

	2015
	€
Net result financial year	
Opening balance	-
Net results	2,000
Closing balance	2,000

LONG-TERM LIABILITIES [5]

	2015
	€
Subordinated Loan	
Opening balance	-
Initial amount Subordinated loan	77,075,132
Redemption Subordinated loan	-52,814,121
Drawing Subordinated Loan	634,457,495
Closing balance	658,718,506

On March 2, 2015 the Company and the Issuer entered into an Subordinated Loan Agreement. The Issuer provides the interest bearing Subordinated Loan Facility and is available to the Company.The Subordinated Loan Facility is used by the Company for the purpose of paying the purchase price for the Mortgage Receivables, the New Mortgage Receivables and Substitution Assets payable by the Company to the Transferor and crediting the Reserve Account up to the Reserve Account Required Amount. The amount of the Subordinated Loan Facility is EUR 5,000,000,000 and bears an interest rate of 3% for each Subordinated Loan Advance.

	2015
	€
Accrued Deferred Purchase Price	
Opening balance	-
Accrued for the year	4,742,041
Repayment during the year	-3,629,330
Closing balance	1,112,711

The purchase price for the Mortgage Loans consisted of an initial purchase price, being the face value of the amount receivable from the borrowers and a Deferred Purchase Price. The initial purchase price was paid at Closing Date. The Deferred Purchase Price is defined as being the positive difference, if any, between all future interest income and expense, taking into consideration the fees payable. The payment of the Deferred Purchase Price is subordinated to certain conditions, mainly interest and principal payments to Noteholders and the funding of the Reserve Account to its required amount (refer to note 2.5).

CURRENT LIABILITIES [6]

	31-12-2015
	€
Taxes	
Corporate income tax	500

	31-12-2015
	€
Interest payable	
Interest payable on Subordinated Loan	811,416

	31-12-2015
	€
Accrued expenses and other liabilities	
Mortgage pool servicing fee	55,852
Audit fee	19,360
Management fee	1,721
	76,933

2.6 Notes to the statement of income

Financial income and expenditure [7]

	2015
	€
Interest and similar expenditure	
Interest subordinated loan	14,068,317

General and administrative expenses [8]

	2015
	€
Mortgage pool servicing fee	513,493
Administration fee	70,356
Management fee	50,954
Auditor fee	19,360
Other advisory fee	15,099
Total	669,262

With reference to Section 2:382a (1) and (2) of the Netherlands Civil Code, the following fees for the financial year on an accrued basis (including VAT) have been provided for in favor of Ernst & Young Accountants LLP:

	2015
	€
Statutory audit of the annual accounts	19,360
Audit-related services	-
Tax advisory services	-
Other non-audit services	-
	19,360

	2015
	€
Taxes [9]	
Corporate income tax	500

The Company and the Dutch Tax Authorities agreed by way of a ruling until the Final Maturity Date of the Bonds that the taxable amount is calculated at 10% of the annual remuneration paid to the Managing Director of the Company or a minimum of EUR 2,500 annually. The applicable tax rate for the period under review is 20% of the taxable amount.

Employees

During the year under review the Company did not employ any personnel.

Remuneration of the Director and Board of Supervisory Directors

The Board of Directors consists of one corporate director; the remuneration of the Director is included in the management fee as disclosed under General and administrative expenses, above and amounts to EUR 32,257. The Company does not have a Board of Supervisory Directors.

Amsterdam, April 18, 2016

Managing Director
Intertrust Management B.V.

3. OTHER INFORMATION

3. Other information

3.1 Statutory provisions

In accordance with Article 19 and applicable law, the management board is authorised to retain the profits or a part thereof, as appears from the most recently adopted financial statements. The General Meeting is subsequently authorized to resolve to distribute or to reserve what then remains of the profits or a part thereof. The General Meeting is also authorized to resolve to make interim distributions, which includes distributions from the reserves.

The Company may make distributions to the shareholders only to the extent that the Company's shareholder's equity exceeds the sum of the reserves which it is legally required to maintain.

The Company may only follow a resolution of the General Meeting to distribute after the management board has given its approval to do this. The management board withholds approval only if it knows or reasonably should be able to foresee that the Company cannot continue to pay its due debts after the distribution.

3.2 Proposed appropriation

Net result for the period under review is EUR 2,000. Management proposes to distribute the full amount as dividend.

3.3 Post-balance sheet events

No events took place after the balance sheet date till the authorization date of the financial statements that could have a major effect on the financial position of the Company.

Independent auditor's report

To: the shareholders of Van Lanschot Conditional Pass-Through Covered Bond Company B.V.

Report on the financial statements

We have audited the accompanying financial statements 2015 of Van Lanschot Conditional Pass-Through Covered Bond Company B.V., Amsterdam, which comprise the balance sheet as at 31 December 2015, the profit and loss account for the year then ended and the notes, comprising a summary of the accounting policies and other explanatory information.

Management's responsibility

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

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion with respect to the financial statements

In our opinion, the financial statements give a true and fair view of the financial position of Van Lanschot Conditional Pass-Through Covered Bond Company B.V. as at 31 December 2015 and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code.

Report on other legal and regulatory requirements

Pursuant to the legal requirement under Section 2:393 sub 5 at e and f of the Dutch Civil Code, we have no deficiencies to report as a result of our examination whether the management board report, to the extent we can assess, has been prepared in accordance with Part 9 of Book 2 of this Code, and whether the information as required under Section 2:392 sub 1 at b-h has been annexed. Further we report that the management board report, to the extent we can assess, is consistent with the financial statements as required by Section 2:391 sub 4 of the Dutch Civil Code.

Amsterdam, 18 April 2016

Ernst & Young Accountants LLP

Signed by P.J.A.J. Nijssen