



## **Nationale-Nederlanden Bank N.V.**

*(a public limited liability company (naamloze vennootschap) incorporated under the laws of The Netherlands)*

**€5,000,000,000**

### **Debt Issuance Programme**

Under the Debt Issuance Programme described in this Prospectus (the “Programme”), Nationale-Nederlanden Bank N.V. (the “Issuer”), subject to compliance with all relevant laws, regulations and directives, may from time to time issue senior preferred debt instruments (the “Senior Preferred Notes”), senior non-preferred debt instruments (the “Senior Non-Preferred Notes”) and subordinated debt instruments (the “Subordinated Notes” and, together with the Senior Preferred Notes and the Senior Non-Preferred Notes, the “Notes”). The aggregate nominal amount of Notes outstanding will not at any time exceed €5,000,000,000 (or the equivalent in other currencies).

This Prospectus has been approved by the Netherlands Authority for the Financial Markets (*Autoriteit Financiële Markten*, the “AFM”) in its capacity as competent authority under Regulation (EU) 2017/1129 (the “Prospectus Regulation”). The AFM only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuer that is the subject of this Prospectus and of the quality of the securities that are the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the Notes.

The period of validity of this Prospectus is up to (and including) 12 months from the date of the approval of this Prospectus. This Prospectus (as may be supplemented from time to time) is valid for 12 months from its date in relation to Notes which are to be admitted to trading on a regulated market in the European Economic Area (“EEA”) or in the United Kingdom (“UK”). The obligation to supplement this Prospectus in the event of a significant new factor, material mistake or material inaccuracy does not apply when this Prospectus is no longer valid.

Application has been made to Euronext Amsterdam N.V. (“Euronext”) for the Notes issued under the Programme to be listed and admitted to trading on the regulated market of Euronext in Amsterdam (“Euronext Amsterdam”). References in this Prospectus to Notes being “listed” (and all related references) shall mean that such Notes have been listed and admitted to trading on the regulated market of Euronext Amsterdam. Euronext Amsterdam is a regulated market for the purposes of Directive 2014/65/EU of the European Parliament and of the Council on markets in financial instruments. However, unlisted Notes may be issued pursuant to the Programme. The applicable Final Terms in respect of the issue of any Notes will specify whether or not such Notes will be listed and admitted to trading on the Euronext Amsterdam (or any other stock exchange).

Each Series (as defined in “*Overview of the Programme — Method of Issue*”) of Notes in bearer form will be represented on issue by a temporary global note in bearer form (each a “temporary Global Note”) or a permanent global note in bearer form (each a “permanent Global Note”). If the Global Notes are stated in the applicable Final Terms to be issued in new global note (“NGN”) form, the Global Notes will be delivered on or prior to the original issue date of the relevant Tranche to a common safekeeper (the “Common Safekeeper”) for Euroclear Bank SA/NV (“Euroclear”) and Clearstream Banking, S.A. (“Clearstream, Luxembourg”). Notes in registered form will be represented by registered certificates (each a “Certificate”), one Certificate being issued in respect of each Noteholder’s entire holding of Registered Notes of one Series. Registered Notes issued in global form will be represented by registered global certificates (“Global Certificates”). If a Global Certificate is held under the New Safekeeping Structure (the “NSS”) the Global Certificate will be delivered on or prior to the original issue date of the relevant Tranche to a Common Safekeeper for Euroclear and Clearstream, Luxembourg.

Global notes which are not issued in NGN form (“Classic Global Notes” or “CGNs”) and Global Certificates which are not held under the NSS will be deposited on the issue date of the relevant Tranche with a common depositary on behalf of Euroclear and Clearstream, Luxembourg (the “Common Depositary”).

The provisions governing the exchange of interests in Global Notes for other Global Notes and definitive Notes are described in “*Summary of Provisions Relating to the Notes while in Global Form*”.

The Issuer is rated A- by S&P Global Ratings Europe Limited (“S&P”). S&P is established in the United Kingdom and registered under Regulation (EC) No 1060/2009 (the “CRA Regulation”).

Tranches of Notes (as defined in “*Overview of the Programme — Method of Issue*”) to be issued under the Programme will be rated or unrated. Where a Tranche of Notes is to be rated, such rating will not necessarily be the same as the rating assigned to Notes already issued. Where a Tranche of Notes is rated, the applicable rating(s) will be specified in the applicable Final Terms.

Whether or not a rating in relation to any Tranche of Notes will be treated as having been issued by a credit rating agency established in the European Union or the United Kingdom and registered under Regulation (EC) No 1060/2009 on credit rating agencies (the "CRA Regulation") will be disclosed in the applicable Final Terms.

A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Amounts payable on Notes may be calculated by reference to the London InterBank Offered Rate ("LIBOR") or the Euro Interbank Offered Rate ("EURIBOR") as specified in the applicable Final Terms. As at the date of this Prospectus, the administrators of LIBOR, ICE Benchmark Administration Limited ("IBA"), and EURIBOR, the European Money Markets Institute ("EMMI"), are included in the European Securities and Markets Authority's ("ESMA") register of administrators under Article 36 of the Regulation (EU) No. 2016/1011 (the "Benchmark Regulation").

Prospective investors should have regard to the factors described under the section headed "*Risk Factors*" in this Prospectus.

**Arranger for the Programme**

**ABN AMRO**

**Dealer**

**ABN AMRO**

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## OVERVIEW OF THE PROGRAMME

*The following overview is qualified in its entirety by the remainder of this Prospectus and, in relation to the terms and conditions of any particular Tranche of Notes, the applicable Final Terms.*

*This overview constitutes a general description of the Programme for the purposes of Article 25(1) of Commission Delegated Regulation (EU) No 2019/980.*

<b>Issuer:</b>	Nationale-Nederlanden Bank N.V.
<b>Description:</b>	Debt Issuance Programme
<b>Size:</b>	Up to €5,000,000,000 (or the equivalent in other currencies at the date of issue) aggregate nominal amount of Notes outstanding at any one time.
<b>Arranger:</b>	ABN AMRO Bank N.V.
<b>Dealers:</b>	ABN AMRO Bank N.V.  The Issuer may from time to time terminate the appointment of any dealer under the Programme or appoint additional dealers either in respect of one or more Tranches or in respect of the whole Programme. References in this Prospectus to “Permanent Dealers” are to the persons listed above as Dealers and to such additional persons that are appointed as dealers in respect of the whole Programme (and whose appointment has not been terminated) and references to “Dealers” are to all Permanent Dealers and all persons appointed as a dealer in respect of one or more Tranches.
<b>Fiscal Agent and Calculation Agent:</b>	ABN AMRO Bank N.V.
<b>Paying Agent:</b>	ABN AMRO Bank N.V.
<b>Transfer Agent:</b>	ABN AMRO Bank N.V.
<b>Registrar:</b>	Nationale-Nederlanden Bank N.V.
<b>Amsterdam Listing Agent:</b>	ING Bank N.V.
<b>Method of Issue:</b>	The Notes will be issued on a syndicated or non-syndicated basis. The Notes will be issued in series (each a “Series”) having one or more issue dates and on terms otherwise identical (or identical other than in respect of the first payment of interest), the Notes of each Series being intended to be interchangeable with all other Notes of that Series. Each Series may be issued in tranches (each a “Tranche”) on the same or different issue dates. The specific terms of each Tranche (which will be completed, where necessary, with the relevant terms and conditions and, save in respect of the issue date, issue price, first payment of interest and nominal amount of the Tranche, will be identical to the terms of other Tranches of the same Series) will be completed in the final terms (the “Final Terms”).

<b>Issue Price:</b>	Notes may be issued at their nominal amount or at a discount or premium to their nominal amount.
<b>Form of Notes:</b>	The Notes may be issued in bearer form (“Bearer Notes”) or in registered form (“Registered Notes”) only. Each Tranche of Bearer Notes will be represented on issue by a temporary Global Note if (i) definitive Notes are to be made available to Noteholders following the expiry of 40 days after their issue date or (ii) such Notes have an initial maturity of more than one year and are being issued in compliance with the D Rules (as defined in “—Selling Restrictions” below), otherwise such Tranche will be represented by a permanent Global Note. Registered Notes will be represented by Certificates, one Certificate being issued in respect of each Noteholder’s entire holding of Registered Notes of one Series. Certificates representing Registered Notes that are registered in the name of a nominee for one or more clearing systems are referred to as “Global Certificates”.
<b>Clearing Systems:</b>	Clearstream, Luxembourg, Euroclear and, in relation to any Tranche, such other clearing system as may be agreed between the Issuer, the Fiscal Agent and the relevant Dealer.
<b>Initial Delivery of Notes:</b>	On or before the issue date for each Tranche, if the relevant Global Note is a NGN or the relevant Global Certificate is held under the NSS, the Global Note or Global Certificate will be delivered to a Common Safekeeper for Euroclear and Clearstream, Luxembourg. On or before the issue date for each Tranche, if the relevant Global Note is a CGN or the relevant Global Certificate is not held under the NSS, the Global Note representing Bearer Notes or the Global Certificate representing Registered Notes may be deposited with a common depositary for Euroclear and Clearstream, Luxembourg. Global Notes or Global Certificates may also be deposited with any other clearing system or may be delivered outside any clearing system, provided that the method of such delivery has been agreed in advance by the Issuer, the Fiscal Agent and the relevant Dealer. Registered Notes that are to be credited to one or more clearing systems on issue will be registered in the name of nominees or a common nominee for such clearing systems.
<b>Currencies:</b>	Subject to compliance with all relevant laws, regulations and directives, Notes may be issued in any currency agreed between the Issuer and the relevant Dealers.
<b>Maturities:</b>	Any maturity, subject to compliance with all relevant laws, regulations and directives.
<b>Specified Denomination:</b>	Definitive Notes will be in such denominations as may be specified in the applicable Final Terms save that: (i) in the case of any Notes which are to be admitted to trading on a regulated market within the European Economic Area or in the United Kingdom or offered to the public in a Member State of the European Economic Area or in the United Kingdom in circumstances which require the publication of a prospectus under the Prospectus Regulation, the minimum specified

denomination shall be €100,000 and (ii) unless otherwise permitted by then current laws and regulations, Notes (including Notes denominated in Sterling) which have a maturity of less than one year and in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of section 19 of the Financial Services and Markets Act 2000 (“FSMA”) will have a minimum denomination of £100,000 (or its equivalent in other currencies).

**Fixed Rate Notes:**

Fixed interest will be payable in arrear on the date or dates in each year specified in the applicable Final Terms.

**Floating Rate Notes:**

Floating Rate Notes will bear interest determined separately for each Series as follows:

- (i) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the relevant ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc.; or
- (ii) by reference to LIBOR or EURIBOR as adjusted for any applicable margin.

Interest periods will be specified in the applicable Final Terms.

Upon the outcome of a Benchmark Event, a Rate Determination Agent will determine a Replacement Reference Rate in accordance with condition 4(b)(iii)(D).

**Fixed Rate Reset Subordinated Notes:**

Fixed Rate Reset Subordinated Notes will initially bear interest at the Initial Interest Rate until (but excluding) the First Reset Date. On the First Reset Date, the Second Reset Date (if applicable) and each Subsequent Reset Date (if any) thereafter, the interest rate will be reset to the sum of the applicable Mid-Swap Rate and the Reset Margin as determined by the Calculation Agent on the relevant Reset Determination Date, all as specified in the applicable Final Terms.

Upon the occurrence of a Benchmark Event, a Rate Determination Agent will determine a Replacement Reference Rate in accordance with Condition 4(c)(iii)(D) of the Subordinated Notes.

**Zero Coupon Notes:**

Senior Preferred Notes specified to be Zero Coupon Notes (as defined in “Terms and Conditions of the Senior Preferred Notes”) may be issued at their nominal amount or at a discount to it and will not bear interest.

**Interest Periods and Interest Rates:**

The length of the interest periods for the Notes and the applicable interest rate or its method of calculation may differ from time to time or be constant for any Series. Notes may have a maximum interest rate, a minimum interest rate, or both. The use of interest accrual periods permits the Notes to bear interest at different rates in the same interest period. All such information will be set out in the applicable Final Terms.

**Redemption:**

The applicable Final Terms will specify the basis for calculating the redemption amounts payable. Unless permitted by then current laws and regulations, Notes (including Notes denominated in Sterling) which have a maturity of less than one year and in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of section 19 of the FSMA must have a minimum redemption amount of £100,000 (or its equivalent in other currencies).

*Redemption of Senior Preferred Notes which are intended to qualify as MREL Eligible Liabilities and Senior Non-Preferred Notes due to an MREL Disqualification Event*

If an MREL Disqualification Event as specified in the applicable Final Terms has occurred and is continuing, the Issuer may at its option, and having given not less than 30 nor more than 60 days' notice or such other period of notice as is specified in the applicable Final Terms (which notice shall be irrevocable) to the Senior Preferred Noteholders or Senior Non-Preferred Noteholders, redeem at any time (in the case of Senior Preferred Notes or Senior Non-Preferred Notes other than Floating Rate Notes) or on any Interest Payment Date (in the case of Floating Rate Notes), in accordance with the Conditions, all, but not some only, of the Senior Preferred Notes or Senior Non-Preferred Notes at the Optional Redemption Amount specified in the applicable Final Terms together with accrued interest (if any) to but excluding the date of redemption.

Any redemption or substitution and variation of Senior Preferred Notes or Senior Non-Preferred Notes in accordance with the applicable Final Terms is subject to (i) the Issuer obtaining the prior written permission of the Competent Authority provided that, at the relevant time, such permission is required to be given and (ii) compliance with any other pre-conditions to, or requirements applicable to, such redemption, substitution or variation as may be required by the Competent Authority or the Applicable MREL Regulations at such time.

*Regulatory Call Option in respect of Subordinated Notes*

If Regulatory Call of Subordinated Notes is specified in the applicable Final Terms in respect of Subordinated Notes such Notes will be redeemable at the option of the Issuer upon the occurrence of a Capital Event or an MREL Disqualification Event, subject to:

- (a) in the case of Subordinated Notes qualifying as Tier 2 Notes,
  - (i) the prior written permission of the Competent Authority provided that at the relevant time such permission is required to be given pursuant to article 77 CRD Regulation and (ii) the Issuer demonstrating to the satisfaction of the Competent Authority that the Issuer complies with article 78 CRD

Regulation, which may include the replacement of the Subordinated Notes with own funds instruments of equal or higher quality at terms that are sustainable for the income capacity of the Issuer; or

- (b) in the case of Subordinated Notes qualifying as MREL Eligible Liabilities, (i) the prior permission of the Competent Authority provided that at the relevant time such permission is required to be given and (ii) compliance with any other pre-conditions to, or requirements applicable to, such redemption as may be required by the Competent Authority or the Applicable MREL Regulations at such time,

and having given not less than 30 nor more than 60 days'.

The applicable Final Terms may provide that Notes may be repayable in two or more instalments of such amounts and on such dates as indicated in it.

“Capital Event”, “CRD Regulation”, “Competent Authority” and “MREL Disqualification Event” have the meanings ascribed thereto in Condition 5(e) (*Redemption, substitution and variation for regulatory purposes of Subordinated Notes*) of the Terms and Conditions of the Subordinated Notes.

**Taxation:**

This Prospectus includes a general summary of certain Dutch tax considerations relating to an investment in the Notes. See the “Taxation” section of this Prospectus. Such summary may not apply to a particular holder of Notes or to a particular issue and does not cover all possible tax considerations. In addition, the tax treatment may change after the date of this Prospectus. Any potential investor should consult his own tax adviser for more information about the tax consequences of acquiring, owning and disposing of Notes in its particular circumstances.

**Redemption by Instalments:**

The Final Terms issued in respect of each issue of Notes that are redeemable in two or more instalments will set out the dates on which, and the amounts in which, such Notes may be redeemed.

**Optional Redemption:**

The Final Terms issued in respect of each issue of Notes will state whether such Notes may be redeemed prior to their stated maturity at the option of the Issuer (either in whole or in part) and/or the Noteholders, and, if so, the terms applicable to such redemption.

**Order of application of Bankruptcy and Bail-In in respect of the Notes:**

The below overview compares the order in which losses will be absorbed in situations of bankruptcy of the Issuer and in write-down and conversion as the result of Bail-In (subject to certain exceptions and potential changes in the future, including pursuant to implementation in Dutch law of article 48(7) of Directive (EU) 2019/879 of the European Parliament and of the Council of 20 May 2019, providing that own



funds items will have a lower ranking in bankruptcy than any claim that does not result from an own funds item):

**Bankruptcy:**

1. CET1 capital instruments;
2. Additional Tier 1 capital instruments;
3. subordinated debt that is not Additional Tier 1 capital (such as Subordinated Notes);
4. Statutory Senior Non-Preferred Obligations (such as the Senior Non-Preferred Notes);
5. the rest of liabilities (such as the Senior Preferred Notes).

**Bail-In:**

1. CET1 capital instruments;
2. Additional Tier 1 capital instruments;
3. Tier 2 capital instruments (such as Subordinated Notes qualifying as Tier 2 instruments);
4. eligible liabilities in the form of subordinated debt that is not Additional Tier 1 capital or Tier 2 capital in accordance with the hierarchy of claims in normal insolvency proceedings;
5. eligible liabilities qualifying as Statutory Senior Non-Preferred Obligations (such as the Senior Non-Preferred Notes);
6. the rest of eligible liabilities (such as the Senior Preferred Notes) in accordance with the hierarchy of claims in normal insolvency proceedings,

provided always that no creditor may be worse off than in bankruptcy.

**Statutory Loss Absorption and Recapitalisation of Senior Preferred Notes intended to qualify as MREL Eligible Liabilities, Senior Non-Preferred Notes and Subordinated Notes**

Senior Preferred Notes intended to qualify as MREL Eligible Liabilities, Senior Non-Preferred Notes and Subordinated Notes may become subject to the determination by the Resolution Authority or the Issuer (following instructions from the Resolution Authority) that without the consent of the relevant Noteholder:

- (a) all or part of the nominal amount of such Notes, including accrued but unpaid interest in respect thereof, must be written down to absorb losses, subject to write-up by the Resolution Authority (such loss absorption, “**Statutory Loss Absorption**”); or

- (b) all or part of the nominal amount of such Notes, including accrued but unpaid interest in respect thereof, must be converted into claims which may give right to common equity Tier 1 instruments (such conversion, “**Recapitalisation**”),

all as prescribed by the Applicable Resolution Framework, or that the Senior Preferred Notes, the Senior Non-Preferred Notes and/or the Subordinated Notes must otherwise be applied to absorb losses.

Upon any such determination, (i) the relevant proportion of the outstanding nominal amount of such Notes subject to Statutory Loss Absorption or Recapitalisation, as the case may be, shall be written down or converted into claims which may give right to common equity Tier 1 instruments or otherwise be applied to absorb losses, as prescribed by the Applicable Resolution Framework, (ii) such Statutory Loss Absorption or Recapitalisation shall not constitute an Event of Default and (iii) the relevant Noteholders will have no further claims in respect of the amount so written down or subject to conversion or otherwise as a result of such Statutory Loss Absorption or Recapitalisation.

**Status and Ranking of the Senior Preferred Notes:**

(a) ***Status and ranking***

The Senior Preferred Notes will constitute unsecured and unsubordinated obligations of the Issuer and will rank *pari passu* without any preference among themselves and with all other present and future unsecured and unsubordinated obligations of the Issuer save for those preferred by mandatory and/or overriding provisions of law and other than those unsecured and unsubordinated obligations having a lower ranking in reliance on article 212rb of the Dutch Bankruptcy Act (*Faillissementswet*) (or any other provision implementing article 108 of Directive 2014/59/EU, as amended by Directive (EU) 2017/2399, in The Netherlands).

The Senior Preferred Notes of a Series may be intended to qualify as MREL Eligible Liabilities, as specified in the applicable Final Terms.

(b) ***No set-off if the Senior Preferred Notes are intended to qualify as MREL Eligible Liabilities***

If it is specified in the applicable Final Terms that the Senior Preferred Notes of a Series are intended to qualify as MREL Eligible Liabilities, no Senior Preferred Noteholder, Couponholder and Receiptholder may at any time exercise or claim any right of set-off or netting in respect of any amount owed to it by the Issuer arising under or in connection with such Senior Preferred Notes, Coupons and Receipts.

*Variation or Substitution if the Senior Preferred Notes are intended to qualify as MREL Eligible Liabilities*

If Variation or Substitution is specified in the applicable Final Terms and if as a result of an MREL Disqualification Event the whole of the outstanding nominal amount of the Senior Preferred Notes can no longer be, or is likely to become no longer, included in full as MREL Eligible Liabilities, then the Issuer may, subject to the below (but without any requirement for the permission of the Senior Preferred Noteholders) and having given not less than 30 nor more than 60 days' notice (which notice shall be irrevocable) to the Senior Preferred Noteholders, either substitute all, but not some only, of the Senior Preferred Notes or vary the terms of the Senior Preferred Notes so that they remain or, as appropriate, become MREL Eligible Liabilities within the meaning of the Applicable MREL Regulations at the relevant time, provided that such substitution or variation shall not result in terms that are materially less favorable to the Senior Preferred Noteholders and that the resulting securities must have, *inter alia*, at least the same ranking and interest rate and the same maturity date, redemption rights, existing rights to accrued interest which has not been paid and assigned the same (solicited) ratings as the Senior Preferred Notes.

**Status and Ranking of the Senior Non-Preferred Notes:**

(a) ***Status and ranking***

The Senior Non-Preferred Notes qualify as, and comprise part of the class of, Statutory Senior Non-Preferred Obligations and constitute unsubordinated and unsecured obligations of the Issuer and, save for those preferred by mandatory and/or overriding provisions of law, rank (i) in the event of liquidation or bankruptcy (*faillissement*) of the Issuer, *pari passu* and without any preference among themselves and with all other present and future obligations of the Issuer qualifying as Statutory Senior Non-Preferred Obligations, (ii) in the event of the bankruptcy (*faillissement*) of the Issuer only, junior to any present and future unsubordinated and unsecured obligations of the Issuer which do not qualify as Statutory Senior Non-Preferred Obligations and (iii) in the event of liquidation or bankruptcy (*faillissement*) of the Issuer, senior to any Junior Obligations.

By virtue of such ranking, payments to Senior Non-Preferred Noteholders will, in the event of the bankruptcy (*faillissement*) of the Issuer, only be made after all claims in respect of unsubordinated and unsecured obligations of the Issuer which do not qualify as Statutory Senior Non-Preferred Obligations have been satisfied.

(b) *No set-off*

No Senior Non-Preferred Noteholder may exercise or claim any right of set-off in respect of any amount owed to it by the Issuer arising under or in connection with the Senior Non-Preferred Notes.

“**Junior Obligations**” means any present and future claims in respect of obligations of the Issuer which rank or are expressed to rank, subordinated to claims in respect of unsubordinated and unsecured obligations of the Issuer (including Statutory Senior Non-Preferred Obligations); and

“**Statutory Senior Non-Preferred Obligations**” (*niet preferente niet achtergestelde schuld*) means any present and future claims in respect of unsubordinated and unsecured obligations of the Issuer which have a lower ranking within the meaning of article 212rb of the Dutch Bankruptcy Act (*Faillissementswet*) (or any other provision implementing article 108 of Directive 2014/59/EU, as amended by Directive (EU) 2017/2399, in The Netherlands) than the claims in respect of all other unsubordinated and unsecured obligations of the Issuer.

Events of Default of Senior Non-Preferred Notes are restricted to bankruptcy and liquidation and repayment following an Event of Default may be subject to the prior permission of the Competent Authority.

*Variation or Substitution*

If Variation or Substitution is specified in the applicable Final Terms and if as a result of an MREL Disqualification Event the whole of the outstanding nominal amount of the Senior Non-Preferred Notes can no longer be, or is likely to become no longer, included in full as MREL Eligible Liabilities, then the Issuer may, subject to the below (but without any requirement for the permission of the Senior Non-Preferred Noteholders) and having given not less than 30 nor more than 60 days' notice (which notice shall be irrevocable) to the Senior Non-Preferred Noteholders, either substitute all, but not some only, of the Senior Non-Preferred Notes or vary the terms of the Senior Non-Preferred Notes so that they remain or, as appropriate, become MREL Eligible Liabilities within the meaning of the Applicable MREL Regulations at the relevant time, provided that such substitution or variation shall not result in terms that are materially less favorable to the Senior Non-Preferred Noteholders and that the resulting securities must have, *inter alia*, at least the same ranking and interest rate and the same maturity date, redemption rights, existing rights to accrued interest which has not been paid and assigned the same (solicited) ratings as the Senior Non-Preferred Notes.

**Status and Ranking of the (a) *Status and Ranking*  
Subordinated Notes:**

The Subordinated Notes constitute unsecured and subordinated obligations of the Issuer and rank *pari passu* without any preference among themselves and with all other present and future unsecured and subordinated obligations of the Issuer (other than those subordinated obligations expressed by their terms to rank junior to the Subordinated Notes), save for those preferred by mandatory and/or overriding provisions of law.

The claims of the holders of the Subordinated Notes against the Issuer are, in the event of the liquidation or bankruptcy of the Issuer, subordinated to (a) the claims of depositors (other than in respect of those whose deposits are expressed by their terms to rank equally to or lower than the Subordinated Notes), (b) unsubordinated claims with respect to the repayment of borrowed money (including those unsecured and unsubordinated obligations having a lower ranking in reliance on article 212rb of the Dutch Bankruptcy Act (*Faillissementswet*) (or any other provision implementing article 108 of Directive 2014/59/EU, as amended by Directive (EU) 2017/2399, in The Netherlands)) and (c) other unsubordinated claims.

By virtue of such subordination, payments to a Subordinated Noteholder will, in the event of liquidation or bankruptcy of the Issuer, only be made after all obligations of the Issuer resulting from higher ranking deposits, unsubordinated claims with respect to the repayment of borrowed money and other unsubordinated claims have been satisfied.

**(b) *No set-off***

No Subordinated Noteholder may exercise or claim any right of set-off in respect of any amount owed to it by the Issuer arising under or in connection with the Subordinated Notes.

Events of Default of Subordinated Notes are restricted to bankruptcy and liquidation and repayment following an Event of Default may be subject to the prior permission of the Competent Authority.

*Variation or Substitution*

If Variation or Substitution is specified in the applicable Final Terms and if a CRD Capital Event or a Capital Event has occurred and is continuing, then the Issuer may, subject to the prior written permission of the Competent Authority provided that at the relevant time such permission is required to be given (but without any requirement for the permission of the Subordinated Noteholders) and having given not less than 30 nor more than 60 days' notice (which notice shall be irrevocable) to the Subordinated Noteholders, either substitute all, but not some only, of the Subordinated Notes or vary the terms of the

Subordinated Notes so that they remain or, as appropriate, become compliant with CRD or such other regulatory capital rules applicable to the Issuer at the relevant time. Upon the expiry of the notice referred to above, the Issuer shall either vary the terms of, or substitute, the Subordinated Notes in accordance with this Condition 5(e), as the case may be, provided that such substitution or variation shall not result in terms that are materially less favorable to the Subordinated Noteholders. For the avoidance of doubt, the Competent Authority has discretion as to whether or not it will approve any such substitution or variation of the Subordinated Notes.

**Negative Pledge:**

None

**Cross Default:**

None

**Ratings:**

The Issuer is rated A- by S&P.

Tranches of Notes will be rated or unrated. Where a Tranche of Notes is to be rated, such rating will be specified in the applicable Final Terms.

A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

**Withholding Tax:**

All payments of principal and interest in respect of the Notes will be made free and clear of withholding taxes of The Netherlands, unless the withholding is required by law at the initiative of the relevant tax authority of the Issuer. In such event, the Issuer shall, subject to customary exceptions, pay such additional amounts as shall result in receipt by the Noteholder of such amounts as would have been received by it had no such withholding been required, all as described in “Terms and Conditions of the relevant Notes — Taxation”.

**Governing Law:**

Dutch

**Listing and Admission to Trading:**

Application has been made to list Notes issued under the Programme and to admit them to trading on Euronext Amsterdam or as otherwise specified in the applicable Final Terms, and references to listing shall be construed accordingly. As specified in the applicable Final Terms, a Series of Notes may be unlisted.

**Selling Restrictions:**

The United States, the United Kingdom, The Netherlands, Italy, Japan and Belgium. See “*Subscription and Sale*”.

The Issuer is Category 2 for the purposes of Regulation S under the Securities Act, as amended.

The Notes will be issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(D) (or any successor United States Treasury Regulation section, including, without limitation, regulations issued in accordance with Internal Revenue Service Notice 2012-20 or otherwise in connection with the United States Hiring Incentives to Restore Employment Act of 2010) (the “D Rules”) unless (i) the applicable Final Terms states that Notes are issued in compliance with U.S. Treas.

Reg. §1.163-5(c)(2)(i)(C) (or any successor United States Treasury Regulation section, including, without limitation, regulations issued in accordance with Internal Revenue Service Notice 2012-20 or otherwise in connection with the United States Hiring Incentives to Restore Employment Act of 2010) (the “C Rules”) or (ii) the Notes are issued other than in compliance with the D Rules or the C Rules but in circumstances in which the Notes will not constitute “registration required obligations” under the United States Tax Equity and Fiscal Responsibility Act of 1982 (“TEFRA”), which circumstances will be referred to in the applicable Final Terms as a transaction to which TEFRA is not applicable.

## RISK FACTORS

*Prospective investors should carefully consider the risk factors set out below, together with the other information contained in this Prospectus (including, but not limited to, the audited consolidated annual accounts with the related notes), before making an investment decision with respect to the Notes. If any of the following risks should actually occur, the Issuer's business, revenues, results of operations, financial condition and prospects could be materially adversely affected, which could result in an inability of the Issuer to pay interest and/or principal and could negatively affect the price of the Notes.*

*Although the Issuer believes that the risks and uncertainties described below are the material risks and uncertainties presently known, they are not the only ones faced by the Issuer. All of these factors are contingencies which may or may not occur. Additional risks and uncertainties not presently known to the Issuer or that the Issuer currently deems immaterial may also have a material adverse effect on the Issuer's business, revenues, results of operations, financial condition and prospects, which could result in an inability of the Issuer to pay interest and/or principal and could negatively affect the price of the Notes.*

*Prospective investors should carefully review the entire Prospectus, and should form their own views before making an investment decision with respect to the Notes. Before making an investment decision with respect to the Notes, prospective investors should also consult their own financial, legal and tax advisers to carefully review the risks associated with an investment in the Notes and consider such an investment decision in light of the prospective investor's personal circumstances.*

### RISK FACTORS REGARDING THE ISSUER

#### A. RISKS RELATED TO THE ISSUER'S FINANCIAL SITUATION

##### 1. Risk that the Issuer is unable to attract sufficient funding and capital and/or has insufficient liquid assets.

###### *Liquidity Risk*

The Issuer faces liquidity risk, which means that funding and liquid assets could not be (sufficiently) available as a result of which the Issuer may not be able to meet short-term financial obligations. The Issuer is exposed to the risk of an inability to attract sufficient wholesale funding to fund its illiquid assets, in particular its mortgage portfolio and customer deposit outflows.

There can be no assurance that liquidity is always timely available or may be made available to the Issuer or that the Issuer will have access to external sources of liquidity. The Issuer needs liquidity in its day-to-day business activities to pay, *inter alia*, its operating expenses, interest on its debt, loan disbursements, withdrawals from savings accounts, collateral requirements (in relation to interest rate hedging), to maintain its repo activities and to replace certain maturing liabilities. Furthermore, regulatory liquidity requirements in which the Issuer operates are generally becoming more stringent, including those forming part of the Basel III/CRD IV requirements, discussed further below under '*Risk that the Issuer's results of operations can be affected by significant adverse regulatory developments as well as enforcement action including changes in regulatory capital and liquidity requirements*'. Insufficient liquidity in public markets may force the Issuer to curtail certain operations and strategies, and may adversely impact the Issuer's ability to meet regulatory and rating agency requirements, which could ultimately result in a downgrade of the Issuer's credit rating, discussed further below under '*Risk that a downgrade or a potential downgrade in the Issuer's credit ratings could have a material adverse effect on the Issuer's ability to issue debt or increase the cost of additional capital*'.



Customer deposits and other funds on deposit constitute 63 per cent. of the Issuer's balance sheet as at 30 June 2020. Almost half of customer deposits and other funds on deposits relates to deposits on internet-based savings accounts without any restrictions for withdrawals. When a customer with such savings requests a withdrawal, the Issuer will transfer such withdrawal to the external payment account of that customer within one business day. Reduced consumer confidence could lead to an increased withdrawal of savings deposits via internet banking. Consumer confidence in the Issuer may be negatively influenced by for example rumours, negative publicity or a hoax on social media, which in turn may lead to a large increase of withdrawals of savings deposits, and ultimately may lead to a run on the bank. A large amount of withdrawals may materially adversely affect the Issuer's liquidity levels. This could force the Issuer to (i) use its liquidity buffers, (ii) delay or (temporarily or permanently) cease new business, (iii) reduce, cancel or postpone interest payments on its capital securities, or (iv) sell its assets under less favourable terms than the Issuer would otherwise do. This would have the potential to decrease both the Issuer's profitability and its financial flexibility. A continuing run on the bank may lead to the Issuer not meeting its regulatory requirements which ultimately may lead to a default of the Issuer.

#### *Refinancing risks in the funding market*

Adverse capital market conditions may affect the availability and cost of borrowed funds, thereby impacting the Issuer's ability to support or grow its businesses. The principal sources of its funding are client deposits, mainly from retail clients, and medium-term and long-term securitised debt. Other sources of funding may also include a variety of short- and long-term instruments, including repurchase agreements, commercial paper, medium-term and long-term debt, subordinated debt securities, capital securities and shareholders' equity. In the event that current resources do not satisfy its needs or need to be refinanced, the Issuer may need to seek additional financing and/or other funding. The availability of additional financing will depend on a variety of factors such as market conditions, the general availability of credit, the volume of maturing debt that needs to be refinanced, the overall availability of credit to the financial services industry, the Issuer's credit ratings and credit capacity, as well as the possibility that lenders could develop a negative perception of the long-term or short-term financial prospects of the Issuer. Similarly, the Issuer's access to funds may be limited if regulatory authorities or rating agencies take negative actions against it. If the Issuer's internal sources of liquidity prove to be insufficient, there is a risk that external funding sources might not be available, or available at unfavourable terms. This would have an adverse effect on the Issuer's profitability and its financial conditions.

#### *Refinancing risks in the capital market*

Disruptions, uncertainty or volatility in the capital and credit markets may limit the Issuer's access to capital required to operate its business (see also risk factor '*The Issuer's business, revenues, results of operations, financial condition and prospects are materially affected by the condition of global financial markets and economic conditions generally*', in which more information is provided on the risk that the condition of global financial markets and economic conditions generally may have a negative impact on the Issuer). Such market conditions may in the future limit the Issuer's ability to raise additional capital to support business growth, or to counter-balance the consequences of losses or increased regulatory capital requirements. This could force the Issuer to (a) delay raising additional capital, (b) reduce, cancel or postpone interest payments on its capital securities, (c) issue capital of different types or under less favourable terms than the Issuer would otherwise do, or (d) incur a higher cost of capital than it would otherwise have incurred in a more stable market environment, each of which may have a material adverse effect on the Issuer's capital position and its profitability.

## **2. The Issuer's business, revenues, results of operations, financial condition and prospects are materially affected by the condition of global financial markets and economic conditions generally.**

The economy typically goes through cycles. In periods of economic downturn, recurring weak macroeconomic conditions, including recessions, and the implementation of austerity measures in many economies, along with global financial market turmoil and volatility, generally affect the behaviour of retail banking customers, and, by extension, the demand for, and supply of, the Issuer's products and services. New

economic or financial crises, such as those that started in 2008 and 2010, may occur and have again significant impact.

The recent COVID-19 crisis has also already had a major impact on the global economy and health systems and may have further significant economic impacts. High unemployment levels; reduced consumer and government spending levels; government monetary and fiscal policies, inflation rates, interest rates, credit spreads and credit default rates, liquidity spreads, currency exchange rates, market indices, equity and other securities prices, real estate prices, the volatility and strength of the capital markets, political events and trends terrorism, cybercrime, cyberattack and changes in customer behaviour may negatively affect the Issuer and have an adverse effect on the Issuer's financial condition and/or results of operations. All of these factors are impacted by changes in financial markets and developments in the global and European economies.

Actions by central banks and governments, including the implementation of austerity measures and bail-outs of financial institutions, as well as volatile markets, interest rates and credit spreads, liquidity spreads and significant changes in asset valuations (including material write-offs and write-downs of impaired assets), have all affected the business of financial institutions, including the Issuer in the past and may continue to have an adverse effect on the Issuer's financial condition and/or results of operations. Any future significant deterioration in the Dutch, European and global economies, or renewed volatility in financial markets may affect the Issuer in one or more of the following ways as described in the risk factors *'The Issuer's products could be materially affected by the conditions of global financial markets and economic conditions generally, which could have a material adverse effect on the Issuer's business, revenues, results of operations, financial condition and prospects'*, *'Asset liquidity could be materially affected by the conditions of global financial markets and economic conditions generally, which could have a material adverse effect on the Issuer's business, revenues, results of operations, financial condition and prospects'* and *'The conditions of global financial markets and economic conditions may have an adverse effect on the Issuer's ability to access the public markets for debt capital'*. Should any such event occur, it could have a material adverse effect on Issuer's business, revenues, results of operations, financial condition and prospects:

**3. The Issuer's products could be materially affected by the conditions of global financial markets and economic conditions generally, which could have a material adverse effect on the Issuer's business, revenues, results of operations, financial condition and prospects.**

The Issuer provides a number of banking products that expose it to risks associated with fluctuations in interest rates, market indices, equity and other securities prices, credit default rates, the value of real estate assets, fluctuations in currency exchange rates and credit and liquidity spreads. Accordingly the profitability of many of these products fluctuate depending on the factors described in the previous sentence.

**4. The Issuer holds investment portfolios consisting of a variety of asset classes and hedge instruments. The condition of global financial markets and economic conditions may have a material adverse effect on the effectiveness of the hedge instruments and the performance of the financial investment portfolios held by the Issuer.**

Financial market conditions may adversely affect the effectiveness of the hedge instruments used by the Issuer to manage certain risks to which it is exposed. This has resulted, and may result, in the hedge instruments not performing as intended or expected, in turn resulting in higher realised losses and increased cash needs to collateralise or settle these hedge transactions. Such financial market conditions have limited, and may limit, the availability, and increase the costs, of hedging instruments. In certain cases, these costs have not been, and may not be, fully recovered in the pricing of the products to which the hedges relate.

Disruptions, uncertainty or volatility in financial markets may limit or otherwise adversely impact the Issuer's ability to access the public markets for debt capital. The impact of this is discussed further under *'Risk that the Issuer is unable to attract sufficient funding and/or has insufficient liquid assets'*.

**5. Asset liquidity could be materially affected by the conditions of global financial markets and economic conditions generally, which could have a material adverse effect on the Issuer's business, revenues, results of operations, financial condition and prospects.**

The Issuer holds a liquidity portfolio which consists of bonds of at least investment grade. In principle there is the risk that credit and liquidity spreads may increase in the case of a very severe economic downturn scenario or for instance an EU break up scenario (see also the risk factor '*The UK's exit from the European Union on 31 January 2020 has caused, and is anticipated to continue to cause, significant uncertainties and instability in the economy and in the financial markets, which may affect the Issuer and the trading price of the Notes*', in which more information is provided on the risk of the UK's exit from the EU). This may significantly reduce the value of the notes in the liquidity portfolio and reduce the liquidity of these typically liquid assets. If the Issuer requires significant amounts of cash on short notice in excess of normal cash requirements or is required to post or return collateral in connection with its derivatives transactions, the Issuer may be forced to sell assets. If those assets are illiquid, the Issuer may be forced to sell them for a lower price than it otherwise would have been able to realise, resulting in losses.

**6. The conditions of global financial markets and economic conditions may have an adverse effect on the Issuer's ability to access the public markets for debt capital.**

Disruptions, uncertainty or volatility in financial markets may limit or otherwise adversely impact the Issuer's ability to access the public markets for debt. This may in turn force the Issuer to (a) delay raising additional capital, (b) reduce, cancel or postpone interest payments on its capital securities, (c) issue debt securities of different types or under less favourable terms to the Issuer than it would otherwise do, or (d) incur a higher cost of capital than it would otherwise have incurred in a more stable market environment, each of which may have a material adverse effect on the Issuer's capital and liquidity position. Insufficient liquidity in public markets may force the Issuer to curtail certain operations and strategies, and may adversely impact the Issuer's ability to meet regulatory and rating agency requirements.

**7. The Issuer's residential and commercial mortgage portfolio is exposed to the risk of default by borrowers and to declines in real estate prices; these exposures are concentrated in the Netherlands.**

The balance sheet of the Issuer mainly consists of a mortgage loan portfolio and loans to professional counterparties (financial institutions) in the Netherlands (see also risk factors '*The Issuer is exposed to credit risk*' and '*Risks related to the Issuer being primarily focused on Dutch mortgage loan business*'). The Issuer is exposed to the risk of default by borrowers under mortgage loans. Borrowers may default on their obligations due to bankruptcy, lack of liquidity, downturns in the economy generally or declines in real estate prices, operational failure, fraud or other reasons. The value of the secured property in respect of these mortgage loans is exposed to decreases in real estate prices, arising for instance from downturns in the economy generally, oversupply of properties in the market, and changes in tax or other regulations related to housing (such as the decrease in deductibility for tax purposes of interest on mortgage payments as well as rules on pre-payment). Furthermore, the value of the secured property in respect of these mortgage loans is exposed to destruction and damage resulting from floods and other natural and man-made disasters. Damage or destruction of the secured property also increases the risk of default by the borrower. For the Issuer, a large majority of these exposures are concentrated in the Netherlands because most of the mortgage loans have been advanced, and are secured by commercial and residential property, in the Netherlands. As of the date of this Prospectus, almost all of the aggregate principal amount of mortgage loans advanced in the Netherlands is secured by residential property, and a relatively small amount by commercial property. An economic slowdown as a consequence of the COVID-19 pandemic, especially in the Netherlands, is expected to cause an increase in the default on mortgage loans. An increase of defaults, or the likelihood of defaults, under the mortgage loans, or a decline in property prices in the Netherlands, could have, a material adverse effect on the Issuer's results of operations and financial condition.

See also the risk factor '*The Issuer is exposed to credit risk*' and '*Risks related to the Issuer being primarily focused on Dutch mortgage loan business*' and '*The outbreak of communicable diseases around the world and COVID-19 may materially and adversely affect the Issuer's business, financial condition and results of operations.*'

**8. The outbreak of communicable diseases around the world and COVID-19 may materially and adversely affect the Issuer's business, financial condition and results of operations.**

The outbreak of communicable diseases, pandemics and epidemics or health emergencies all impact the business and economic environment in which the Issuer operates. The COVID-19 outbreak, which has spread globally in recent months, has disrupted various markets and resulted in uncertainty about the development of the economies affected by the outbreak. However, to date, the impact on the Dutch mortgage market has been limited and the Euro wholesale funding market has largely recovered. Although the financial impact to date is limited to a slight increase in risk costs due to payment holidays and the application of revised macroeconomic outlooks, the expenses incurred to increase capacity at loan servicing and the measures to increase (back up) liquidity, COVID-19 is likely to continue to impact the Issuer in the coming period.

In the longer term, the COVID-19 outbreak may result in increased defaults by borrowers under mortgage loans and other loans and result in an increasing number of payment holidays being granted to borrowers, which may have a negative effect on, *inter alia*, the Issuer's liquidity, see also the risk factor '*Risks related to payment holidays*'. Given the uncertainties and ongoing developments, the exact consequences of the COVID-19 outbreak are highly uncertain and it is difficult to predict the spread or duration of the outbreak. See also section "*Business Description of the Issuer*" under '*COVID-19*' for further information in respect of the impact of the COVID-19 outbreak. There can also be no assurances that a potential tightening of liquidity conditions in the future as a result of, for example, further deterioration of public finances of certain European countries will not lead to new funding uncertainty, resulting in increased volatility and widening credit spreads, which in turn could have a material adverse effect on the Issuer's business, financial condition and results of operations.

**9. The Issuer is exposed to credit risk.**

The Issuer's business is subject to credit risks, including credit risks of borrowers and other counterparties. Risks arising from changes in credit quality and the recoverability of loans and amounts due from counterparties are inherent to the Issuer's business activities.

Third parties that owe the Issuer money, securities or other assets may not pay or perform under their obligations. These parties include borrowers (under loans), the issuers whose securities the Issuer holds, customers, trading counterparties, counterparties under swaps and credit and other derivative contracts, clearing agents, exchanges, clearing houses and other financial intermediaries.

Apart from an investment portfolio, which is solely held for liquidity purposes, the Issuer's credit exposure is related to traditional retail lending. The credit risk profile within this retail-lending book largely stems from residential mortgage lending (see also the risk factor '*Risks related to the Issuer being primarily focused on Dutch mortgage loan business*'). In addition to residential mortgage loans (EUR 20.4bn<sup>1</sup> as at 30 June 2020), the retail lending book consists of a small consumer lending credit book (EUR 158mio as at 30 June 2020).

The borrowers and other counterparties may default on their obligations to the Issuer due to bankruptcy, lack of liquidity, downturns in the economy or real estate values, operational failure or other reasons, which may have an adverse effect on the Issuer's financial condition and/or results of operations.

**10. Risk that a downgrade or a potential downgrade in the Issuer's credit ratings could have a material adverse effect on the Issuer's ability to issue debt or increase the cost of additional capital.**

The access to the money and capital markets may be affected by concerns about the credit strength of the Issuer, but may also be influenced by concerns about the market segments in which the Issuer is active, or by a general market disruption (see also the risk factors '*Risk that the Issuer is unable to attract sufficient funding and/or has insufficient liquid assets*' and '*The Issuer's business, revenues, results of operations, financial condition and prospects are materially affected by the condition of global financial markets and economic conditions generally*'). Access to these markets may be further affected by a deterioration of the credit rating

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<sup>1</sup>Including e.g. mortgage premiums and the fair value changes of hedged items.

of the Issuer.

In general, credit ratings are important factors affecting public confidence in banks, and are as such important to the Issuer's ability to sell its products and services to existing and potential customers. Credit ratings represent the opinions of rating agencies regarding an entity's ability to repay its indebtedness. The Issuer's credit ratings are important to its ability to issue debt and to the cost of such financing. In the event of a downgrade the cost of issuing debt will increase, having an adverse effect on net results. The Issuer has the following counterparty credit rating: A- from S&P (last confirmed 29 September 2020). S&P reviews its ratings and rating methodologies on a recurring basis and may decide on a downgrade at any time.

Furthermore, the Issuer's assets are risk weighted. Downgrades of these assets could result in a higher risk weighting which may result in higher capital requirements. This may impact net earnings and the return on capital, and may have an adverse impact on the Issuer's competitive position and liquidity position and, therefore, its ability to make the payment due under the Notes. In addition, a downgrade of the Issuer's credit rating could have a negative effect on the credit rating of the Notes (see also the risk factor '*Credit ratings assigned to the Issuer or any Notes may not reflect all risks associated with an investment in those Notes.*').

## **11. Risks related to payment holidays**

Governments in various countries have introduced measures aimed at preventing the further spread of COVID-19 and at mitigating the economic consequences of the outbreak. The Dutch government has announced economic measures aimed at protecting jobs, households' wages and companies, such as tax payment holidays, guarantee schemes and a compensation scheme for heavily affected sectors in the economy. Some borrowers which are in distress due to COVID-19 have requested and other borrowers may request payment holidays. The Issuer allows, subject to certain conditions being met and on a borrower per borrower basis, borrowers to defer making payments under the receivables for a limited period. The amount deferred will not accrue interest and will be separately accounted for in the administration of the Issuer. The amount deferred as a result of the payment holidays will, until payment of such amount is deferred, be reported separately and will result in a limited increase of the debt of the borrower, a disruption in the scheduled payment of interest and principal and could result in higher losses under the mortgage receivables and higher delinquencies in the future as a result of the increased payment obligations when the deferred payments are due. As a result, if the amounts collected are disrupted by a significant number of payment holidays, or the delinquencies increase, the Issuer may not be able to pay all amounts due under the Notes, which may result in losses under the Notes.

## **B. RISKS RELATED TO THE ISSUER'S BUSINESS ACTIVITIES AND INDUSTRY**

### **1. The Issuer is exposed to market risk, including interest rate and liquidity spread volatility, inflation/deflation, declining property prices (higher impairments) and hedging risks.**

#### *Interest rate risk*

Changes in prevailing interest rates may negatively affect the Issuer's business, including the level of net interest revenue the Issuer earns, and the levels of deposits and the demand for loans. In a period of changing interest rates, interest expense may increase and interest credited to accountholders may change at different rates than the interest earned on assets. Accordingly, changes in interest rates could decrease net interest revenue. Changes in interest rates may negatively affect the value of the Issuer's assets and its ability to realise gains or avoid losses from the sale of those assets, all of which also ultimately affect earnings and capital, as well as the Issuer's regulatory solvency position.

A sustained increase in the inflation rate may result in an increase in nominal market interest rates, which may:

1. decrease the estimated fair value of certain fixed income securities that the Issuer holds in its investment portfolio, resulting in:

- reduced levels of unrealised capital gains available to the Issuer, which could negatively impact its solvency position and net income; and/or
  - a decrease in collateral values;
2. require the Issuer, as an issuer of securities, to pay higher interest rates on debt securities that it issues in the financial markets from time to time and/or as a seller of savings products, to pay higher interest rates to customers on their savings accounts to finance its operations, which would increase its interest expenses and reduce its results of operations; and/or
  3. decrease the demand for new mortgage loans due to decreased borrowers' affordability.

A significant and sustained increase in inflation has historically also been associated with decreased prices for equity securities and sluggish performance of equity markets generally. A sustained decline in equity markets may negatively impact the ability of the Issuer's asset management activities to retain and attract assets under management, as well as the value of assets they manage, which may negatively impact their results of operations.

On the other hand, deflation experienced in the Issuer's market may also adversely affect its financial performance. In recent years, the risk of low inflation and even deflation (i.e. a continued period with negative rates of inflation) in the Eurozone has materialised. Deflation may erode collateral values and diminish the quality of loans (decreased borrowers' affordability due to lower income growth) and cause a decrease in borrowing levels, which would negatively affect the Issuer's business and results of operations.

#### *Credit risk*

The Issuer is exposed to the risk that its borrowers may not repay their loans according to their contractual terms and that the collateral securing the payment of these loans may be insufficient. The Issuer may continue to see adverse changes in the credit quality of its borrowers and counterparties, for example as a result of their inability to refinance their indebtedness, with increasing delinquencies, defaults and insolvencies across a range of sectors (see also the risk factor '*The Issuer is exposed to credit risk*'). This may lead to higher additions to loan loss provisions on the loan portfolio and/or higher level of impaired loans. This may have an adverse effect on the Issuer's financial condition and/or results of operations.

#### *Hedging risk*

The Issuer employs a hedging programme with the objective of mitigating risks inherent to its business and operations. As part of its risk management strategy, the Issuer employs the hedging programme to control these risks by entering into derivative financial instruments (typically interest rate swaps). Developing an effective strategy for dealing with the risks described above is complex, and no strategy can completely protect the Issuer from such risks. The Issuer's hedging programme is based on financial market and customer behaviour models using, amongst others, statistics, observed historical market and customer behaviour, underlying (loan) product terms and conditions, and the Issuer's own judgment, expertise and experience. Although the Issuer has developed policies and procedures to identify, monitor and manage risks associated with the hedging programme, the hedging programme may no longer sufficiently mitigate the risks that it is intended to hedge, particularly during periods of financial market volatility. A mismatch of interest-earning assets and interest bearing liabilities in any given period may, in the event of changes in interest rates, have a material effect on the financial position or result from operations of the Issuer. See for quantitative information page 64 of the annual report of the Issuer of 2019 on Derivatives and hedge accounting.

2. **Because the Issuer operates in highly competitive markets, it may lose its competitive position and market share, which may have a material adverse effect on the Issuer's business, revenues, results of operations, financial condition and prospects.**

The Issuer faces intense competition, including from domestic and foreign banks, distributors, financial advisers and diversified financial institutions, both for the ultimate customers for Issuer's products and for

distribution through third party distribution channels. The Issuer competes based on a number of factors, including NN brand recognition, reputation, scope of distribution, quality investment advice, quality of service, product features and price. A decline in the Issuer's competitive position could have a material adverse effect on its business, revenues, results of operations, financial condition and prospects.

In recent years a number of new competitors entered the Dutch retail mortgage and savings market. Some of these new competitors may have lower (relative) operating costs and an ability to absorb greater risk more competitively, which could adversely affect the Issuer's ability to obtain new, or retain existing, customers, or its ability to adjust prices. These competitive pressures could result in increased pressure on product pricing on a number of the Issuer's products and services, which may adversely affect the Issuer's operating margins, underwriting results and capital requirements, or reduce market share, any of which could have a material adverse effect on the Issuer's business, revenues, results of operations and prospects.

One of the main distribution channels of the Issuer is its network of intermediaries (which include independent agents) through which it sells and distributes its products. The intermediaries through whom the Issuer sells and distributes its products are independent of the Issuer, with the exception of the own advisers of the Issuer. Moreover, the Issuer does not have exclusivity agreements with intermediaries, so they are free to offer products from competitors and there is no obligation to favour the Issuer products. The successful distribution of the Issuer products therefore depends in part on the choices an intermediary may make as regards its preferred offeror, and as regards its preferred products and services. A failure by the Issuer to maintain a competitive distribution network, including participation in, or the development of, an internet-based platform to maintain its market share of new sales through this distribution channel compared to its market share of traditional channels, could have a material adverse effect on the Issuer's business and prospects.

Consumer demand, technological changes, regulatory changes and actions and other factors also affect competition. Generally, the Issuer could lose market share, incur losses on some or all of its activities and experience lower growth if it is unable to offer competitive, attractive and innovative products and services that are also profitable, does not choose the right product offering or distribution strategy, fails to implement such a strategy successfully or fails to adhere or successfully adapt to such demands and changes.

Developing technologies are accelerating the introduction and prevalence of alternative distribution channels, particularly the internet. Such alternative distribution channels may also increase the possibility that new competitors whose competencies include the development and use of these alternative distribution channels may enter the markets in which the Issuer operates.

### **3. Risk that the Issuer's operations and reputation may be interdependent on the developments of NN Group.**

The Issuer forms part of NN Group and its operations are interdependent on and may be affected by developments concerning NN Group, such as, but not limited to, (i) capital contributions (*kapitaalstortingen*) and dividend payments, (ii) credit ratings of NN Group or entities within NN Group and/or (iii) passing on of costs incurred or set off by NN Group or within NN Group. These interdependencies result in the fact that the Issuer may be affected by the realisation of certain risks of NN Group. See description of the Issuer in section "*Business Description of the Issuer*".

The Issuer's business and results of operations are, to a certain extent, dependent on the strength of its brands and NN Group's reputation. NN Group and its products are vulnerable to adverse market perception as it operates in an industry where integrity, customer trust and confidence are paramount. NN Group and therefore the Issuer is exposed to the risk that litigation (such as in connection with mis-selling), employee fraud and other misconduct, operational failures, the negative outcome of regulatory investigations, press speculation and negative publicity, amongst others, whether or not founded, could damage its brands or reputation. Any of NN Group's brands or reputation could also be harmed if products or services recommended by NN Group (or any of its intermediaries) do not perform as expected or do not otherwise meet customer expectations (whether or not the expectations are founded), or the customer's expectations for the product change. Negative publicity could be based, for instance, on allegations that NN Group failed to comply with regulatory requirements or result from failures in business continuity or the performance of NN Group's information

technology ("IT") systems, loss of customer data or confidential information, unsatisfactory service (support) levels, or insufficient transparency or disclosure of cost allocation (cost loading). Negative publicity adversely affecting NN Group's brands or its reputation could also result from any misconduct or malpractice by intermediaries, business promoters or other third parties linked to NN Group (such as strategic partners). Furthermore, negative publicity, and damage to NN Group's brands or reputation, could result from allegations that NN Group has invested in, or otherwise done business with, entities and individuals that are, or which become, subject to political or economic sanctions or are blacklisted, or which do not meet environmental and social responsibility standards. Any damage to NN Group's brands or reputation could cause existing customers or intermediaries to withdraw their business from the Issuer and potential customers or intermediaries to be reluctant or elect not to do business with the Issuer. Furthermore, negative publicity could result in greater regulatory scrutiny and influence market or rating agencies' perception of the Issuer, which could make it more difficult for the Issuer to maintain its credit ratings which is an important factor for both intermediaries and customers when considering what bank to do business with. See also the risk factor '*A downgrade or a potential downgrade in the Issuer's credit ratings could have a material adverse effect on the Issuer's ability to issue debt or increase the cost of additional capital*' above.

Any damage to NN Group's brands or reputation could cause disproportionate damage to the Issuer's business, even if the negative publicity is factually inaccurate or unfounded.

Please also refer to the risk factor '*Adverse publicity, claims and allegations, litigation and regulatory investigations and sanctions may have a material adverse effect on the Issuer's business, revenues, results of operations, financial condition and prospects*', which could in part also lead to damage of NN Group's brands and reputation as described in this risk factor.

#### **4. Risks related to the Issuer being primarily focused on Dutch mortgage loan business.**

The Issuer generates the majority of its income in the Netherlands and therefore is particularly exposed to the economic, political and social conditions in the Netherlands. Economic conditions in the Netherlands can be difficult. Any long-term persistence of the difficult economic environment in the Netherlands, for example as a result of COVID-19, could negatively affect the demand for the Issuer's products and services. In addition, due to the concentration in the Netherlands of mortgage loans originated by the Issuer, changes in laws and regulation in the Netherlands regarding mortgage loans might affect the Issuer. Mortgage loans<sup>2</sup> constitute 83 per cent. of the Issuer's balance sheet as at 30 June 2020.

An economic downturn, stagnation or drop in property values, changes in or abolition of the tax deductibility of interest payments on residential mortgage loans in the Netherlands (see also the risk factor '*Risks related to changes to Dutch tax treatment of interest on Mortgage Loans and tax deductibility*'), increased interest rates or a combination thereof, could lead to a decrease in the production of new mortgage loans and/or increased default rates on existing mortgage loans. Further, a decrease in the general level of interest rates could affect the Issuer through, among other things, increased prepayments on the loan and mortgage portfolio for instance as a result of low interest rates on saving accounts. Consequently, prepayments on mortgage loans are more beneficial to consumers than savings. Recently there has been a relatively high level of such prepayments. Also, fixation of lower margins for long interest rate reset periods on mortgage loans provided to customers may have a prolonged impact on the Issuer's results of operations.

These changes and any further changes in the tax treatment could ultimately have an adverse impact on the ability of borrowers to pay interest and repay their mortgage receivables. In addition, changes in the deductibility of mortgage interest payments may lead to different prepayment behaviour by borrowers on their mortgage loans resulting in higher or lower prepayment rates of such mortgage loans. A sharp increase in demand for mortgage loans may lead to a situation in which the Issuer is unable to provide all requested loans due to funding and/or operational reasons.

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<sup>2</sup> Including e.g. mortgage premiums and the fair value changes of hedged items.



- 5. The Issuer is exposed to the risk of fraud and other misconduct or unauthorised activities by the Issuer's personnel, distributors, customers and other third parties. The occurrence of fraud and other misconduct and unauthorised activities could result in losses and harm the Issuer's reputation, and may have a material adverse effect on the Issuer's business, revenues, results of operations, financial condition and prospects.**

The Issuer is exposed to the risk of fraud and other misconduct or unauthorised activities by the Issuer's personnel, distributors, customers and other third parties. Fraud typically occurs when these persons deliberately abuse the Issuer's procedures, systems, assets, products or services, and includes sales fraud (where, for instance, intermediaries design commission schemes that are not for bona fide customers, or are written for non-existent customers, in order to collect commissions that are typically payable in the first year of the contract, after which the policy is allowed to lapse), fraud in relation to loans (where, for instance, customers file falsified documents in order to get a (mortgage or consumer) loan or payments from a construction depot), fraud in relation to payment execution (where payments of policy benefits are fraudulently routed to bank accounts other than those of the relevant beneficiary) and forgery and other types of bank fraud. The occurrence of fraud and other misconduct and unauthorised activities could result in losses, increased costs, violations of law, investigations and sanctions by regulatory and other supervisory authorities, claims by customers, customer groups and customer protection bodies, loss of potential and existing customers, loss of receivables and harm to the Issuer's reputation, any of which, alone or in the aggregate, could have a material adverse effect on the Issuer's business, revenues, results of operations, financial condition and prospects.

- 6. Risk related to inadequate performance by third party service providers who provide certain critical operational support functions to the Issuer.**

The Issuer has outsourced certain critical operational support functions to third party service providers, including to NN Group. The Issuer is dependent in part on the continued performance, quality of customer service, accuracy, compliance and security of these service providers. If the contractual arrangements with any third party service providers are terminated, the Issuer may not find an alternative provider of the services, on a timely basis, on equivalent terms or at all. Many of these service providers have access to confidential customer information, and any unauthorised disclosure or other mishandling of that confidential customer information could result in adverse publicity, reputational harm, deter purchases of the Issuer's products and subject the Issuer to heightened regulatory scrutiny, substantial regulatory fines, or significant civil and criminal liability. Any of these events could disrupt the functioning of any of the outsourced critical operational support functions and/or require that the Issuer incurs significant legal and other expenses, which could have a material adverse effect on the Issuer's business, revenues, results of operations and prospects.

- 7. Risk that the impact of future customers' behaviour, which is used in valuing its balance sheet risks and pricing in products, may be different from the actual impact of future customers' behaviour.**

The Issuer is exposed to risks associated with the future behaviour of customers which may have an impact on future payment and prepayment patterns. Relevant customers behaviours include, among others, withdrawal decisions, decisions on whether or not to redeem (part of) their loans, decisions on whether or not to save or invest monies and choices regarding the underlying fund composition in relation to certain investment products. Risks arise from the discretions afforded to customers under the products, and decisions by customers on whether or not to perform under the products. Customer behaviour and patterns can be influenced by many factors, including financial market conditions and economic conditions generally. A discrepancy between assumed customer behaviour and actual experience, as well as changes to the assumptions used in the modelling, may have a material adverse effect on the Issuer's business and prospects.

The rate of prepayment of Mortgage Loans is influenced by a wide variety of economic, social and other factors, including prevailing market interest rates, changes in tax laws (including but not limited to amendments to mortgage interest tax deductibility), local and regional economic conditions and changes in Borrower's behaviour (including but not limited to home owner mobility). Higher or lower prepayment rates of mortgage loans may adversely affect the Issuer's return on its mortgage loans.

## C. LEGAL AND REGULATORY RISKS REGARDING THE ISSUER

### 1. Risk that the Issuer may fail to meet regulatory capital requirements or to maintain sufficient assets to satisfy certain regulatory requirements.

The Issuer is required to maintain significant levels of capital and to comply with a number of regulatory requirements relating thereto. The Issuer's supervisory authorities could require it to take remedial action if the Issuer breaches or is at risk of breaching any of the regulatory capital requirements. Amongst others, such breaches could be as a result of new regulatory requirements, such as a CRD reform, or as a result of material adverse developments in any of the legal and regulatory developments described in the risk factor *'The Issuer is subject to comprehensive laws and regulations, and to supervision by regulatory authorities that have broad administrative powers over the Issuer. These laws and regulations have been and will be subject to changes, which may result in significant implementation and monitoring costs. Failure to comply with applicable laws and regulations may result in monetary and reputational damages, which could have a material adverse effect on the Issuer's business, revenues, results of operations, financial condition and prospects'*. In addition, the supervisory authorities could decide to increase the regulatory capital requirements of the Issuer, or the level of the Issuer's regulatory capital may decrease as a result of a change or difference in the interpretation or application of principle-based regulatory requirements, including capital and liquidity requirements, by or between the Issuer and the supervisory authorities. In this regard, DNB may give instructions on the interpretation of the regulatory requirements, including capital and liquidity requirements, and the application of the Issuer's funds to strengthen its capital position to levels above regulatory capital requirements, any of which may affect the ability of the Issuer to meet its obligations to its creditors, including Noteholders. Remedial action could include working closely with the authorities to protect clients' interests and to restore the Issuer's capital and liquidity positions to acceptable levels and to ensure that the financial resources necessary to meet obligations to clients are maintained. In taking any such remedial action, the interests of the clients would take precedence over those of Noteholders. If the Issuer is unable to meet its regulatory requirements by redeploying existing available capital, it would have to consider taking other measures to protect its capital and liquidity position. These measures might include divesting parts of its business, which may be difficult or costly or result in a significant loss. The Issuer might also have to raise additional capital in the form of subordinated debt or equity. Raising additional capital from external sources might be impossible due to factors outside the Issuer's control, such as market conditions, or it might be possible only on unfavourable terms.

Any of these measures could have a material adverse effect on the Issuer's business, revenues, results of operations, financial condition and prospects. If the regulatory requirements are not met (because the Issuer could not take appropriate measures or because the measures were not sufficiently effective), the Issuer could lose any of its licences and hence be forced to cease some or all of its business operations. The capital requirements applicable to the Issuer are subject to ongoing regulatory change.

### 2. The Issuer is subject to comprehensive laws and regulations, and to supervision by regulatory authorities that have broad administrative powers over the Issuer. These laws and regulations have been and will be subject to changes, which may result in significant implementation and monitoring costs. Failure to comply with applicable laws and regulations may result in monetary and reputational damages, which could have a material adverse effect on the Issuer's business, revenues, results of operations, financial condition and prospects.

The Issuer is subject to comprehensive banking and other financial services laws and regulations, and to supervision by regulatory authorities that have broad administrative and discretionary power over the Issuer. Amongst others, the laws and regulations to which the Issuer is subject concern: capital adequacy requirements; liquidity requirements (see for more information *'Risk that the Issuer may fail to meet regulatory capital requirements or to maintain sufficient assets to satisfy certain regulatory requirements'*); permitted investments; the distribution of dividends, product and sales suitability; product distribution; payment processing; employment practices; remuneration; ethical standards; anti-money laundering; anti-terrorism measures; prohibited transactions with countries and individuals that are subject to sanctions or otherwise blacklisted; anti-corruption; privacy and confidentiality; recordkeeping and financial reporting; price controls, and exchange controls.

The laws and regulations to which the Issuer is subject are becoming increasingly more extensive and complex and regulators are closely monitoring and scrutinising the industries in which the Issuer operates, and on the Issuer itself, placing an increasing burden on Issuer's resources and expertise, and requiring implementation and monitoring measures that are costly. In some cases, the laws and regulations to which the Issuer is subject have increased because governments are increasingly enacting laws that have an extra-territorial scope.

Regulations to which the Issuer is, and may be, subject may limit the Issuer's activities, including through its net capital, customer protection and market conduct requirements, may negatively impact the Issuer's ability to make autonomous decisions in relation to its businesses and may limit the information to which the Issuer has access in relation to those businesses, and result in restrictions on businesses in which the Issuer can operate or invest, each of which may have a material adverse effect on the Issuer's business, results of operations and prospects. As compliance with applicable laws and regulations is time-consuming and personnel-intensive, and changes in laws and regulations have increased, and may further increase, the cost of compliance has increased and is expected to continue to increase.

Laws, regulations and policies currently governing the Issuer have changed, and may continue to change in ways which have had and may have a material adverse effect on the Issuer's business, revenues, results of operations, financial condition and prospects. The Issuer cannot predict whether or when future legislative or regulatory actions may be taken, or what impact, if any, actions taken to date or in the future could have. Changes in regulatory laws and regulations or interpretations by the Issuer thereof being challenged by the relevant authorities could materially impact the profitability of the Issuer's businesses, the value of its assets or the collateral available for its loans, require changes to business practices, increase its regulatory reporting and transparency obligations, or force the Issuer to discontinue businesses or change its legal entity structure, capital and funding structure, and expose the Issuer to additional costs, taxes, liabilities, enforcement actions and reputational risk.

Banking regulators, including DNB, generally have broad discretion in interpreting, applying and enforcing the rules and regulations with respect to solvency and regulatory capital requirements, for example by limiting or prohibiting the issuance of new business, prohibiting payment of dividends, deferring or cancelling the payment of interest on certain types of securities or, in extreme cases, putting the company into rehabilitation or insolvency proceedings. In times of significant market turmoil, regulators may become more conservative in the interpretation, application and enforcement of these rules and regulations. As evidenced during COVID-19 pandemic, banking regulators stressed the importance for banks to hold additional safety buffers and made recommendations to insurers to withhold shareholder distributions such as dividend and share buyback programmes.

The Issuer may fail to comply with applicable laws and regulations as a result of human or other operational errors in their implementation, unclear regulations, regulations being subject to multiple interpretations or being under development, or as a result of a shift in the interpretation or application of laws and regulations (including EU Directives) by regulators. Failure to comply with any applicable laws and regulations could subject the Issuer to administrative penalties and other enforcement measures imposed by a particular governmental or self-regulatory authority, and could lead to unanticipated costs associated with remedying such failures (including claims from the Issuer's customers) and adverse publicity, harm the Issuer's reputation, cause temporary interruption of operations and cause revocation or temporary suspension of the licence. Failure to comply with applicable laws and regulations for whatever reason could therefore have a material adverse effect on the Issuer's business, revenues, results of operations, financial condition and prospects.

### **3. Risk related to the Dutch Intervention Act, BRRD, SRM.**

The BRRD and the SRM Regulation set out a common European recovery and resolution framework applicable to banks and certain investment firms, group entities (including financial institutions subject to consolidated supervision) and (to a limited extent) branches of equivalent non-EEA banks and investment firms. In connection therewith, the SRM and BRRD recognise and enable the application of the recovery and resolution framework both on the level of an individual entity as well as on a group level. The below should be read in the understanding that the Issuer or any entity belonging to the group may become subject to

requirements and measures under the SRM and BRRD not only with a view to or as a result of its individual financial situation, but also, in certain circumstances, with a view to or as a result of the financial situation of the group that it forms part of. Moreover, for the avoidance of doubt, the below requirements and measures may also apply to any such group entity of the Issuer. Currently, DNB in its capacity of national resolution authority (“**NRA**”) shall perform resolution tasks and responsibilities under the SRM with respect to the Issuer (as a less significant institution under the Single Supervisory Mechanism). Therefore, if the Issuer would be deemed no longer viable (or one or more other conditions apply) the NRA may decide to write-down or convert into claims which may give right to relevant capital instruments of the Issuer, such as Common Equity Tier 1, Additional Tier 1 and Tier 2 instruments, in principle in a certain order. A write down or conversion into shares of capital instruments could adversely affect the market value of their Notes. Please also see risk factor ‘*Banking legislation dealing with ailing banks give regulators resolution powers (including powers to write down debt)*.’.

If the Issuer would be deemed to fail or to be likely to fail and the other resolution conditions would also be met, the NRA may decide to place the Issuer under resolution. It may decide to apply certain resolution tools. These resolution tools include the sale of business tool, the bridge institution tool and the asset separation tool, each of which, in summary, provides for a transfer of certain assets and/or liabilities of the institution under resolution to a third party. In addition, the SRM provides for the bail-in tool. The bail-in tool may be applied to recapitalise the Issuer (whether or not in combination with one of the aforementioned transfer tools) or convert into claims which may give right to shares or other instruments of ownership or into rights with respect to to-be-issued shares or other instruments of ownership or reduce the principal amount of claims or debt instruments of the Issuer that have been transferred pursuant to one of the aforementioned transfer tools. The bail-in tool extends further than the relevant capital instruments of the Issuer and may also result in the write-down or conversion into shares of eligible liabilities in accordance with a certain order of priority.

In addition to the resolution powers described above, the NRA may decide to terminate or amend any agreement to which the Issuer is a party or replace the Issuer as a party thereto. Furthermore, DNB may, subject to certain conditions, suspend the exercise of certain rights of counterparties vis-à-vis the Issuer or suspend the performance of payment or delivery obligations of the Issuer. In addition, pursuant to Dutch law, certain counterparty rights may be excluded.

To ensure that bail-in can be effectively applied, a minimum requirement for own funds and eligible liabilities (“**MREL**”) applies to the Issuer under the BRRD and SRM Regulation. The MREL framework is intended to make sure that the Issuer can absorb losses expected in resolution or at the point of non-viability and to be recapitalised after the implementation of resolution actions. The MREL is subject to ongoing change and is expected to become more stringent. This is especially due to the implementation and entry into force of the changes to BRRD and SRM Regulation forming part of the EU Banking Reforms. Upcoming changes to MREL, as applicable to the Issuer, may result in the Issuer having to issue a significant amount of additional MREL eligible liabilities in order to meet the new requirements within the required timeframe. If the Issuer were to experience difficulties in raising MREL eligible liabilities, it may have to reduce its lending or investments in other operations which would have a material adverse effect on the Issuer’s business, financial position and results of operations.

In addition to the BRRD and SRM Regulation, the Dutch Act on special measures regarding financial institutions (*Wet bijzondere maatregelen financiële ondernemingen*, the “**Dutch Intervention Act**”), which has to a large extent been included in the Wft, enables the Dutch Minister of Finance to intervene with a bank established in the Netherlands, such as the Issuer, if the Minister of Finance is of the view that the stability of the financial system is in serious and immediate danger due to the situation that the bank is in. These powers among others consist of the expropriation of assets and/or liabilities (*onteigening van vermogensbestanddelen*) of the Issuer, claims against the Issuer and securities issued by or with the cooperation of the Issuer.

It is possible that the NRA may use its powers under the BRRD, the SRM Regulation or the Dutch Intervention Act in a way that could result in debt instruments of the Issuer absorbing losses. The use of these could negatively affect the position of the holders of such debt instruments and the credit rating attached to debt instruments then outstanding and could result in losses to the holders of such debt instruments, in particular

if and when any of the above proceedings would be commenced against the Issuer. These measures and consequences could increase the Issuer's cost of funding and thereby have an adverse impact on the Issuer's financial position and results of operation. In addition, there could be amendments (including, but not limited to, the amendments discussed above) to the SRM Regulation and the BRRD or the Dutch Intervention Act, which may add to these effects.

Finally, any perceived or actual indication that the Issuer is no longer viable, may become subject to recovery or resolution and/or does not meet its other recovery or resolution requirements (such as MREL) may have a material adverse impact on the Issuer's financial position, regulatory capital position and liquidity position, including increased costs of funding for regulatory purposes.

**4. Risk that stress tests, and the announcement of the results, could negatively impact the Issuer's reputation and financing costs and trigger enforcement actions by regulatory authorities.**

In order to assess the level of available capital and liquidity in the banking sector, the national and supra-national regulatory authorities (such as EBA) require capital and liquidity calculations and conduct stress tests where they examine the effects of various adverse scenarios on banks. Announcements by regulatory authorities that they intend to carry out such tests can destabilise the banking sector and lead to a loss of trust with regard to individual companies or the banking sector as a whole. In the event that the Issuer's results in such a calculation or test are worse than those of its competitors and these results become known, this could also have adverse effects on the Issuer's financing costs, customer demand for the Issuer's products and the Issuer's reputation. Furthermore, a poor result by the Issuer in such calculations or tests could influence regulatory authorities in the exercise of their discretionary powers.

**5. Risk that changes in accounting standards or policies, or the Issuer's financial metrics, including as a result of choices made by the Issuer, could adversely impact the Issuer's reported results of operations and financial condition and may have a corresponding impact on its capital ratios.**

The Issuer's consolidated financial statements are prepared in accordance with the International Financial Reporting Standards (IFRS) including the International Accounting Standards (IAS) and Interpretations - as adopted by the European Union (hereafter EU). The IFRS guidelines are periodically revised or expanded. It is possible that future accounting standards which the Issuer is required to adopt, or as a result of choices made by the Issuer, could change the current accounting treatment that applies to its consolidated financial statements and that such changes could have a material adverse effect on the Issuer's reported results of operations and financial condition and may have a corresponding impact on its capital ratios.

**6. Risks related to the unit-linked products as offered by the Dutch insurance subsidiaries of NN Group N.V.**

Apart from the general obligation of contracting parties to provide information, there are several provisions of Dutch law applicable to offerors of financial products, such as investment mortgage loans, life mortgage loans, and switch mortgage loans with an investment alternative. In addition, several codes of conduct apply on a voluntary basis. On the basis of these provisions offerors of these products (and intermediaries) have a duty, *inter alia*, to provide the customers with accurate, complete and non-misleading information about the product, the costs and the risks involved. These requirements have become more strict over time. A breach of these requirements may lead to a claim for damages from the customer on the basis of breach of contract or tort or the relevant contract may be dissolved (*ontbonden*) or nullified (*vernietigd*) or a borrower may claim set-off or defences against the relevant originator (being NN Leven or the Issuer). The merits of such claims will, to a large extent, depend on the manner in which the product was marketed and the promotional material provided to the borrower. Depending on the relationship between the offeror and any intermediary involved in the marketing and sale of the product, the offeror may be liable for actions of the intermediaries which have led to a claim. The risk of such claims being made increases, if the value of investments made under investment mortgage loans or life insurance policies is not sufficient to redeem the relevant mortgage loans.

In this respect it is further noted that since the end of 2006, unit-linked products (commonly referred to in Dutch as *beleggingsverzekeringen*) have received negative attention in the Dutch media, from the Dutch

Parliament, the AFM and consumer protection organisations and are the subject of legal proceedings. Currently, several legal proceedings regarding unit-linked products are pending before Dutch Courts and the KiFiD against Dutch insurance subsidiaries of NN Group N.V. Although the Issuer is not subject to any governmental, legal or arbitration proceedings regarding unit-linked products, actions against Dutch insurance subsidiaries of NN Group N.V. might lead to material losses for the Issuer. See also section “*Business Description of the Issuer – Legal proceedings*” and “*Business Description of the Issuer – Unit-linked products*”.

All life insurance policies and savings investment insurance policies with an investment alternative related to the mortgage loans may qualify as unit-linked products as referred to in the paragraphs above, and therefore exposed to this risk. Approximately 12.1 per cent. of the number of mortgage loan parts on the Issuer’s balance sheet as at 30 June 2020 has such insurance policies connected to them as collateral for the loans. If the unit-linked products related to the mortgage loans would be legally dissolved or nullified, this would affect the collateral granted to secure these mortgage loans. The Issuer has been advised that in such case the mortgage loans connected thereto can possibly also be dissolved or nullified, but that this will depend on the particular circumstances involved. This may lead to material losses for the Issuer. Even if the mortgage loan is not affected, the borrower/insured may invoke set-off or other defences against the Issuer. When successful set-off defences do not lead to compensation by the relevant insurance company, this may lead to material losses for the Issuer.

**7. Adverse publicity, claims and allegations, litigation and regulatory investigations and sanctions may have a material adverse effect on the Issuer’s business, revenues, results of operations, financial condition and prospects.**

The Issuer is subject to litigation, arbitration and other claims and allegations, concerning, among others, the charge and disclosure of costs, commissions, premiums, (default) interest and transparency in respect of certain products and services and the risks relating thereto. The occurrence of such events could result in adverse publicity and reputational harm, lead to increased regulatory supervision, affect the Issuer’s ability to attract and retain customers and maintain its access to the capital markets, result in cease-and-desist orders, claims, enforcement actions, fines and civil and criminal penalties, other disciplinary action, or have other material adverse effects on the Issuer in ways that are not predictable.

Over time, the regulatory requirements and expectations of various stakeholders, including customers, regulators and the public at large, as well as standards and market practice, have developed and changed, leading to increasing customer protection. As a result, customers have claimed and may in the future claim that products sold in the past fail to meet current requirements and expectations and that the Issuer or any other financial institution(s) have failed to meet the required level of transparency where it concerns, for instance, cost charges, interest, product characteristics and related risks. In any such proceedings, it cannot be excluded that the relevant court, regulator, governmental authority or other decision-making body will apply current norms, requirements, expectations, standards and market practices on laws and regulations to products sold, issued or advised on by the Issuer.

Some claims and allegations may be brought by or on behalf of a class (a collective action), and claimants may seek large or indeterminate amounts of damages, including compensatory, liquidated, treble and punitive damages. In the Netherlands, the number and size of claims that are the subject of litigation, regulatory proceedings and other adversarial proceedings (including, without limitation, collective actions) against financial institutions are increasing, and could further increase following the adoption of a new bill (*Wet afwikkeling massaschade in collectieve actie*), on the basis of which it will become possible to collectively claim damages, arising from events on or after 15 November 2016, through a collective action. This new bill has entered into force on 1 January 2020. For claims arising from events occurred before 15 November 2016, a collective action initiated in the Netherlands has as a main characteristic that a plaintiff cannot claim damages on behalf of a class of disadvantaged parties. Instead, Dutch law entitles claims organisations to demand other relief, most importantly, a 'declaration of law' by the court that a certain action was unlawful. Such declaration can then form the basis for an award for damages in individual cases. A declaration of law may also serve as a basis for negotiations between the defendant against which the declaration of law has been awarded and claims organisations representing disadvantaged parties, to come to a collective monetary

settlement which can subsequently be declared binding by the Court of Appeal in Amsterdam and applied to the entire class of disadvantaged parties. These legal risks could potentially involve, but are not limited to, disputes concerning the products and services in which the Issuer acts as principal, intermediary or otherwise. The Issuer's reserves for litigation liabilities may prove to be inadequate. Claims and allegations, should they become public, need not be well founded, true or successful to have a negative impact on the Issuer's reputation. In addition, press reports and other public statements that assert some form of wrongdoing on the part of the Issuer or other large and well-known companies (including as result of financial reporting irregularities) could result in adverse publicity and in inquiries or investigations by regulators, legislators and law enforcement officials, and responding to these inquiries and investigations, regardless of their ultimate outcome, is time-consuming and expensive.

Adverse publicity, claims and allegations (whether on an individual or collective basis), litigation and regulatory investigations and sanctions may have a material adverse effect on the Issuer's business, revenues, results of operations, financial condition and prospects in any given period. Adverse publicity could in part also lead to damage of the NN brands and the Issuer's reputation. Adverse publicity could in part also lead to damage of NN Group's brands and reputation. For further description of this risk, please refer to the risk factor '*Risk that the Issuer's operations and reputation may be interdependent on the developments of NN Group*'.

**8. NN is exposed to the risk of claims from customers who feel misled or treated unfairly because of advice or information received.**

The Issuer is exposed to claims from customers who allege that they have received misleading advice or other information from advisers (both internal and external) as to which products were most appropriate for them, or that the terms and conditions of the products, the nature of the products or the circumstances under which the products were sold were misrepresented to them. When new financial products are brought to the market, the Issuer engages in a product approval process in connection with the development of such products, including production of appropriate marketing and communication materials. Notwithstanding these processes, customers may make claims against the Issuer if the products do not meet customer expectations. Customer protection regulations, as well as changes in interpretation and perception by both the public at large and governmental authorities of acceptable market practices, influence customer expectations.

Products distributed through person-to-person sales forces have a higher exposure to these claims as the sales forces provide face-to-face financial planning and advisory services. Complaints may also arise if customers feel that they have not been treated reasonably or fairly, or that the duty of care has not been complied with. While a considerable amount of time and resources have been invested in reviewing and assessing historic sales practices, and in the maintenance of risk management, and legal and compliance procedures to monitor current sales practices, there can be no assurance that all of the issues associated with current and historic sales practices have been or will be identified, nor that any issues already identified will not be more widespread than presently estimated.

The negative publicity associated with any sales practices, any compensation payable in respect of any such issues and regulatory changes resulting from such issues have had and may continue to have a material adverse effect on the Issuer's business, reputation, revenues, results of operations, financial condition and prospects.

**9. The continuing risk that one or more European countries could exit the Eurozone or the EU could have a material adverse effect on Issuer's business, results of operations, financial condition and prospects.**

There remains a risk that financial difficulties may result in certain European countries exiting the Eurozone. The possible exit from the Eurozone of one or more European countries and the replacement of the euro by one or more successor currencies could create significant uncertainties regarding the enforceability and valuation of euro denominated contracts to which the Issuer (or its counterparties) are a party and thereby materially and adversely affect the Issuer's (and/or its counterparties') liquidity, business and financial condition. Such uncertainties may include the risk that (a) a liability that was expected to be paid in euro is redenominated into a new currency (which may not be easily converted into other currencies without significant cost), (b) currencies in some European countries may devalue relative to others, (c) former Eurozone member states may impose capital controls that would make it complicated, illegal or more costly

to move capital out of such countries, and/or (d) some courts (in particular, courts in countries that have left the Eurozone) may not recognise and/or enforce claims denominated in euro (and/or in any replacement currency). The possible exit from the Eurozone of one or more European countries and/or the replacement of the euro by one or more successor currencies could also cause other significant market dislocations and lead to other adverse economic and operational impacts that are inherently difficult to predict or evaluate. As a result, the occurrence of an exit from the Eurozone of one or more European countries and/or the replacement of the euro by one or more successor currencies could have a material adverse effect on the business, results of operations, financial condition and prospects of the Issuer and its counterparties.

**10. The UK's exit from the European Union on 31 January 2020 has caused, and is anticipated to continue to cause, significant uncertainties and instability in the economy and in the financial markets, which may affect the Issuer and the trading price of the Notes.**

The outcome of the UK's referendum on membership in the European Union (EU), held on 23 June 2016, was that the UK public voted by a majority in favour of the British government taking the necessary action for the UK to leave the European Union. Subsequently, initiation of the legal process pursuant to Article 50 of the Lisbon Treaty has commenced. Parliament ratified the withdrawal agreement, and the UK left the EU on 31 January 2020. This began a transition period that is set to end on 31 December 2020, during which the UK and EU will negotiate their future relationship. The UK remains subject to EU law and remains part of the EU customs union and single market during the transition, but is no longer part of the EU's political bodies or institutions. Furthermore, the UK's exit from the European Union has caused, and is anticipated to continue to cause, significant uncertainties and instability in the economy and in the financial markets, which may affect the Issuer and the trading price of the Notes. Given that the Issuer is operating in the financial markets and that the financial markets in Europe are interconnected, especially with the UK and more particularly London, any significant new uncertainties and instability in the financial markets may affect the Issuer and the trading price of the Notes. These uncertainties could have a material adverse effect on the business, results of operations, financial condition and prospects of the Issuer and its counterparties.

## **RISK FACTORS CONCERNING THE NOTES**

### **A. RISKS RELATED TO THE STRUCTURE OF AN ISSUANCE OF NOTES.**

**1. If the Issuer has the right to redeem any Notes at its option, this may limit the market value of the Notes concerned and investors may not be able to reinvest the redemption proceeds in a manner which achieves a similar effective return.**

If the Issuer has the right to redeem any Notes at its option, this may limit the market value of the Notes concerned and investors may not be able to reinvest the redemption proceeds in a manner which achieves a similar effective return. An optional redemption feature is likely to limit the market value of Notes. During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

**2. If the Notes include a feature to convert the interest basis from a fixed rate to a floating rate, or vice versa, this may affect the secondary market and the market value of the Notes concerned.**

Fixed/Floating Rate Notes are Notes that may bear interest at a rate that the Issuer may elect to convert from a fixed rate to a floating rate, or from a floating rate to a fixed rate. The Issuer's ability to convert the interest rate will affect the secondary market and the market value of such Notes since the Issuer may be expected to



convert the rate when it is likely to produce a lower overall cost of borrowing. If the Issuer converts from a fixed rate to a floating rate, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the Issuer converts from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing rates on its Notes and could affect the market value of an investment in the relevant Notes.

### **3. Investors will not be able to calculate in advance their yield to maturity on Floating Rate Notes.**

A key difference between Floating Rate Notes on the one hand, and Fixed Rate Notes, on the other hand, is that interest income on Floating Rate Notes cannot be anticipated. Due to varying interest income, investors are not able to determine a definite yield of Floating Rate Notes at the time they purchase them, so that their return on investment cannot be compared with that of investments having fixed interest periods. If the Terms and Conditions of the Notes provide for frequent interest payment dates, investors are exposed to the reinvestment risk if market interest rates decline, because investors may reinvest the interest income paid to them only at the relevant lower interest rates then prevailing.

### **4. Changes or uncertainty in respect of LIBOR and/or EURIBOR or other interest rate benchmarks may affect the value or payment of interest under the Notes.**

Various interest rate benchmarks (including the London Interbank Offered Rate ("LIBOR")) and the Euro Interbank Offered Rate ("EURIBOR") are the subject of recent national and international regulatory guidance and proposals for reform. Some of these reforms are already effective, including the Benchmark Regulation, whilst others are still to be implemented.

Under the Benchmark Regulation, which applies from 1 January 2018, in general, new requirements apply with respect to the provision of a wide range of benchmarks (including LIBOR and EURIBOR), the contribution of input data to a benchmark and the use of a benchmark within the European Union. In particular, the Benchmark Regulation, among other things, (i) requires benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and to comply with extensive requirements in relation to the administration of benchmarks and (ii) prevents certain uses by EU-supervised entities of benchmarks of administrators that are not authorised or registered (or, if non-EU-based, deemed equivalent or recognised or endorsed).

Specifically, the sustainability of LIBOR has been questioned as a result of the absence of relevant active underlying markets and possible disincentives (including possibly as a result of benchmark reforms) for market participants to continue contributing to such benchmarks. The UK Financial Conduct Authority has indicated through a series of announcements that the continuation of LIBOR on the current basis cannot and will not be guaranteed after 2021.

Separately, the euro risk free-rate working group for the euro area has published a set of guiding principles and high level recommendations for fallback provisions in, amongst other things, new euro denominated cash products (including bonds) referencing EURIBOR. The guiding principles indicate, among other things, that continuing to reference EURIBOR in relevant contracts (without robust fallback provisions) may increase the risk to the euro area financial system. It is not possible to predict with certainty whether, and to what extent, LIBOR and EURIBOR will continue to be supported going forwards. This may cause LIBOR and EURIBOR to perform differently than they have done in the past, and may have other consequences which cannot be predicted. Such factors may have the following currently known effects on certain benchmarks: (i) discouraging market participants from continuing to administer or contribute to a benchmark; (ii) triggering changes in the rules or methodologies used in the benchmark and/or (iii) leading to the disappearance of the benchmark. Any of the above changes as a result of international or national reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on any Notes linked to, referencing, or otherwise dependent (in whole or in part) upon, a benchmark.

Investors should be aware that, if LIBOR, EURIBOR or any other benchmark were unavailable, the rate of interest on the Notes which reference any such benchmark will be determined for the relevant period by the

fallback provisions applicable to such Notes (see also the risk factor '*Future discontinuance of LIBOR, EURIBOR and any other benchmark may adversely affect the value of Notes which reference LIBOR, EURIBOR or such other benchmark*' below). At this time, it is not possible to predict with certainty what the effect of these developments will be or what the impact on the value of the Notes will be. Any of the above changes to EURIBOR, LIBOR or any other “benchmark” as a result of international, national, or other proposals for reform or other initiatives or investigations, or any further uncertainty in relation to the timing and manner of implementation of such changes, could have a material adverse effect on the liquidity and value of, and return on, any Notes based on or linked to a “benchmark”.

Finally, any significant change to the setting or existence of LIBOR, EURIBOR or any other relevant interest rate benchmark could affect the ability of the Issuer to meet its obligations under the Notes and could have a material adverse effect on the value or liquidity of, and the amount payable under, the Notes.

**5. Future discontinuance of LIBOR, EURIBOR and any other benchmark may adversely affect the value of Notes which reference LIBOR, EURIBOR or such other benchmark.**

On 27 July 2017, the Chief Executive of the United Kingdom Financial Conduct Authority announced that it does not intend to continue to persuade, or use its powers to compel, panel banks to submit rates for the calculation of LIBOR to the administrator of LIBOR after 2021. The announcement indicates that the continuation of LIBOR on the current basis is not guaranteed after 2021. It is not possible to predict with certainty whether, and to what extent, LIBOR and EURIBOR will continue to be supported going forwards. This may cause LIBOR and EURIBOR to perform differently than they have done in the past and may have other consequences which cannot be predicted.

Investors should be aware that, if LIBOR, EURIBOR or any other benchmark were unavailable, the rate of interest on Notes which reference LIBOR, EURIBOR or any other benchmark will be determined for the relevant period by the fallback provisions set out in Condition 4(b)(iii)(D) applicable to such Notes. If the Issuer determines at any time prior to, on or following any Interest Determination Date, that the relevant Reference Rate (as specified in the applicable Final Terms) has been discontinued, the Issuer will, as soon as reasonably practicable (and in any event prior to the next relevant Interest Determination Date) appoint a Rate Determination Agent (as defined in Condition 4(b)(iii)(D)) which will determine in its sole discretion, acting in good faith, a substitute or successor rate, as well as any necessary changes to the business day convention, the definition of business day, the interest determination date, the day count fraction and any method for calculating the Replacement Reference Rate (as defined in Condition 4(b)(iii)(D)), including any adjustment factor needed to make such Replacement Reference Rate comparable to the relevant Reference Rate. Pursuant to the applicable fall-back provisions as contained in the Conditions, the Issuer will have the discretion to appoint the Rate Determination Agent, which may lead to a conflict of interests of the Issuer (being responsible for the compensation of the Rate Determination Agent), the Rate Determination Agent and Noteholders including with respect to certain determinations and judgments that the Rate Determination Agent may make pursuant to Condition 4 that may influence the amount receivable under the Notes. The Rate Determination Agent and the Issuer might have conflicts of interests that could have an adverse effect on the interests of the Noteholders as the Rate Determination Agent has discretionary power in deciding the Rate of Interest in accordance with the fall-back provisions. Potential investors should be aware that the Issuer may be involved in general business relationship or/and in specific transactions with the Rate Determination Agent as the latter party will be an appropriate office of leading bank who may hold from time to time debt securities, shares or/and other financial instruments of the Issuer. Consequently, the Issuer and the Rate Determination Agent might have conflicts of interests that could have an adverse effect to the interests of the Noteholders in respect of the determination of the interest rate as a result of a benchmark and/or replacement of amendment of a benchmark.

The Rate Determination Agent may be considered an ‘administrator’ under the Benchmark Regulation. This is the case if it is considered to be in control over the provision of the Replacement Reference Rate and/or the determined rate of interest on the basis of the Replacement Reference Rate and any adjustments made thereto by the Rate Determination Agent and/or otherwise in determining the applicable rate of interest in the context of a fallback scenario. This would mean that the Rate Determination Agent (i) administers the arrangements for determining such rate, (ii) collects, analyses, or processes input data for the purposes of

determining such rate and (iii) determines such rate through the application of a method of calculation or by an assessment of input data for that purpose. Furthermore, for the Rate Determination Agent to be considered an 'administrator' under the Benchmark Regulation, the Replacement Reference Rate and/or the determined rate of interest on the basis of the Replacement Reference Rate and any adjustments made thereto by the Rate Determination Agent and/or otherwise in determining the applicable rate of interest in the context of a fallback scenario should be a benchmark (index) within the meaning of the Benchmark Regulation. This may be the case if the Replacement Reference Rate and/or the determined rate of interest on the basis of the Replacement Reference Rate and any adjustments made thereto by the Rate Determination Agent and/or otherwise in determining the applicable rate of interest in the context of a fallback scenario, is published or made available to the public and regularly determined by the application of a method of calculation or by an assessment, and on the basis of certain values or surveys.

The Benchmark Regulation stipulates that each administrator of a benchmark regulated thereunder or the benchmark itself must be registered, authorised, recognised or endorsed, as applicable, in accordance with the Benchmark Regulation. There is a risk that administrators (which may include the Rate Determination Agent (which may be the Issuer) in the circumstances as described above) of certain benchmarks will fail to obtain such registration, authorisation, recognition or endorsement, preventing them from continuing to provide such benchmarks, or may otherwise choose to discontinue or no longer provide such benchmark. IBA and the EMMI are registered as administrators of a benchmark in accordance with the Benchmark Regulation.

The Replacement Reference Rate will (in the absence of manifest error) be final and binding, and will apply to the relevant Notes without any requirement that the Issuer obtains consent of any Noteholders. If the Rate Determination Agent is unable to or otherwise does not determine a Replacement Reference Rate under Condition 4(b)(iii)(D), this could result under Condition 4(b)(iii)(A),(B) or (D) in the effective application of a fixed rate to what was previously a Floating Rate Note based on the rate which applied in the previous period when the relevant Reference Rate was available (as stated in the Final Terms in respect of a series of Notes). This may lead to a conflict between the interests of the Issuer (being responsible for the compensation of the Rate Determination Agent) and the Noteholders. Changes to the Replacement Reference Rate could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility or the level of the published rate or level of the "benchmark".

In addition, due to the uncertainty concerning the availability of successor rates and substitute reference rates and the involvement of a Rate Determination Agent (as defined in Condition 4(b)(iii)(D)), the relevant fallback provisions may not operate as intended at the relevant time. In addition, the Replacement Reference Rate may perform differently from the discontinued benchmark. For example, there are currently proposals to replace LIBOR (which generally has a term of one, three or six months) with an overnight rate. Similarly, proposals have been made to use a rate on highly rated government obligations to replace LIBOR, which is currently based on interbank lending rates and carries an implicit element of credit risk of the banking sector. Any such consequences could have a material adverse effect on the value of and return on any such Notes. Moreover, any of the above matters or any other significant change to the setting or existence of any relevant reference rate could affect the ability of the Issuer to meet its obligations under the Notes or could have a material adverse effect on the value or liquidity of, and the amount payable under, the Notes.

**6. Notes issued at a substantial discount or premium may experience price volatility in response to changes in market interest rates.**

The market values of securities issued at a substantial discount or premium to their nominal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Furthermore, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities. Such volatility could have a material adverse effect on the value of and return on any such Notes.

**7. Actions taken by the Calculation Agent may affect the value of Notes.**

The Calculation Agent for an issue of Notes is the agent of the Issuer and not the agent of the holders of the

Notes. The Calculation Agent is not acting as a fiduciary to any holders of Notes. The Calculation Agent will make such determinations and adjustments as it deems appropriate, in accordance with the terms and conditions of the specific issue of Notes. In making its determinations and adjustments, the Calculation Agent will be entitled to exercise substantial discretion and may be subject to conflicts of interest in exercising this discretion that may influence the amount receivable under the Notes.

#### **8. Potential conflicts of interest.**

Where the Issuer acts as Calculation Agent or Rate Determination Agent, or the Calculation Agent or Rate Determination Agent is an affiliate of the Issuer, potential conflicts of interest may exist between the Calculation Agent or Rate Determination Agent and Noteholders, including with respect to certain determinations and judgements that the Calculation Agent or Rate Determination Agent may make pursuant to the Notes that may influence the amount receivable or specified assets deliverable on redemption of the Notes. The Issuer and/or any of its affiliates may have existing or future business relationships and will pursue actions and take steps that they or it deems necessary or appropriate to protect their and/or its interests arising therefrom without regard to the consequences for a Noteholder.

### **B. RISKS RELATED TO ALL NOTES**

#### **1. Banking legislation dealing with ailing banks give regulators resolution powers (including powers to write down debt).**

In addition to the tools currently available under the Dutch Intervention Act, the BRRD and SRM provide the Resolution Authority the power to ensure that capital instruments (such as Subordinated Notes qualifying as Tier 2 instruments) and certain liabilities (such as the Senior Preferred Notes and the Senior Non-Preferred Notes) absorb losses when the Issuer meets the conditions for resolution, through the write-down or conversion to equity of such instruments (the “**Bail-In Tool**”).

These powers and tools are intended to be used prior to the point at which any bankruptcy proceedings with respect to the Issuer could have been initiated. Although the applicable legalisation provides for conditions to the exercise of any resolution powers and EBA guidelines set out the objective elements for determining whether an institution is failing or likely to fail, it is uncertain how the relevant resolution authority would assess such conditions in any particular pre-bankruptcy scenario affecting the Issuer and in deciding whether to exercise a resolution power. The relevant resolution authority is also not required to provide any advance notice to the Noteholders of its decision to exercise any resolution power. Therefore, the Noteholders may not be able to anticipate a potential exercise of any such powers nor the potential effect of any exercise of such powers on the Issuer or the Noteholders' rights under the Notes.

Any financial public support is only to be considered as a final resort as resolution authorities are required to first assess and exploit, to the maximum extent practicable, the use of the resolution powers mentioned above, including the Bail-In Tool.

The Resolution Authority can only exercise resolution powers, such as the Bail-In Tool, when it has determined that the Issuer meets the conditions for resolution. The point at which the resolution authorities determine that the Issuer meets the conditions for resolution is defined as:

- (a) the Issuer is failing or likely to fail, which means (i) the Issuer has incurred/is likely to incur in the near future losses depleting all or substantially all its own funds, and/or (ii) the assets are/will be in the near future less than its liabilities, and/or (iii) the Issuer is/will be in the near future unable to pay its debts as they fall due, and/or (iv) the Issuer requires public financial support (except in limited circumstances);
- (b) there is no reasonable prospect that a private action or supervisory action would prevent the failure; and
- (c) a resolution action is necessary in the public interest.

Once a resolution procedure is initiated, the Resolution Authority may apply the Bail-In Tool. When applying the Bail-In Tool, the Resolution Authority must apply the following order of priority:

1. CET1 capital instruments;
2. Additional Tier 1 capital instruments;
3. Tier 2 capital instruments (such as Subordinated Notes qualifying as Tier 2 instruments);
4. eligible liabilities in the form of subordinated debt that is not Additional Tier 1 capital or Tier 2 capital in accordance with the hierarchy of claims in normal bankruptcy proceedings;
5. eligible liabilities qualifying as Statutory Senior Non-Preferred Obligations (such as the Senior Non-Preferred Notes);
6. the rest of eligible liabilities (such as the Senior Preferred Notes) in accordance with the hierarchy of claims in normal bankruptcy proceedings.

Eligible liabilities in category 6 include senior unsecured debt instruments (such as the Senior Preferred Notes) and other liabilities that are not excluded from the scope of the Bail-in Tool pursuant to the BRRD, such as non-covered deposits or financial instruments that are not secured. Instruments of the same ranking are generally written down or converted into claims which may give right to equity on a pro rata basis subject to certain exceptional circumstances set out in the BRRD.

No assurance can be given that the Issuer's MREL requirement and therefore the amount of MREL is sufficient to avoid the holders of all Notes losing in a resolution of the Issuer all or substantially all of their investment in such Notes.

Furthermore, the Resolution Authority could take pre-resolution actions when the Issuer reaches the point of non-viability and write-down or convert into claims which may give right to capital instruments (including Subordinated Notes qualifying as Tier 2 instruments) and, after implementation of Directive (EU) 2019/879 of the European Parliament and of the Council of 20 May 2019 amending the Bank Recovery and Resolution Directive as regards the loss-absorbing and recapitalisation capacity of credit institutions and investment firms and Directive 98/26/EC (“**BRRD II**”), MREL Eligible Liabilities (including Senior Preferred Notes intended to qualify as MREL Eligible Liabilities and Senior Non-Preferred Notes) into equity before the conditions for resolution are met (the “**Write-Down and Conversion Power**”). The Write-Down and Conversion Power may also be exercised in resolution, ahead of or at the same time of exercise of the Bail-In Tool.

Noteholders may have only very limited rights to challenge and/or seek a suspension of any decision of the relevant resolution authority to exercise its (pre-)resolution powers or to have that decision reviewed by a judicial or administrative process or otherwise. Application of any of the measures, as described above, shall not constitute an Event of Default under the Notes and Noteholders will have no further claims in respect of the amount so written down or subject to conversion or otherwise as a result of the application of such measures. Accordingly, if the Bail-In Tool or the Write-Down and Conversion Power is applied, this may result in claims of Noteholders being written down or converted into claims which may give right to equity. Furthermore, it is possible that pursuant to BRRD, SRM or the Dutch Intervention Act or other resolution or recovery rules which may in the future be applicable to the Issuer, new powers may be given to the resolution authorities or another relevant authority which could be used in such a way as to result in the Notes absorbing losses or otherwise affecting the rights and effective remedies of Noteholders in the course of any resolution of the Issuer.

The determination that all or part of the nominal amount of the Notes will be subject to the Bail-In Tool or the Write-Down and Conversion Power may be inherently unpredictable and may depend on a number of factors which may be outside of the Issuer's control. Accordingly, trading behaviour in respect of Notes which are subject to the Bail-In Tool or the Write-Down and Conversion Power is not necessarily expected to follow trading behaviour associated with other types of securities. Any indication that the Notes will

become subject to the Bail-In Tool or the Write-Down and Conversion Power could have an adverse effect on the market price of the relevant Notes. Potential investors should consider the risk that a Noteholder may lose all of its investment in such Notes, including the principal amount plus any accrued but unpaid interest, in the event that the Bail-In Tool or the Write-Down and Conversion Power is applied. In addition, even in circumstances where a claim for compensation is established under the 'no creditor worse off' safeguard in accordance with a valuation performed after the resolution action has been taken, it is unlikely that such compensation would be equivalent to the full losses incurred by the Noteholders in the resolution and there can be no assurance that Noteholders would recover such compensation promptly.

With a view to the developments described above, the Conditions of the Senior Preferred Notes relating to Senior Preferred Notes intended to qualify as MREL Eligible Liabilities, the Conditions of the Senior Non-Preferred Notes and the Conditions of the Subordinated Notes stipulate that the Senior Preferred Notes intended to qualify as MREL Eligible Liabilities, the Senior Non-Preferred Notes and the Subordinated Notes may become subject to the determination by the Resolution Authority or the Issuer (following instructions from the Resolution Authority) that (a) all or part of the nominal amount of such Notes, including accrued but unpaid interest in respect thereof, must be written down to absorb losses, subject to write-up by the Resolution Authority in circumstances where the final resolution valuation finds that the level of writedown should be less than actually has taken place pursuant to the preliminary valuation (such loss absorption, "**Statutory Loss Absorption**") or (b) all or part of the nominal amount of such Notes, including accrued but unpaid interest in respect thereof, must be converted into claims which may give right to common equity Tier 1 instruments (such conversion, "**Recapitalisation**"), all as prescribed by the Applicable Resolution Framework, or that the Senior Preferred Notes, the Senior Non-Preferred Notes and/or the Subordinated Notes must otherwise be applied to absorb losses. Upon any such determination, (i) the relevant proportion of the outstanding nominal amount of the Notes subject to Statutory Loss Absorption or Recapitalisation shall be written down or converted into claims which may give right to common equity Tier 1 instruments or otherwise be applied to absorb losses, as prescribed by the Applicable Resolution Framework, (ii) such Statutory Loss Absorption or Recapitalisation shall not constitute an Event of Default and (iii) the relevant Noteholders will have no further claims in respect of the amount so written down or subject to conversion or otherwise as a result of such Statutory Loss Absorption or Recapitalisation.

Noteholders should be aware that one of the purposes of the resolution tools available to the Resolution Authority is to protect public funds by minimising reliance on extraordinary public financial support and as a result financial public support will only be used as a last resort after having assessed and used, to the maximum extent practicable, the resolution tools, including the Bail-In Tool. Therefore, there is a real risk that the resolution tools will be applied by the Resolution Authority if the Issuer meets the conditions for resolution.

Subject to any abovementioned write-up by the Resolution Authority, any written-down amount as a result of Statutory Loss Absorption shall be irrevocably lost and holders of such Notes will cease to have any claims for any principal amount and accrued but unpaid interest which has been subject to write-down.

The determination that all or part of the nominal amount of the Subordinated Notes and/or Senior Non-Preferred Notes and/or Senior Preferred Notes intended to qualify as MREL Eligible Liabilities will be subject to Statutory Loss Absorption or Recapitalisation may be inherently unpredictable and may depend on a number of factors which may be outside of the Issuer's control. Accordingly, trading behaviour in respect of Subordinated Notes, Senior Non-Preferred Notes and Senior Preferred Notes intended to qualify as MREL Eligible Liabilities which are subject to Statutory Loss Absorption or Recapitalisation is not necessarily expected to follow trading behaviour associated with other types of securities. Any indication that Subordinated Notes and/or Senior Non-Preferred Notes and/or Senior Preferred Notes intended to qualify as MREL Eligible Liabilities will become subject to Statutory Loss Absorption or Recapitalisation could have an adverse effect on the market price of the relevant Subordinated Notes, Senior Non-Preferred Notes or Senior Preferred Notes intended to qualify as MREL Eligible Liabilities. Potential investors should consider the risk that a Subordinated Noteholder, a Senior Non-Preferred Noteholder and a holder of Senior Preferred Notes intended to qualify as MREL Eligible Liabilities may lose all of its investment in such Subordinated Notes respectively Senior Non-Preferred Notes, including the principal amount plus any accrued but unpaid interest, in the event that Statutory Loss Absorption or Recapitalisation occurs. In addition, even in circumstances where a claim for compensation is established under the 'no creditor worse off' safeguard in accordance with a valuation performed after the resolution action has been taken, it is

unlikely that such compensation would be equivalent to the full losses incurred by the Noteholders in the Statutory Loss Absorption or Recapitalisation and there can be no assurance that Noteholders would recover such compensation promptly.

The Dutch Intervention Act, BRRD and the SRM could materially and adversely affect the position of certain categories of the Noteholders and the credit rating attached thereto, in particular if and when any of the above proceedings would be commenced against the Issuer. The rights and effective remedies of the holders of the Noteholders, as well as their market value, may be affected by any such proceedings.

**2. The Terms and Conditions of the Senior Preferred Notes, the Senior Non-Preferred Notes and Subordinated Notes contain provisions which may permit their modification without the consent of all investors.**

The Terms and Conditions of the Senior Preferred Notes, the Senior Non-Preferred Notes and the Subordinated Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally and to obtain Written Resolutions on matters relating to the Notes from Noteholders without calling a meeting. A Written Resolution signed by or on behalf of the holders of not less than 75 per cent. in principal amount of the Notes of the relevant Series who for the time being are entitled to receive notice of a meeting in accordance with the provisions of the Agency Agreement and whose Notes are outstanding shall, for all purposes, take effect as an Extraordinary Resolution.

A Written Resolution or an electronic consent as described above may be effected in connection with any matter affecting the interests of Noteholders, including the modification of the relevant Terms and Conditions, that would otherwise be required to be passed at a meeting of Noteholders satisfying the special quorum in accordance with the provisions of the Agency Agreement, and shall for all purposes take effect as an Extraordinary Resolution passed at a meeting of Noteholders duly convened and held. These provisions permit defined majorities to bind all Noteholders, including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

Furthermore, the Issuer may subject to conditions and without any consent of the Noteholders or Couponholders being required, the Noteholders or Couponholders having agreed irrevocably in advance, when no payment of principal or interest on any of the Notes is in default and, in respect of the Senior Non-Preferred Notes and the Subordinated Notes, after consent of the Competent Authority has been obtained if required, be replaced and substituted by any directly or indirectly wholly-owned subsidiary of the Issuer as principal debtor in respect of the Notes and the relative Coupons. See also the risk factors *“There is variation or substitution risk in respect of certain Series of Senior Non-Preferred Notes.”* and *“There is variation or substitution risk in respect of certain Series of Subordinated Notes.”*

Any such modification, waiver or substitution may be contrary to the interest of one or more Noteholders and as a result the Notes may no longer meet the requirements or investment objectives of a Noteholder.

**3. The value and return of the Notes could be materially adversely impacted by a change in Dutch law or administrative practice and the jurisdiction of the courts of the Netherlands.**

The Terms and Conditions of the Notes are based on Dutch law in effect as at the date of issue of the relevant Notes. No assurance can be given as to the impact of any possible judicial decision or change to Dutch law or administrative practices after the date of issue of the relevant Notes. Such changes in laws may include amendments to a variety of tools which may affect the rights of holders of securities issued by the Issuer, including the Notes. Any such change could materially adversely impact the value of any Notes affected by it.

Prospective investors should note that the courts of the Netherlands shall have jurisdiction in respect of any disputes involving any series of Notes. Noteholders may take any suit, action or proceedings arising out of or in connection with the Notes against the Issuer in any court of competent jurisdiction. Furthermore, in

the event that the Issuer becomes insolvent, insolvency proceedings will generally be governed by the insolvency laws of the Netherlands. The laws of the Netherlands (including, any insolvency laws) may be materially different from the equivalent law in the home jurisdiction of prospective investors in its application to the Notes and the treatment and ranking of holders of Notes issued by the Issuer and the Issuer's other creditors and shareholders under the insolvency laws of the Issuer's place of incorporation may be different from the treatment and ranking of holders of those Notes and the Issuer's other creditors and shareholders if the Issuer was subject to the insolvency laws of the investor's home jurisdiction. The application of the laws of the Netherlands may therefore lead to a different interpretation of, amongst others, the conditions of the Notes than the investor may expect if the equivalent law of his home jurisdiction were applied or if the Issuer was subject to the insolvency laws of the investor's home jurisdiction. This may lead to the Notes not having certain characteristics as the investor may have expected and may impact the return on the Notes.

**4. Investors who hold less than the minimum Specified Denomination may be unable to sell their Notes and may be adversely affected if definitive Notes are subsequently required.**

In relation to any issue of Notes in bearer form which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that the Notes may be traded in amounts that are not integral multiples of such minimum Specified Denominations (as defined in the relevant Conditions). In such a case a Noteholder who, as a result of trading such amounts, holds a principal amount of less than the minimum Specified Denomination in his account with the relevant clearing system at the relevant time will not receive a definitive Note in respect of such holding (should definitive Notes be printed) and would need to purchase a principal amount of Notes such that it holds an amount equal to one or more Specified Denominations.

Therefore, if definitive Notes are issued, holders should be aware that definitive Notes which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

**C. RISKS RELATED TO THE MARKET IN RESPECT OF THE NOTES**

**1. An active secondary market in respect of the Notes may never be established or be illiquid and this would adversely affect the value at which an investor could sell his Notes.**

Notes may have no established trading market when issued, and one may never develop (for example, Notes may be allocated to a limited pool of investors). If a market does develop, it may not be liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of Notes. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed trading market.

If an investor holds Notes which are not denominated in the investor's home currency, he will be exposed to movements in exchange rates adversely affecting the value of his holding. In addition, the imposition of exchange controls in relation to any Notes could result in an investor not receiving payments on those Notes. The Issuer will pay principal and interest on the Notes in the Specified Currency. This presents risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "Investor's Currency") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency equivalent yield on the Notes,



(2) the Investor's Currency equivalent value of the principal payable on the Notes and (3) the Investor's Currency equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

**2. The value of Fixed Rate Notes may be adversely affected by movements in market interest rates.**

Investment in Fixed Rate Notes involves the risk that if market interest rates subsequently increase above the rate paid on the Fixed Rate Notes, this will adversely affect the value of Fixed Rate Notes as an equivalent investment issued at the current market interest rate may be more attractive to investors.

**3. Credit ratings assigned to the Issuer or any Notes may not reflect all risks associated with an investment in those Notes.**

The value of the Notes may be affected by the creditworthiness and the credit rating of the Issuer, the credit rating of the Notes and a number of additional factors, such as market interest and yield rates and the time remaining to the maturity date and more generally all economic, financial and political events in any country, including factors affecting capital markets generally and the stock exchanges on which the Notes are traded.

One or more independent credit rating agencies may assign credit ratings to an issue of Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes.

If the status of the rating agency rating the Notes changes, European (including United Kingdom) regulated investors may no longer be able to use the rating for regulatory purposes and the Notes may have a different regulatory treatment. This may result in European (including United Kingdom) regulated investors selling the Notes which may impact the value of the Notes and any secondary market. The price at which a Noteholder will be able to sell the Notes prior to maturity may be at a discount, which could be substantial, from the issue price or the purchase price paid by such purchaser.

**4. Payments in respect of the Notes may become subject to Dutch conditional withholding tax.**

Under current law, payments under the Notes are not subject to withholding tax in the Netherlands. However, on 27 December 2019, the Withholding Tax Act 2021 (*Wet bronbelasting 2021*) was published in the Dutch Official Gazette (*Staatsblad* 2019, 513). This legislation will enter in to force (*in werking treden*) on 1 January 2021. As at the date of this Prospectus, the Dutch conditional withholding tax may apply on certain (deemed) payments of interest made to an affiliated (*gelieerde*) entity of the Issuer if such entity (i) is considered to be resident of a jurisdiction that is listed in the yearly updated Dutch Regulation on low-taxing states and non-cooperative jurisdictions for tax purposes (*Regeling laagbelastende staten en niet-coöperatieve rechtsgebieden voor belastingdoeleinden*), or (ii) has a permanent establishment located in such jurisdiction to which the interest is attributable, or (iii) is entitled to the interest payable for the main purpose or one of the main purposes to avoid taxation of another person, or (iv) is a hybrid entity, or (v) is not resident in any jurisdiction, all within the meaning of the Dutch Withholding Tax Act 2021. The conditional withholding tax rate will be 21.7% in 2021. However, this rate might be increased.

If interest payments under the Notes were to be affected and, as such, withholding on interest payments to Noteholders or Couponholders were to arise, the Issuer does not have to pay additional amounts under Condition 7 of the Senior Preferred Notes, Condition 7 of the Senior Non-Preferred Notes and Condition 8 of the Subordinated Notes and as a result a Noteholder would receive considerably less interest on the Notes.

## **D. RISKS RELATED TO THE SENIOR PREFERRED NOTES INTENDED TO QUALIFY AS MREL ELIGIBLE LIABILITIES**

### **1. The Senior Preferred Notes intended to qualify as MREL Eligible Liabilities have limited rights to accelerate.**

Senior Preferred Noteholders will only have limited rights to accelerate repayment of the principal amount of Senior Preferred Notes intended to qualify as MREL Eligible Liabilities. See Condition 9 (*Events of Default*) of the Terms and Conditions of these Senior Preferred Notes, which limits the events of default to (i) the Issuer being declared bankrupt and (ii) an order being made or an effective resolution being passed for the winding up or liquidation of the Issuer (unless this is done in connection with a merger, consolidation or other form of combination with another company and such company assumes all obligations contracted by the Issuer in connection with these Senior Preferred Notes). Accordingly, if the Issuer fails to meet any interest payment or other obligation under these Senior Preferred Notes, such failure will not give these Senior Preferred Noteholders any right to accelerate repayment of the principal amount of these Senior Preferred Notes.

Further, investors in these Senior Preferred Notes will not be entitled to exercise any rights of set-off against the Issuer in respect of such Notes at any time.

In addition, the rights of Senior Preferred Noteholders are limited in certain respects. In particular, (i) redemption of Senior Preferred Notes pursuant to Conditions 5(c) (*Redemption for Tax Reasons*), 5(d) (*Redemption at the Option of the Issuer*), 5(e) (*Redemption at the Option of Senior Preferred Noteholders*), 5(f) (*Issuer Clean-up Call*), 5(g) (*Issuer Make-Whole Call*), 5(h) (*Redemption, substitution and variation of Senior Preferred Notes due to MREL Disqualification Event*) and 5(i) (*Purchases*) of the Terms and Conditions of the Senior Preferred Notes may only be effected after the Issuer has obtained the written permission of the Competent Authority (if so required at the relevant time), and (ii) the Issuer may be required to obtain the prior written permission of the Competent Authority before effecting any repayment of Senior Preferred Notes following an Event of Default. See Conditions 5(b) (*Early Redemption*) and 9 (*Events of Default*) of the Terms and Conditions of the Senior Preferred Notes for further details.

The Senior Preferred Notes intended to qualify as MREL Eligible Liabilities are designed to contribute towards the Issuer's MREL Eligible Liabilities. Any resolution action taken in respect of the Issuer would generally be expected to respect the relative ranking of its obligations, with losses imposed on lower-ranking obligations before losses are imposed on higher-ranking obligations. Accordingly, if the MREL calibration is accurate, it may be the case that, in a resolution, investors in the Senior Preferred Notes intended to qualify as MREL Eligible Liabilities may lose all or substantially all of their investment whilst investors in the Senior Preferred Notes not intended to qualify as MREL Eligible Liabilities suffer lower (or no) losses (although there can be no assurance that investors in the Senior Preferred Notes not intended to qualify as MREL Eligible Liabilities will not also suffer substantial losses). The market value of the Senior Preferred Notes intended to qualify as MREL Eligible Liabilities may therefore be more severely adversely affected and/or more volatile if the Issuer's financial condition deteriorates than the market value of the Senior Preferred Notes not intended to qualify as MREL Eligible Liabilities. Accordingly, although Senior Preferred Notes qualifying as MREL Eligible Liabilities may pay a higher rate of interest than Senior Preferred Notes not qualifying as MREL Eligible Liabilities, holders of the Senior Preferred Notes qualifying as MREL Eligible Liabilities may bear significantly more risk than holders of the Senior Preferred Notes not qualifying as MREL Eligible Liabilities (notwithstanding that both share the 'senior' designation under the Programme). Investors should ensure they understand the relative ranking of Notes issued under the Programme – including as between the Senior Preferred Notes, the Senior Non-Preferred Notes and the Subordinated Notes – and the risks consequent thereon, before investing in any Notes.

**2. The qualification of the Senior Preferred Notes as Eligible Liabilities is subject to uncertainty and may cause the Issuer to redeem the Senior Preferred Notes following an MREL Disqualification Event.**

The Senior Preferred Notes are intended to be Eligible Liabilities available to meet any MREL requirement of the Issuer. However, there is uncertainty regarding the final substance of the MREL regulations, and how those regulations, once enacted, are to be interpreted and applied and the Issuer cannot provide any assurance that the Senior Preferred Notes will be (or thereafter remain) Eligible Liabilities for MREL purposes.

If, for any reason, the Senior Preferred Notes are or will be excluded from MREL Eligible Liabilities, the Issuer may be able to redeem the Senior Preferred Notes if an MREL Disqualification Event has occurred. An MREL Disqualification Event shall be deemed to have occurred in respect of Senior Preferred Notes if as a result of any amendment to, or change in, any Applicable MREL Regulations or any change in the application or official interpretation of any Applicable MREL Regulations, in any such case becoming effective on or after the Issue Date of the first Tranche of such Senior Preferred Notes, such Senior Preferred Notes are or (in the opinion of the Issuer or the Competent Authority) are likely to become fully or, if so specified in the applicable Final Terms, partially excluded from the Issuer's MREL Eligible Liabilities determined in accordance with, and pursuant to, the Applicable MREL Regulations; provided that an MREL Disqualification Event shall not occur where the exclusion of the Senior Preferred Notes from the relevant minimum requirement(s) is due to (i) the remaining maturity of the Senior Preferred Notes being less than any period prescribed by any applicable eligibility criteria for such minimum requirements under the Applicable MREL Regulations effective with respect to the Issuer on the Issue Date of the first Tranche of such Senior Preferred Notes or (ii) any applicable limits on the amount of MREL Eligible Liabilities permitted or allowed to meet the MREL Requirement.

If any of the Senior Preferred Notes are to be redeemed as a result of an MREL Disqualification Event or there is a perception that such Senior Preferred Notes may be so redeemed, this may impact the market price of the Senior Preferred Notes. In addition, there can be no assurance that Noteholders will be able to reinvest the amounts received upon redemption at a rate that will provide the same rate of return as their investment in the Senior Preferred Notes. See also the risk factor *“If the Issuer has the right to redeem any Notes at its option, this may limit the market value of the Notes concerned and investors may not be able to reinvest the redemption proceeds in a manner which achieves a similar effective return.”*

**3. There is variation or substitution risk in respect of certain Series of Senior Preferred Notes.**

If Variation or Substitution is specified in the applicable Final Terms and if as a result of an MREL Disqualification Event the whole of the outstanding nominal amount of the Senior Preferred Notes can no longer be, or is likely to become no longer, included in full as MREL Eligible Liabilities, then the Issuer may, subject to the prior written permission of the Competent Authority if required at the relevant time (but without any requirement for the permission of the Senior Preferred Noteholders), substitute all (but not some only) of such Senior Preferred Notes for, or vary the terms of such Senior Preferred Notes so that they remain or become, MREL Eligible Liabilities. However, the Issuer cannot make changes to the terms of the Senior Preferred Notes or substitute the Senior Preferred Notes for securities that are materially less favorable to the Senior Preferred Noteholders. Following such variation or substitution the resulting securities must have, inter alia, at least the same ranking and interest rate and the same maturity date, redemption rights, existing rights to accrued interest which has not been paid and assigned the same (solicited) ratings as the Senior Preferred Notes. Nonetheless, no assurance can be given as to whether any of these changes will adversely affect any particular Senior Preferred Noteholder. In addition, the tax and stamp duty consequences of holding such varied or substituted Senior Preferred Notes could be different for some categories of Senior Preferred Noteholders from the tax and stamp duty consequences of their holding the Senior Preferred Notes prior to such variation or substitution. See Condition 5(e) (*Redemption, substitution and variation of Senior Preferred Notes due to MREL Disqualification Event*) of Terms and Conditions of the Senior Preferred Notes for further details.

The Competent Authority may have discretion as to whether or not it will approve any substitution or

variation of the Subordinated Notes. Any such substitution or variation which is considered by the Competent Authority to be material may be treated by it as the issuance of a new instrument. Therefore, the Senior Preferred Notes, as so substituted or varied, may need to be made eligible as MREL in accordance with the then Applicable MREL Regulations and no assurance can be given that such substitution or variation will not adversely affect any particular Senior Preferred Noteholder.

## **E. RISKS RELATED TO THE SENIOR NON-PREFERRED NOTES**

### **1. The Senior Non-Preferred Notes are a new class of securities, rank junior to most of the Issuer's liabilities (other than subordinated liabilities) in bankruptcy and in bail-in and have limited rights to accelerate.**

The bill implementing Article 108 Amending Directive in The Netherlands and introducing a new category of senior debt that in a bankruptcy of the Issuer nevertheless ranks junior to ordinary unsecured creditors and other senior unsecured and preferred debts (“**Senior Non-Preferred Debt**”) came into force in December 2018.

As further set out in Condition 3 (*Status*) of the Terms and Conditions of the Senior Non-Preferred Notes, the Issuer intends that claims in respect of its Senior Preferred Notes will constitute part of the class of ‘ordinary unsecured claims’ referred to in the Directive amending Article 108 of BRRD designed to create a new category of unsecured debt for banks and other credit institutions. Directive (EU) 2017/2399 (the “**Article 108 Amending Directive**”), whilst its Senior Non-Preferred Notes will constitute part of the new, lower-ranking (un-preferred) ‘senior’ unsecured class (but will rank ahead of the Subordinated Notes).

Whilst Senior Non-Preferred Notes and Senior Preferred Notes both share the ‘senior’ designation under the Program, in a bankruptcy of the Issuer the Senior Non-Preferred Notes will rank junior to the Senior Preferred Notes (which, in turn, rank junior to obligations of the Issuer which are by law given priority over the Senior Preferred Notes) and other unsecured and unsubordinated liabilities. Accordingly, prospective investors in Notes issued under the Programme should note that, in the event of the Issuer's bankruptcy (*faillissement*), the Issuer would generally expect investors in Senior Non-Preferred Notes to lose their entire investment before losses are imposed on holders of the Senior Preferred Notes. Further, investors in Senior Non-Preferred Notes will not be entitled to exercise any rights of set-off against the Issuer in respect of such Notes at any time.

Senior Non-Preferred Noteholders will only have limited rights to accelerate repayment of the principal amount of Senior Non-Preferred Notes. See Condition 9 (*Events of Default*) of the Terms and Conditions of the Senior Non-Preferred Notes, which limits the events of default to (i) the Issuer being declared bankrupt and (ii) an order being made or an effective resolution being passed for the winding up or liquidation of the Issuer (unless this is done in connection with a merger, consolidation or other form of combination with another company and such company assumes all obligations contracted by the Issuer in connection with the Senior Non-Preferred Notes). Accordingly, if the Issuer fails to meet any interest payment or other obligation under the Senior Non-Preferred Notes, such failure will not give the Senior Non-Preferred Noteholders any right to accelerate repayment of the principal amount of the Senior Non-Preferred Notes.

Furthermore, the Conditions of the Senior Non-Preferred Notes do not restrict the amount of liabilities and securities (such as the Senior Preferred Notes) which the Issuer may incur or issue and which rank in priority of payments with the Senior Non-Preferred Notes. Also the Issuer is not restricted in issuing further Senior Non-Preferred Debt ranking *pari passu* with the Senior Non-Preferred Notes. The issue of any such securities may reduce the amount recoverable by Senior Non-Preferred Noteholders on a bankruptcy or liquidation of the Issuer. Accordingly, in the winding-up or liquidation of the Issuer and after payment of the claims of senior creditors and of depositors, there may not be a sufficient amount to satisfy (all of) the amounts owing to the Senior Non-Preferred Noteholders.

In addition, the rights of Senior Non-Preferred Noteholders are limited in certain respects. In particular, (i) redemption of Senior Non-Preferred Notes pursuant to Conditions 5(c) (*Redemption for Tax Reasons*), 5(d) (*Redemption at the Option of the Issuer*), 5(d) (*Redemption, substitution and variation of Senior Non-Preferred Notes due to MREL Disqualification Event*) and 5(f) (*Purchases*) of the Terms and Conditions of

the Senior Non-Preferred Notes may only be effected after the Issuer has obtained the written permission of the Competent Authority (if so required at the relevant time), and (ii) the Issuer may be required to obtain the prior written permission of the Competent Authority before effecting any repayment of Senior Non-Preferred Notes following an Event of Default. See Conditions 5(b) (*Early Redemption Amounts*) and 9 (*Events of Default*) of the Terms and Conditions of the Senior Non-Preferred Notes for further details.

The Senior Non-Preferred Notes and any other statutory senior non-preferred obligations (*niet preferente niet achtergestelde schuld*) of the Issuer are designed to contribute towards the Issuer's MREL Eligible Liabilities. Any resolution action taken in respect of the Issuer would generally be expected to respect the relative ranking of its obligations as described above, with losses imposed on lower-ranking obligations before losses are imposed on higher-ranking obligations. Accordingly, if the MREL calibration is accurate, it may be the case that, in a resolution, investors in the Senior Non-Preferred Notes may lose all or substantially all of their investment whilst investors in the Senior Preferred Notes suffer lower (or no) losses (although there can be no assurance that investors in the Senior Preferred Notes will not also suffer substantial losses). The market value of the Senior Non-Preferred Notes may therefore be more severely adversely affected and/or more volatile if the Issuer's financial condition deteriorates than the market value of the Senior Preferred Notes. Accordingly, although Senior Non-Preferred Notes may pay a higher rate of interest than Senior Preferred Notes, holders of the Senior Non-Preferred Notes may bear significantly more risk than holders of the Senior Preferred Notes (notwithstanding that both share the 'senior' designation under the Programme). Investors should ensure they understand the relative ranking of Notes issued under the Programme – including as between the Senior Preferred Notes, the Senior Non-Preferred Notes and the Subordinated Notes – and the risks consequent thereon, before investing in any Notes.

**2. The qualification of the Senior Non-Preferred Notes as MREL Eligible Liabilities is subject to uncertainty and may cause the Issuer to redeem the Senior Non-Preferred Notes following an MREL Disqualification Event.**

The Senior Non-Preferred Notes are intended to be MREL Eligible Liabilities of the Issuer. However, there is uncertainty regarding the final substance of the MREL regulations, and how those regulations, once enacted, are to be interpreted and applied and the Issuer cannot provide any assurance that the Senior Non-Preferred Notes will be (or thereafter remain) MREL Eligible Liabilities.

If, for any reason, the Senior Non-Preferred Notes are or will be excluded from MREL Eligible Liabilities, the Issuer may be able to redeem the Senior Non-Preferred Notes if an MREL Disqualification Event has occurred.

An MREL Disqualification Event shall be deemed to have occurred in respect of Senior Non-Preferred Notes if as a result of any amendment to, or change in, any Applicable MREL Regulations or any change in the application or official interpretation of any Applicable MREL Regulations, in any such case becoming effective on or after the Issue Date of the first Tranche of such Senior Non-Preferred Notes, such Senior Non-Preferred Notes are or (in the opinion of the Issuer or the Competent Authority) are likely to become fully or, if so specified in the applicable Final Terms, partially excluded from the Issuer's MREL Eligible Liabilities determined in accordance with, and pursuant to, the Applicable MREL Regulations; provided that an MREL Disqualification Event shall not occur where the exclusion of the Senior Non-Preferred Notes from the relevant minimum requirement(s) is due to (i) the remaining maturity of the Senior Non-Preferred Notes being less than any period prescribed by any applicable eligibility criteria for such minimum requirements under the Applicable MREL Regulations effective with respect to the Issuer on the Issue Date of the first Tranche of such Senior Non-Preferred Notes or (ii) any applicable limits on the amount of MREL Eligible Liabilities permitted or allowed to meet the MREL Requirement.

If any of the Senior Non-Preferred Notes are to be redeemed as a result of an MREL Disqualification Event or there is a perception that such Senior Non-Preferred Notes may be so redeemed, this may impact the market price of the Senior Non-Preferred Notes. In addition, there can be no assurance that Noteholders will be able to reinvest the amounts received upon redemption at a rate that will provide the same rate of return as their investment in the Senior Non-Preferred Notes. See also the risk factor "*If the Issuer has the right to redeem any Notes at its option, this may limit the market value of the Notes concerned and investors may not be able to reinvest the redemption proceeds in a manner which achieves a similar effective return.*"

### **3. There is variation or substitution risk in respect of certain Series of Senior Non-Preferred Notes.**

If Variation or Substitution is specified in the applicable Final Terms and if as a result of an MREL Disqualification Event the whole of the outstanding nominal amount of the Senior Non-Preferred Notes can no longer be, or is likely to become no longer, included in full as MREL Eligible Liabilities, then the Issuer may, subject to the prior written permission of the Competent Authority if required at the relevant time (but without any requirement for the permission of the Senior Non-Preferred Noteholders), substitute all (but not some only) of such Senior Non-Preferred Notes for, or vary the terms of such Senior Non-Preferred Notes so that they remain or become, MREL Eligible Liabilities. However, the Issuer cannot make changes to the terms of the Senior Non-Preferred Notes or substitute the Senior Non-Preferred Notes for securities that are materially less favorable to the Senior Non-Preferred Noteholders. Following such variation or substitution the resulting securities must have, inter alia, at least the same ranking and interest rate and the same maturity date, redemption rights, existing rights to accrued interest which has not been paid and assigned the same (solicited) ratings as the Senior Non-Preferred Notes. Nonetheless, no assurance can be given as to whether any of these changes will adversely affect any particular Senior Non-Preferred Noteholder. In addition, the tax and stamp duty consequences of holding such varied or substituted Senior Non-Preferred Notes could be different for some categories of Senior Non-Preferred Noteholders from the tax and stamp duty consequences of their holding the Senior Non-Preferred Notes prior to such variation or substitution. See Condition 5(e) (*Redemption, substitution and variation of Senior Non-Preferred Notes due to MREL Disqualification Event*) of Terms and Conditions of the Senior Non-Preferred Notes for further details.

The Competent Authority may have discretion as to whether or not it will approve any substitution or variation of the Subordinated Notes. Any such substitution or variation which is considered by the Competent Authority to be material may be treated by it as the issuance of a new instrument. Therefore, the Senior Non-Preferred Notes, as so substituted or varied, may need to be made eligible as MREL in accordance with the then Applicable MREL Regulations and no assurance can be given that such substitution or variation will not adversely affect any particular Senior Non-Preferred Noteholder.

## **F. RISKS RELATED TO THE SUBORDINATED NOTES**

### **1. Holders of Subordinated Notes have limited rights to accelerate.**

The Issuer may issue Subordinated Notes under the Programme which are subordinated to the extent described in Condition 3 (Status) of the Terms and Conditions of the Subordinated Notes.

Any such Subordinated Notes will constitute unsecured and subordinated obligations of the Issuer and rank *pari passu* without any preference among themselves and with all other present and future unsecured and subordinated obligations of the Issuer (other than those subordinated obligations expressed by their terms to rank junior to the Subordinated Notes), save for those preferred by mandatory and/or overriding provisions of law.

As a result, in the event of liquidation or bankruptcy of the Issuer, the claims of the holders of the Subordinated Notes (“Subordinated Noteholders”) against the Issuer will be subordinated to (a) the claims of depositors (other than in respect of those whose deposits are expressed by their terms to rank equally to or lower than the Subordinated Notes), (b) unsubordinated claims with respect to the repayment of borrowed money (including Statutory Senior Non-Preferred Obligations such as the Senior Non-Preferred Notes) and (c) other unsubordinated claims. By virtue of such subordination, payments to a Subordinated Noteholder will, in the event of liquidation or bankruptcy of the Issuer, only be made after all obligations of the Issuer resulting from such higher ranking deposits, unsubordinated claims with respect to the repayment of borrowed money and other unsubordinated claims have been satisfied.

A Subordinated Noteholder may therefore recover less than the holders of deposit liabilities or the holders of other unsubordinated (including Statutory Senior Non-Preferred Obligations such as the Senior Non-Preferred Notes) or subordinated liabilities of the Issuer.

Furthermore, the Conditions of the Notes do not restrict the amount of liabilities and securities (such as the

Senior Non-Preferred Notes) which the Issuer may incur or issue and which rank in priority of payments with the Subordinated Notes. Also the Issuer is not restricted in incurring or issuing further subordinated liabilities and securities ranking *pari passu* with the Subordinated Notes. The issue of any such securities may reduce the amount recoverable by Subordinated Noteholders in the bankruptcy or liquidation of the Issuer. Accordingly, in the winding-up or liquidation of the Issuer and after payment of the claims of senior creditors and of depositors, there may not be a sufficient amount to satisfy (all of) the amounts owing to the Subordinated Noteholders.

In addition, the rights of Subordinated Noteholders are limited in certain respects. In particular, (i) redemption of Subordinated Notes pursuant to Conditions 5(d) (*Redemption for taxation purposes*), 6(c) (*Redemption at the Option of the Issuer*) and 5(e) (*Redemption, substitution and variation for regulatory purposes of Subordinated Notes*) or 5(f) (*Purchases*) of the Terms and Conditions of the Subordinated Notes may only be effected after the Issuer has obtained the written permission of the Competent Authority, and (ii) the Issuer may be required to obtain the prior written permission of the Competent Authority before effecting any repayment of Subordinated Notes following an Event of Default. See Conditions 5(b) (*Early Redemption Amounts*) and 9 (*Events of Default*) of the Terms and Conditions of the Subordinated Notes for further details.

Although Subordinated Notes may pay a higher rate of interest than comparable Notes which are not subordinated, there is a real risk that an investor in Subordinated Notes will lose all or some of his investment should the Issuer become insolvent.

Subordinated Noteholders will only have limited rights to accelerate repayment of the principal amount of Subordinated Notes. See Condition 9 (*Events of Default*) of the Terms and Conditions of the Subordinated Notes, which limits the events of default to (i) the Issuer being declared bankrupt and (ii) an order being made or an effective resolution being passed for the winding up or liquidation of the Issuer (unless this is done in connection with a merger, consolidation or other form of combination with another company and such company assumes all obligations contracted by the Issuer in connection with the Subordinated Notes). Accordingly, if the Issuer fails to meet any interest payment or other obligation under the Subordinated Notes, such failure will not give the Subordinated Noteholders any right to accelerate repayment of the principal amount of the Subordinated Notes. Furthermore, Subordinated Noteholders will have no set-off rights.

## **2. There is a redemption risk in respect of certain Series of Subordinated Notes.**

If the applicable Final Terms in respect of Subordinated Notes indicates that such Notes are redeemable at the option of the Issuer if there is a change in the regulatory classification of the Subordinated Notes that has resulted or would be likely to result in the Subordinated Notes being excluded, in whole but not in part, from the Tier 2 capital (within the meaning of the CRD Regulation as defined in the Conditions of the Subordinated Notes) of the Issuer or reclassified as a lower quality form of own funds of the Issuer, which change in regulatory classification (or reclassification) (i) becomes effective on or after the Issue Date and, if redeemed within five years after the Issue Date (ii) is considered by the Competent Authority to be sufficiently certain and (iii) the Issuer has demonstrated to the satisfaction of the Competent Authority was not reasonably foreseeable at the time of their issuance as required by Article 78(4) CRD Regulation, and provided the Issuer has notified the holders of the relevant Notes accordingly, the Issuer may redeem the relevant Notes at the amount and on the date(s) specified in the applicable Final Terms. If, for any reason, the Subordinated Notes are or will be excluded from MREL Eligible Liabilities, the Issuer may be able to redeem the Subordinated Notes if an MREL Disqualification Event has occurred. See also the risk factor “*The qualification of the Senior Non-Preferred Notes as MREL Eligible Liabilities is subject to uncertainty and may cause the Issuer to redeem the Senior Non-Preferred Notes following an MREL Disqualification Event*” which applies *mutatis mutandis* to the Subordinated Notes.

If any of the Subordinated Notes are to be redeemed as a result of the above or there is a perception that such Subordinated Notes may be so redeemed, this may impact the market price of the Subordinated Notes. In addition, there can be no assurance that Subordinated Noteholders will be able to reinvest the amounts received upon redemption at a rate that will provide the same rate of return as their investment in the

Subordinated Notes. See also the risk factor “*If the Issuer has the right to redeem any Notes at its option, this may limit the market value of the Notes concerned and investors may not be able to reinvest the redemption proceeds in a manner which achieves a similar effective return.*”

### **3. There is variation or substitution risk in respect of certain Series of Subordinated Notes.**

If Variation or Substitution is specified in the applicable Final Terms and if a CRD Capital Event or a Capital Event has occurred, then the Issuer may, subject to the prior written permission of the Competent Authority if required at the relevant time (but without any requirement for the consent or approval of the Subordinated Noteholders), substitute the Subordinated Notes or vary the terms of the Subordinated Notes in order to ensure that they remain or, as appropriate, become compliant with CRD or such other regulatory capital rules applicable to the Issuer at the relevant time. The terms and conditions of such varied or substituted Subordinated Notes may have terms and conditions that contain one or more provisions that are substantially different from the terms and conditions of the original Subordinated Notes. However, the Issuer cannot make changes to the terms of the Subordinated Notes or substitute the Subordinated Notes for securities that are materially less favorable to the Subordinated Noteholders. Following such variation or substitution the resulting securities must have, *inter alia*, at least the same ranking and interest rate and the same maturity date, redemption rights, existing rights to accrued interest which has not been paid and assigned the same (solicited) ratings as the Subordinated Notes. Nonetheless, no assurance can be given as to whether any of these changes will adversely affect any particular Subordinated Noteholder. In addition, the tax and stamp duty consequences of holding such varied or substituted Notes could be different for some categories of Subordinated Noteholders from the tax and stamp duty consequences of their holding the Subordinated Notes prior to such variation or substitution. See Condition 5(e) (*Redemption, substitution and variation for regulatory purposes of Subordinated Notes*) of Terms and Conditions of the Subordinated Notes for further details.

The Competent Authority has discretion as to whether or not it will approve any substitution or variation of the Subordinated Notes. Any such substitution or variation which is considered by the Competent Authority to be material shall be treated by it as the issuance of a new instrument. Therefore, the Subordinated Notes, as so substituted or varied, must be eligible as Tier 2 capital in accordance with the then prevailing regulatory capital rules applicable to the Issuer, which may include a requirement that (save in certain prescribed circumstances) the Subordinated Notes may not be redeemed or repurchased prior to five years after the effective date of such substitution or variation. Any such substitution or variation may therefore result in an extension of the effective maturity date of such Subordinated Notes which means that Noteholders are required to hold the Subordinated Notes longer than anticipated at the time of issuance.



## IMPORTANT INFORMATION

*This Prospectus comprises a prospectus for the purposes of Article 8 of the Prospectus Regulation and for the purpose of giving information with regard to the Issuer and its consolidated subsidiaries and the Notes which, according to the particular nature of the Issuer and the Notes, is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Issuer. When used in this Prospectus, “Prospectus Regulation” means Regulation (EU) 2017/1129.*

*The Issuer accepts responsibility for the information contained in this Prospectus. To the best of the knowledge of the Issuer the information contained in this Prospectus is in accordance with the facts and makes no omission likely to affect the import of such information.*

*This Prospectus has been approved by the AFM as competent authority under the Prospectus Regulation. The AFM only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuer that is the subject of this Prospectus and of the quality of the securities that are the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the Notes.*

*The period of validity of this Prospectus is up to (and including) 12 months from the date of the approval of this Prospectus. This Prospectus (as may be supplemented from time to time) is valid for 12 months from its date in relation to Notes which are to be admitted to trading on a regulated market in the EEA or the UK.*

*This Prospectus is to be read in conjunction with all documents which are incorporated herein by reference (see “Documents incorporated by Reference”) and any supplements or amendments hereto from time to time, including any Final Terms in relation to any issue of Notes under the Programme described in this Prospectus.*

**No person is or has been authorised to give any information or to make any representation other than those contained in this Prospectus in connection with the issue or sale of the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or any of the Dealers or the Arranger (as defined in “Overview of the Programme — Method of Issue”). Neither the delivery of this Prospectus nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer since the date hereof or the date upon which this Prospectus has been most recently amended or supplemented or that there has been no adverse change in the financial position of the Issuer since the date hereof or the date upon which this Prospectus has been most recently amended or supplemented or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.**

**The distribution of this Prospectus and the offering or sale of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes are required by the Issuer, the Dealers and the Arranger to inform themselves about and to observe any such restriction. The Notes have not been and will not be registered under the United States Securities Act of 1933 (the “Securities Act”) and include Notes in bearer form that are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to U.S. persons. For a description of certain restrictions on offers and sales of Notes and on distribution of this Prospectus, see “Subscription and Sale”.**

**IMPORTANT – EEA AND UK RETAIL INVESTORS –** If the Final Terms in respect of any Notes includes a legend entitled “Prohibition of Sales to EEA and UK Retail Investors”, the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in

the EEA and in the UK. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “MiFID II”); or (ii) a customer within the meaning of Directive (EU) 2016/97 (the “IDD”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the “Prospectus Regulation”). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the “PRIIPs Regulation”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA or in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA or in the UK may be unlawful under the PRIIPs Regulation.

**MIFID II PRODUCT GOVERNANCE / TARGET MARKET** – The Final Terms in respect of any Notes will include a legend entitled “MiFID II product governance” which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a distributor) should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the Product Governance rules under EU Delegated Directive 2017/593 (the “MiFID Product Governance Rules”), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MIFID Product Governance Rules.

This Prospectus has been prepared on the basis that any Notes with a minimum denomination of less than €100,000 (or equivalent in another currency) will (i) only be admitted to trading on an EEA regulated market (as defined in MiFID II), or a specific segment of an EEA regulated market, to which only qualified investors (as defined in the Prospectus Regulation) can have access (in which case they shall not be offered or sold to non-qualified investors) or (ii) only be offered to the public in an EEA Member State pursuant to an exemption under Article 1(4) of the Prospectus Regulation (and for these purposes, references to the EEA include the United Kingdom).

**This Prospectus does not constitute an offer of, or an invitation by or on behalf of the Issuer or the Dealers to subscribe for, or purchase, any Notes.**

**To the fullest extent permitted by law, none of the Dealers or the Arranger accepts any responsibility for the contents of this Prospectus or for any other statement made or purported to be made by the Arranger or a Dealer or on its behalf in connection with the Issuer or the issue and offering of the Notes or any responsibility for any act or omission of the Issuer or any other person (other than the relevant Dealer) in connection with or the issue and offering of the Notes. The Arranger and each Dealer accordingly disclaims all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this Prospectus or any such statement. Neither this Prospectus nor any other annual accounts should be considered as a recommendation by any of the Issuer, the Arranger or the Dealers that any recipient of this Prospectus or any other annual accounts should purchase the Notes. Each potential purchaser of Notes should determine for itself the relevance of the information contained in this Prospectus and its purchase of Notes should be based upon such investigation as it deems necessary. None of the Dealers or the Arranger undertakes to review the financial condition or affairs of the Issuer during the life of the arrangements contemplated by this Prospectus nor to advise any investor or potential investor in the Notes of any information coming to the attention of any of the Dealers or the Arranger.**

Potential investors are expressly advised that an investment in the Notes entails risks and that they should therefore carefully review the entire content of this Prospectus. A potential investor should not invest in the Notes unless it has the expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the potential investor's overall investment portfolio. Prospective investors should also consult their own tax advisers as to the tax consequences of the purchase, ownership and disposition of the Notes. In addition, investors should ensure that an investment in the Notes is in compliance with their own policies, guidelines and restrictions and that an acquisition by them of any Notes is lawful.

The rating of certain Tranches of Notes to be issued under the Programme and the credit rating agency issuing such ratings may be specified in the applicable Final Terms. The Issuer cannot assure investors that any such ratings will not change in the future. A rating reflects only the views of the relevant rating agency and is not a recommendation to buy, sell or hold the Notes and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

In connection with the issue of any Tranche (as defined in "Overview of the Programme — Method of Issue"), the Dealer or Dealers (if any) named as the stabilising manager(s) (the "Stabilising Manager(s)") (or any person acting on behalf of any Stabilising Manager(s)) in the applicable Final Terms may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche and 60 days after the date of the allotment of the relevant Tranche. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager(s) (or any person acting on behalf of any Stabilising Manager(s)) in accordance with all applicable laws and rules.

In this Prospectus, unless otherwise specified or the context otherwise requires, references to "€", "EUR", "Euro" or "euro" are to the single currency of the participating member states of the European Union, references to "\$", "USD" and "U.S. Dollars" are to the lawful currency of the United States of America, and references to "£", "GBP" and "Sterling" are to the lawful currency of the United Kingdom.

Certain of the statements contained herein are not historical facts, including, without limitation, certain statements made of future expectations and other forward-looking statements that are based on management's current views and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. Actual results, performance or events may differ materially from those in such statements as described in the section headed "*Risk Factors*". Any forward-looking statements made by or on behalf of the Issuer speak only as of the date they are made, and the Issuer assumes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information or for any other reason. The Issuer urges investors to read the section headed "*Risk Factors*" for a more complete discussion of the factors that could affect the Issuer's future performance and the industry in which the Issuer operates.

#### SUITABILITY OF INVESTMENT

Each potential investor in any Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the relevant Notes, the merits and risks of investing in the relevant Notes and the information contained or incorporated by reference in this Prospectus or any applicable supplement;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the relevant Notes and the impact such investment will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the relevant Notes, including where principal or interest is payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;
- (iv) understand thoroughly the terms of the relevant Notes and be familiar with the behaviour of any relevant indices and financial markets; and
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some Notes are complex financial instruments and such instruments may be purchased as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with the help of a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of such Notes and the impact this investment will have on the potential investor's overall investment portfolio.

The investment activities of certain investors are subject to laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

This Prospectus includes a general summary of certain Dutch tax considerations relating to an investment in the Notes issued by the Issuer (see "Taxation"). Such summary may not apply to a particular holder of Notes or to a particular issue and does not cover all possible tax considerations. In addition, the tax treatment may change before the maturity, exercise or termination date of Notes. Any potential investor should consult its own independent tax adviser for more information about the tax consequences of acquiring, owning and disposing of Notes in its particular circumstances.

## DOCUMENTS INCORPORATED BY REFERENCE

This Prospectus should be read and construed in conjunction with:

- (a) the articles of association (*statuten*) of the Issuer (the official Dutch version and an English translation thereof) which can be obtained from <https://www.nn-group.com/nn-group/file?uuid=de4794a4-3c9d-44b4-b41c-2fc0ff028199&owner=84c25534-c28a-4a64-9c78-5cc1388e4766&contentid=11168>;
- (b) the report of the management board on the financial developments of the Issuer which appears on pages 6-12 of the Issuer's Annual Report 2018 which can be obtained from <https://www.nn.nl/nn/file?uuid=2facf69a-99d5-4d4c-83bc-3bcd4c852c15&owner=17c6d8d8-86e6-4aef-84b9-3381b332bb2b&contentid=25617&elementid=3774218>;
- (c) the report of the management board on the financial developments of the Issuer which appears on pages 5-26 of the Issuer's Annual Report 2019 which can be obtained from <https://www.nn.nl/nn/file?uuid=831dffa8-9839-4c46-9b24-9ede6808de3a&owner=17c6d8d8-86e6-4aef-84b9-3381b332bb2b&contentid=30558&elementid=3774190>;
- (d) the audited consolidated annual accounts of the Issuer for the financial year ended 31 December 2018 which appear on pages 18 to 77 of the Issuer's Annual Report 2018 together with the independent auditor's report dated 2 April 2019, which appear on pages 88 to 100 of the Issuer's Annual Report 2018 which can be obtained from <https://www.nn.nl/nn/file?uuid=2facf69a-99d5-4d4c-83bc-3bcd4c852c15&owner=17c6d8d8-86e6-4aef-84b9-3381b332bb2b&contentid=25617&elementid=3774218>;
- (e) the audited consolidated annual accounts of the Issuer for the financial year ended 31 December 2019 which appear on pages 32 to 88 of the Issuer's Annual Report 2019 together with the independent auditor's report dated 24 March 2020, which appear on pages 99 to 111 of the Issuer's Annual Report 2019 which can be obtained from <https://www.nn.nl/nn/file?uuid=831dffa8-9839-4c46-9b24-9ede6808de3a&owner=17c6d8d8-86e6-4aef-84b9-3381b332bb2b&contentid=30558&elementid=3774190>; and
- (f) the unaudited consolidated interim accounts of the Issuer for the financial period until 30 June 2020, which appear on pages 7 to 27 of the Issuer's Interim Financial Information dated 27 August 2020 which can be obtained from <https://www.nn.nl/nn/file?uuid=490f569a-1de8-4eef-8e0b-7d6c96fd1bc1&owner=17c6d8d8-86e6-4aef-84b9-3381b332bb2b&contentid=31704&elementid=3987111>,

which have been previously published and which have been filed with the AFM.

Such documents shall be incorporated in and form part of this Prospectus, save that any statement contained in a document which is incorporated by reference herein shall be modified or superseded for the purpose of this Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Prospectus.

Any documents themselves incorporated by reference in the documents incorporated by reference in this Prospectus shall not form part of this Prospectus.

Any non-incorporated parts of a document referred to herein are either deemed not relevant for an investor or are otherwise covered elsewhere in this Prospectus.

## **SUPPLEMENTS TO THE PROSPECTUS**

If at any time the Issuer shall be required to prepare a supplement to this Prospectus pursuant to the Prospectus Regulation, the Issuer will prepare and make available an appropriate supplement to this Prospectus which, in respect of any subsequent issue of Notes to be listed and admitted to trading on Euronext Amsterdam, shall constitute a supplement to this Prospectus as required by the Prospectus Regulation.

The Issuer has given an undertaking to the Dealers that if at any time during the duration of the Programme there is a significant new factor, material mistake or material inaccuracy relating to information contained in this Prospectus which may affect the assessment of any Notes and whose inclusion in or removal from this Prospectus is necessary for the purpose of allowing an investor to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer and the rights attaching to the Notes, the Issuer shall prepare a supplement to this Prospectus or publish a replacement Prospectus for use in connection with any subsequent offering of the Notes and shall supply to each Dealer such number of copies of such supplement hereto as such Dealer may reasonably request.

## TERMS AND CONDITIONS OF THE SENIOR PREFERRED NOTES

*The following is the text of the terms and conditions that, subject to completion and amendment and as supplemented or varied in accordance with the provisions of Part A of the applicable Final Terms, shall be applicable to the Senior Preferred Notes in definitive form (if any) issued in exchange for the Global Note(s) representing each Series. Either (i) the full text of these terms and conditions together with the relevant provisions of Part A of the Final Terms or (ii) these terms and conditions as so completed, amended, supplemented or varied (and subject to simplification by the deletion of non-applicable provisions), shall be endorsed on such Bearer Senior Preferred Notes or on the Certificates relating to such Registered Senior Preferred Notes. All capitalised terms that are not defined in these Conditions will have the meanings given to them in Part A of the applicable Final Terms. Those definitions will be endorsed on the definitive Senior Preferred Notes or Certificates, as the case may be. References in the Conditions to “Senior Preferred Notes” are to the Senior Preferred Notes of one Series only, not to all Senior Preferred Notes that may be issued under the Programme.*

The Senior Preferred Notes are issued pursuant to an Amended and Restated Agency Agreement (as amended or supplemented as at the Issue Date, the “Agency Agreement”) dated 15 October 2020 between the Issuer, ABN AMRO Bank N.V. as fiscal agent and the other agents named in it. The fiscal agent, the paying agents, the registrar, the transfer agents and the calculation agent(s) for the time being (if any) are referred to below, respectively, as the “Fiscal Agent”, the “Paying Agents” (which expression shall include the Fiscal Agent), the “Registrar”, the “Transfer Agents” and the “Calculation Agent(s)”. The Senior Preferred Noteholders (as defined below), the holders of the interest coupons (the “Coupons”) relating to interest bearing Senior Preferred Notes in bearer form and, where applicable in the case of such Senior Preferred Notes, talons for further Coupons (the “Talons”) (the “Couponholders”) and the holders of the receipts for the payment of instalments of principal (the “Receipts”) relating to Senior Preferred Notes in bearer form of which the principal is payable in instalments are deemed to have notice of all of the provisions of the Agency Agreement applicable to them.

As used in these terms and conditions (the “Conditions”), “Tranche” means Senior Preferred Notes which are identical in all respects. For the purposes of the Conditions, references to the European Economic Area include the United Kingdom.

Copies of the Agency Agreement are available for inspection at the specified offices of each of the Paying Agents, the Registrar and the Transfer Agents.

### **1. Form, Denomination and Title**

The Senior Preferred Notes are issued in bearer form (“Bearer Senior Preferred Notes”) or in registered form (“Registered Senior Preferred Notes”), in each case in the Specified Denomination(s) shown hereon. The minimum denomination shall be EUR 100,000 (or its equivalent in any other currency as at the date of issue of the relevant Senior Preferred Notes).

This Senior Preferred Note is a Fixed Rate Senior Preferred Note, a Floating Rate Senior Preferred Note, a Zero Coupon Senior Preferred Note, an Instalment Senior Preferred Note or a combination of any of the foregoing, depending upon the Interest and Redemption/Payment Basis shown hereon.

Bearer Senior Preferred Notes are serially numbered and are issued with Coupons (and, where appropriate, a Talon) attached, save in the case of Zero Coupon Senior Preferred Notes in which case references to interest (other than in relation to interest due after the Maturity Date), Coupons and Talons in these Conditions are not applicable. Instalment Senior Preferred Notes are issued with one or more Receipts attached.



Registered Senior Preferred Notes are represented by registered certificates (“Certificates”) and, save as provided in Condition 2(c), each Certificate shall represent the entire holding of Registered Senior Preferred Notes by the same holder.

Title to the Bearer Senior Preferred Notes and the Receipts, Coupons and Talons shall pass by delivery. Title to the Registered Senior Preferred Notes shall pass by registration in the register that the Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement (the “Register”). Except as ordered by a court of competent jurisdiction or as required by law, the holder (as defined below) of any Senior Preferred Note, Receipt, Coupon or Talon shall be deemed to be and may be treated as its absolute owner for all purposes, whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it, any writing on it (or on the Certificate representing it) or its theft or loss (or that of the related Certificate), and no person shall be liable for so treating the holder.

In these Conditions, “Senior Preferred Noteholder” means the bearer of any Bearer Senior Preferred Note and the Receipts relating to it or the person in whose name a Registered Senior Preferred Note is registered (as the case may be), “holder” (in relation to a Senior Preferred Note, Receipt, Coupon or Talon) means the bearer of any Bearer Senior Preferred Note, Receipt, Coupon or Talon or the person in whose name a Registered Senior Preferred Note is registered (as the case may be) and capitalised terms have the meanings given to them hereon, the absence of any such meaning indicating that such term is not applicable to the Senior Preferred Notes.

## 2. **No Exchange of Senior Preferred Notes and Transfers of Registered Senior Preferred Notes**

- (a) **No Exchange of Senior Preferred Notes:** Registered Senior Preferred Notes may not be exchanged for Bearer Senior Preferred Notes. Bearer Senior Preferred Notes of one Specified Denomination may not be exchanged for Bearer Senior Preferred Notes of another Specified Denomination. Bearer Senior Preferred Notes may not be exchanged for Registered Senior Preferred Notes.
- (b) **Transfer of Registered Senior Preferred Notes:** One or more Registered Senior Preferred Notes may be transferred upon the surrender (at the specified office of the Registrar or any Transfer Agent) of the Certificate representing such Registered Senior Preferred Notes to be transferred, together with the form of transfer endorsed on such Certificate (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Issuer), duly completed and executed and any other evidence as the Registrar or Transfer Agent may reasonably require. In the case of a transfer of part only of a holding of Registered Senior Preferred Notes represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor. All transfers of Senior Preferred Notes and entries on the Register will be made subject to the detailed regulations concerning transfers of Senior Preferred Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer, with the prior written approval of the Registrar and the Senior Preferred Noteholders. A copy of the current regulations will be made available by the Registrar to any Senior Preferred Noteholder upon request.
- (c) **Exercise of Options or Partial Redemption in Respect of Registered Senior Preferred Notes:** In the case of an exercise of an Issuer’s or Senior Preferred Noteholders’ option in respect of, or a partial redemption of, a holding of Registered Senior Preferred Notes represented by a single Certificate, a new Certificate shall be issued to the holder to reflect the exercise of such option or

in respect of the balance of the holding not redeemed. In the case of a partial exercise of an option resulting in Registered Senior Preferred Notes of the same holding having different terms, separate Certificates shall be issued in respect of those Senior Preferred Notes of that holding that have the same terms. New Certificates shall only be issued against surrender of the existing Certificates to the Registrar or any Transfer Agent. In the case of a transfer of Registered Senior Preferred Notes to a person who is already a holder of Registered Senior Preferred Notes, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding.

- (d) **Delivery of New Certificates:** Each new Certificate to be issued pursuant to Conditions 2(b) or (c) shall be available for delivery within three business days of receipt of the form of transfer or Exercise Notice (as defined in Condition 5(e)) and surrender of the Certificate for exchange. Delivery of the new Certificate(s) shall be made at the specified office of the Transfer Agent or of the Registrar (as the case may be) to whom delivery or surrender of such form of transfer, Exercise Notice or Certificate shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the form of transfer, Exercise Notice or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Certificate to such address as may be so specified, unless such holder requests otherwise and pays in advance to the relevant Agent (as defined in the Agency Agreement) the costs of such other method of delivery and/or such insurance as it may specify. In this Condition 2(d), “business day” means a day, other than a Saturday or Sunday, on which banks are open for business in the place of the specified office of the relevant Transfer Agent or the Registrar (as the case may be).
- (e) **Transfer Free of Charge:** Transfers of Senior Preferred Notes and Certificates on registration, transfer, partial redemption or exercise of an option shall be effected without charge by or on behalf of the Issuer, the Registrar or the Transfer Agents, but upon payment of any tax or other governmental charges that may be imposed in relation to it (or the giving of such indemnity as the Registrar or the relevant Transfer Agent may require).
- (f) **Closed Periods:** No Senior Preferred Noteholder may require the transfer of a Registered Senior Preferred Note to be registered (i) during the period of 15 days ending on the due date for redemption of, or payment of any Instalment Amount in respect of, that Senior Preferred Note, (ii) during the period of 15 days before any date on which Senior Preferred Notes may be called for redemption by the Issuer at its option pursuant to Condition 5(d), (iii) after any such Senior Preferred Note has been called for redemption or (iv) during the period of seven days ending on (and including) any Record Date.

### 3. Status and Ranking

The Senior Preferred Notes, the Receipts and Coupons constitute direct, unconditional, unsecured and unsubordinated obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Issuer under the Senior Preferred Notes, the Receipts and the Coupons shall, save for such exceptions as may be provided by applicable legislation, at all times rank at least equally with all other present and future unsecured and unsubordinated indebtedness and monetary obligations of the Issuer, save for those preferred by mandatory and/or overriding provisions of law and other than those unsecured and unsubordinated obligations having a lower ranking in reliance on article 212rb of the Dutch Bankruptcy Act (*Faillissementswet*) (or any other provision implementing article 108 of Directive 2014/59/EU, as amended by Directive (EU) 2017/2399, in The Netherlands).

In the case resolution proceedings are commenced in respect of the Issuer, the aforementioned ranking in the event of bankruptcy will in principle be followed, in a reverse order, subject to certain exceptions, in the event the bail-in tool is applied by the Resolution Authority under the applicable banking regulations.

No Senior Preferred Noteholder may exercise or claim any right of set-off in respect of any amount owed to it by the Issuer arising under or in connection with the Senior Preferred Notes specified in the applicable Final Terms as intended to qualify as MREL Eligible Liabilities.

#### 4. Interest and other Calculations

- (a) **Interest on Fixed Rate Senior Preferred Notes:** Each Fixed Rate Senior Preferred Note bears interest on its outstanding nominal amount from and including the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date, noting that in the event that Senior Preferred Notes are specified in the applicable Final Terms as intended to qualify as MREL Eligible Liabilities subject in any case as provided in Condition 5(k) (*Statutory Loss Absorption or Recapitalisation of Senior Preferred Notes which are intended to qualify as MREL Eligible Liabilities*). The amount of interest payable shall be determined in accordance with Condition 4(f).
- (b) **Interest on Floating Rate Senior Preferred Notes:**
- (i) *Interest Payment Dates:* Each Floating Rate Senior Preferred Note bears interest on its outstanding nominal amount from and including the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 4(f). Such Interest Payment Date(s) is/are either shown hereon as Specified Interest Payment Dates or, if no Specified Interest Payment Date(s) is/are shown hereon, Interest Payment Date shall mean each date which falls the number of months or other period shown hereon as the Interest Period after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date, noting that in the event that Senior Preferred Notes are specified in the applicable Final Terms as intended to qualify as MREL Eligible Liabilities subject in any case as provided in Condition 5(k) (*Statutory Loss Absorption or Recapitalisation of Senior Preferred Notes which are intended to qualify as MREL Eligible Liabilities*).
- (ii) *Business Day Convention:* If any date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then, if the Business Day Convention specified is (A) the Floating Rate Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event (x) such date shall be brought forward to the immediately preceding Business Day and (y) each subsequent such date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment, (B) the Following Business Day Convention, such date shall be postponed to the next day that is a Business Day, (C) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the

immediately preceding Business Day or (D) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day.

- (iii) *Rate of Interest for Floating Rate Senior Preferred Notes*: The Rate of Interest in respect of Floating Rate Senior Preferred Notes for each Interest Accrual Period shall be determined in the manner specified hereon and the provisions below relating to either ISDA Determination or Screen Rate Determination shall apply, depending upon which is specified hereon.

(A) ISDA Determination for Floating Rate Senior Preferred Notes

Where ISDA Determination is specified hereon as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be determined by the Calculation Agent as a rate equal to the relevant ISDA Rate. For the purposes of this sub-paragraph (A), “ISDA Rate” for an Interest Accrual Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under a Swap Transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- (x) the Floating Rate Option is as specified hereon;
- (y) the Designated Maturity is a period specified hereon; and
- (z) the relevant Reset Date is the first day of that Interest Accrual Period unless otherwise specified hereon.

For the purposes of this sub-paragraph (A), “Floating Rate”, “Calculation Agent”, “Floating Rate Option”, “Designated Maturity”, “Reset Date” and “Swap Transaction” have the meanings given to those terms in the ISDA Definitions.

(B) Screen Rate Determination for Floating Rate Senior Preferred Notes

- (x) Where Screen Rate Determination is specified hereon as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period will, subject as provided below, be either:

- (1) the offered quotation; or
- (2) the arithmetic mean of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at either 11.00 a.m. (London time in the case of LIBOR or Brussels time in the case of EURIBOR) on the Interest Determination Date in question as determined by the Calculation Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded

by the Calculation Agent for the purpose of determining the arithmetic mean of such offered quotations.

If the Reference Rate from time to time in respect of Floating Rate Senior Preferred Notes is specified hereon as being other than LIBOR or EURIBOR, the Rate of Interest in respect of such Senior Preferred Notes will be determined as provided hereon.

- (y) if the Relevant Screen Page is not available, or if sub-paragraph (x)(1) applies and no such offered quotation appears on the Relevant Screen Page, or if sub-paragraph (x)(2) applies and fewer than three such offered quotations appear on the Relevant Screen Page, in each case as at the time specified above, subject as provided below, the Calculation Agent shall request, if the Reference Rate is LIBOR, the principal London office of each of the Reference Banks or, if the Reference Rate is EURIBOR, the principal Euro-zone office of each of the Reference Banks to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time), or, if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time) on the Interest Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Rate of Interest for such Interest Accrual Period shall be the arithmetic mean of such offered quotations as determined by the Calculation Agent.; and
- (z) if paragraph (y) above applies and the Calculation Agent determines that fewer than two Reference Banks are providing offered quotations, subject as provided below, the Rate of Interest shall be the arithmetic mean of the rates per annum (expressed as a percentage) as communicated to (and at the request of) the Calculation Agent by the Reference Banks or any two or more of them, at which such banks were offered, if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time) or, if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time) on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in, if the Reference Rate is LIBOR, the London inter-bank market or, if the Reference Rate is EURIBOR, the Euro-zone inter-bank market, as the case may be, or, if fewer than two of the Reference Banks provide the Calculation Agent with such offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time) or, if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time), on the relevant Interest Determination Date, any one or

more banks (which bank or banks is or are in the opinion of the Issuer suitable for such purpose) informs the Calculation Agent it is quoting to leading banks in, if the Reference Rate is LIBOR, the London inter-bank market or, if the Reference Rate is EURIBOR, the Euro-zone inter-bank market, as the case may be, provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum or Minimum Rate of Interest is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin or Maximum or Minimum Rate of Interest relating to the relevant Interest Accrual Period, in place of the Margin or Maximum or Minimum Rate of Interest relating to that last preceding Interest Accrual Period).

(C) Linear Interpolation

Where Linear Interpolation is specified hereon as applicable in respect of an Interest Accrual Period, the Rate of Interest for such Interest Accrual Period shall be calculated by the Calculation Agent by straight line linear interpolation by reference to two rates based on the relevant Reference Rate (where Screen Rate Determination is specified hereon as applicable) or the relevant Floating Rate Option (where ISDA Determination is specified hereon as applicable), one of which shall be determined as if the Applicable Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Accrual Period and the other of which shall be determined as if the Applicable Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Accrual Period, provided, however, that if there is no rate available for the period of time next shorter or, as the case may be, next longer, then the Calculation Agent shall determine such rate at such time and by reference to such sources as it determines appropriate.

“Applicable Maturity” means: (a) in relation to Screen Rate Determination, the period of time designated in the Reference Rate, and (b) in relation to ISDA Determination, the Designated Maturity.

(D) Replacement Reference Rate Determination for Discontinued Reference Rate

Notwithstanding the provisions above in this Condition 4(b), if the Issuer determines at any time prior to, on or following any Interest Determination Date, discontinued a Benchmark Event has occurred, the Issuer will, as soon as reasonably practicable (and in any event prior to the next relevant Interest Determination Date), appoint an agent ("Rate Determination Agent"), which will determine in its sole discretion, acting in good faith and in a commercially reasonable manner, whether a substitute or successor rate for purposes of determining the relevant Reference Rate on each Interest Determination Date falling on such date or thereafter that is substantially comparable to the Reference Rate is available or a successor rate that has been recommended or selected by the monetary authority or similar authority (or working group

thereof) in the jurisdiction of the applicable currency. If the Rate Determination Agent determines that there is an industry-accepted successor rate, the Rate Determination Agent will use such successor rate to determine the relevant Reference Rate. If the Rate Determination Agent has determined a substitute or successor rate in accordance with the foregoing (such rate, the "Replacement Reference Rate") for purposes of determining the Reference Rate on the relevant Interest Determination Date falling on or after such determination, (A) the Rate Determination Agent will also determine changes (if any) to the business day convention, the definition of business day, the interest determination date, the day count fraction and any method for calculating the Replacement Reference Rate, including any adjustment factor needed to make such Replacement Reference Rate comparable to the relevant Reference Rate, in each case in a manner that is consistent with industry-accepted practices for such Replacement Reference Rate; (B) references to the Reference Rate in these Conditions applicable to the relevant Floating Rate Senior Preferred Note will be deemed to be references to the relevant Replacement Reference Rate, including any alternative method for determining such rate as described in (A) above; (C) the Rate Determination Agent will notify the Issuer of the foregoing as soon as reasonably practicable; and (D) the Issuer will give notice as soon as reasonably practicable to the Senior Preferred Noteholders (in accordance with Condition 14 (Notices)) and the Principal Paying Agent specifying the Replacement Reference Rate, as well as the details described in (A) above.

The determination of the Replacement Reference Rate and the other matters referred to above by the Rate Determination Agent will (in the absence of manifest error) be final and binding on the Issuer and the Principal Paying Agent, and will apply to the relevant Senior Preferred Notes without any requirement that the Issuer obtains consent of any Senior Preferred Noteholders. If the Rate Determination Agent is unable to or otherwise does not determine a substitute Replacement Reference Rate, then the Reference Rate will be equal to the Reference Rate last determined in relation to the Senior Preferred Notes in respect of a preceding Interest Accrual Period.

For the avoidance of doubt, each Senior Preferred Noteholder shall be deemed to have accepted the Replacement Reference Rate or such other changes pursuant to this Condition (4)(b)(iii).

The Rate Determination Agent will be (A) a major bank or broker-dealer in a principal financial center of the European Union or the United Kingdom as appointed by the Issuer; or (B), if it is not reasonably practicable to appoint a party as referred to under (A), the Issuer.

In the event the Senior Preferred Notes specified in the applicable Final Terms as intended to qualify as MREL Eligible Liabilities: notwithstanding any other provision of this Condition 4(b)(iii), no Replacement Reference Rate will be adopted, and no other amendments to the terms of the Senior Preferred Notes will be made pursuant to this Condition 4(b)(iii), if and to the extent that, in the determination of the Issuer, the same could reasonably be expected to:

- (i) prejudice the qualification of the Senior Preferred Notes as MREL Eligible Liabilities; and/or
- (ii) result in the Competent Authority treating the next Interest Payment Date as the effective maturity of the Senior Preferred Notes, rather than the relevant Maturity Date.

Any amendment to the Conditions pursuant to this Condition 4(b)(iii) is subject to the prior written permission of the Competent Authority and/or the relevant Resolution Authority (**provided that**, at the relevant time, such permission is required to be given).

- (c) **Zero Coupon Senior Preferred Notes:** Where a Senior Preferred Note the Interest Basis of which is specified to be Zero Coupon is repayable prior to the Maturity Date and is not paid when due, the amount due and payable prior to the Maturity Date shall be the Early Redemption Amount of such Senior Preferred Note. As from the Maturity Date, the Rate of Interest for any overdue principal of such a Senior Preferred Note shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield (as described in Condition 5(b)(i)).
- (d) **Accrual of Interest:** Interest shall cease to accrue on each Senior Preferred Note on the due date for redemption unless, upon due presentation, payment is improperly withheld or refused, in which event interest shall continue to accrue (both before and after judgment) at the Rate of Interest in the manner provided in this Condition 4 to the Relevant Date (as defined in Condition 7).
- (e) **Margin, Maximum/Minimum Rates of Interest, Instalment Amounts and Redemption Amounts and Rounding:**
  - (i) If any Margin is specified hereon (either (x) generally, or (y) in relation to one or more Interest Accrual Periods), an adjustment shall be made to all Rates of Interest, in the case of (x), or the Rates of Interest for the specified Interest Accrual Periods, in the case of (y), calculated in accordance with Condition 4(b) above by adding (if a positive number) or subtracting the absolute value (if a negative number) of such Margin, subject always to the next paragraph, Condition 4(e)(ii).
  - (ii) If any Maximum or Minimum Rate of Interest, Instalment Amount or Redemption Amount is specified hereon, then any Rate of Interest, Instalment Amount or Redemption Amount shall be subject to such maximum or minimum, as the case may be.
  - (iii) For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (x) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 of a percentage point being rounded up), (y) all figures shall be rounded to seven significant figures (provided that, if the eighth significant figure is a 5 or greater, the seventh significant shall be rounded up) and (z) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with half a unit being rounded up), save in the case of yen, which shall be rounded down to the nearest yen. For these purposes, “unit” means the lowest amount of such currency that is available as legal tender in the country of such currency.



- (f) **Calculations:** The amount of interest payable per Calculation Amount in respect of any Senior Preferred Note for any Interest Accrual Period shall be equal to the product of the Rate of Interest, the Calculation Amount specified hereon, and the Day Count Fraction for such Interest Accrual Period, unless an Interest Amount (or a formula for its calculation) is applicable to such Interest Accrual Period, in which case the amount of interest payable per Calculation Amount in respect of such Senior Preferred Note for such Interest Accrual Period shall equal such Interest Amount (or be calculated in accordance with such formula). Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable per Calculation Amount in respect of such Interest Period shall be the sum of the Interest Amounts payable in respect of each of those Interest Accrual Periods. In respect of any other period for which interest is required to be calculated, the provisions above shall apply save that the Day Count Fraction shall be for the period for which interest is required to be calculated.
- (g) **Determination and Publication of Rates of Interest, Interest Amounts, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts and Instalment Amounts:** The Calculation Agent shall, as soon as practicable on such date as the Calculation Agent may be required to calculate any rate or amount, obtain any quotation or make any determination or calculation, determine such rate and calculate the Interest Amounts for the relevant Interest Accrual Period, calculate the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or Instalment Amount, obtain such quotation or make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amounts for each Interest Accrual Period and the relevant Interest Payment Date and, if required to be calculated, the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or any Instalment Amount to be notified to the Fiscal Agent, the Issuer, each of the Paying Agents, the Senior Preferred Noteholders, any other Calculation Agent appointed in respect of the Senior Preferred Notes that is to make a further calculation upon receipt of such information and, if the Senior Preferred Notes are listed on a stock exchange and the rules of such exchange or other relevant authority so require, such exchange or other relevant authority as soon as possible after their determination but in no event later than (i) the commencement of the relevant Interest Period, if determined prior to such time, in the case of notification to such exchange of a Rate of Interest and Interest Amount, or (ii) in all other cases, the fourth Business Day after such determination. Where any Interest Payment Date or Interest Period Date is subject to adjustment pursuant to Condition 4(b)(ii), the Interest Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. If the Senior Preferred Notes become due and payable under Condition 9, the accrued interest and the Rate of Interest payable in respect of the Senior Preferred Notes shall nevertheless continue to be calculated as previously in accordance with this Condition but no publication of the Rate of Interest or the Interest Amount so calculated need be made. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent(s) shall (in the absence of manifest error) be final and binding upon all parties.
- (h) **Definitions:** In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

“Benchmark Event” means:

1. the Original Reference Rate ceasing to be published for a period of at least 5 Business Days or ceasing to exist; or

2. a public statement by the administrator of the Original Reference Rate that it will, by a specified date within the following six months, cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate); or
3. a public statement by the supervisor of the administrator of the Original Reference Rate, that the Original Reference Rate has been or will, by a specified date within the following six months, be permanently or indefinitely discontinued; or
4. a public statement by the supervisor of the administrator of the Original Reference Rate as a consequence of which the Original Reference Rate will be prohibited from being used either generally, or in respect of the Senior Preferred Notes, in each case within the following six months; or
5. it has become unlawful for any Calculation Agent or the Issuer to calculate any payments due to be made to any Senior Preferred Noteholder using the Original Reference Rate.

“Business Day” means:

1. in the case of a currency other than euro, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the principal financial centre for such currency; and/or
2. in the case of euro, a day on which the TARGET System is operating (a “TARGET Business Day”); and/or
3. in the case of a currency and/or one or more Business Centres, a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in such currency in the Business Centre(s) or, if no currency is indicated, generally in each of the Business Centres.

“Day Count Fraction” means, in respect of the calculation of an amount of interest on any Senior Preferred Note for any period of time (from and including the first day of such period to but excluding the last) (whether or not constituting an Interest Period or an Interest Accrual Period, the “Calculation Period”):

1. if “Actual/Actual” or “Actual/Actual - ISDA” is specified hereon, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
2. if “Actual/365 (Fixed)” is specified hereon, the actual number of days in the Calculation Period divided by 365;
3. if “Actual/365 (Sterling)” is specified hereon, the actual number of days in the Calculation Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;

4. if “Actual/360” is specified hereon, the actual number of days in the Calculation Period divided by 360;
5. if “30/360”, “360/360” or “Bond Basis” is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“Y<sub>1</sub>” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“Y<sub>2</sub>” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“M<sub>1</sub>” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“M<sub>2</sub>” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“D<sub>1</sub>” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and

“D<sub>2</sub>” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D<sub>1</sub> is greater than 29, in which case D<sub>2</sub> will be 30.

6. if “30E/360” or “Eurobond Basis” is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“Y<sub>1</sub>” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“Y<sub>2</sub>” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“M<sub>1</sub>” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“M<sub>2</sub>” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“D<sub>1</sub>” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and

“D<sub>2</sub>” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D<sub>2</sub> will be 30.

7. if “30E/360 (ISDA)” is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“Y<sub>1</sub>” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“Y<sub>2</sub>” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“M<sub>1</sub>” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“M<sub>2</sub>” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“D<sub>1</sub>” is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D<sub>1</sub> will be 30; and

“D<sub>2</sub>” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D<sub>2</sub> will be 30.

8. if “Actual/Actual-ICMA” is specified hereon,

if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year; and

if the Calculation Period is longer than one Determination Period, the sum of:

- (x) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and

- (y) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year

where:

“Determination Period” means the period from and including a Determination Date in any year to but excluding the next Determination Date; and

“Determination Date” means the date(s) specified as such hereon or, if none is so specified, the Interest Payment Date(s).

“Euro-zone” means the region comprised of member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended.

“Interest Accrual Period” means the period beginning on and including the Interest Commencement Date and ending on but excluding the first Interest Period Date and each successive period beginning on and including an Interest Period Date and ending on but excluding the next succeeding Interest Period Date.

“Interest Amount” means:

1. in respect of an Interest Accrual Period, the amount of interest payable per Calculation Amount for that Interest Accrual Period and which, in the case of Fixed Rate Senior Preferred Notes, and unless otherwise specified hereon, shall mean the Fixed Coupon Amount or Broken Amount specified hereon as being payable on the Interest Payment Date ending the Interest Period of which such Interest Accrual Period forms part; and
2. in respect of any other period, the amount of interest payable per Calculation Amount for that period.

“Interest Commencement Date” means the Issue Date or such other date as may be specified hereon.

“Interest Determination Date” means, with respect to a Rate of Interest and Interest Accrual Period, the date specified as such hereon or, if none is so specified, (i) the first day of such Interest Accrual Period if the Specified Currency is Sterling or (ii) the day falling two Business Days in London for the Specified Currency prior to the first day of such Interest Accrual Period if the Specified Currency is neither Sterling nor euro or (iii) the day falling two TARGET Business Days prior to the first day of such Interest Accrual Period if the Specified Currency is euro.

“Interest Period” means the period beginning on and including the Interest Commencement Date and ending on but excluding the first Interest Payment Date and each successive period beginning on and including an Interest Payment Date and ending on but excluding the next succeeding Interest Payment Date unless otherwise specified hereon.

“Interest Period Date” means each Interest Payment Date unless otherwise specified hereon.

“ISDA Definitions” means the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc., unless otherwise specified hereon.

“Original Reference Rate” means the originally-specified benchmark or screen rate (as applicable) used to determine the Rate of Interest (or any component part thereof) on the Senior Preferred Notes.

“Rate of Interest” means the rate of interest payable from time to time in respect of this Senior Preferred Note and that is either specified or calculated in accordance with the provisions hereon.

“Reference Banks” means, in the case of a determination of LIBOR, the principal London office of four major banks in the London inter-bank market and, in the case of a determination of EURIBOR, the principal Euro-zone office of four major banks in the Euro-zone inter-bank market, in each case selected by the Calculation Agent or as specified hereon.

“Reference Rate” means the rate specified as such hereon.

“Relevant Screen Page” means such page, section, caption, column or other part of a particular information service as may be specified hereon (or any successor or replacement page, section, caption, column or other part of a particular information service).

“Specified Currency” means the currency specified as such hereon or, if none is specified, the currency in which the Senior Preferred Notes are denominated.

“TARGET System” means the Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET2) System which was launched on 19 November 2007 or any successor thereto.

- (i) **Calculation Agent:** The Issuer shall procure that there shall at all times be one or more Calculation Agents if provision is made for them hereon and for so long as any Senior Preferred Note is outstanding (as defined in the Agency Agreement). Where more than one Calculation Agent is appointed in respect of the Senior Preferred Notes, references in these Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its respective duties under the Conditions. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest for an Interest Accrual Period or to calculate any Interest Amount, Instalment Amount, Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, or to comply with any other requirement, the Issuer shall appoint a leading bank or financial institution engaged in the inter bank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the calculation or determination to be made by the Calculation Agent (acting through its principal London office or any other office actively involved in such market) to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid.

## 5. Redemption, Purchase and Options

- (a) **Redemption by Instalments and Final Redemption:**
- (i) Unless previously redeemed, purchased and cancelled as provided in this Condition 5 (or written down or converted as provided in Condition 5(k) (*Statutory Loss Absorption or Recapitalisation of Senior Preferred Notes which are intended to qualify as MREL Eligible Liabilities*)) in the event the Senior Preferred Notes are specified in the applicable

Final Terms as intended to qualify as MREL Eligible Liabilities), each Senior Preferred Note that provides for Instalment Dates and Instalment Amounts shall be partially redeemed on each Instalment Date at the related Instalment Amount specified hereon. The outstanding nominal amount of each such Senior Preferred Note shall be reduced by the Instalment Amount (or, if such Instalment Amount is calculated by reference to a proportion of the nominal amount of such Senior Preferred Note, such proportion) for all purposes with effect from the related Instalment Date, unless payment of the Instalment Amount is improperly withheld or refused, in which case such amount shall remain outstanding until the Relevant Date relating to such Instalment Amount.

- (ii) Unless previously redeemed, purchased and cancelled as provided below (or written down or converted as provided in Condition 5(k) (*Statutory Loss Absorption or Recapitalisation of Senior Preferred Notes which are intended to qualify as MREL Eligible Liabilities*)) in the event the Senior Preferred Notes are specified in the applicable Final Terms as intended to qualify as MREL Eligible Liabilities), each Senior Preferred Note shall be finally redeemed on the Maturity Date specified hereon at its Final Redemption Amount (which, unless otherwise provided, is its nominal amount) or, in the case of a Senior Preferred Note falling within paragraph (i) above, its final Instalment Amount.

(b) **Early Redemption:**

- (i) Zero Coupon Senior Preferred Notes:
  - (A) The Early Redemption Amount payable in respect of any Zero Coupon Senior Preferred Note upon redemption of such Senior Preferred Note pursuant to Condition 5(c), Condition 5(d) or Condition 5(e) or upon it becoming due and payable as provided in Condition 9 shall be the Amortised Face Amount (calculated as provided below) of such Senior Preferred Note unless otherwise specified hereon.
  - (B) Subject to the provisions of sub-paragraph (C) below, the Amortised Face Amount of any such Senior Preferred Note shall be the scheduled Final Redemption Amount of such Senior Preferred Note on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the Amortisation Yield (which, if none is shown hereon, shall be such rate as would produce an Amortised Face Amount equal to the issue price of the Senior Preferred Notes if they were discounted back to their issue price on the Issue Date) compounded annually.
  - (C) If the Early Redemption Amount payable in respect of any such Senior Preferred Note upon its redemption pursuant to Condition 5(c), Condition 5(d) or Condition 5(e) or upon it becoming due and payable as provided in Condition 9 is not paid when due, the Early Redemption Amount due and payable in respect of such Senior Preferred Note shall be the Amortised Face Amount of such Senior Preferred Note as defined in sub-paragraph (B) above, except that such sub-paragraph shall have effect as though the date on which the Senior Preferred Note becomes due and payable were the Relevant Date. The calculation of the Amortised Face Amount in accordance with this sub-paragraph shall continue to be made (both before and after judgment) until the Relevant Date, unless the

Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Final Redemption Amount of such Senior Preferred Note on the Maturity Date together with any interest that may accrue in accordance with Condition 4(c).

Where such calculation is to be made for a period of less than one year, it shall be made on the basis of the Day Count Fraction shown hereon.

- (ii) *Other Senior Preferred Notes*: The Early Redemption Amount payable in respect of any Senior Preferred Note (other than Senior Preferred Notes described in (i) above), upon redemption of such Senior Preferred Note pursuant to Condition 5(c), Condition 5(d) or Condition 5(e) or upon it becoming due and payable as provided in Condition 9, shall be the Final Redemption Amount unless otherwise specified hereon.
- (iii) *Senior Preferred Notes specified in the applicable Final Terms as intended to qualify as MREL Eligible Liabilities*: Subject to Condition 5(k) (*Statutory Loss Absorption or Recapitalisation of Senior Preferred Notes which are intended to qualify as MREL Eligible Liabilities*) below, for the purpose of Condition 5(c) (*Redemption for Taxation Reasons*), Condition (d) (*Redemption at the option of the Issuer*) and Condition 9 (*Events of Default*), each Senior Preferred Note will be redeemed at its Early Redemption Amount calculated as follows:
  - (i) in the case of a Senior Preferred Note with a Final Redemption Amount equal to the Issue Price, at the Final Redemption Amount thereof; and
  - (ii) in any other case, at the amount specified in, or determined in the manner specified in, the applicable Final Terms or, if no such amount or manner is so specified in Final Terms, at their nominal amount.
- (c) **Redemption for Taxation Reasons**: The Senior Preferred Notes may be redeemed at the option of the Issuer in whole, but not in part, on any Interest Payment Date (if this Senior Preferred Note is a Floating Rate Senior Preferred Note) or, at any time (if this Senior Preferred Note is not a Floating Rate Senior Preferred Note), on giving not less than 15 nor more than 30 days' notice to the Senior Preferred Noteholders (which notice shall be irrevocable), at their Early Redemption Amount (as described in Condition 5(b) above) (together with interest accrued to the date fixed for redemption), if on the occasion of the next payment due under the Senior Preferred Notes (i) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 7 as a result of any change in, or amendment to, the laws or regulations of The Netherlands (in the case of payment by the Issuer) or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Senior Preferred Notes, and (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Senior Preferred Notes then due. Prior to the publication of any notice of redemption pursuant to this Condition 5(c), the Issuer shall deliver to the Fiscal Agent a certificate duly signed on behalf of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred,



and an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment.

In the event the Senior Preferred Notes specified in the applicable Final Terms are intended to qualify as MREL Eligible Liabilities, any redemption of Senior Preferred Notes in accordance with this Condition 5(c) is subject to (i) the Issuer obtaining the prior written permission of the Competent Authority provided that, at the relevant time, such permission is required to be given and (ii) compliance with any other pre-conditions to, or requirements applicable to, such redemption as may be required by the Competent Authority or the Applicable MREL Regulations at such time.

- (d) **Redemption at the Option of the Issuer:** If Call Option is specified hereon, the Issuer may, on giving not less than 15 nor more than 30 days' irrevocable notice to the Senior Preferred Noteholders (or such other notice period as may be specified hereon), redeem all or, if so provided, some of the Senior Preferred Notes on any Optional Redemption Date. Any such redemption of Senior Preferred Notes shall be at their Optional Redemption Amount specified hereon (which may be the Early Redemption Amount (as described in Condition 5(b) above)), together with interest accrued to the date fixed for redemption. Any such notice of redemption may, at the Issuer's discretion, be subject to one or more conditions precedent, in which case such notice shall state that, in the Issuer's discretion, the Optional Redemption Date may be delayed until such time as any or all such conditions shall be satisfied (or waived by the Issuer in its sole discretion), or such redemption may not occur and such notice may be rescinded in the event that any or all such conditions shall not have been satisfied (or waived by the Issuer in its sole discretion) by the Optional Redemption Date, or by the Optional Redemption Date so delayed. Any such redemption or exercise must relate to Senior Preferred Notes of a nominal amount at least equal to the Minimum Redemption Amount to be redeemed specified hereon and no greater than the Maximum Redemption Amount to be redeemed specified hereon.

All Senior Preferred Notes in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition 5.

In the case of a partial redemption the notice to Senior Preferred Noteholders shall also contain the certificate numbers of the Bearer Senior Preferred Notes, or in the case of Registered Senior Preferred Notes shall specify the nominal amount of Registered Senior Preferred Notes drawn and the holder(s) of such Registered Senior Preferred Notes, to be redeemed, which shall have been drawn in such place and in such manner as may be fair and reasonable in the circumstances, taking account of prevailing market practices, subject to compliance with any applicable laws and stock exchange or other relevant authority requirements.

In the event the Senior Preferred Notes specified in the applicable Final Terms are intended to qualify as MREL Eligible Liabilities, any redemption of Senior Preferred Notes in accordance with this Condition 5(d) is subject to (i) the Issuer obtaining the prior written permission of the Competent Authority provided that, at the relevant time, such permission is required to be given and (ii) compliance with any other pre-conditions to, or requirements applicable to, such redemption as may be required by the Competent Authority or the Applicable MREL Regulations at such time.

(e) **Redemption at the Option of Senior Preferred Noteholders:**

This Condition 5(e) does not apply to Senior Preferred Notes which are specified in the applicable Final Terms to be intended to qualify as MREL Eligible Liabilities.

If Put Option is specified hereon, the Issuer shall, at the option of the holder of any such Senior Preferred Note, upon the holder of such Senior Preferred Note giving not less than 15 nor more than 30 days' notice to the Issuer (or such other notice period as may be specified hereon), redeem such Senior Preferred Note on the Optional Redemption Date(s) at its Optional Redemption Amount specified hereon (which may be the Early Redemption Amount (as described in Condition 5(b) above)), together with interest accrued to the date fixed for redemption.

To exercise such option, the holder must deposit (in the case of Bearer Senior Preferred Notes) such Senior Preferred Note (together with all unmatured Receipts and Coupons and unexchanged Talons) with any Paying Agent or (in the case of Registered Senior Preferred Notes) the Certificate representing such Senior Preferred Note(s) with the Registrar or any Transfer Agent at its specified office, together with a duly completed option exercise notice ("Exercise Notice") in the form obtainable from any Paying Agent, the Registrar or any Transfer Agent (as applicable) within the notice period. No Senior Preferred Note or Certificate so deposited and option exercised may be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer.

- (f) **Issuer Clean-up Call:** Unless the Issuer has at any time notified the Senior Preferred Noteholders that it is exercising the Issuer Make-Whole Call set out Condition 5(g) below in respect of the Notes, if Issuer Clean-up Call is specified hereon and, at any time, the outstanding aggregate nominal amount of the Senior Preferred Notes is equal to or less than the percentage specified hereon of the aggregate nominal amount of the Series issued, the Issuer may on giving not less than 15 nor more than 30 days' irrevocable notice to the Senior Preferred Noteholders (or such other notice period as may be specified hereon), redeem all of the Senior Preferred Notes then outstanding on the date specified in such notice.

Any such redemption of Senior Preferred Notes shall be at their Optional Redemption Amount specified hereon (which may be the Early Redemption Amount (as described in Condition 5(b) above)), together with interest accrued to the date fixed for redemption.

This Condition 5(f) does not apply to Senior Preferred Notes which are specified in the applicable Final Terms to be intended to qualify as MREL Eligible Liabilities.

- (g) **Issuer Make-Whole Call:** If Issuer Make-Whole Call is specified hereon, the Issuer may, on giving not less than 15 nor more than 30 days' irrevocable notice to the Senior Preferred Noteholders (or such other notice period as may be specified hereon), which notice shall be irrevocable and shall specify the date fixed for redemption (each such date, a "Make-Whole Redemption Date") redeem all or, if so provided, some of the Senior Preferred Notes at any time prior to their Maturity Date at their relevant Make-Whole Redemption Amount. Any such notice of redemption may, at the Issuer's discretion, be subject to one or more conditions precedent, in which case such notice shall state that, in the Issuer's discretion, the Make-Whole Redemption Date may be delayed until such time as any or all such conditions shall be satisfied (or waived by the Issuer in its sole discretion), or such redemption may not occur and such notice may be rescinded in the event that any or all such conditions shall not have been satisfied (or waived by

the Issuer in its sole discretion) by the Make-Whole Redemption Date, or by the Make-Whole Redemption Date so delayed.

The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Quotation Agent shall (in the absence of manifest error) be final and binding upon all parties.

In the case of a partial redemption of Senior Preferred Notes, the relevant provisions of Condition 5(b) shall apply *mutatis mutandis* to this Condition 5(g).

“Calculation Date” means the third Business Day (as defined in Condition 4 above) prior to the Make-Whole Redemption Date.

“Make-Whole Redemption Amount” means the sum of:

- (i) the greater of (x) the Final Redemption Amount of the Senior Preferred Notes so redeemed and (y) the sum of the then present values of the remaining scheduled payments of principal and interest on such Senior Preferred Notes to maturity or, if Call Option is specified hereon, to the first Optional Redemption Date (excluding any interest accruing on the Senior Preferred Notes to, but excluding, the relevant Make-Whole Redemption Date) discounted to the relevant Make-Whole Redemption Date on either an annual, a semi-annual or a quarterly basis (as specified hereon) at the Make-Whole Redemption Rate plus a Make-Whole Redemption Margin; and
- (ii) any interest accrued but not paid on the Senior Preferred Notes to, but excluding, the Make-Whole Redemption Date,

as determined by the Quotation Agent and as notified on the Calculation Date by the Quotation Agent to the Issuer, the Fiscal Agent and such other parties as may be specified hereon.

“Make-Whole Redemption Margin” means the margin specified as such hereon.

“Make-Whole Redemption Rate” means the average of the number of quotations given by the Reference Dealers of the mid-market yield to maturity of the Reference Security on the third Business Day preceding the Make-Whole Redemption Date at 11:00 a.m. (Central European Time (“CET”)).

“Quotation Agent” means any Dealer or any other international credit institution or financial services institution appointed by the Issuer for the purpose of determining the Make-Whole Redemption Amount, in each case as such Quotation Agent is identified hereon.

“Reference Dealers” means each of the banks, as specified hereon, selected by the Quotation Agent, which are primary European government security dealers, and their respective successors, or market makers in pricing corporate bond issues.

“Reference Security” means the security specified as such hereon. If a Reference Security is no longer outstanding, a Similar Security will be chosen by the Quotation Agent at 11:00 a.m. (CET) on the Calculation Date, quoted in writing by the Quotation Agent to the Issuer and published in accordance with Condition 15 (Notices).

“Similar Security” means a reference bond or reference bonds issued by the same issuer as the Reference Security having actual or interpolated maturity comparable with the remaining term of the Senior Preferred Notes that would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of the Senior Preferred Notes.

This Condition 5(g) does not apply to Senior Preferred Notes which are specified in the applicable Final Terms to be intended to qualify as MREL Eligible Liabilities.

- (h) **Redemption, substitution and variation of Senior Preferred Notes due to MREL Disqualification Event for Senior Preferred Notes which are intended to qualify as MREL Eligible Liabilities:** If an MREL Disqualification Event has occurred, the Issuer may at its option, and having given not less than 30 nor more than 60 days' notice or such other period of notice as is specified in the applicable Final Terms (which notice shall be irrevocable) to the Senior Preferred Noteholders, redeem at any time (in the case of Senior Preferred Notes other than Floating Rate Senior Preferred Notes) or on any Interest Payment Date (in the case of Floating Rate Senior Preferred Notes), in accordance with the Conditions, all, but not some only, of the Senior Preferred Notes at the Optional Redemption Amount specified in the applicable Final Terms together with accrued interest (if any) to but excluding the date of redemption.

An “MREL Disqualification Event” shall occur if, as a result of any amendment to, or change in, any Applicable MREL Regulations, or any change in the application or official interpretation of any Applicable MREL Regulations, in any such case becoming effective on or after the Issue Date of the first Tranche of the Senior Preferred Notes, the Senior Preferred Notes are or (in the opinion of the Issuer or the Competent Authority) are likely to become:

- (a) if “MREL Disqualification Event – Full Exclusion” is specified in the Final Terms, fully excluded; or
- (b) if “MREL Disqualification Event – Full or Partial Exclusion” is specified in the Final Terms, fully or partially excluded,

in each case, from the Issuer's MREL Eligible Liabilities determined in accordance with, and pursuant to, the Applicable MREL Regulations; provided that an MREL Disqualification Event shall not occur where the exclusion of the Senior Preferred Notes from the relevant minimum requirement(s) is due to (i) the remaining maturity of the Senior Preferred Notes being less than any period prescribed by any applicable eligibility criteria for such minimum requirements under the Applicable MREL Regulations effective with respect to the Issuer on the Issue Date of the first Tranche of the Senior Preferred Notes or (ii) any applicable limits on the amount of MREL Eligible Liabilities permitted or allowed to meet the MREL Requirement.

If Variation or Substitution is specified in the applicable Final Terms and if as a result of an MREL Disqualification Event the whole of the outstanding nominal amount of the Senior Preferred Notes can no longer be, or is likely to become no longer, included in full as MREL Eligible Liabilities, then the Issuer may, subject to the below (but without any requirement for the permission of the Senior Preferred Noteholders) and having given not less than 30 nor more than 60 days' notice (which notice shall be irrevocable) to the Senior Preferred Noteholders, either substitute all, but not some only, of the Senior Preferred Notes or vary the terms of the Senior Preferred Notes so that they remain or, as appropriate, become MREL Eligible Liabilities within the meaning of the

Applicable MREL Regulations at the relevant time. Upon the expiry of the notice referred to above, the Issuer shall either vary the terms of, or substitute, the Senior Preferred Notes in accordance with this Condition 5(h), as the case may be, **provided that** such substitution or variation shall not result in terms that are materially less favorable to the Senior Preferred Noteholders. For the avoidance of doubt, the Competent Authority has discretion as to whether or not it will approve any such substitution or variation of the Senior Preferred Notes.

Following such variation or substitution the resulting securities shall (1) have a ranking at least equal to that of the Senior Preferred Notes, (2) have at least the same interest rate and the same interest payment dates as those from time to time applying to the Senior Preferred Notes, (3) have the same Maturity Date and redemption rights as the Senior Preferred Notes, (4) preserve any existing rights under the Senior Preferred Notes to any accrued interest which has not been paid in respect of the period from (and including) the interest payment date last preceding the date of variation or substitution, (5) have assigned (or maintain) the same (solicited) credit ratings as were assigned to the Senior Preferred Notes immediately prior to such variation or substitution and (6) be listed on a recognized stock exchange if the Senior Preferred Notes were listed immediately prior to such variation or substitution.

Any redemption or substitution and variation of Senior Preferred Notes in accordance with this Condition 5(h) is subject to (i) the Issuer obtaining the prior written permission of the Competent Authority provided that, at the relevant time, such permission is required to be given and (ii) compliance with any other pre-conditions to, or requirements applicable to, such redemption, substitution or variation as may be required by the Competent Authority or the Applicable MREL Regulations at such time.

- (i) **Purchases:** The Issuer and its Subsidiaries as defined in the Agency Agreement may at any time purchase Senior Preferred Notes (provided that all unmatured Receipts and Coupons and unexchanged Talons relating thereto are attached thereto or surrendered therewith) in the open market or otherwise at any price.

Any purchase of Senior Preferred Notes, which are specified in the applicable Final Terms to be intended to qualify as MREL Eligible Liabilities, in accordance with this Condition 5(i) is subject to (i) the Issuer obtaining the prior written permission of the Competent Authority provided that, at the relevant time, such permission is required to be given and (ii) compliance with any other pre-conditions to, or requirements applicable to, such purchase as may be required by the Competent Authority or the Applicable MREL Regulations at such time.

- (j) **Cancellation:** All Senior Preferred Notes purchased by or on behalf of the Issuer or any of its Subsidiaries may be surrendered for cancellation, in the case of Bearer Senior Preferred Notes, by surrendering each such Senior Preferred Note together with all unmatured Receipts and Coupons and all unexchanged Talons to the Fiscal Agent and, in the case of Registered Senior Preferred Notes, by surrendering the Certificate representing such Senior Preferred Notes to the Registrar and, in each case, if so surrendered, shall, together with all Senior Preferred Notes redeemed by the Issuer, be cancelled forthwith (together with all unmatured Receipts and Coupons and unexchanged Talons attached thereto or surrendered therewith). Any Senior Preferred Notes so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer in respect of any such Senior Preferred Notes shall be discharged.

- (k) **Statutory Loss Absorption or Recapitalisation of Senior Preferred Notes which are intended to qualify as MREL Eligible Liabilities:** Senior Preferred Notes may become subject to the determination by the Resolution Authority or the Issuer (following instructions from the Resolution Authority) that without the consent of the Senior Preferred Noteholder (a) all or part of the nominal amount of the Senior Preferred Notes, including accrued but unpaid interest in respect thereof, must be written down to absorb losses, subject to write-up by the Resolution Authority (such loss absorption, "Statutory Loss Absorption") or (b) all or part of the nominal amount of the Senior Preferred Notes, including accrued but unpaid interest in respect thereof, must be converted into claims which may give right to common equity Tier 1 instruments (such conversion, "Recapitalisation"), all as prescribed by the Applicable Resolution Framework, or that the Senior Preferred Notes must otherwise be applied to absorb losses. Upon any such determination, (i) the relevant proportion of the outstanding nominal amount of the Senior Preferred Notes subject to Statutory Loss Absorption or Recapitalisation shall be written down or converted into claims which may give right to common equity Tier 1 instruments or otherwise be applied to absorb losses, as prescribed by the Applicable Resolution Framework, (ii) such Statutory Loss Absorption or Recapitalisation shall not constitute an Event of Default and (iii) the Senior Preferred Noteholders will have no further claims in respect of the amount so written down or subject to conversion or otherwise as a result of such Statutory Loss Absorption or Recapitalisation.

Upon any write-down or conversion of a proportion of the outstanding nominal amount of the Senior Preferred Notes, any reference in these Conditions to principal, nominal amount, Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount of the Senior Preferred Notes shall be deemed to be to the amount resulting after such write-down or conversion.

In addition, subject to the determination by the Resolution Authority and without the consent of the Senior Preferred Noteholders, the Senior Preferred Notes may be subject to other resolution measures as envisaged under the Applicable Resolution Framework, such as replacement or substitution of the Issuer, transfer of the Senior Preferred Notes, expropriation of Senior Preferred Noteholders, modification of the terms of the Senior Preferred Notes and/or suspension or termination of the listings of the Senior Preferred Notes. Such determination, the implementation thereof and the rights of Senior Preferred Noteholders shall be as prescribed by the Applicable Resolution Framework, which may include the concept that, upon such determination, no Senior Preferred Noteholder shall be entitled to claim any indemnification or payment in respect of any tax or other consequences arising from any such event and that any such event shall not constitute an Event of Default.

- (l) **Definitions:** In these Conditions for the purposes of Senior Preferred Notes which are intended to qualify as MREL Eligible Liabilities only:

“Applicable MREL Regulations” means, at any time, the laws, regulations, requirements, guidelines, rules, standards and policies relating to the MREL Requirement then in effect and applicable to the Issuer (whether on a solo or (sub)consolidated basis) including, without limitation to the generality of the foregoing, any delegated or implementing acts (such as regulatory technical standards) adopted by the European Commission and any regulations, requirements, guidelines, rules, standards and policies relating to the MREL Requirement adopted by the Competent Authority from time to time (whether or not such regulations, requirements, guidelines, rules, standards or policies have force of law and whether or not they are applied generally or specifically to the Issuer);

“Applicable Resolution Framework” means any relevant laws and regulations applicable to the Issuer at the relevant time pursuant to, or which implement, or are enacted within the context of Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms and amending Council Directive 82/891/EEC, and Directives 2001/24/EC, 2002/47/EC, 2004/25/EC, 2005/56/EC, 2007/36/EC, 2011/35/EU, 2012/30/EU and 2013/36/EU and Regulations (EU) No 1093/2010 and (EU) No 648/2012, of the European Parliament and of the Council, or any other resolution or recovery rules which may from time to time be applicable to the Issuer, including Regulation (EU) No 806/2014 of the European Parliament and of the Council of 15 July 2014 establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of a Single Resolution Mechanism and a Single Resolution Fund and amending Regulation (EU) No 1093/2010;

“Competent Authority” means the European Central Bank, the Dutch Central Bank (*De Nederlandsche Bank N.V.*) or other authority having primary responsibility for the prudential oversight and supervision of the Issuer and/or the relevant Resolution Authority (if applicable), as determined by the Issuer;

“MREL Eligible Liabilities” means “eligible liabilities” (or any equivalent or successor term) which are available to meet any MREL Requirement (however called or defined by then Applicable MREL Regulations) of the Issuer (whether on a solo or (sub)consolidated basis) under Applicable MREL Regulations;

“MREL Requirement” means the requirement for own funds and eligible liabilities, which is or, as the case may be, will be, applicable to the Issuer (whether on a solo or (sub)consolidated basis); and

“Resolution Authority” means the European Single Resolution Board, the Dutch Central Bank (*De Nederlandsche Bank N.V.*) or such other regulatory authority or governmental body having the power to impose Statutory Loss Absorption or Recapitalisation on the Senior Preferred Notes pursuant to the Applicable Resolution Framework.

## 6. Payments and Talons

- (a) **Bearer Senior Preferred Notes:** Payments of principal and interest in respect of Bearer Senior Preferred Notes shall, subject as mentioned below, be made against presentation and surrender of the relevant Receipts (in the case of payments of Instalment Amounts other than on the due date for redemption and provided that the Receipt is presented for payment together with its relative Senior Preferred Note), Senior Preferred Notes (in the case of all other payments of principal and, in the case of interest, as specified in Condition 6(f)(vi)) or Coupons (in the case of interest, save as specified in Condition 6(f)(vi)), as the case may be, at the specified office of any Paying Agent outside the United States by a cheque payable in the relevant currency drawn on, or, at the option of the holder, by transfer to an account denominated in such currency with, a Bank. “Bank” means a bank in the principal financial centre for such currency or, in the case of euro, in a city in which banks have access to the TARGET System.

- (b) **Registered Senior Preferred Notes:**
- (i) Payments of principal (which for the purposes of this Condition 6(b) shall include final Instalment Amounts but not other Instalment Amounts) in respect of Registered Senior Preferred Notes shall be made against presentation and surrender of the relevant Certificates at the specified office of any of the Transfer Agents or of the Registrar and in the manner provided in paragraph (ii) below.
  - (ii) Interest (which for the purpose of this Condition 6(b) shall include all Instalment Amounts other than final Instalment Amounts) on Registered Senior Preferred Notes shall be paid to the person shown on the Register at the close of business on the fifteenth day before the due date for payment thereof (the “Record Date”). Payments of interest on each Registered Senior Preferred Note shall be made in the relevant currency by cheque drawn on a Bank and mailed to the holder (or to the first-named of joint holders) of such Senior Preferred Note at its address appearing in the Register. Upon application by the holder to the specified office of the Registrar or any Transfer Agent before the Record Date, such payment of interest may be made by transfer to an account in the relevant currency maintained by the payee with a Bank.
- (c) **Payments in the United States:** Notwithstanding the foregoing, if any Bearer Senior Preferred Notes are denominated in U.S. dollars, payments in respect thereof may be made at the specified office of any Paying Agent in New York City in the same manner as aforesaid if (i) the Issuer shall have appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment of the amounts on the Senior Preferred Notes in the manner provided above when due, (ii) payment in full of such amounts at all such offices is illegal or effectively precluded by exchange controls or other similar restrictions on payment or receipt of such amounts and (iii) such payment is then permitted by United States law, without involving, in the opinion of the Issuer, any adverse tax consequence to the Issuer.
- (d) **Payments Subject to Laws:** All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives in the place of payment, but without prejudice to the provisions of Condition 7. No commission or expenses shall be charged to the Senior Preferred Noteholders or Couponholders in respect of such payments.
- (e) **Appointment of Agents:** The Fiscal Agent, the Paying Agents, the Registrar, the Transfer Agents and the Calculation Agent initially appointed by the Issuer and their respective specified offices are listed below. The Fiscal Agent, the Paying Agents, the Registrar, Transfer Agents and the Calculation Agent(s) act solely as agents of the Issuer and do not assume any obligation or relationship of agency or trust for or with any Senior Preferred Noteholder or Couponholder. The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal Agent, any other Paying Agent, the Registrar, any Transfer Agent or the Calculation Agent(s) and to appoint additional or other Paying Agents or Transfer Agents, provided that the Issuer shall at all times maintain (i) a Fiscal Agent, (ii) a Registrar in relation to Registered Senior Preferred Notes, (iii) a Transfer Agent in relation to Registered Senior Preferred Notes, (iv) one or more Calculation Agent(s) where the Conditions so require, (v) Paying Agents having specified offices in at least two major European cities and (vi) such other agents as may be required by any other stock exchange on which the Senior Preferred Notes may be listed.



In addition, the Issuer shall forthwith appoint a Paying Agent in New York City in respect of any Bearer Senior Preferred Notes denominated in U.S. dollars in the circumstances described in paragraph (c) above.

Notice of any such change or any change of any specified office shall promptly be given to the Senior Preferred Noteholders.

(f) **Unmatured Coupons and Receipts and unexchanged Talons:**

- (i) Upon the due date for redemption of Bearer Senior Preferred Notes which comprise Fixed Rate Senior Preferred Notes, those Senior Preferred Notes should be surrendered for payment together with all unmaturing Coupons (if any) relating thereto, failing which an amount equal to the face value of each missing unmaturing Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unmaturing Coupon that the sum of principal so paid bears to the total principal due) shall be deducted from the Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, due for payment. Any amount so deducted shall be paid in the manner mentioned above against surrender of such missing Coupon within a period of 10 years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 8).
- (ii) Upon the due date for redemption of any Bearer Senior Preferred Note comprising a Floating Rate Senior Preferred Note, unmaturing Coupons relating to such Senior Preferred Note (whether or not attached) shall become void and no payment shall be made in respect of them.
- (iii) Upon the due date for redemption of any Bearer Senior Preferred Note, any unexchanged Talon relating to such Senior Preferred Note (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.
- (iv) Upon the due date for redemption of any Bearer Senior Preferred Note that is redeemable in instalments, all Receipts relating to such Senior Preferred Note having an Instalment Date falling on or after such due date (whether or not attached) shall become void and no payment shall be made in respect of them.
- (v) Where any Bearer Senior Preferred Note that provides that the relative unmaturing Coupons are to become void upon the due date for redemption of those Senior Preferred Notes is presented for redemption without all unmaturing Coupons, and where any Bearer Senior Preferred Note is presented for redemption without any unexchanged Talon relating to it, redemption shall be made only against the provision of such indemnity as the Issuer may require.
- (vi) If the due date for redemption of any Senior Preferred Note is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Bearer Senior Preferred Note or Certificate representing it, as the case may be. Interest accrued on a Senior Preferred Note that only bears interest after its Maturity Date shall be payable on redemption of

such Senior Preferred Note against presentation of the relevant Senior Preferred Note or Certificate representing it, as the case may be.

- (g) **Talons:** On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Bearer Senior Preferred Note, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Fiscal Agent in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet) (but excluding any Coupons that may have become void pursuant to Condition 8).
- (h) **Non-Business Days:** If any date for payment in respect of any Senior Preferred Note, Receipt or Coupon is not a business day, the holder shall not be entitled to payment until the next following business day nor to any interest or other sum in respect of such postponed payment. In this paragraph, “business day” means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in the relevant place of presentation, in such jurisdictions as shall be specified as “Financial Centres” hereon and:
  - (i) (in the case of a payment in a currency other than euro) where payment is to be made by transfer to an account maintained with a bank in the relevant currency, on which foreign exchange transactions may be carried on in the relevant currency in the principal financial centre of the country of such currency; or
  - (ii) (in the case of a payment in euro) which is a TARGET Business Day.

## 7. Taxation

All payments of principal and interest by or on behalf of the Issuer in respect of the Senior Preferred Notes, the Receipts and the Coupons shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by The Netherlands or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law at the initiative of the relevant tax authority of the Issuer. In that event, the Issuer shall pay such additional amounts as shall result in receipt by the Senior Preferred Noteholders and the Couponholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable with respect to any Senior Preferred Note, Receipt or Coupon:

- (a) **Principal:** in the case of Senior Preferred Notes which are specified in the applicable Final Terms to be intended to qualify as MREL Eligible Liabilities only, in respect of payment of any amount of principal; or
- (b) **Other connection:** to, or to a third party on behalf of, a holder who is liable to such taxes, duties, assessments or governmental charges in respect of such Senior Preferred Note, Receipt or Coupon by reason of his having some connection with The Netherlands other than the mere holding of the Senior Preferred Note, Receipt or Coupon; or
- (c) **Presentation more than 30 days after the Relevant Date:** presented (or in respect of which the Certificate representing it is presented) for payment more than 30 days after the Relevant Date except to the extent that the holder of it would have been entitled to such additional amounts on presenting it for payment on the thirtieth such day; or

- (d) **Dutch Withholding Tax Act 2021:** as a result of the entry into force of the Dutch Withholding Tax Act 2021 (*Wet bronbelasting 2021*) on 1 January 2021.

As used in these Conditions, “Relevant Date” in respect of any Senior Preferred Note, Receipt or Coupon means the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date seven days after that on which notice is duly given to the Senior Preferred Noteholders that, upon further presentation of the Senior Preferred Note (or relative Certificate), Receipt or Coupon being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such presentation. References in these Conditions to (i) “principal” shall be deemed to include any premium payable in respect of the Senior Preferred Notes, all Instalment Amounts, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts, Amortised Face Amounts and all other amounts in the nature of principal payable pursuant to Condition 5 or any amendment or supplement to it, (ii) “interest” shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 4 or any amendment or supplement to it and (iii) “principal” and/or “interest” shall be deemed to include any additional amounts that may be payable under this Condition.

#### ***Condition relating to FATCA***

Notwithstanding any other provision in these Conditions, the Issuer shall be permitted to withhold or deduct any amounts imposed or required pursuant to Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended (the “Code”), any current or future regulations or official interpretations thereof, any agreement entered into pursuant to Section 1471(b) of the Code, or any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement (“IGA”) entered into in connection with the implementation of such Sections of the Code (or any law implementing such an IGA) (a “FATCA Withholding Tax”), and the Issuer will have no obligation to pay additional amounts or otherwise indemnify a holder/an investor on account of any FATCA Withholding Tax deducted or withheld by the Issuer, any Paying Agent, the Registrar or any other party.

### **8. Prescription**

Claims against the Issuer for payment in respect of the Senior Preferred Notes, Receipts and Coupons (which for this purpose shall not include Talons) shall be prescribed and become void unless made within five years from the date on which such payment first became due.

### **9. Events of Default**

If any of the following events shall have occurred and be continuing:

- (a) in the case of Senior Preferred Notes which are not intended to qualify as MREL Eligible Liabilities, default is made for more than 30 days in the payment of interest or principal in respect of the Senior Preferred Notes; or
- (b) in the case of Senior Preferred Notes which are not specified in the applicable Final Terms to be intended to qualify as MREL Eligible Liabilities only, the Issuer fails to perform or observe any of its other obligations under the Senior Preferred Notes and such failure has continued for the period of 60 days next following the service on the Issuer of notice requiring the same to be remedied; or

- (c) the Issuer is declared bankrupt; or
- (d) an order is made or an effective resolution is passed for the winding-up or liquidation of the Issuer, or the Issuer ceases to carry on the whole of its business, unless this is done in connection with a merger, consolidation or other form of combination with another company, the terms of which merger, consolidation or combination (A) have the effect of the emerging or such other surviving company assuming all obligations contracted by the Issuer in connection with the Senior Preferred Notes or (B) have previously been approved by an Extraordinary Resolution of the Senior Preferred Noteholders,

then any Senior Preferred Noteholder may, by written notice to the Issuer at the specified office of the Fiscal Agent, effective upon the date of receipt thereof by the Fiscal Agent, declare the Senior Preferred Note held by the holder to be forthwith due and payable whereupon the same shall become forthwith due and payable at the Early Redemption Amount (as described in Condition 5(b)), together with accrued interest (if any) to the date of repayment, without presentment, demand, protest or other notice of any kind, **provided that** (i) in the case of Senior Preferred Notes which are not specified in the applicable Final Terms to be intended to qualify as MREL Eligible Liabilities, the right to declare Senior Preferred Notes due and payable shall terminate if the situation giving rise to it has been cured before the relevant notice has become effective and (ii) in the case of Senior Preferred Notes which are specified in the applicable Final Terms to be intended to qualify as MREL Eligible Liabilities, repayment of Senior Preferred Notes under this Condition 9 will only be effected after the Issuer has obtained the prior written permission of the Competent Authority **provided that** at the relevant time such permission is required to be given.

#### 10. Meeting of Senior Preferred Noteholders and Modifications

- (a) **Meetings of Senior Preferred Noteholders:** The Agency Agreement contains provisions for convening meetings of Senior Preferred Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution (as defined in the Agency Agreement) of a modification of any of these Conditions. Such a meeting may be convened by Senior Preferred Noteholders holding not less than 10 per cent. in nominal amount of the Senior Preferred Notes for the time being outstanding. The quorum for any meeting convened to consider an Extraordinary Resolution shall be two or more persons holding or representing a clear majority in nominal amount of the Senior Preferred Notes for the time being outstanding, or at any adjourned meeting two or more persons being or representing Senior Preferred Noteholders whatever the nominal amount of the Senior Preferred Notes held or represented, unless the business of such meeting includes consideration of proposals, *inter alia* (i) to amend the dates of maturity or redemption of the Senior Preferred Notes, any Instalment Date or any date for payment of interest or Interest Amounts on the Senior Preferred Notes, (ii) to reduce or cancel the nominal amount of, or any Instalment Amount of, or any premium payable on redemption of, the Senior Preferred Notes, (iii) to reduce the rate or rates of interest in respect of the Senior Preferred Notes or to vary the method or basis of calculating the rate or rates or amount of interest or the basis for calculating any Interest Amount in respect of the Senior Preferred Notes, (iv) if a Minimum and/or a Maximum Rate of Interest, Instalment Amount or Redemption Amount is shown hereon, to reduce any such Minimum and/or Maximum, (v) to vary any method of, or basis for, calculating the Final Redemption Amount, the Early Redemption Amount or the Optional Redemption Amount, including the method of calculating the Amortised Face Amount, (vi) to vary the currency or currencies of payment or denomination of the Senior Preferred Notes or (vii) to modify the provisions concerning the quorum required at any meeting of Senior Preferred Noteholders or the majority required to pass the Extraordinary Resolution, in which case the necessary quorum shall

be two or more persons holding or representing not less than 75 per cent. or at any adjourned meeting not less than 25 per cent. in nominal amount of the Senior Preferred Notes for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on Senior Preferred Noteholders (whether or not they were present at the meeting at which such resolution was passed) and on all Couponholders.

The Agency Agreement provides that a resolution in writing signed by or on behalf of the holders of not less than 75 per cent. in nominal amount of the Senior Preferred Notes outstanding shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Senior Preferred Noteholders duly convened and held. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Senior Preferred Noteholders.

*These Conditions may be amended, modified or varied in relation to any Series of Senior Preferred Notes by the terms of the applicable Final Terms in relation to such Series.*

- (b) **Modification of Agency Agreement:** The Agent and the Issuer may, and the Senior Preferred Noteholders hereby agree that the Agent and the Issuer may, without any further consent of the Senior Preferred Noteholders or Couponholders being required, agree to (provided that in the case of Senior Preferred Notes to be intended to qualify as MREL Eligible Liabilities, subject at all times to Condition 5(k) (*Statutory Loss Absorption or Recapitalisation of Senior Preferred Notes which are intended to qualify as MREL Eligible Liabilities*)):
- (i) any modification (except as mentioned above) of the Agency Agreement which, in the opinion of the Issuer, is not materially prejudicial to the interests of the Senior Preferred Noteholders; or
  - (ii) any modification of the Senior Preferred Notes, the Coupons or the Agency Agreement which is of a formal, minor or technical nature or is made to correct a manifest or proven error or to comply with mandatory provisions of the law of the jurisdiction in which the Issuer is incorporated; or
  - (iii) in the case of Senior Preferred Notes which are specified in the applicable Final Terms to be intended to qualify as MREL Eligible Liabilities only, in accordance with Condition 5(h) (*Redemption, substitution and variation of Senior Preferred Notes due to MREL Disqualification Event which are intended to qualify as MREL Eligible Liabilities*), substitution of the Senior Preferred Notes or variation of the terms of the Senior Preferred Notes in order to ensure that such substituted or varied Senior Preferred Notes continue to qualify as MREL Eligible Liabilities under the Applicable MREL Regulations or such other regulatory capital rules applicable to the Issuer at the relevant time.

Any such modification shall be binding on the Senior Preferred Noteholders and the Couponholders and any such modification shall be notified to the Senior Preferred Noteholders in accordance with Condition 14 as soon as practicable thereafter.

Any amendment to Condition 5(k) (*Statutory Loss Absorption or Recapitalisation of Senior Preferred Notes which are intended to qualify as MREL Eligible Liabilities*) or which otherwise impacts upon the eligibility of the Senior Preferred Notes for eligibility as MREL Eligible

Liabilities is subject to the prior written permission of the Competent Authority and/or the relevant Resolution Authority (**provided that**, at the relevant time, such permission is required to be given).

## 11. Substitution

- (a) The Issuer may, and the Senior Preferred Noteholders hereby irrevocably agree in advance that the Issuer may, without any further consent of the Senior Preferred Noteholders or Couponholders being required, when no payment of principal of or interest on any of the Senior Preferred Notes is in default, be replaced and substituted by any directly or indirectly wholly-owned subsidiary of the Issuer (the “Substituted Debtor”) as principal debtor in respect of the Senior Preferred Notes and the relative Coupons, provided that (and in the case of Senior Preferred Notes which are intended to qualify as MREL Eligible Liabilities only if this Condition 11 is specified in the applicable Final Terms to be applicable and after written approval of the Competent Authority):
- (i) such documents shall be executed by the Substituted Debtor and the Issuer as may be necessary to give full effect to the substitution (together the “Documents”) and (without limiting the generality of the foregoing) pursuant to which the Substituted Debtor shall undertake in favour of each Senior Preferred Noteholder and Couponholder to be bound by the Conditions and the provisions of the Agency Agreement as fully as if the Substituted Debtor had been named in the Senior Preferred Notes, and the relative Coupons, the Agency Agreement as the principal debtor in respect of the Senior Preferred Notes and the relative Coupons in place of the Issuer and pursuant to which the Issuer shall guarantee, which guarantee shall be unconditional and irrevocable, (the “Guarantee”) in favour of each Senior Preferred Noteholder and each holder of the relative Coupons the payment of all sums payable in respect of the Senior Preferred Notes and the relative Coupons;
  - (ii) the Documents shall contain a covenant by the Substituted Debtor and the Issuer to indemnify and hold harmless each Senior Preferred Noteholder and Couponholder against all liabilities, costs, charges and expenses (provided that, insofar as the liabilities, costs, charges and expenses are taxes or duties, the same arise by reason of a law or regulation having legal effect or being in reasonable contemplation thereof on the date such substitution becomes effective) which may be incurred by or levied against such holder as a result of any substitution pursuant to this Condition and which would not have been so incurred or levied had such substitution not been made (and, without limiting the foregoing, such liabilities, costs, charges and expenses shall include any and all taxes or duties which are imposed on any such Senior Preferred Noteholder or Couponholder by any political subdivision or taxing authority of any country in which such Senior Preferred Noteholder or Couponholder resides or is subject to any such tax or duty and which would not have been so imposed had such substitution not been made);
  - (iii) the Documents shall contain a warranty and representation by the Substituted Debtor and the Issuer (a) that each of the Substituted Debtor and the Issuer has obtained all necessary governmental and regulatory approvals and consents for such substitution and the performance of its obligations under the Documents, and that all such approvals and consents are in full force and effect and (b) that the obligations assumed by each of the Substituted Debtor and the Issuer under the Documents are all valid and binding in accordance with their respective terms and enforceable by each Senior Preferred Noteholder;

- (iv) each stock exchange which has Senior Preferred Notes listed thereon shall have confirmed that, following the proposed substitution of the Substituted Debtor, such Senior Preferred Notes would continue to be listed on such stock exchange;
  - (v) the Substituted Debtor shall have delivered to the Fiscal Agent or procured the delivery to the Fiscal Agent of a legal opinion from a leading firm of local lawyers acting for the Substituted Debtor to the effect that the Documents constitute legal, valid and binding obligations of the Substituted Debtor, such opinion to be dated not more than three days prior to the date of substitution of the Substituted Debtor for the Issuer and to be available for inspection by Senior Preferred Noteholders and Couponholders at the specified office of the Fiscal Agent;
  - (vi) the Issuer shall have delivered to the Fiscal Agent or procured the delivery to the Fiscal Agent of a legal opinion from the internal legal adviser to the Issuer to the effect that the Documents (including the Guarantee) constitute legal, valid and binding obligations of the Issuer, such opinion to be dated not more than three days prior to the date of substitution of the Substituted Debtor for the Issuer and to be available for inspection by Senior Preferred Noteholders and Couponholders at the specified office of the Fiscal Agent; and
  - (vii) the Issuer shall have delivered to the Fiscal Agent or procured the delivery to the Fiscal Agent of a legal opinion from a leading firm of Dutch lawyers to the effect that the Documents (including the Guarantee) constitute legal, valid and binding obligations of the Substituted Debtor and the Issuer under Dutch law, such opinion to be dated not more than three days prior to the date of substitution of the Substituted Debtor for the Issuer and to be available for inspection by Senior Preferred Noteholders and Couponholders at the specified office of the Fiscal Agent.
- (b) In connection with any substitution effected pursuant to this Condition, neither the Issuer nor the Substituted Debtor need have any regard to the consequences of any such substitution for individual Senior Preferred Noteholders or Couponholders resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory and no Senior Preferred Noteholder or Couponholder, except as provided in Condition 11(a)(ii), shall be entitled to claim from the Issuer or any Substituted Debtor under the Senior Preferred Notes and the relative Coupons any indemnification or payment in respect of any tax or other consequences arising from such substitution.
- (c) in the case of Senior Preferred Notes which are intended to qualify as MREL Eligible Liabilities only, in respect of any substitution pursuant to this Condition 11 in respect of the Senior Preferred Notes of any Series, the Documents shall provide for such further amendment of the Terms and Conditions of the Senior Preferred Notes as shall be necessary or desirable to ensure that the Senior Preferred Notes of such Series constitute Senior Preferred obligations of the Substituted Debtor and that the Guarantee constitutes a Senior Preferred obligation of the Issuer, in each case subordinated to no greater than the same extent as the Issuer's obligations prior to its substitution to make payments of principal in respect of the Senior Preferred Notes of such Series under Condition 3 (*Status*).
- (d) in the case of Senior Preferred Notes which are intended to qualify as MREL Eligible Liabilities only, with respect to Senior Preferred Notes, the Issuer shall be entitled, after written approval of

the Competent Authority, and by notice to the Senior Preferred Noteholders given in accordance with Condition 14 (*Notices*), at any time either to effect a substitution which does not comply with Condition 11(c) above provided that the terms of such substitution have been approved by 75% of the Senior Preferred Noteholders or to waive all and any rights to effect a substitution of the principal debtor pursuant to this Condition. Any such notice of waiver shall be irrevocable.

- (e) The Issuer shall be entitled, by notice to the Senior Preferred Noteholders given in accordance with Condition 14, at any time to effect a substitution which does not comply with this Condition 11, provided that the terms of such substitution have been approved by an Extraordinary Resolution or to waive all and any rights to effect a substitution of the principal debtor pursuant to this Condition 11. Any such notice of waiver shall be irrevocable.
- (f) Upon the execution of the Documents as referred to in paragraph (a) above, and subject to the notification as referred to in paragraph (h) below having been given, the Substituted Debtor shall be deemed to be named in the Senior Preferred Notes and the relative Coupons as the principal debtor in place of the Issuer and the Senior Preferred Notes and the relative Coupons shall thereupon be deemed to be amended to give effect to the substitution. The execution of the Documents shall operate to release the Issuer as issuer from all of its obligations as principal debtor in respect of the Senior Preferred Notes and the relative Coupons, save that any claims under the Senior Preferred Notes and the relative Coupons prior to release shall ensure for the benefit of Senior Preferred Noteholders and Couponholders.
- (g) The Documents shall be deposited with and held by the Fiscal Agent for so long as any Senior Preferred Notes or Coupons remain outstanding and for so long as any claim made against the Substituted Debtor by any Senior Preferred Noteholder or Couponholder in relation to the Senior Preferred Notes or the relative Coupons or the Documents shall not have been finally adjudicated, settled or discharged. The Substituted Debtor and the Issuer shall acknowledge in the Documents the right of every Senior Preferred Noteholder and Couponholder to the production of the Documents for the enforcement of any of the Senior Preferred Notes or the relative Coupons or the Documents.
- (h) Not later than 15 business days after the execution of the Documents, the Substituted Debtor shall give notice thereof to the Senior Preferred Noteholders in accordance with Condition 14.

## **12. Replacement of Senior Preferred Notes, Certificates, Receipts, Coupons and Talons**

If a Senior Preferred Note, Certificate, Receipt, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations and stock exchange or other relevant authority regulations, at the specified office of the Fiscal Agent (in the case of Bearer Senior Preferred Notes, Receipts, Coupons or Talons) and of the Registrar (in the case of Certificates) or such other Paying Agent or Transfer Agent, as the case may be, as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Senior Preferred Noteholders, in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, *inter alia*, that, if the allegedly lost, stolen or destroyed Senior Preferred Note, Certificate, Receipt, Coupon or Talon is subsequently presented for payment or, as the case may be, for exchange for further Coupons, there shall be paid to the Issuer on demand the amount payable by the Issuer in respect of such Senior Preferred Notes, Certificates, Receipts, Coupons or further Coupons) and otherwise as the Issuer may require. Mutilated or defaced Senior Preferred Notes, Certificates, Receipts, Coupons or Talons must be surrendered before replacements will be issued.



### **13. Further Issues**

The Issuer may from time to time without the consent of the Senior Preferred Noteholders or Couponholders create and issue further Senior Preferred Notes having the same terms and conditions as the Senior Preferred Notes (so that, for the avoidance of doubt, references in these Conditions to “Issue Date” shall be to the first issue date of the Senior Preferred Notes) and so that the same shall be consolidated and form a single series with such Senior Preferred Notes, and references in these Conditions to “Senior Preferred Notes” shall be construed accordingly.

### **14. Notices**

Notices to the holders of Registered Senior Preferred Notes shall be mailed to them at their respective addresses in the Register and deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the date of mailing. Notices to the holders of Bearer Senior Preferred Notes shall be valid if published in a daily newspaper of general circulation in The Netherlands (which is expected to be *Het Financieele Dagblad*). So long as the Senior Preferred Notes are listed on any stock exchange, notices to holders of the Senior Preferred Notes shall also be made as required under the rules of such stock exchange. If any such publication is not practicable, notice shall be validly given if published in another leading daily English language newspaper with general circulation in Europe. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the date of the first publication as provided above.

Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the holders of Bearer Senior Preferred Notes in accordance with this Condition 14.

### **15. Currency Indemnity**

Any amount received or recovered in a currency other than the currency in which payment under the relevant Senior Preferred Note, Coupon or Receipt is due (whether as a result of, or of the enforcement of, a judgment or order of a court of any jurisdiction, in the insolvency, winding-up or dissolution of the Issuer or otherwise) by any Senior Preferred Noteholder or Couponholder in respect of any sum expressed to be due to it from the Issuer shall only constitute a discharge to the Issuer to the extent of the amount in the currency of payment under the relevant Senior Preferred Note, Coupon or Receipt that the recipient is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so). If the amount received or recovered is less than the amount expressed to be due to the recipient under any Senior Preferred Note, Coupon or Receipt, the Issuer. In any event, the Issuer shall indemnify the recipient against the cost of making any such purchase. For the purposes of this Condition 15, it shall be sufficient for the Senior Preferred Noteholder or Couponholder, as the case may be, to demonstrate that it would have suffered a loss had an actual purchase been made. These indemnities constitute a separate and independent obligation from the Issuer’s other obligations, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by any Senior Preferred Noteholder or Couponholder and shall continue in full force and effect despite any other judgment, order, claim or proof for a liquidated amount in respect of any sum due under any Senior Preferred Note, Coupon or Receipt or any other judgment or order.

**16. Governing Law and Jurisdiction**

- (a) **Governing Law:** The Agency Agreement, the Senior Preferred Notes, the Receipts, the Coupons, and the Talons, and any non-contractual obligations arising out of or in connection with them, are governed by, and shall be construed in accordance with, the laws of The Netherlands.
- (B) **Jurisdiction:** The courts of Amsterdam, the Netherlands are to have jurisdiction to settle any disputes that may arise out of or in connection with the Agency Agreement, any Senior Preferred Notes, Receipts, Coupons or Talons and, accordingly, any legal action or proceedings arising out of or in connection with the Agency Agreement, any Senior Preferred Notes, Receipts, Coupons or Talons may be brought in such courts.

## TERMS AND CONDITIONS OF THE SENIOR NON-PREFERRED NOTES

*The following is the text of the terms and conditions that, subject to completion and amendment and as supplemented or varied in accordance with the provisions of Part A of the applicable Final Terms, shall be applicable to the Senior Non-Preferred Notes in definitive form (if any) issued in exchange for the Global Senior Non-Preferred Note(s) representing each Series. Either (i) the full text of these terms and conditions together with the relevant provisions of Part A of the Final Terms or (ii) these terms and conditions as so completed, amended, supplemented or varied (and subject to simplification by the deletion of non-applicable provisions), shall be endorsed on such Bearer Senior Non-Preferred Notes or on the Certificates relating to such Registered Senior Non-Preferred Notes. All capitalised terms that are not defined in these Conditions will have the meanings given to them in Part A of the applicable Final Terms. Those definitions will be endorsed on the definitive Senior Non-Preferred Notes or Certificates, as the case may be. References in the Conditions to “Senior Non-Preferred Notes” are to the Senior Non-Preferred Notes of one Series only, not to all Senior Non-Preferred Notes that may be issued under the Programme.*

The Senior Non-Preferred Notes are issued pursuant to an Amended and Restated Agency Agreement (as amended or supplemented as at the Issue Date, the “Agency Agreement”) dated 15 October 2020 between the Issuer, ABN AMRO Bank N.V. as fiscal agent and the other agents named in it. The fiscal agent, the paying agents, the registrar, the transfer agents and the calculation agent(s) for the time being (if any) are referred to below, respectively, as the “Fiscal Agent”, the “Paying Agents” (which expression shall include the Fiscal Agent), the “Registrar”, the “Transfer Agents” and the “Calculation Agent(s)”. The Senior Non-Preferred Noteholders (as defined below), the holders of the interest coupons (the “Coupons”) relating to interest bearing Senior Non-Preferred Notes in bearer form and, where applicable in the case of such Senior Non-Preferred Notes, talons for further Coupons (the “Talons”) (the “Couponholders”) and the holders of the receipts for the payment of instalments of principal (the “Receipts”) relating to Senior Non-Preferred Notes in bearer form of which the principal is payable in instalments are deemed to have notice of all of the provisions of the Agency Agreement applicable to them.

As used in these terms and conditions (the “Conditions”), “Tranche” means Senior Non-Preferred Notes which are identical in all respects. For the purposes of the Conditions, references to the European Economic Area include the United Kingdom.

Copies of the Agency Agreement are available for inspection at the specified offices of each of the Paying Agents, the Registrar and the Transfer Agents.

### **1. Form, Denomination and Title**

The Senior Non-Preferred Notes are issued in bearer form (“Bearer Senior Non-Preferred Notes”) or in registered form (“Registered Senior Non-Preferred Notes”), in each case in the Specified Denomination(s) shown hereon. The minimum denomination shall be EUR 100,000 (or its equivalent in any other currency as at the date of issue of the relevant Senior Non-Preferred Notes).

This Senior Non-Preferred Note is a Fixed Rate Senior Non-Preferred Note, a Floating Rate Senior Non-Preferred Note, an Instalment Senior Non-Preferred Note or a combination of any of the foregoing, depending upon the Interest and Redemption/Payment Basis shown hereon.

Bearer Senior Non-Preferred Notes are serially numbered and are issued with Coupons (and, where appropriate, a Talon) attached. Instalment Senior Non-Preferred Notes are issued with one or more Receipts attached.

Registered Senior Non-Preferred Notes are represented by registered certificates (“Certificates”) and, save as provided in Condition 2(c), each Certificate shall represent the entire holding of Registered Senior Non-Preferred Notes by the same holder.

Title to the Bearer Senior Non-Preferred Notes and the Receipts, Coupons and Talons shall pass by delivery. Title to the Registered Senior Non-Preferred Notes shall pass by registration in the register that the Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement (the “Register”). Except as ordered by a court of competent jurisdiction or as required by law, the holder (as defined below) of any Senior Non-Preferred Note, Receipt, Coupon or Talon shall be deemed to be and may be treated as its absolute owner for all purposes, whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it, any writing on it (or on the Certificate representing it) or its theft or loss (or that of the related Certificate), and no person shall be liable for so treating the holder.

In these Conditions, “Senior Non-Preferred Noteholder” means the bearer of any Bearer Senior Non-Preferred Note and the Receipts relating to it or the person in whose name a Registered Senior Non-Preferred Note is registered (as the case may be), “holder” (in relation to a Senior Non-Preferred Note, Receipt, Coupon or Talon) means the bearer of any Bearer Senior Non-Preferred Note, Receipt, Coupon or Talon or the person in whose name a Registered Senior Non-Preferred Note is registered (as the case may be) and capitalised terms have the meanings given to them hereon, the absence of any such meaning indicating that such term is not applicable to the Senior Non-Preferred Notes.

## 2. **No Exchange of Senior Non-Preferred Notes and Transfers of Registered Senior Non-Preferred Notes**

- (a) **No Exchange of Senior Non-Preferred Notes:** Registered Senior Non-Preferred Notes may not be exchanged for Bearer Senior Non-Preferred Notes. Bearer Senior Non-Preferred Notes of one Specified Denomination may not be exchanged for Bearer Senior Non-Preferred Notes of another Specified Denomination. Bearer Senior Non-Preferred Notes may not be exchanged for Registered Senior Non-Preferred Notes.
- (b) **Transfer of Registered Senior Non-Preferred Notes:** One or more Registered Senior Non-Preferred Notes may be transferred upon the surrender (at the specified office of the Registrar or any Transfer Agent) of the Certificate representing such Registered Senior Non-Preferred Notes to be transferred, together with the form of transfer endorsed on such Certificate (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Issuer), duly completed and executed and any other evidence as the Registrar or Transfer Agent may reasonably require. In the case of a transfer of part only of a holding of Registered Senior Non-Preferred Notes represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor. All transfers of Senior Non-Preferred Notes and entries on the Register will be made subject to the detailed regulations concerning transfers of Senior Non-Preferred Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer, with the prior written approval of the Registrar and the Senior Non-Preferred Noteholders. A copy of the current regulations will be made available by the Registrar to any Senior Non-Preferred Noteholder upon request.
- (c) **Exercise of Options or Partial Redemption in Respect of Registered Senior Non-Preferred Notes:** In the case of an exercise of an Issuer’s option in respect of, or a partial redemption of, a holding of Registered Senior Non-Preferred Notes represented by a single Certificate, a new Certificate shall be issued to the holder to reflect the exercise of such option or in respect of the

balance of the holding not redeemed. In the case of a partial exercise of an option resulting in Registered Senior Non-Preferred Notes of the same holding having different terms, separate Certificates shall be issued in respect of those Senior Non-Preferred Notes of that holding that have the same terms. New Certificates shall only be issued against surrender of the existing Certificates to the Registrar or any Transfer Agent. In the case of a transfer of Registered Senior Non-Preferred Notes to a person who is already a holder of Registered Senior Non-Preferred Notes, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding.

- (d) **Delivery of New Certificates:** Each new Certificate to be issued pursuant to Conditions 2(b) or (c) shall be available for delivery within three business days of receipt of the form of transfer and surrender of the Certificate for exchange. Delivery of the new Certificate(s) shall be made at the specified office of the Transfer Agent or of the Registrar (as the case may be) to whom delivery or surrender of such form of transfer or Certificate shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the form of transfer or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Certificate to such address as may be so specified, unless such holder requests otherwise and pays in advance to the relevant Agent (as defined in the Agency Agreement) the costs of such other method of delivery and/or such insurance as it may specify. In this Condition 2(d), “business day” means a day, other than a Saturday or Sunday, on which banks are open for business in the place of the specified office of the relevant Transfer Agent or the Registrar (as the case may be).
- (e) **Transfer Free of Charge:** Transfers of Senior Non-Preferred Notes and Certificates on registration, transfer, partial redemption or exercise of an option shall be effected without charge by or on behalf of the Issuer, the Registrar or the Transfer Agents, but upon payment of any tax or other governmental charges that may be imposed in relation to it (or the giving of such indemnity as the Registrar or the relevant Transfer Agent may require).
- (f) **Closed Periods:** No Senior Non-Preferred Noteholder may require the transfer of a Registered Senior Non-Preferred Note to be registered (i) during the period of 15 days ending on the due date for redemption of, or payment of any Instalment Amount in respect of, that Senior Non-Preferred Note, (ii) during the period of 15 days before any date on which Senior Non-Preferred Notes may be called for redemption by the Issuer at its option pursuant to Condition 5(d), (iii) after any such Senior Non-Preferred Note has been called for redemption or (iv) during the period of seven days ending on (and including) any Record Date.

### 3. Status

- (a) **Status and Ranking:** The Senior Non-Preferred Notes, the Receipts and Coupons qualify as, and comprise part of the class of, Statutory Senior Non-Preferred Obligations and constitute unsubordinated and unsecured obligations of the Issuer, save for those preferred by mandatory and/or overriding provisions of law, rank (i) in the event of liquidation or bankruptcy (*faillissement*) of the Issuer, *pari passu* and without any preference among themselves and with all other present and future obligations of the Issuer qualifying as Statutory Senior Non-Preferred Obligations, (ii) in the event of the bankruptcy (*faillissement*) of the Issuer only, junior to any present and future unsubordinated and unsecured obligations of the Issuer which do not qualify as Statutory Senior Non-Preferred Obligations and (iii) in the event of liquidation or bankruptcy (*faillissement*) of the Issuer, senior to any Junior Obligations.

In the case resolution proceedings are commenced in respect of the Issuer, the aforementioned ranking in the event of bankruptcy will in principle be followed, in a reverse order, subject to certain exceptions, in the event the bail-in tool is applied by the Resolution Authority under the applicable banking regulations.

By virtue of such ranking, payments to Senior Non-Preferred Noteholders will, in the event of the bankruptcy (*faillissement*) of the Issuer, only be made after all claims in respect of unsubordinated and unsecured obligations of the Issuer which do not qualify as Statutory Senior Non-Preferred Obligations have been satisfied.

- (b) **No set-off:** No Senior Non-Preferred Noteholder may exercise or claim any right of set-off in respect of any amount owed to it by the Issuer arising under or in connection with the Senior Non-Preferred Notes.

As used in this Condition 3:

“**Junior Obligations**” means any present and future claims in respect of obligations of the Issuer which rank or are expressed to rank, subordinated to claims in respect of unsubordinated and unsecured obligations of the Issuer (including Statutory Senior Non-Preferred Obligations); and

“**Statutory Senior Non-Preferred Obligations**” (*niet preferente niet achtergestelde schuld*) means any present and future claims in respect of unsubordinated and unsecured obligations of the Issuer which have a lower ranking within the meaning of article 212rb of the Dutch Bankruptcy Act (*Faillissementswet*) (or any other provision implementing article 108 of Directive 2014/59/EU, as amended by Directive (EU) 2017/2399, in The Netherlands) than the claims in respect of all other unsubordinated and unsecured obligations of the Issuer.

#### 4. Interest and other Calculations

- (a) **Interest on Fixed Rate Senior Non-Preferred Notes:** Each Fixed Rate Senior Non-Preferred Note bears interest on its outstanding nominal amount from and including the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date, subject in any case as provided in Condition 5(h) (*Statutory Loss Absorption or Recapitalisation of Senior Non-Preferred Notes*). The amount of interest payable shall be determined in accordance with Condition 4(f).
- (b) **Interest on Floating Rate Senior Non-Preferred Notes:**
- (i) *Interest Payment Dates:* Each Floating Rate Senior Non-Preferred Note bears interest on its outstanding nominal amount from and including the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 4(f). Such Interest Payment Date(s) is/are either shown hereon as Specified Interest Payment Dates or, if no Specified Interest Payment Date(s) is/are shown hereon, Interest Payment Date shall mean each date which falls the number of months or other period shown hereon as the Interest Period after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after

the Interest Commencement Date, subject in any case as provided in Condition 5(h) (*Statutory Loss Absorption or Recapitalisation of Senior Non-Preferred Notes*).

- (ii) *Business Day Convention*: If any date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then, if the Business Day Convention specified is (A) the Floating Rate Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event (x) such date shall be brought forward to the immediately preceding Business Day and (y) each subsequent such date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment, (B) the Following Business Day Convention, such date shall be postponed to the next day that is a Business Day, (C) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day or (D) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day.
- (iii) *Rate of Interest for Floating Rate Senior Non-Preferred Notes*: The Rate of Interest in respect of Floating Rate Senior Non-Preferred Notes for each Interest Accrual Period shall be determined in the manner specified hereon and the provisions below relating to either ISDA Determination or Screen Rate Determination shall apply, depending upon which is specified hereon.

(A) ISDA Determination for Floating Rate Senior Non-Preferred Notes

Where ISDA Determination is specified hereon as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be determined by the Calculation Agent as a rate equal to the relevant ISDA Rate. For the purposes of this sub-paragraph (A), “ISDA Rate” for an Interest Accrual Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under a Swap Transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- (x) the Floating Rate Option is as specified hereon;
- (y) the Designated Maturity is a period specified hereon; and
- (z) the relevant Reset Date is the first day of that Interest Accrual Period unless otherwise specified hereon.

For the purposes of this sub-paragraph (A), “Floating Rate”, “Calculation Agent”, “Floating Rate Option”, “Designated Maturity”, “Reset Date” and “Swap Transaction” have the meanings given to those terms in the ISDA Definitions.

(B) Screen Rate Determination for Floating Rate Senior Non-Preferred Notes

(x) Where Screen Rate Determination is specified hereon as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period will, subject as provided below, be either:

(1) the offered quotation; or

(2) the arithmetic mean of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at either 11.00 a.m. (London time in the case of LIBOR or Brussels time in the case of EURIBOR) on the Interest Determination Date in question as determined by the Calculation Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean of such offered quotations.

If the Reference Rate from time to time in respect of Floating Rate Senior Non-Preferred Notes is specified hereon as being other than LIBOR or EURIBOR, the Rate of Interest in respect of such Senior Non-Preferred Notes will be determined as provided hereon.

(y) if the Relevant Screen Page is not available, or if sub-paragraph (x)(1) applies and no such offered quotation appears on the Relevant Screen Page, or if sub-paragraph (x)(2) applies and fewer than three such offered quotations appear on the Relevant Screen Page, in each case as at the time specified above, subject as provided below, the Calculation Agent shall request, if the Reference Rate is LIBOR, the principal London office of each of the Reference Banks or, if the Reference Rate is EURIBOR, the principal Euro-zone office of each of the Reference Banks to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time), or, if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time) on the Interest Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Rate of Interest for such Interest Accrual Period shall be the arithmetic mean of such offered quotations as determined by the Calculation Agent.; and

(z) if paragraph (y) above applies and the Calculation Agent determines that fewer than two Reference Banks are providing offered quotations, subject as provided below, the Rate of Interest shall be the arithmetic mean of the rates per annum (expressed as a percentage) as communicated to (and at the request of) the Calculation Agent by the Reference Banks or any two or more of them, at which such banks were



offered, if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time) or, if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time) on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in, if the Reference Rate is LIBOR, the London inter-bank market or, if the Reference Rate is EURIBOR, the Euro-zone inter-bank market, as the case may be, or, if fewer than two of the Reference Banks provide the Calculation Agent with such offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time) or, if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time), on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Issuer suitable for such purpose) informs the Calculation Agent it is quoting to leading banks in, if the Reference Rate is LIBOR, the London inter-bank market or, if the Reference Rate is EURIBOR, the Euro-zone inter-bank market, as the case may be, provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum or Minimum Rate of Interest is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin or Maximum or Minimum Rate of Interest relating to the relevant Interest Accrual Period, in place of the Margin or Maximum or Minimum Rate of Interest relating to that last preceding Interest Accrual Period).

(C) Linear Interpolation

Where Linear Interpolation is specified hereon as applicable in respect of an Interest Accrual Period, the Rate of Interest for such Interest Accrual Period shall be calculated by the Calculation Agent by straight line linear interpolation by reference to two rates based on the relevant Reference Rate (where Screen Rate Determination is specified hereon as applicable) or the relevant Floating Rate Option (where ISDA Determination is specified hereon as applicable), one of which shall be determined as if the Applicable Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Accrual Period and the other of which shall be determined as if the Applicable Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Accrual Period, provided, however, that if there is no rate available for the period of time next shorter or, as the case may be, next longer, then the Calculation Agent shall determine such rate at such time and by reference to such sources as it determines appropriate.

“Applicable Maturity” means: (a) in relation to Screen Rate Determination, the period of time designated in the Reference Rate, and (b) in relation to ISDA Determination, the Designated Maturity.

(D) Replacement Reference Rate Determination for Discontinued Reference Rate

Notwithstanding the provisions above in this Condition 4(b), if the Issuer determines at any time prior to, on or following any Interest Determination Date, discontinued a Benchmark Event has occurred, the Issuer will, as soon as reasonably practicable (and in any event prior to the next relevant Interest Determination Date), appoint an agent ("Rate Determination Agent"), which will determine in its sole discretion, acting in good faith and in a commercially reasonable manner, whether a substitute or successor rate for purposes of determining the relevant Reference Rate on each Interest Determination Date falling on such date or thereafter that is substantially comparable to the Reference Rate is available or a successor rate that has been recommended or selected by the monetary authority or similar authority (or working group thereof) in the jurisdiction of the applicable currency. If the Rate Determination Agent determines that there is an industry-accepted successor rate, the Rate Determination Agent will use such successor rate to determine the relevant Reference Rate. If the Rate Determination Agent has determined a substitute or successor rate in accordance with the foregoing (such rate, the "Replacement Reference Rate") for purposes of determining the Reference Rate on the relevant Interest Determination Date falling on or after such determination, (A) the Rate Determination Agent will also determine changes (if any) to the business day convention, the definition of business day, the interest determination date, the day count fraction and any method for calculating the Replacement Reference Rate, including any adjustment factor needed to make such Replacement Reference Rate comparable to the relevant Reference Rate, in each case in a manner that is consistent with industry-accepted practices for such Replacement Reference Rate; (B) references to the Reference Rate in these Conditions applicable to the relevant Floating Rate Senior Non-Preferred Note will be deemed to be references to the relevant Replacement Reference Rate, including any alternative method for determining such rate as described in (A) above; (C) the Rate Determination Agent will notify the Issuer of the foregoing as soon as reasonably practicable; and (D) the Issuer will give notice as soon as reasonably practicable to the Senior Non-Preferred Noteholders (in accordance with Condition 14 (Notices)) and the Principal Paying Agent specifying the Replacement Reference Rate, as well as the details described in (A) above.

The determination of the Replacement Reference Rate and the other matters referred to above by the Rate Determination Agent will (in the absence of manifest error) be final and binding on the Issuer and the Principal Paying Agent, and will apply to the relevant Senior Non-Preferred Notes without any requirement that the Issuer obtains consent of any Senior Non-Preferred Noteholders. If the Rate Determination Agent is unable to or otherwise does not determine a substitute Replacement Reference Rate, then the Reference Rate

will be equal to the Reference Rate last determined in relation to the Senior Non-Preferred Notes in respect of a preceding Interest Accrual Period.

For the avoidance of doubt, each Senior Non-Preferred Noteholder shall be deemed to have accepted the Replacement Reference Rate or such other changes pursuant to this Condition 4(b)(iii).

The Rate Determination Agent will be (A) a major bank or broker-dealer in a principal financial center of the European Union or the United Kingdom as appointed by the Issuer; or (B), if it is not reasonably practicable to appoint a party as referred to under (A), the Issuer.

Notwithstanding any other provision of this Condition 4(b)(iii), no Replacement Reference Rate will be adopted, and no other amendments to the terms of the Senior Non-Preferred Notes will be made pursuant to this Condition 4(b)(iii), if and to the extent that, in the determination of the Issuer, the same could reasonably be expected to:

- (i) prejudice the qualification of the Senior Non-Preferred Notes as MREL Eligible Liabilities; and/or
- (ii) result in the Competent Authority treating the next Interest Payment Date as the effective maturity of the Senior Non-Preferred Notes, rather than the relevant Maturity Date.

Any amendment to the Conditions pursuant to this Condition 4(b)(iii) is subject to the prior written permission of the Competent Authority and/or the relevant Resolution Authority (**provided that**, at the relevant time, such permission is required to be given).

- (c) **Accrual of Interest:** Interest shall cease to accrue on each Senior Non-Preferred Note on the due date for redemption unless, upon due presentation, payment is improperly withheld or refused, in which event interest shall continue to accrue (both before and after judgment) at the Rate of Interest in the manner provided in this Condition 4 to the Relevant Date (as defined in Condition 7).
- (d) **Margin, Maximum/Minimum Rates of Interest, Instalment Amounts and Redemption Amounts and Rounding:**
  - (i) If any Margin is specified hereon (either (x) generally, or (y) in relation to one or more Interest Accrual Periods), an adjustment shall be made to all Rates of Interest, in the case of (x), or the Rates of Interest for the specified Interest Accrual Periods, in the case of (y), calculated in accordance with Condition 4(b) above by adding (if a positive number) or subtracting the absolute value (if a negative number) of such Margin, subject always to the next paragraph, Condition 4(d)(ii).
  - (ii) If any Maximum or Minimum Rate of Interest, Instalment Amount or Redemption Amount is specified hereon, then any Rate of Interest, Instalment Amount or Redemption Amount shall be subject to such maximum or minimum, as the case may be.

- (iii) For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (x) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 of a percentage point being rounded up), (y) all figures shall be rounded to seven significant figures (provided that, if the eighth significant figure is a 5 or greater, the seventh significant shall be rounded up) and (z) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with half a unit being rounded up), save in the case of yen, which shall be rounded down to the nearest yen. For these purposes, “unit” means the lowest amount of such currency that is available as legal tender in the country of such currency.
- (e) **Calculations:** The amount of interest payable per Calculation Amount in respect of any Senior Non-Preferred Note for any Interest Accrual Period shall be equal to the product of the Rate of Interest, the Calculation Amount specified hereon, and the Day Count Fraction for such Interest Accrual Period, unless an Interest Amount (or a formula for its calculation) is applicable to such Interest Accrual Period, in which case the amount of interest payable per Calculation Amount in respect of such Senior Non-Preferred Note for such Interest Accrual Period shall equal such Interest Amount (or be calculated in accordance with such formula). Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable per Calculation Amount in respect of such Interest Period shall be the sum of the Interest Amounts payable in respect of each of those Interest Accrual Periods. In respect of any other period for which interest is required to be calculated, the provisions above shall apply save that the Day Count Fraction shall be for the period for which interest is required to be calculated.
- (f) **Determination and Publication of Rates of Interest, Interest Amounts, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts and Instalment Amounts:** The Calculation Agent shall, as soon as practicable on such date as the Calculation Agent may be required to calculate any rate or amount, obtain any quotation or make any determination or calculation, determine such rate and calculate the Interest Amounts for the relevant Interest Accrual Period, calculate the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or Instalment Amount, obtain such quotation or make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amounts for each Interest Accrual Period and the relevant Interest Payment Date and, if required to be calculated, the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or any Instalment Amount to be notified to the Fiscal Agent, the Issuer, each of the Paying Agents, the Senior Non-Preferred Noteholders, any other Calculation Agent appointed in respect of the Senior Non-Preferred Notes that is to make a further calculation upon receipt of such information and, if the Senior Non-Preferred Notes are listed on a stock exchange and the rules of such exchange or other relevant authority so require, such exchange or other relevant authority as soon as possible after their determination but in no event later than (i) the commencement of the relevant Interest Period, if determined prior to such time, in the case of notification to such exchange of a Rate of Interest and Interest Amount, or (ii) in all other cases, the fourth Business Day after such determination. Where any Interest Payment Date or Interest Period Date is subject to adjustment pursuant to Condition 4(b)(ii), the Interest Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. If the Senior Non-Preferred Notes become due and payable under Condition 9, the accrued interest and the Rate of Interest payable in respect of the Senior Non-Preferred Notes shall nevertheless

continue to be calculated as previously in accordance with this Condition but no publication of the Rate of Interest or the Interest Amount so calculated need be made. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent(s) shall (in the absence of manifest error) be final and binding upon all parties.

- (g) **Definitions:** In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

“Benchmark Event” means:

1. the Original Reference Rate ceasing to be published for a period of at least 5 Business Days or ceasing to exist; or
2. a public statement by the administrator of the Original Reference Rate that it will, by a specified date within the following six months, cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate); or
3. a public statement by the supervisor of the administrator of the Original Reference Rate, that the Original Reference Rate has been or will, by a specified date within the following six months, be permanently or indefinitely discontinued; or
4. a public statement by the supervisor of the administrator of the Original Reference Rate as a consequence of which the Original Reference Rate will be prohibited from being used either generally, or in respect of the Senior Non-Preferred Notes, in each case within the following six months; or
5. it has become unlawful for any Calculation Agent or the Issuer to calculate any payments due to be made to any Senior Non-Preferred Noteholder using the Original Reference Rate.

“Business Day” means:

1. in the case of a currency other than euro, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the principal financial centre for such currency; and/or
2. in the case of euro, a day on which the TARGET System is operating (a “TARGET Business Day”); and/or
3. in the case of a currency and/or one or more Business Centres, a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in such currency in the Business Centre(s) or, if no currency is indicated, generally in each of the Business Centres.

“Day Count Fraction” means, in respect of the calculation of an amount of interest on any Senior Non-Preferred Note for any period of time (from and including the first day of such period to but excluding the last) (whether or not constituting an Interest Period or an Interest Accrual Period, the “Calculation Period”):

1. if “Actual/Actual” or “Actual/Actual - ISDA” is specified hereon, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
2. if “Actual/365 (Fixed)” is specified hereon, the actual number of days in the Calculation Period divided by 365;
3. if “Actual/365 (Sterling)” is specified hereon, the actual number of days in the Calculation Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;
4. if “Actual/360” is specified hereon, the actual number of days in the Calculation Period divided by 360;
5. if “30/360”, “360/360” or “Bond Basis” is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“Y<sub>1</sub>” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“Y<sub>2</sub>” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“M<sub>1</sub>” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“M<sub>2</sub>” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“D<sub>1</sub>” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and

“D<sub>2</sub>” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D<sub>1</sub> is greater than 29, in which case D<sub>2</sub> will be 30.

6. if “30E/360” or “Eurobond Basis” is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“Y<sub>1</sub>” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“Y<sub>2</sub>” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“M<sub>1</sub>” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“M<sub>2</sub>” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“D<sub>1</sub>” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and

“D<sub>2</sub>” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D<sub>2</sub> will be 30.

7. if “30E/360 (ISDA)” is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“Y<sub>1</sub>” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“Y<sub>2</sub>” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“M<sub>1</sub>” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“M<sub>2</sub>” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“D<sub>1</sub>” is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D<sub>1</sub> will be 30; and

“D<sub>2</sub>” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D<sub>2</sub> will be 30.

8. if “Actual/Actual-ICMA” is specified hereon,

if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year; and

if the Calculation Period is longer than one Determination Period, the sum of:

(x) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and

(y) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year

where:

“Determination Period” means the period from and including a Determination Date in any year to but excluding the next Determination Date; and

“Determination Date” means the date(s) specified as such hereon or, if none is so specified, the Interest Payment Date(s).

“Euro-zone” means the region comprised of member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended.

“Interest Accrual Period” means the period beginning on and including the Interest Commencement Date and ending on but excluding the first Interest Period Date and each successive period beginning on and including an Interest Period Date and ending on but excluding the next succeeding Interest Period Date.

“Interest Amount” means:

1. in respect of an Interest Accrual Period, the amount of interest payable per Calculation Amount for that Interest Accrual Period and which, in the case of Fixed Rate Senior Non-Preferred Notes, and unless otherwise specified hereon, shall mean the Fixed Coupon Amount or Broken Amount specified hereon as being payable on the Interest Payment Date ending the Interest Period of which such Interest Accrual Period forms part; and
2. in respect of any other period, the amount of interest payable per Calculation Amount for that period.

“Interest Commencement Date” means the Issue Date or such other date as may be specified hereon.

“Interest Determination Date” means, with respect to a Rate of Interest and Interest Accrual Period, the date specified as such hereon or, if none is so specified, (i) the first day of such Interest Accrual Period if the Specified Currency is Sterling or (ii) the day falling two Business Days in London for the Specified Currency prior to the first day of such Interest Accrual Period if the Specified



Currency is neither Sterling nor euro or (iii) the day falling two TARGET Business Days prior to the first day of such Interest Accrual Period if the Specified Currency is euro.

“Interest Period” means the period beginning on and including the Interest Commencement Date and ending on but excluding the first Interest Payment Date and each successive period beginning on and including an Interest Payment Date and ending on but excluding the next succeeding Interest Payment Date unless otherwise specified hereon.

“Interest Period Date” means each Interest Payment Date unless otherwise specified hereon.

“ISDA Definitions” means the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc., unless otherwise specified hereon.

“Original Reference Rate” means the originally-specified benchmark or screen rate (as applicable) used to determine the Rate of Interest (or any component part thereof) on the Senior Non-Preferred Notes.

“Rate of Interest” means the rate of interest payable from time to time in respect of this Senior Non-Preferred Note and that is either specified or calculated in accordance with the provisions hereon.

“Reference Banks” means, in the case of a determination of LIBOR, the principal London office of four major banks in the London inter-bank market and, in the case of a determination of EURIBOR, the principal Euro-zone office of four major banks in the Euro-zone inter-bank market, in each case selected by the Calculation Agent or as specified hereon.

“Reference Rate” means the rate specified as such hereon.

“Relevant Screen Page” means such page, section, caption, column or other part of a particular information service as may be specified hereon (or any successor or replacement page, section, caption, column or other part of a particular information service).

“Specified Currency” means the currency specified as such hereon or, if none is specified, the currency in which the Senior Non-Preferred Notes are denominated.

“TARGET System” means the Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET2) System which was launched on 19 November 2007 or any successor thereto.

- (h) **Calculation Agent:** The Issuer shall procure that there shall at all times be one or more Calculation Agents if provision is made for them hereon and for so long as any Senior Non-Preferred Note is outstanding (as defined in the Agency Agreement). Where more than one Calculation Agent is appointed in respect of the Senior Non-Preferred Notes, references in these Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its respective duties under the Conditions. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest for an Interest Accrual Period or to calculate any Interest Amount, Instalment Amount, Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, or to comply with any other requirement, the Issuer shall appoint a leading bank or financial institution engaged in the inter bank market (or, if appropriate, money, swap or over-the-counter index options market) that is

most closely connected with the calculation or determination to be made by the Calculation Agent (acting through its principal London office or any other office actively involved in such market) to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid.

## 5. Redemption, Purchase and Options

### (a) **Redemption by Instalments and Final Redemption:**

- (i) Unless previously redeemed, written down, converted or purchased and cancelled as provided below or in Condition 5(h) (*Statutory Loss Absorption or Recapitalisation of Senior Non-Preferred Notes*), each Senior Non-Preferred Note that provides for Instalment Dates and Instalment Amounts shall be partially redeemed on each Instalment Date at the related Instalment Amount specified hereon. The outstanding nominal amount of each such Senior Non-Preferred Note shall be reduced by the Instalment Amount (or, if such Instalment Amount is calculated by reference to a proportion of the nominal amount of such Senior Non-Preferred Note, such proportion) for all purposes with effect from the related Instalment Date, unless payment of the Instalment Amount is improperly withheld or refused, in which case such amount shall remain outstanding until the Relevant Date relating to such Instalment Amount.
- (ii) Unless previously redeemed, written down, converted, purchased and cancelled as provided below or in Condition 5(h) (*Statutory Loss Absorption or Recapitalisation of Senior Non-Preferred Notes*), each Senior Non-Preferred Note shall be finally redeemed on the Maturity Date specified hereon at its Final Redemption Amount (which, unless otherwise provided, is its nominal amount) or, in the case of a Senior Non-Preferred Note falling within paragraph (i) above, its final Instalment Amount.

### (b) **Early Redemption:** Subject to Condition 5(h) (*Statutory Loss Absorption or Recapitalisation of Senior Non-Preferred Notes*) below, for the purpose of Condition 5(c) (*Redemption for Taxation Reasons*), Condition 5(d) (*Redemption at the Option of the Issuer*) and Condition 9 (*Events of Default*) below, each Senior Non-Preferred Note will be redeemed at its Early Redemption Amount calculated as follows:

- (i) in the case of a Senior Non-Preferred Note with a Final Redemption Amount equal to the Issue Price, at the Final Redemption Amount thereof; and
- (ii) in any other case, at the amount specified in, or determined in the manner specified in, the applicable Final Terms or, if no such amount or manner is so specified in Final Terms, at their nominal amount.

### (c) **Redemption for Taxation Reasons:** The Senior Non-Preferred Notes may be redeemed at the option of the Issuer in whole, but not in part, on any Interest Payment Date (if this Senior Non-Preferred Note is a Floating Rate Senior Non-Preferred Note) or, at any time (if this Senior Non-Preferred Note is not a Floating Rate Senior Non-Preferred Note), on giving not less than 15 nor more than 30 days' notice to the Senior Non-Preferred Noteholders (which notice shall be irrevocable), at their Early Redemption Amount (as described in Condition 5(b) above) (together with interest accrued to the date fixed for redemption), if on the occasion of the next payment due under the Senior Non-Preferred Notes (i) the Issuer has or will become obliged to pay additional

amounts as provided or referred to in Condition 7 as a result of any change in, or amendment to, the laws or regulations of The Netherlands (in the case of payment by the Issuer) or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Senior Non-Preferred Notes, and (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Senior Non-Preferred Notes then due. Prior to the publication of any notice of redemption pursuant to this Condition 5(c), the Issuer shall deliver to the Fiscal Agent a certificate duly signed on behalf of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment.

Any redemption of Senior Non-Preferred Notes in accordance with this Condition 5(c) is subject to (i) the Issuer obtaining the prior written permission of the Competent Authority provided that, at the relevant time, such permission is required to be given and (ii) compliance with any other pre-conditions to, or requirements applicable to, such redemption as may be required by the Competent Authority or the Applicable MREL Regulations at such time.

- (d) **Redemption at the Option of the Issuer:** If Call Option is specified hereon, the Issuer may, on giving not less than 15 nor more than 30 days' irrevocable notice to the Senior Non-Preferred Noteholders (or such other notice period as may be specified hereon), redeem all or, if so provided, some of the Senior Non-Preferred Notes on any Optional Redemption Date. Any such redemption of Senior Non-Preferred Notes shall be at their Optional Redemption Amount specified hereon (which may be the Early Redemption Amount (as described in Condition 5(b) above)), together with interest accrued to the date fixed for redemption. Any such notice of redemption may, at the Issuer's discretion, be subject to one or more conditions precedent, in which case such notice shall state that, in the Issuer's discretion, the Optional Redemption Date may be delayed until such time as any or all such conditions shall be satisfied (or waived by the Issuer in its sole discretion), or such redemption may not occur and such notice may be rescinded in the event that any or all such conditions shall not have been satisfied (or waived by the Issuer in its sole discretion) by the Optional Redemption Date, or by the Optional Redemption Date so delayed. Any such redemption or exercise must relate to Senior Non-Preferred Notes of a nominal amount at least equal to the Minimum Redemption Amount to be redeemed specified hereon and no greater than the Maximum Redemption Amount to be redeemed specified hereon.

All Senior Non-Preferred Notes in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition 5.

In the case of a partial redemption the notice to Senior Non-Preferred Noteholders shall also contain the certificate numbers of the Bearer Senior Non-Preferred Notes, or in the case of Registered Senior Non-Preferred Notes shall specify the nominal amount of Registered Senior Non-Preferred Notes drawn and the holder(s) of such Registered Senior Non-Preferred Notes, to be redeemed, which shall have been drawn in such place and in such manner as may be fair and reasonable in the circumstances, taking account of prevailing market practices, subject to compliance with any applicable laws and stock exchange or other relevant authority requirements.

Any redemption of Senior Non-Preferred Notes in accordance with this Condition 5(d) is subject to (i) the Issuer obtaining the prior written permission of the Competent Authority provided that, at the relevant time, such permission is required to be given and (ii) compliance with any other pre-conditions to, or requirements applicable to, such redemption as may be required by the Competent Authority or the Applicable MREL Regulations at such time.

- (e) **Redemption, substitution and variation of Senior Non-Preferred Notes due to MREL Disqualification Event:** If an MREL Disqualification Event has occurred, the Issuer may at its option, and having given not less than 30 nor more than 60 days' notice or such other period of notice as is specified in the applicable Final Terms (which notice shall be irrevocable) to the Senior Non-Preferred Noteholders, redeem at any time (in the case of Senior Non-Preferred Notes other than Floating Rate Senior Non-Preferred Notes) or on any Interest Payment Date (in the case of Floating Rate Senior Non-Preferred Notes), in accordance with the Conditions, all, but not some only, of the Senior Non-Preferred Notes at the Optional Redemption Amount specified in the applicable Final Terms together with accrued interest (if any) to but excluding the date of redemption.

An “MREL Disqualification Event” shall occur if, as a result of any amendment to, or change in, any Applicable MREL Regulations, or any change in the application or official interpretation of any Applicable MREL Regulations, in any such case becoming effective on or after the Issue Date of the first Tranche of the Senior Non-Preferred Notes, the Senior Non-Preferred Notes are or (in the opinion of the Issuer or the Competent Authority) are likely to become:

- (a) if “MREL Disqualification Event – Full Exclusion” is specified in the Final Terms, fully excluded; or
- (b) if “MREL Disqualification Event – Full or Partial Exclusion” is specified in the Final Terms, fully or partially excluded,

in each case, from the Issuer's MREL Eligible Liabilities determined in accordance with, and pursuant to, the Applicable MREL Regulations; provided that an MREL Disqualification Event shall not occur where the exclusion of the Senior Non-Preferred Notes from the relevant minimum requirement(s) is due to (i) the remaining maturity of the Senior Non-Preferred Notes being less than any period prescribed by any applicable eligibility criteria for such minimum requirements under the Applicable MREL Regulations effective with respect to the Issuer on the Issue Date of the first Tranche of the Senior Non-Preferred Notes or (ii) any applicable limits on the amount of MREL Eligible Liabilities permitted or allowed to meet the MREL Requirement.

If Variation or Substitution is specified in the applicable Final Terms and if as a result of an MREL Disqualification Event the whole of the outstanding nominal amount of the Senior Non-Preferred Notes can no longer be, or is likely to become no longer, included in full as MREL Eligible Liabilities, then the Issuer may, subject to the below (but without any requirement for the permission of the Senior Non-Preferred Noteholders) and having given not less than 30 nor more than 60 days' notice (which notice shall be irrevocable) to the Senior Non-Preferred Noteholders, either substitute all, but not some only, of the Senior Non-Preferred Notes or vary the terms of the Senior Non-Preferred Notes so that they remain or, as appropriate, become MREL Eligible Liabilities within the meaning of the Applicable MREL Regulations at the relevant time. Upon the expiry of the notice referred to above, the Issuer shall either vary the terms of, or substitute, the Senior Non-Preferred Notes in accordance with this Condition 5(e), as the case may be, **provided**

**that** such substitution or variation shall not result in terms that are materially less favorable to the Senior Non-Preferred Noteholders. For the avoidance of doubt, the Competent Authority has discretion as to whether or not it will approve any such substitution or variation of the Senior Non-Preferred Notes.

Following such variation or substitution the resulting securities shall (1) have a ranking at least equal to that of the Senior Non-Preferred Notes, (2) have at least the same interest rate and the same interest payment dates as those from time to time applying to the Senior Non-Preferred Notes, (3) have the same Maturity Date and redemption rights as the Senior Non-Preferred Notes, (4) preserve any existing rights under the Senior Non-Preferred Notes to any accrued interest which has not been paid in respect of the period from (and including) the interest payment date last preceding the date of variation or substitution, (5) have assigned (or maintain) the same (solicited) credit ratings as were assigned to the Senior Non-Preferred Notes immediately prior to such variation or substitution and (6) be listed on a recognized stock exchange if the Senior Non-Preferred Notes were listed immediately prior to such variation or substitution.

Any redemption or substitution and variation of Senior Non-Preferred Notes in accordance with this Condition 5(e) is subject to (i) the Issuer obtaining the prior written permission of the Competent Authority provided that, at the relevant time, such permission is required to be given and (ii) compliance with any other pre-conditions to, or requirements applicable to, such redemption, substitution or variation as may be required by the Competent Authority or the Applicable MREL Regulations at such time.

- (f) **Purchases:** The Issuer and its Subsidiaries as defined in the Agency Agreement may, subject to the below, at any time purchase Senior Non-Preferred Notes (provided that all unmatured Receipts and Coupons and unexchanged Talons relating thereto are attached thereto or surrendered therewith) in the open market or otherwise at any price. Any purchase of Senior Non-Preferred Notes in accordance with this Condition 5(g) is subject to (i) the Issuer obtaining the prior written permission of the Competent Authority provided that, at the relevant time, such permission is required to be given and (ii) compliance with any other pre-conditions to, or requirements applicable to, such purchase as may be required by the Competent Authority or the Applicable MREL Regulations at such time.
- (g) **Cancellation:** All Senior Non-Preferred Notes purchased by or on behalf of the Issuer or any of its Subsidiaries may be surrendered for cancellation, in the case of Bearer Senior Non-Preferred Notes, by surrendering each such Senior Non-Preferred Note together with all unmatured Receipts and Coupons and all unexchanged Talons to the Fiscal Agent and, in the case of Registered Senior Non-Preferred Notes, by surrendering the Certificate representing such Senior Non-Preferred Notes to the Registrar and, in each case, if so surrendered, shall, together with all Senior Non-Preferred Notes redeemed by the Issuer, be cancelled forthwith (together with all unmatured Receipts and Coupons and unexchanged Talons attached thereto or surrendered therewith). Any Senior Non-Preferred Notes so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer in respect of any such Senior Non-Preferred Notes shall be discharged.
- (h) **Statutory Loss Absorption or Recapitalisation of Senior Non-Preferred Notes:** Senior Non-Preferred Notes may become subject to the determination by the Resolution Authority or the Issuer (following instructions from the Resolution Authority) that without the consent of the Senior Non-Preferred Noteholder (a) all or part of the nominal amount of the Senior Non-Preferred Notes, including accrued but unpaid interest in respect thereof, must be written down to absorb losses,

subject to write-up by the Resolution Authority (such loss absorption, "Statutory Loss Absorption") or (b) all or part of the nominal amount of the Senior Non-Preferred Notes, including accrued but unpaid interest in respect thereof, must be converted into claims which may give right to common equity Tier 1 instruments (such conversion, "Recapitalisation"), all as prescribed by the Applicable Resolution Framework, or that the Senior Non-Preferred Notes must otherwise be applied to absorb losses. Upon any such determination, (i) the relevant proportion of the outstanding nominal amount of the Senior Non-Preferred Notes subject to Statutory Loss Absorption or Recapitalisation shall be written down or converted into claims which may give right to common equity Tier 1 instruments or otherwise be applied to absorb losses, as prescribed by the Applicable Resolution Framework, (ii) such Statutory Loss Absorption or Recapitalisation shall not constitute an Event of Default and (iii) the Senior Non-Preferred Noteholders will have no further claims in respect of the amount so written down or subject to conversion or otherwise as a result of such Statutory Loss Absorption or Recapitalisation.

Upon any write-down or conversion of a proportion of the outstanding nominal amount of the Senior Non-Preferred Notes, any reference in these Conditions to principal, nominal amount, Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount of the Senior Non-Preferred Notes shall be deemed to be to the amount resulting after such write-down or conversion.

In addition, subject to the determination by the Resolution Authority and without the consent of the Senior Non-Preferred Noteholders, the Senior Non-Preferred Notes may be subject to other resolution measures as envisaged under the Applicable Resolution Framework, such as replacement or substitution of the Issuer, transfer of the Senior Non-Preferred Notes, expropriation of Senior Non-Preferred Noteholders, modification of the terms of the Senior Non-Preferred Notes and/or suspension or termination of the listings of the Senior Non-Preferred Notes. Such determination, the implementation thereof and the rights of Senior Non-Preferred Noteholders shall be as prescribed by the Applicable Resolution Framework, which may include the concept that, upon such determination, no Senior Non-Preferred Noteholder shall be entitled to claim any indemnification or payment in respect of any tax or other consequences arising from any such event and that any such event shall not constitute an Event of Default.

(i) **Definitions:** In these Conditions:

“Applicable MREL Regulations” means, at any time, the laws, regulations, requirements, guidelines, rules, standards and policies relating to the MREL Requirement then in effect and applicable to the Issuer (whether on a solo or (sub)consolidated basis) including, without limitation to the generality of the foregoing, any delegated or implementing acts (such as regulatory technical standards) adopted by the European Commission and any regulations, requirements, guidelines, rules, standards and policies relating to the MREL Requirement adopted by the Competent Authority from time to time (whether or not such regulations, requirements, guidelines, rules, standards or policies have force of law and whether or not they are applied generally or specifically to the Issuer);

“Applicable Resolution Framework” means any relevant laws and regulations applicable to the Issuer at the relevant time pursuant to, or which implement, or are enacted within the context of Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms and amending Council Directive 82/891/EEC, and Directives 2001/24/EC, 2002/47/EC, 2004/25/EC,

2005/56/EC, 2007/36/EC, 2011/35/EU, 2012/30/EU and 2013/36/EU and Regulations (EU) No 1093/2010 and (EU) No 648/2012, of the European Parliament and of the Council, or any other resolution or recovery rules which may from time to time be applicable to the Issuer, including Regulation (EU) No 806/2014 of the European Parliament and of the Council of 15 July 2014 establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of a Single Resolution Mechanism and a Single Resolution Fund and amending Regulation (EU) No 1093/2010;

“Competent Authority” means the European Central Bank, the Dutch Central Bank (*De Nederlandsche Bank N.V.*) or other authority having primary responsibility for the prudential oversight and supervision of the Issuer and/or the relevant Resolution Authority (if applicable), as determined by the Issuer;

“MREL Eligible Liabilities” means “eligible liabilities” (or any equivalent or successor term) which are available to meet any MREL Requirement (however called or defined by then Applicable MREL Regulations) of the Issuer (whether on a solo or (sub)consolidated basis) under Applicable MREL Regulations;

“MREL Requirement” means the requirement for own funds and eligible liabilities, which is or, as the case may be, will be, applicable to the Issuer (whether on a solo or (sub)consolidated basis); and

“Resolution Authority” means the European Single Resolution Board, the Dutch Central Bank (*De Nederlandsche Bank N.V.*) or such other regulatory authority or governmental body having the power to impose Statutory Loss Absorption or Recapitalisation on the Senior Non-Preferred Notes pursuant to the Applicable Resolution Framework.

## 6. Payments and Talons

- (a) **Bearer Senior Non-Preferred Notes:** Payments of principal and interest in respect of Bearer Senior Non-Preferred Notes shall, subject as mentioned below, be made against presentation and surrender of the relevant Receipts (in the case of payments of Instalment Amounts other than on the due date for redemption and provided that the Receipt is presented for payment together with its relative Senior Non-Preferred Note), Senior Non-Preferred Notes (in the case of all other payments of principal and, in the case of interest, as specified in Condition 6(f)(vi)) or Coupons (in the case of interest, save as specified in Condition 6(f)(vi)), as the case may be, at the specified office of any Paying Agent outside the United States by a cheque payable in the relevant currency drawn on, or, at the option of the holder, by transfer to an account denominated in such currency with, a Bank. “Bank” means a bank in the principal financial centre for such currency or, in the case of euro, in a city in which banks have access to the TARGET System.
- (b) **Registered Senior Non-Preferred Notes:**
  - (i) Payments of principal (which for the purposes of this Condition 6(b) shall include final Instalment Amounts but not other Instalment Amounts) in respect of Registered Senior Non-Preferred Notes shall be made against presentation and surrender of the relevant Certificates at the specified office of any of the Transfer Agents or of the Registrar and in the manner provided in paragraph (ii) below.

- (ii) Interest (which for the purpose of this Condition 6(b) shall include all Instalment Amounts other than final Instalment Amounts) on Registered Senior Non-Preferred Notes shall be paid to the person shown on the Register at the close of business on the fifteenth day before the due date for payment thereof (the “Record Date”). Payments of interest on each Registered Senior Non-Preferred Note shall be made in the relevant currency by cheque drawn on a Bank and mailed to the holder (or to the first-named of joint holders) of such Senior Non-Preferred Note at its address appearing in the Register. Upon application by the holder to the specified office of the Registrar or any Transfer Agent before the Record Date, such payment of interest may be made by transfer to an account in the relevant currency maintained by the payee with a Bank.
- (c) **Payments in the United States:** Notwithstanding the foregoing, if any Bearer Senior Non-Preferred Notes are denominated in U.S. dollars, payments in respect thereof may be made at the specified office of any Paying Agent in New York City in the same manner as aforesaid if (i) the Issuer shall have appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment of the amounts on the Senior Non-Preferred Notes in the manner provided above when due, (ii) payment in full of such amounts at all such offices is illegal or effectively precluded by exchange controls or other similar restrictions on payment or receipt of such amounts and (iii) such payment is then permitted by United States law, without involving, in the opinion of the Issuer, any adverse tax consequence to the Issuer.
- (d) **Payments Subject to Laws:** All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives in the place of payment, but without prejudice to the provisions of Condition 7. No commission or expenses shall be charged to the Senior Non-Preferred Noteholders or Couponholders in respect of such payments.
- (e) **Appointment of Agents:** The Fiscal Agent, the Paying Agents, the Registrar, the Transfer Agents and the Calculation Agent initially appointed by the Issuer and their respective specified offices are listed below. The Fiscal Agent, the Paying Agents, the Registrar, Transfer Agents and the Calculation Agent(s) act solely as agents of the Issuer and do not assume any obligation or relationship of agency or trust for or with any Senior Non-Preferred Noteholder or Couponholder. The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal Agent, any other Paying Agent, the Registrar, any Transfer Agent or the Calculation Agent(s) and to appoint additional or other Paying Agents or Transfer Agents, provided that the Issuer shall at all times maintain (i) a Fiscal Agent, (ii) a Registrar in relation to Registered Senior Non-Preferred Notes, (iii) a Transfer Agent in relation to Registered Senior Non-Preferred Notes, (iv) one or more Calculation Agent(s) where the Conditions so require, (v) Paying Agents having specified offices in at least two major European cities and (vi) such other agents as may be required by any other stock exchange on which the Senior Non-Preferred Notes may be listed.

In addition, the Issuer shall forthwith appoint a Paying Agent in New York City in respect of any Bearer Senior Non-Preferred Notes denominated in U.S. dollars in the circumstances described in paragraph (c) above.

Notice of any such change or any change of any specified office shall promptly be given to the Senior Non-Preferred Noteholders.



- (f) **Unmatured Coupons and Receipts and unexchanged Talons:**
- (i) Upon the due date for redemption of Bearer Senior Non-Preferred Notes which comprise Fixed Rate Senior Non-Preferred Notes, those Senior Non-Preferred Notes should be surrendered for payment together with all unmatured Coupons (if any) relating thereto, failing which an amount equal to the face value of each missing unmaturred Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unmaturred Coupon that the sum of principal so paid bears to the total principal due) shall be deducted from the Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, due for payment. Any amount so deducted shall be paid in the manner mentioned above against surrender of such missing Coupon within a period of 10 years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 8).
  - (ii) Upon the due date for redemption of any Bearer Senior Non-Preferred Note comprising a Floating Rate Senior Non-Preferred Note, unmaturred Coupons relating to such Senior Non-Preferred Note (whether or not attached) shall become void and no payment shall be made in respect of them.
  - (iii) Upon the due date for redemption of any Bearer Senior Non-Preferred Note, any unexchanged Talon relating to such Senior Non-Preferred Note (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.
  - (iv) Upon the due date for redemption of any Bearer Senior Non-Preferred Note that is redeemable in instalments, all Receipts relating to such Senior Non-Preferred Note having an Instalment Date falling on or after such due date (whether or not attached) shall become void and no payment shall be made in respect of them.
  - (v) Where any Bearer Senior Non-Preferred Note that provides that the relative unmaturred Coupons are to become void upon the due date for redemption of those Senior Non-Preferred Notes is presented for redemption without all unmaturred Coupons, and where any Bearer Senior Non-Preferred Note is presented for redemption without any unexchanged Talon relating to it, redemption shall be made only against the provision of such indemnity as the Issuer may require.
  - (vi) If the due date for redemption of any Senior Non-Preferred Note is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Bearer Senior Non-Preferred Note or Certificate representing it, as the case may be. Interest accrued on a Senior Non-Preferred Note that only bears interest after its Maturity Date shall be payable on redemption of such Senior Non-Preferred Note against presentation of the relevant Senior Non-Preferred Note or Certificate representing it, as the case may be.
- (g) **Talons:** On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Bearer Senior Non-Preferred Note, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Fiscal Agent in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet) (but excluding any Coupons that may have become void pursuant to Condition 8).

- (h) **Non-Business Days:** If any date for payment in respect of any Senior Non-Preferred Note, Receipt or Coupon is not a business day, the holder shall not be entitled to payment until the next following business day nor to any interest or other sum in respect of such postponed payment. In this paragraph, “business day” means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in the relevant place of presentation, in such jurisdictions as shall be specified as “Financial Centres” hereon and:
- (i) (in the case of a payment in a currency other than euro) where payment is to be made by transfer to an account maintained with a bank in the relevant currency, on which foreign exchange transactions may be carried on in the relevant currency in the principal financial centre of the country of such currency; or
  - (ii) (in the case of a payment in euro) which is a TARGET Business Day.

## 7. Taxation

All payments of principal and interest by or on behalf of the Issuer in respect of the Senior Non-Preferred Notes, the Receipts and the Coupons shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by The Netherlands or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law at the initiative of the relevant tax authority of the Issuer. In that event, the Issuer shall pay such additional amounts as shall result in receipt by the Senior Non-Preferred Noteholders and the Couponholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable with respect to any Senior Non-Preferred Note, Receipt or Coupon:

- (a) **Principal:** in respect of payment of any amount of principal; or
- (b) **Other connection:** to, or to a third party on behalf of, a holder who is liable to such taxes, duties, assessments or governmental charges in respect of such Senior Non-Preferred Note, Receipt or Coupon by reason of his having some connection with The Netherlands other than the mere holding of the Senior Non-Preferred Note, Receipt or Coupon; or
- (c) **Presentation more than 30 days after the Relevant Date:** presented (or in respect of which the Certificate representing it is presented) for payment more than 30 days after the Relevant Date except to the extent that the holder of it would have been entitled to such additional amounts on presenting it for payment on the thirtieth such day; or
- (d) **Dutch Withholding Tax Act 2021:** as a result of the entry into force of the Dutch Withholding Tax Act 2021 (*Wet bronbelasting 2021*) on 1 January 2021.

As used in these Conditions, “Relevant Date” in respect of any Senior Non-Preferred Note, Receipt or Coupon means the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date seven days after that on which notice is duly given to the Senior Non-Preferred Noteholders that, upon further presentation of the Senior Non-Preferred Note (or relative Certificate), Receipt or Coupon being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such presentation. References in these Conditions to (i) “principal” shall be deemed to include any premium payable in respect of the Senior Non-Preferred Notes, all Instalment

Amounts, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts, Amortised Face Amounts and all other amounts in the nature of principal payable pursuant to Condition 5 or any amendment or supplement to it, (ii) “interest” shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 4 or any amendment or supplement to it and (iii) “principal” and/or “interest” shall be deemed to include any additional amounts that may be payable under this Condition.

#### ***Condition relating to FATCA***

Notwithstanding any other provision in these Conditions, the Issuer shall be permitted to withhold or deduct any amounts imposed or required pursuant to Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended (the “Code”), any current or future regulations or official interpretations thereof, any agreement entered into pursuant to Section 1471(b) of the Code, or any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement (“IGA”) entered into in connection with the implementation of such Sections of the Code (or any law implementing such an IGA) (a “FATCA Withholding Tax”), and the Issuer will have no obligation to pay additional amounts or otherwise indemnify a holder/an investor on account of any FATCA Withholding Tax deducted or withheld by the Issuer, any Paying Agent, the Registrar or any other party.

#### **8. Prescription**

Claims against the Issuer for payment in respect of the Senior Non-Preferred Notes, Receipts and Coupons (which for this purpose shall not include Talons) shall be prescribed and become void unless made within five years from the date on which such payment first became due.

#### **9. Events of Default**

If any of the following events shall have occurred and be continuing:

- (a) the Issuer is declared bankrupt; or
- (b) an order is made or an effective resolution is passed for the winding-up or liquidation of the Issuer, or the Issuer ceases to carry on the whole of its business, unless this is done in connection with a merger, consolidation or other form of combination with another company, the terms of which merger, consolidation or combination (A) have the effect of the emerging or such other surviving company assuming all obligations contracted by the Issuer in connection with the Senior Non-Preferred Notes or (B) have previously been approved by an Extraordinary Resolution of the Senior Non-Preferred Noteholders,

then any Senior Non-Preferred Noteholder may, by written notice to the Issuer at the specified office of the Fiscal Agent, effective upon the date of receipt thereof by the Fiscal Agent, declare the Senior Non-Preferred Note held by the holder to be forthwith due and payable whereupon the same shall become forthwith due and payable at the Early Redemption Amount (as described in Condition 5(b)), together with accrued interest (if any) to the date of repayment, without presentment, demand, protest or other notice of any kind, **provided that** repayment of Senior Non-Preferred Notes under this Condition 9 will only be effected after the Issuer has obtained the prior written permission of the Competent Authority **provided that** at the relevant time such permission is required to be given.

## 10. Meeting of Senior Non-Preferred Noteholders and Modifications

- (a) **Meetings of Senior Non-Preferred Noteholders:** The Agency Agreement contains provisions for convening meetings of Senior Non-Preferred Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution (as defined in the Agency Agreement) of a modification of any of these Conditions. Such a meeting may be convened by Senior Non-Preferred Noteholders holding not less than 10 per cent. in nominal amount of the Senior Non-Preferred Notes for the time being outstanding. The quorum for any meeting convened to consider an Extraordinary Resolution shall be two or more persons holding or representing a clear majority in nominal amount of the Senior Non-Preferred Notes for the time being outstanding, or at any adjourned meeting two or more persons being or representing Senior Non-Preferred Noteholders whatever the nominal amount of the Senior Non-Preferred Notes held or represented, unless the business of such meeting includes consideration of proposals, *inter alia* (i) to amend the dates of maturity or redemption of the Senior Non-Preferred Notes, any Instalment Date or any date for payment of interest or Interest Amounts on the Senior Non-Preferred Notes, (ii) to reduce or cancel the nominal amount of, or any Instalment Amount of, or any premium payable on redemption of, the Senior Non-Preferred Notes, (iii) to reduce the rate or rates of interest in respect of the Senior Non-Preferred Notes or to vary the method or basis of calculating the rate or rates or amount of interest or the basis for calculating any Interest Amount in respect of the Senior Non-Preferred Notes, (iv) if a Minimum and/or a Maximum Rate of Interest, Instalment Amount or Redemption Amount is shown hereon, to reduce any such Minimum and/or Maximum, (v) to vary any method of, or basis for, calculating the Final Redemption Amount, the Early Redemption Amount or the Optional Redemption Amount, including the method of calculating the Amortised Face Amount, (vi) to vary the currency or currencies of payment or denomination of the Senior Non-Preferred Notes or (vii) to modify the provisions concerning the quorum required at any meeting of Senior Non-Preferred Noteholders or the majority required to pass the Extraordinary Resolution, in which case the necessary quorum shall be two or more persons holding or representing not less than 75 per cent. or at any adjourned meeting not less than 25 per cent. in nominal amount of the Senior Non-Preferred Notes for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on Senior Non-Preferred Noteholders (whether or not they were present at the meeting at which such resolution was passed) and on all Couponholders.

The Agency Agreement provides that a resolution in writing signed by or on behalf of the holders of not less than 75 per cent. in nominal amount of the Senior Non-Preferred Notes outstanding shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Senior Non-Preferred Noteholders duly convened and held. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Senior Non-Preferred Noteholders.

*These Conditions may be amended, modified or varied in relation to any Series of Senior Non-Preferred Notes by the terms of the applicable Final Terms in relation to such Series.*

- (b) **Modification of Agency Agreement:** Subject at all times to Condition 5(h) (*Statutory Loss Absorption or Recapitalisation of Senior Non-Preferred Notes*), the Agent and the Issuer may agree, without the consent of the Senior Non-Preferred Noteholders or Couponholders, to:

- (i) any modification (except as mentioned above) of the Agency Agreement which, in the opinion of the Issuer, is not materially prejudicial to the interests of the Senior Non-Preferred Noteholders; or
- (ii) any modification of the Senior Non-Preferred Notes, the Coupons or the Agency Agreement which is of a formal, minor or technical nature or is made to correct a manifest or proven error or to comply with mandatory provisions of the law of the jurisdiction in which the Issuer is incorporated; or
- (iii) in accordance with Condition 5(e) (*Redemption, substitution and variation of Senior Non-Preferred Notes due to MREL Disqualification Event*), substitution of the Senior Non-Preferred Notes or variation of the terms of the Senior Non-Preferred Notes in order to ensure that such substituted or varied Senior Non-Preferred Notes continue to qualify as MREL Eligible Liabilities under the Applicable MREL Regulations or such other regulatory capital rules applicable to the Issuer at the relevant time.

Any such modification shall be binding on the Senior Non-Preferred Noteholders and the Couponholders and any such modification shall be notified to the Senior Non-Preferred Noteholders in accordance with Condition 14 as soon as practicable thereafter.

Any amendment to Condition 5(h) (*Statutory loss absorption or Recapitalisation of Senior Non-Preferred Notes*) or which otherwise impacts upon the eligibility of the Senior Non-Preferred Notes for eligibility as MREL Eligible Liabilities is subject to the prior written permission of the Competent Authority and/or the relevant Resolution Authority (**provided that**, at the relevant time, such permission is required to be given).

## 11. Substitution

- (a) If this Condition 11 is specified in the applicable Final Terms to be applicable, the Issuer may, and the Senior Non-Preferred Noteholders hereby irrevocably agree in advance that the Issuer may, without any further consent of the Senior Non-Preferred Noteholders or Couponholders being required, when no payment of principal of or interest on any of the Senior Non-Preferred Notes is in default and after written approval of the Competent Authority, be replaced and substituted by any directly or indirectly wholly-owned subsidiary of the Issuer (the “Substituted Debtor”) as principal debtor in respect of the Senior Non-Preferred Notes and the relative Coupons, provided that:
  - (i) such documents shall be executed by the Substituted Debtor and the Issuer as may be necessary to give full effect to the substitution (together the “Documents”) and (without limiting the generality of the foregoing) pursuant to which the Substituted Debtor shall undertake in favour of each Senior Non-Preferred Noteholder and Couponholder to be bound by the Conditions and the provisions of the Agency Agreement as fully as if the Substituted Debtor had been named in the Senior Non-Preferred Notes, and the relative Coupons, the Agency Agreement as the principal debtor in respect of the Senior Non-Preferred Notes and the relative Coupons in place of the Issuer and pursuant to which the Issuer shall guarantee, which guarantee shall be unconditional and irrevocable, (the “Guarantee”) in favour of each Senior Non-Preferred Noteholder and each holder of the relative Coupons the payment of all sums payable in respect of the Senior Non-Preferred Notes and the relative Coupons;

- (ii) the Documents shall contain a covenant by the Substituted Debtor and the Issuer to indemnify and hold harmless each Senior Non-Preferred Noteholder and Couponholder against all liabilities, costs, charges and expenses (provided that, insofar as the liabilities, costs, charges and expenses are taxes or duties, the same arise by reason of a law or regulation having legal effect or being in reasonable contemplation thereof on the date such substitution becomes effective) which may be incurred by or levied against such holder as a result of any substitution pursuant to this Condition and which would not have been so incurred or levied had such substitution not been made (and, without limiting the foregoing, such liabilities, costs, charges and expenses shall include any and all taxes or duties which are imposed on any such Senior Non-Preferred Noteholder or Couponholder by any political subdivision or taxing authority of any country in which such Senior Non-Preferred Noteholder or Couponholder resides or is subject to any such tax or duty and which would not have been so imposed had such substitution not been made);
- (iii) the Documents shall contain a warranty and representation by the Substituted Debtor and the Issuer (a) that each of the Substituted Debtor and the Issuer has obtained all necessary governmental and regulatory approvals and consents for such substitution and the performance of its obligations under the Documents, and that all such approvals and consents are in full force and effect and (b) that the obligations assumed by each of the Substituted Debtor and the Issuer under the Documents are all valid and binding in accordance with their respective terms and enforceable by each Senior Non-Preferred Noteholder;
- (iv) each stock exchange which has Senior Non-Preferred Notes listed thereon shall have confirmed that, following the proposed substitution of the Substituted Debtor, such Senior Non-Preferred Notes would continue to be listed on such stock exchange;
- (v) the Substituted Debtor shall have delivered to the Fiscal Agent or procured the delivery to the Fiscal Agent of a legal opinion from a leading firm of local lawyers acting for the Substituted Debtor to the effect that the Documents constitute legal, valid and binding obligations of the Substituted Debtor, such opinion to be dated not more than three days prior to the date of substitution of the Substituted Debtor for the Issuer and to be available for inspection by Senior Non-Preferred Noteholders and Couponholders at the specified office of the Fiscal Agent;
- (vi) the Issuer shall have delivered to the Fiscal Agent or procured the delivery to the Fiscal Agent of a legal opinion from the internal legal adviser to the Issuer to the effect that the Documents (including the Guarantee) constitute legal, valid and binding obligations of the Issuer, such opinion to be dated not more than three days prior to the date of substitution of the Substituted Debtor for the Issuer and to be available for inspection by Senior Non-Preferred Noteholders and Couponholders at the specified office of the Fiscal Agent; and
- (vii) the Issuer shall have delivered to the Fiscal Agent or procured the delivery to the Fiscal Agent of a legal opinion from a leading firm of Dutch lawyers to the effect that the Documents (including the Guarantee) constitute legal, valid and binding obligations of the Substituted Debtor and the Issuer under Dutch law, such opinion to be dated not more than three days prior to the date of substitution of the Substituted Debtor for the Issuer

and to be available for inspection by Senior Non-Preferred Noteholders and Couponholders at the specified office of the Fiscal Agent.

- (b) In connection with any substitution effected pursuant to this Condition, neither the Issuer nor the Substituted Debtor need have any regard to the consequences of any such substitution for individual Senior Non-Preferred Noteholders or Couponholders resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory and no Senior Non-Preferred Noteholder or Couponholder, except as provided in Condition 11(a)(ii), shall be entitled to claim from the Issuer or any Substituted Debtor under the Senior Non-Preferred Notes and the relative Coupons any indemnification or payment in respect of any tax or other consequences arising from such substitution.
- (c) In respect of any substitution pursuant to this Condition 11 in respect of the Senior Non-Preferred Notes of any Series, the Documents shall provide for such further amendment of the Terms and Conditions of the Senior Non-Preferred Notes as shall be necessary or desirable to ensure that the Senior Non-Preferred Notes of such Series constitute Senior Non-Preferred obligations of the Substituted Debtor and that the Guarantee constitutes a Senior Non-Preferred obligation of the Issuer, in each case subordinated to no greater than the same extent as the Issuer's obligations prior to its substitution to make payments of principal in respect of the Senior Non-Preferred Notes of such Series under Condition 3 (*Status*).
- (d) With respect to Senior Non-Preferred Notes, the Issuer shall be entitled, after written approval of the Competent Authority, and by notice to the Senior Non-Preferred Noteholders given in accordance with Condition 14 (*Notices*), at any time either to effect a substitution which does not comply with Condition 11(c) above provided that the terms of such substitution have been approved by 75% of the Senior Non-Preferred Noteholders or to waive all and any rights to effect a substitution of the principal debtor pursuant to this Condition. Any such notice of waiver shall be irrevocable.
- (e) The Issuer shall be entitled, by notice to the Senior Non-Preferred Noteholders given in accordance with Condition 14, at any time to effect a substitution which does not comply with this Condition 11, provided that the terms of such substitution have been approved by an Extraordinary Resolution or to waive all and any rights to effect a substitution of the principal debtor pursuant to this Condition 11. Any such notice of waiver shall be irrevocable.
- (f) Upon the execution of the Documents as referred to in paragraph (a) above, and subject to the notification as referred to in paragraph (h) below having been given, the Substituted Debtor shall be deemed to be named in the Senior Non-Preferred Notes and the relative Coupons as the principal debtor in place of the Issuer and the Senior Non-Preferred Notes and the relative Coupons shall thereupon be deemed to be amended to give effect to the substitution. The execution of the Documents shall operate to release the Issuer as issuer from all of its obligations as principal debtor in respect of the Senior Non-Preferred Notes and the relative Coupons, save that any claims under the Senior Non-Preferred Notes and the relative Coupons prior to release shall ensure for the benefit of Senior Non-Preferred Noteholders and Couponholders.
- (g) The Documents shall be deposited with and held by the Fiscal Agent for so long as any Senior Non-Preferred Notes or Coupons remain outstanding and for so long as any claim made against the Substituted Debtor by any Senior Non-Preferred Noteholder or Couponholder in relation to the Senior Non-Preferred Notes or the relative Coupons or the Documents shall not have been finally

adjudicated, settled or discharged. The Substituted Debtor and the Issuer shall acknowledge in the Documents the right of every Senior Non-Preferred Noteholder and Couponholder to the production of the Documents for the enforcement of any of the Senior Non-Preferred Notes or the relative Coupons or the Documents.

- (h) Not later than 15 business days after the execution of the Documents, the Substituted Debtor shall give notice thereof to the Senior Non-Preferred Noteholders in accordance with Condition 14.

## **12. Replacement of Senior Non-Preferred Notes, Certificates, Receipts, Coupons and Talons**

If a Senior Non-Preferred Note, Certificate, Receipt, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations and stock exchange or other relevant authority regulations, at the specified office of the Fiscal Agent (in the case of Bearer Senior Non-Preferred Notes, Receipts, Coupons or Talons) and of the Registrar (in the case of Certificates) or such other Paying Agent or Transfer Agent, as the case may be, as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Senior Non-Preferred Noteholders, in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, *inter alia*, that, if the allegedly lost, stolen or destroyed Senior Non-Preferred Note, Certificate, Receipt, Coupon or Talon is subsequently presented for payment or, as the case may be, for exchange for further Coupons, there shall be paid to the Issuer on demand the amount payable by the Issuer in respect of such Senior Non-Preferred Notes, Certificates, Receipts, Coupons or further Coupons) and otherwise as the Issuer may require. Mutilated or defaced Senior Non-Preferred Notes, Certificates, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

## **13. Further Issues**

The Issuer may from time to time without the consent of the Senior Non-Preferred Noteholders or Couponholders create and issue further Senior Non-Preferred Notes having the same terms and conditions as the Senior Non-Preferred Notes (so that, for the avoidance of doubt, references in these Conditions to “Issue Date” shall be to the first issue date of the Senior Non-Preferred Notes) and so that the same shall be consolidated and form a single series with such Senior Non-Preferred Notes, and references in these Conditions to “Senior Non-Preferred Notes” shall be construed accordingly.

## **14. Notices**

Notices to the holders of Registered Senior Non-Preferred Notes shall be mailed to them at their respective addresses in the Register and deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the date of mailing. Notices to the holders of Bearer Senior Non-Preferred Notes shall be valid if published in a daily newspaper of general circulation in The Netherlands (which is expected to be *Het Financieele Dagblad*). So long as the Senior Non-Preferred Notes are listed on any stock exchange, notices to holders of the Senior Non-Preferred Notes shall also be made as required under the rules of such stock exchange. If any such publication is not practicable, notice shall be validly given if published in another leading daily English language newspaper with general circulation in Europe. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the date of the first publication as provided above.

Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the holders of Bearer Senior Non-Preferred Notes in accordance with this Condition 14.



## 15. Currency Indemnity

Any amount received or recovered in a currency other than the currency in which payment under the relevant Senior Non-Preferred Note, Coupon or Receipt is due (whether as a result of, or of the enforcement of, a judgment or order of a court of any jurisdiction, in the insolvency, winding-up or dissolution of the Issuer or otherwise) by any Senior Non-Preferred Noteholder or Couponholder in respect of any sum expressed to be due to it from the Issuer shall only constitute a discharge to the Issuer to the extent of the amount in the currency of payment under the relevant Senior Non-Preferred Note, Coupon or Receipt that the recipient is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so). If the amount received or recovered is less than the amount expressed to be due to the recipient under any Senior Non-Preferred Note, Coupon or Receipt, the Issuer. In any event, the Issuer shall indemnify the recipient against the cost of making any such purchase. For the purposes of this Condition 15, it shall be sufficient for the Senior Non-Preferred Noteholder or Couponholder, as the case may be, to demonstrate that it would have suffered a loss had an actual purchase been made. These indemnities constitute a separate and independent obligation from the Issuer's other obligations, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by any Senior Non-Preferred Noteholder or Couponholder and shall continue in full force and effect despite any other judgment, order, claim or proof for a liquidated amount in respect of any sum due under any Senior Non-Preferred Note, Coupon or Receipt or any other judgment or order.

## 16. Governing Law and Jurisdiction

- (a) **Governing Law:** The Agency Agreement, the Senior Non-Preferred Notes, the Receipts, the Coupons, and the Talons, and any non-contractual obligations arising out of or in connection with them, are governed by, and shall be construed in accordance with, the laws of The Netherlands.
- (b) **Jurisdiction:** The courts of Amsterdam, the Netherlands are to have jurisdiction to settle any disputes that may arise out of or in connection with the Agency Agreement, any Senior Non-Preferred Notes, Receipts, Coupons or Talons and, accordingly, any legal action or proceedings arising out of or in connection with the Agency Agreement, any Senior Non-Preferred Notes, Receipts, Coupons or Talons may be brought in such courts.

## TERMS AND CONDITIONS OF THE SUBORDINATED NOTES

*The following is the text of the terms and conditions that, subject to completion and amendment and as supplemented or varied in accordance with the provisions of Part A of the applicable Final Terms, shall be applicable to the Subordinated Notes in definitive form (if any) issued in exchange for the Global Note(s) representing each Series. Either (i) the full text of these terms and conditions together with the relevant provisions of Part A of the Final Terms or (ii) these terms and conditions as so completed, amended, supplemented or varied (and subject to simplification by the deletion of non-applicable provisions), shall be endorsed on such Bearer Subordinated Notes or on the Certificates relating to such Registered Subordinated Notes. All capitalised terms that are not defined in these Conditions will have the meanings given to them in Part A of the applicable Final Terms. Those definitions will be endorsed on the definitive Subordinated Notes or Certificates, as the case may be. References in the Conditions to “Subordinated Notes” are to the Subordinated Notes of one Series only, not to all Subordinated Notes that may be issued under the Programme.*

The Subordinated Notes are issued pursuant to an Amended and Restated Agency Agreement (as amended or supplemented as at the Issue Date, the “Agency Agreement”) dated 15 October 2020 between the Issuer, ABN AMRO Bank N.V. as fiscal agent and the other agents named in it. The fiscal agent, the paying agents, the registrar, the transfer agents and the calculation agent(s) for the time being (if any) are referred to below, respectively, as the “Fiscal Agent”, the “Paying Agents” (which expression shall include the Fiscal Agent), the “Registrar”, the “Transfer Agents” and the “Calculation Agent(s)”. The Subordinated Noteholders (as defined below), the holders of the interest coupons (the “Coupons”) relating to interest bearing Subordinated Notes in bearer form and, where applicable in the case of such Subordinated Notes, talons for further Coupons (the “Talons”) (the “Couponholders”) and the holders of the receipts for the payment of instalments of principal (the “Receipts”) relating to Subordinated Notes in bearer form of which the principal is payable in instalments are deemed to have notice of all of the provisions of the Agency Agreement applicable to them.

As used in these terms and conditions (the “Conditions”), “Tranche” means Subordinated Notes which are identical in all respects. For the purposes of the Conditions, references to the European Economic Area include the United Kingdom.

Copies of the Agency Agreement are available for inspection at the specified offices of each of the Paying Agents, the Registrar and the Transfer Agents.

### **1. Form, Denomination and Title**

The Subordinated Notes are issued in bearer form (“Bearer Subordinated Notes”) or in registered form (“Registered Subordinated Notes”), in each case in the Specified Denomination(s) shown hereon. The minimum denomination shall be EUR 100,000 (or its equivalent in any other currency as at the date of issue of the relevant Subordinated Notes).

This Subordinated Note is a Fixed Rate Subordinated Note, a Fixed Rate Reset Subordinated Note, a Floating Rate Subordinated Note, an Instalment Subordinated Note or a combination of any of the foregoing, depending upon the Interest and Redemption/Payment Basis shown hereon.

Bearer Subordinated Notes are serially numbered and are issued with Coupons (and, where appropriate, a Talon) attached. Instalment Subordinated Notes are issued with one or more Receipts attached.

Registered Subordinated Notes are represented by registered certificates (“Certificates”), each Certificate shall represent the entire holding of Registered Subordinated Notes by the same holder.

Title to the Bearer Subordinated Notes and the Receipts, Coupons and Talons shall pass by delivery. Title to the Registered Subordinated Notes shall pass by registration in the register that the Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement (the “Register”). Except as ordered by a court of competent jurisdiction or as required by law, the holder (as defined below) of any Subordinated Note, Receipt, Coupon or Talon shall be deemed to be and may be treated as its absolute owner for all purposes, whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it, any writing on it (or on the Certificate representing it) or its theft or loss (or that of the related Certificate), and no person shall be liable for so treating the holder.

In these Conditions, “Subordinated Noteholder” means the bearer of any Bearer Subordinated Note and the Receipts relating to it or the person in whose name a Registered Subordinated Note is registered (as the case may be), “holder” (in relation to a Subordinated Note, Receipt, Coupon or Talon) means the bearer of any Bearer Subordinated Note, Receipt, Coupon or Talon or the person in whose name a Registered Subordinated Note is registered (as the case may be) and capitalised terms have the meanings given to them hereon, the absence of any such meaning indicating that such term is not applicable to the Subordinated Notes.

## 2. **No Exchange of Subordinated Notes and Transfers of Registered Subordinated Notes**

- (a) **No Exchange of Subordinated Notes:** Registered Subordinated Notes may not be exchanged for Bearer Subordinated Notes. Bearer Subordinated Notes of one Specified Denomination may not be exchanged for Bearer Subordinated Notes of another Specified Denomination. Bearer Subordinated Notes may not be exchanged for Registered Subordinated Notes.
- (b) **Transfer of Registered Subordinated Notes:** One or more Registered Subordinated Notes may be transferred upon the surrender (at the specified office of the Registrar or any Transfer Agent) of the Certificate representing such Registered Subordinated Notes to be transferred, together with the form of transfer endorsed on such Certificate (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Issuer), duly completed and executed and any other evidence as the Registrar or Transfer Agent may reasonably require. In the case of a transfer of part only of a holding of Registered Subordinated Notes represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor. All transfers of Subordinated Notes and entries on the Register will be made subject to the detailed regulations concerning transfers of Subordinated Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer, with the prior written approval of the Registrar and the Subordinated Noteholders. A copy of the current regulations will be made available by the Registrar to any Subordinated Noteholder upon request.
- (c) **Exercise of Options or Partial Redemption in Respect of Registered Subordinated Notes:** In the case of an exercise of an Issuer’s option in respect of, or a partial redemption of, a holding of Registered Subordinated Notes represented by a single Certificate, a new Certificate shall be issued to the holder to reflect the exercise of such option or in respect of the balance of the holding not redeemed. In the case of a partial exercise of an option resulting in Registered Subordinated Notes of the same holding having different terms, separate Certificates shall be issued in respect of those Subordinated Notes of that holding that have the same terms. New Certificates shall only be issued against surrender of the existing Certificates to the Registrar or any Transfer Agent. In the case of a transfer of Registered Subordinated Notes to a person who is already a holder of Registered

Subordinated Notes, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding.

- (d) **Delivery of New Certificates:** Each new Certificate to be issued pursuant to Conditions 2(b) or 2(c) shall be available for delivery within three business days of receipt of the form of transfer and surrender of the Certificate for exchange. Delivery of the new Certificate(s) shall be made at the specified office of the Transfer Agent or of the Registrar (as the case may be) to whom delivery or surrender of such form of transfer or Certificate shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the form of transfer or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Certificate to such address as may be so specified, unless such holder requests otherwise and pays in advance to the relevant Agent (as defined in the Agency Agreement) the costs of such other method of delivery and/or such insurance as it may specify. In this Condition 2(d), “business day” means a day, other than a Saturday or Sunday, on which banks are open for business in the place of the specified office of the relevant Transfer Agent or the Registrar (as the case may be).
- (e) **Transfer Free of Charge:** Transfers of Subordinated Notes and Certificates on registration, transfer, partial redemption or exercise of an option shall be effected without charge by or on behalf of the Issuer, the Registrar or the Transfer Agents, but upon payment of any tax or other governmental charges that may be imposed in relation to it (or the giving of such indemnity as the Registrar or the relevant Transfer Agent may require).
- (f) **Closed Periods:** No Subordinated Noteholder may require the transfer of a Registered Subordinated Note to be registered (i) during the period of 15 days ending on the due date for redemption of, or payment of any Instalment Amount in respect of, that Subordinated Note, (ii) during the period of 15 days before any date on which Subordinated Notes may be called for redemption by the Issuer at its option pursuant to Condition 5(c), (iii) after any such Subordinated Note has been called for redemption or (iv) during the period of seven days ending on (and including) any Record Date.

### 3. Status

- (a) **Status and Ranking:** The Subordinated Notes constitute unsecured and subordinated obligations of the Issuer and rank *pari passu* without any preference among themselves and with all other present and future unsecured and subordinated obligations of the Issuer (other than those subordinated obligations expressed by their terms to rank junior to the Subordinated Notes), save for those preferred by mandatory and/or overriding provisions of law.

The claims of the holders of the Subordinated Notes of this Series against the Issuer are, in the event of the liquidation or bankruptcy of the Issuer, subordinated to (a) the claims of depositors (other than in respect of those whose deposits are expressed by their terms to rank equally to or lower than the Subordinated Notes), (b) unsubordinated claims with respect to the repayment of borrowed money (including those unsecured and unsubordinated obligations having a lower ranking in reliance on article 212rb of the Dutch Bankruptcy Act (*Faillissementswet*) (or any other provision implementing article 108 of Directive 2014/59/EU, as amended by Directive (EU) 2017/2399, in The Netherlands)) and (c) other unsubordinated claims.

In the case resolution proceedings are commenced in respect of the Issuer, the aforementioned ranking in the event of bankruptcy will in principle be followed, in a reverse order, subject to

certain exceptions, in the event the bail-in tool is applied by the Resolution Authority under the applicable banking regulations.

By virtue of such subordination, payments to a Subordinated Noteholder will, in the event of liquidation or bankruptcy of the Issuer, only be made after all obligations of the Issuer resulting from higher ranking deposits, unsubordinated claims with respect to the repayment of borrowed money and other unsubordinated claims have been satisfied.

- (b) **No set-off:** No Subordinated Noteholder may exercise or claim any right of set-off in respect of any amount owed to it by the Issuer arising under or in connection with the Subordinated Notes.

#### 4. Interest and other Calculations

- (a) **Interest on Fixed Rate Subordinated Notes:** Each Fixed Rate Subordinated Note bears interest on its outstanding nominal amount from and including the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date, subject in any case as provided in Condition 5(h) (*Statutory Loss Absorption or Recapitalisation of Subordinated Notes*). The amount of interest payable shall be determined in accordance with Condition 4(g).

- (b) **Interest of Fixed Rate Reset Subordinated Notes:** Each Fixed Rate Reset Subordinated Note bears interest on its outstanding nominal amount:

- (A) from and including the Interest Commencement Date to but excluding the First Reset Date at the rate per annum (expressed as a percentage) equal to the Initial Rate of Interest as specified hereon;
- (B) from and including the First Reset Date to but excluding the Second Reset Date or, if none, the Maturity Date (the “First Reset Period”) at the rate per annum equal to the First Reset Rate; and
- (C) if applicable, from and including the Second Reset Date to but excluding the first Subsequent Reset Date (if any), and each successive period from and including any Subsequent Reset Date to but excluding the next succeeding Subsequent Reset Date (if any) or, if none, the Maturity Date (each a “Subsequent Reset Period”) at the rate per annum equal to the relevant Subsequent Reset Rate,

(in each case rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards), such interest being payable in arrear on each Interest Payment Date.

The amount of interest payable shall be determined in accordance with Condition 4(g).

The provisions of Condition 4(c)(iii)(D) relating to Replacement Reference Rate Determination for Discontinued Reference Rate apply *mutatis mutandis* to Fixed Rate Reset Subordinated Notes.

- (c) **Interest on Floating Rate Subordinated Notes:**

- (i) **Interest Payment Dates:** Each Floating Rate Subordinated Note bears interest on its outstanding nominal amount from and including the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 4(g). Such Interest Payment Date(s) is/are either shown hereon as Specified Interest Payment Dates or, if no Specified Interest Payment Date(s) is/are shown hereon, Interest Payment Date shall mean each date which

falls the number of months or other period shown hereon as the Interest Period after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date, subject in any case as provided in Condition 5(h) (*Statutory Loss Absorption or Recapitalisation of Subordinated Notes*).

- (ii) *Business Day Convention*: If any date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then, if the Business Day Convention specified is (A) the Floating Rate Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event (x) such date shall be brought forward to the immediately preceding Business Day and (y) each subsequent such date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment, (B) the Following Business Day Convention, such date shall be postponed to the next day that is a Business Day, (C) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day or (D) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day.
- (iii) *Rate of Interest for Floating Rate Subordinated Notes*: The Rate of Interest in respect of Floating Rate Subordinated Notes for each Interest Accrual Period shall be determined in the manner specified hereon and the provisions below relating to either ISDA Determination or Screen Rate Determination shall apply, depending upon which is specified hereon.

(A) ISDA Determination for Floating Rate Subordinated Notes

Where ISDA Determination is specified hereon as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be determined by the Calculation Agent as a rate equal to the relevant ISDA Rate. For the purposes of this sub-paragraph (A), “ISDA Rate” for an Interest Accrual Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under a Swap Transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- (x) the Floating Rate Option is as specified hereon;
- (y) the Designated Maturity is a period specified hereon; and
- (z) the relevant Reset Date is the first day of that Interest Accrual Period unless otherwise specified hereon.

For the purposes of this sub-paragraph (A), “Floating Rate”, “Calculation Agent”, “Floating Rate Option”, “Designated Maturity”, “Reset Date” and “Swap Transaction” have the meanings given to those terms in the ISDA Definitions.

(B) Screen Rate Determination for Floating Rate Subordinated Notes

(x) Where Screen Rate Determination is specified hereon as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period will, subject as provided below, be either:

- (1) the offered quotation; or
- (2) the arithmetic mean of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at either 11.00 a.m. (London time in the case of LIBOR or Brussels time in the case of EURIBOR) on the Interest Determination Date in question as determined by the Calculation Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean of such offered quotations.

If the Reference Rate from time to time in respect of Floating Rate Subordinated Notes is specified hereon as being other than LIBOR or EURIBOR, the Rate of Interest in respect of such Subordinated Notes will be determined as provided hereon.

(y) if the Relevant Screen Page is not available, or if sub-paragraph (x)(1) applies and no such offered quotation appears on the Relevant Screen Page, or if sub-paragraph (x)(2) applies and fewer than three such offered quotations appear on the Relevant Screen Page, in each case as at the time specified above, subject as provided below, the Calculation Agent shall request, if the Reference Rate is LIBOR, the principal London office of each of the Reference Banks or, if the Reference Rate is EURIBOR, the principal Euro-zone office of each of the Reference Banks to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time), or, if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time) on the Interest Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Rate of Interest for such Interest Accrual Period shall be the arithmetic mean of such offered quotations as determined by the Calculation Agent.; and

(z) if paragraph (y) above applies and the Calculation Agent determines that fewer than two Reference Banks are providing offered quotations, subject as provided below, the Rate of Interest shall be the arithmetic mean of the rates per annum (expressed as a percentage) as communicated to (and at the request of) the Calculation Agent by the Reference Banks or any two or more of them, at which such banks were

offered, if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time) or, if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time) on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in, if the Reference Rate is LIBOR, the London inter-bank market or, if the Reference Rate is EURIBOR, the Euro-zone inter-bank market, as the case may be, or, if fewer than two of the Reference Banks provide the Calculation Agent with such offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time) or, if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time), on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Issuer suitable for such purpose) informs the Calculation Agent it is quoting to leading banks in, if the Reference Rate is LIBOR, the London inter-bank market or, if the Reference Rate is EURIBOR, the Euro-zone inter-bank market, as the case may be, provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum or Minimum Rate of Interest is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin or Maximum or Minimum Rate of Interest relating to the relevant Interest Accrual Period, in place of the Margin or Maximum or Minimum Rate of Interest relating to that last preceding Interest Accrual Period).

(C) Linear Interpolation

Where Linear Interpolation is specified hereon as applicable in respect of an Interest Accrual Period, the Rate of Interest for such Interest Accrual Period shall be calculated by the Calculation Agent by straight line linear interpolation by reference to two rates based on the relevant Reference Rate (where Screen Rate Determination is specified hereon as applicable) or the relevant Floating Rate Option (where ISDA Determination is specified hereon as applicable), one of which shall be determined as if the Applicable Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Accrual Period and the other of which shall be determined as if the Applicable Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Accrual Period, provided, however, that if there is no rate available for the period of time next shorter or, as the case may be, next longer, then the Calculation Agent shall determine such rate at such time and by reference to such sources as it determines appropriate.



“Applicable Maturity” means: (a) in relation to Screen Rate Determination, the period of time designated in the Reference Rate, and (b) in relation to ISDA Determination, the Designated Maturity.

(D) Replacement Reference Rate Determination for Discontinued Reference Rate

Notwithstanding the provisions above in this Condition 4(c), if the Issuer determines at any time prior to, on or following any Interest Determination Date, discontinued a Benchmark Event has occurred, the Issuer will, as soon as reasonably practicable (and in any event prior to the next relevant Interest Determination Date), appoint an agent ("Rate Determination Agent"), which will determine in its sole discretion, acting in good faith and in a commercially reasonable manner, whether a substitute or successor rate for purposes of determining the relevant Reference Rate on each Interest Determination Date falling on such date or thereafter that is substantially comparable to the Reference Rate is available or a successor rate that has been recommended or selected by the monetary authority or similar authority (or working group thereof) in the jurisdiction of the applicable currency. If the Rate Determination Agent determines that there is an industry-accepted successor rate, the Rate Determination Agent will use such successor rate to determine the relevant Reference Rate. If the Rate Determination Agent has determined a substitute or successor rate in accordance with the foregoing (such rate, the "Replacement Reference Rate") for purposes of determining the Reference Rate on the relevant Interest Determination Date falling on or after such determination, (A) the Rate Determination Agent will also determine changes (if any) to the business day convention, the definition of business day, the interest determination date, the day count fraction and any method for calculating the Replacement Reference Rate, including any adjustment factor needed to make such Replacement Reference Rate comparable to the relevant Reference Rate, in each case in a manner that is consistent with industry-accepted practices for such Replacement Reference Rate; (B) references to the Reference Rate in these Conditions applicable to the relevant Floating Rate Subordinated Note will be deemed to be references to the relevant Replacement Reference Rate, including any alternative method for determining such rate as described in (A) above; (C) the Rate Determination Agent will notify the Issuer of the foregoing as soon as reasonably practicable; and (D) the Issuer will give notice as soon as reasonably practicable to the Subordinated Noteholders (in accordance with Condition 15 (Notices)) and the Principal Paying Agent specifying the Replacement Reference Rate, as well as the details described in (A) above.

The determination of the Replacement Reference Rate and the other matters referred to above by the Rate Determination Agent will (in the absence of manifest error) be final and binding on the Issuer and the Principal Paying Agent, and will apply to the relevant Subordinated Notes without any requirement that the Issuer obtains consent of any Subordinated Noteholders. If the Rate Determination Agent is unable to or otherwise does not determine a substitute Replacement Reference Rate, then the Reference Rate will be equal to the

Reference Rate last determined in relation to the Subordinated Notes in respect of a preceding Interest Accrual Period.

For the avoidance of doubt, each Subordinated Noteholder shall be deemed to have accepted the Replacement Reference Rate or such other changes pursuant to this Condition 4(c)(iii)(D).

The Rate Determination Agent will be (A) a major bank or broker-dealer in a principal financial center of the European Union or the United Kingdom as appointed by the Issuer; or (B), if it is not reasonably practicable to appoint a party as referred to under (A), the Issuer.

Notwithstanding any other provision of this Condition 4(c)(iii)(D), no Replacement Reference Rate will be adopted, and no other amendments to the terms of the Subordinated Notes will be made pursuant to this Condition 4(c)(iii)(D), if and to the extent that, in the determination of the Issuer, the same could reasonably be expected to:

- (i) impact upon the eligibility of the Subordinated Notes for eligibility as Tier 2 Notes; and/or
- (ii) result in the Competent Authority considering such adoption and/or amendment(s) as a new issuance of the Subordinated Notes.

Any amendment to the Conditions pursuant to this Condition 4(c) is subject to the prior written permission of the Competent Authority and/or the relevant Resolution Authority (**provided that**, at the relevant time, such permission is required to be given).

- (d) **Accrual of Interest:** Interest shall cease to accrue on each Subordinated Note on the due date for redemption unless, upon due presentation, payment is improperly withheld or refused, in which event interest shall continue to accrue (both before and after judgment) at the Rate of Interest in the manner provided in this Condition 4 and, if applicable, Condition 5(b) to the Relevant Date (as defined in Condition 8).
- (e) **Margin, Maximum/Minimum Rates of Interest, Instalment Amounts and Redemption Amounts and Rounding:**
  - (i) If any Margin is specified hereon (either (x) generally, or (y) in relation to one or more Interest Accrual Periods), an adjustment shall be made to all Rates of Interest, in the case of (x), or the Rates of Interest for the specified Interest Accrual Periods, in the case of (y), calculated in accordance with Condition 4(c) above by adding (if a positive number) or subtracting the absolute value (if a negative number) of such Margin, subject always to the next paragraph, Condition 4(f)(ii).
  - (ii) If any Maximum or Minimum Rate of Interest, Instalment Amount or Redemption Amount is specified hereon, then any Rate of Interest, Instalment Amount or Redemption Amount shall be subject to such maximum or minimum, as the case may be.

- (iii) For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (x) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 of a percentage point being rounded up), (y) all figures shall be rounded to seven significant figures (provided that, if the eighth significant figure is a 5 or greater, the seventh significant shall be rounded up) and (z) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with half a unit being rounded up), save in the case of yen, which shall be rounded down to the nearest yen. For these purposes, “unit” means the lowest amount of such currency that is available as legal tender in the country of such currency.
- (f) **Calculations:** The amount of interest payable per Calculation Amount in respect of any Subordinated Note for any Interest Accrual Period shall be equal to the product of the Rate of Interest, the Calculation Amount specified hereon, and the Day Count Fraction for such Interest Accrual Period, unless an Interest Amount (or a formula for its calculation) is applicable to such Interest Accrual Period, in which case the amount of interest payable per Calculation Amount in respect of such Subordinated Note for such Interest Accrual Period shall equal such Interest Amount (or be calculated in accordance with such formula). Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable per Calculation Amount in respect of such Interest Period shall be the sum of the Interest Amounts payable in respect of each of those Interest Accrual Periods. In respect of any other period for which interest is required to be calculated, the provisions above shall apply save that the Day Count Fraction shall be for the period for which interest is required to be calculated.
- (g) **Determination and Publication of Rates of Interest, Interest Amounts, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts and Instalment Amounts:** The Calculation Agent shall, as soon as practicable on such date as the Calculation Agent may be required to calculate any rate or amount, obtain any quotation or make any determination or calculation, determine such rate and calculate the Interest Amounts for the relevant Interest Accrual Period, calculate the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or Instalment Amount, obtain such quotation or make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amounts for each Interest Accrual Period and the relevant Interest Payment Date and, if required to be calculated, the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or any Instalment Amount to be notified to the Fiscal Agent, the Issuer, each of the Paying Agents, the Subordinated Noteholders, any other Calculation Agent appointed in respect of the Subordinated Notes that is to make a further calculation upon receipt of such information and, if the Subordinated Notes are listed on a stock exchange and the rules of such exchange or other relevant authority so require, such exchange or other relevant authority as soon as possible after their determination but in no event later than (i) the commencement of the relevant Interest Period, if determined prior to such time, in the case of notification to such exchange of a Rate of Interest and Interest Amount, or (ii) in all other cases, the fourth Business Day after such determination. Where any Interest Payment Date or Interest Period Date is subject to adjustment pursuant to Condition 4(c)(ii), the Interest Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. If the Subordinated Notes become due and payable under Condition 10, the accrued interest and the Rate of Interest payable in respect of the Subordinated Notes shall nevertheless continue to be calculated as

previously in accordance with this Condition but no publication of the Rate of Interest or the Interest Amount so calculated need be made. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent(s) shall (in the absence of manifest error) be final and binding upon all parties.

- (h) **Definitions:** In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

“Benchmark Event” means:

1. the Original Reference Rate ceasing to be published for a period of at least 5 Business Days or ceasing to exist; or
2. a public statement by the administrator of the Original Reference Rate that it will, by a specified date within the following six months, cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate); or
3. a public statement by the supervisor of the administrator of the Original Reference Rate, that the Original Reference Rate has been or will, by a specified date within the following six months, be permanently or indefinitely discontinued; or
4. a public statement by the supervisor of the administrator of the Original Reference Rate as a consequence of which the Original Reference Rate will be prohibited from being used either generally, or in respect of the Subordinated Notes, in each case within the following six months; or
5. it has become unlawful for any Calculation Agent or the Issuer to calculate any payments due to be made to any Subordinated Noteholder using the Original Reference Rate.

“Business Day” means:

1. in the case of a currency other than euro, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the principal financial centre for such currency; and/or
2. in the case of euro, a day on which the TARGET System is operating (a “TARGET Business Day”); and/or
3. in the case of a currency and/or one or more Business Centres, a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in such currency in the Business Centre(s) or, if no currency is indicated, generally in each of the Business Centres.

“Day Count Fraction” means, in respect of the calculation of an amount of interest on any Subordinated Note for any period of time (from and including the first day of such period to but excluding the last) (whether or not constituting an Interest Period or an Interest Accrual Period, the “Calculation Period”):

1. if “Actual/Actual” or “Actual/Actual - ISDA” is specified hereon, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
2. if “Actual/365 (Fixed)” is specified hereon, the actual number of days in the Calculation Period divided by 365;
3. if “Actual/365 (Sterling)” is specified hereon, the actual number of days in the Calculation Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;
4. if “Actual/360” is specified hereon, the actual number of days in the Calculation Period divided by 360;
5. if “30/360”, “360/360” or “Bond Basis” is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“Y<sub>1</sub>” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“Y<sub>2</sub>” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“M<sub>1</sub>” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“M<sub>2</sub>” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“D<sub>1</sub>” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and

“D<sub>2</sub>” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D<sub>1</sub> is greater than 29, in which case D<sub>2</sub> will be 30.

6. if “30E/360” or “Eurobond Basis” is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“Y<sub>1</sub>” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“Y<sub>2</sub>” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“M<sub>1</sub>” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“M<sub>2</sub>” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“D<sub>1</sub>” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and

“D<sub>2</sub>” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D<sub>2</sub> will be 30.

7. if “30E/360 (ISDA)” is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“Y<sub>1</sub>” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“Y<sub>2</sub>” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“M<sub>1</sub>” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“M<sub>2</sub>” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“D<sub>1</sub>” is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D<sub>1</sub> will be 30; and

“D<sub>2</sub>” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D<sub>2</sub> will be 30.

8. if “Actual/Actual-ICMA” is specified hereon,

if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year; and

if the Calculation Period is longer than one Determination Period, the sum of:

(x) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and

(y) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year

where:

“Determination Period” means the period from and including a Determination Date in any year to but excluding the next Determination Date; and

“Determination Date” means the date(s) specified as such hereon or, if none is so specified, the Interest Payment Date(s).

“Euro-zone” means the region comprised of member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended.

“First Reset Rate” means the sum of the Reset Margin (as specified hereon) and the Mid-Swap Rate for the First Reset Period.

“Fixed Reset Rate Relevant Screen Page” means the display page on the relevant service (including, without limitation, Reuters) as specified hereon or such other page as may replace it on that information service, or on such other equivalent information service as determined by the Calculation Agent, for the purpose of displaying the relevant swap rates for swap transactions in the Specified Currency with an equivalent maturity to the Reset Period.

“Interest Accrual Period” means the period beginning on and including the Interest Commencement Date and ending on but excluding the first Interest Period Date and each successive period beginning on and including an Interest Period Date and ending on but excluding the next succeeding Interest Period Date.

“Interest Amount” means:

1. in respect of an Interest Accrual Period, the amount of interest payable per Calculation Amount for that Interest Accrual Period and which, in the case of Fixed Rate Subordinated Notes or Fixed Rate Reset Subordinated Notes, and unless otherwise specified hereon, shall mean the Fixed Coupon Amount or Broken Amount specified hereon as being payable on the Interest Payment Date ending the Interest Period of which such Interest Accrual Period forms part; and

2. in respect of any other period, the amount of interest payable per Calculation Amount for that period.

“Interest Commencement Date” means the Issue Date or such other date as may be specified hereon.

“Interest Determination Date” means, with respect to a Rate of Interest and Interest Accrual Period, the date specified as such hereon or, if none is so specified, (i) the first day of such Interest Accrual Period if the Specified Currency is Sterling or (ii) the day falling two Business Days in London for the Specified Currency prior to the first day of such Interest Accrual Period if the Specified Currency is neither Sterling nor euro or (iii) the day falling two TARGET Business Days prior to the first day of such Interest Accrual Period if the Specified Currency is euro.

“Interest Period” means the period beginning on and including the Interest Commencement Date and ending on but excluding the first Interest Payment Date and each successive period beginning on and including an Interest Payment Date and ending on but excluding the next succeeding Interest Payment Date unless otherwise specified hereon.

“Interest Period Date” means each Interest Payment Date unless otherwise specified hereon.

“ISDA Definitions” means the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc., unless otherwise specified hereon.

“Mid-Swap Rate” means, in relation to a Reset Date and the Reset Period commencing on that Reset Date, the rate for the Reset Date of, in the case of semi-annual or annual Interest Payment Dates, the semi-annual or annual swap rate, respectively (with such semi-annual swap rate to be converted to a quarterly rate in accordance with market convention, in the case of quarterly Interest Payment Dates) for swap transactions in the Specified Currency maturing on the last day of such Reset Period, expressed as a percentage, which appears on the Fixed Reset Rate Relevant Screen Page as of approximately 11.00 a.m. in the principal financial centre of the Specified Currency on such Reset Determination Date. If such rate does not appear on the Fixed Reset Rate Relevant Screen Page, the Mid-Swap Rate for the Reset Date will be the Reset Reference Bank Rate for the Reset Period.

“Original Reference Rate” means the originally-specified benchmark or screen rate (as applicable) used to determine the Rate of Interest (or any component part thereof) on the Subordinated Notes.

“Rate of Interest” means the rate of interest payable from time to time in respect of this Subordinated Note and that is either specified or calculated in accordance with the provisions hereon.

“Reference Banks” means, in the case of a determination of LIBOR, the principal London office of four major banks in the London inter-bank market, in the case of a determination of EURIBOR, the principal Euro-zone office of four major banks in the Euro-zone inter-bank market, and in the case of determination the Reset Reference Bank Rate, five leading swap dealers in the interbank market for swap transactions in the Specified Currency with an equivalent maturity to the Reset Period, in each case selected by the Calculation Agent or as specified hereon.

“Reference Rate” means the rate specified as such hereon.



“Relevant Screen Page” means such page, section, caption, column or other part of a particular information service as may be specified hereon (or any successor or replacement page, section, caption, column or other part of a particular information service).

“Reset Date” means the First Reset Date, the Second Reset Date and each Subsequent Reset Date, as applicable.

“Reset Determination Date” means the date specified hereon.

“Reset Determination Time” means the time specified hereon.

“Reset Period” means the First Reset Period or any Subsequent Reset Period, as the case may be.

“Reset Reference Bank Rate” means, in relation to a Reset Date and the Reset Period commencing on that Reset Date, a percentage equal to the arithmetic mean (expressed as a percentage and rounded, if necessary, to the nearest 0.0001 per cent. (0.00005 per cent. being rounded upwards)) of the quotations provided by the Reference Banks of the rates at which swaps in the Specified Currency are offered by it at approximately the Reset Determination Time on the Reset Determination Date to participants in the swap market for the Specified Currency with an equivalent maturity to the Reset Period all as determined by the Calculation Agent. If at least three quotations are provided, the rate for the Reset Date will be the arithmetic mean of the quotations, eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest). If only two quotations are provided, it will be the arithmetic mean of the quotations provided. If only one quotation is provided, it will be the quotation provided. If no quotations are provided, the Mid-Swap Rate will be the Mid-Swap Rate for the immediately preceding Reset Period or, if none, the Initial Mid-Swap Rate.

“Specified Currency” means the currency specified as such hereon or, if none is specified, the currency in which the Subordinated Notes are denominated.

“Subsequent Reset Rate” means the sum of the applicable Mid-Swap Rate and the Reset Margin as determined by the Calculation Agent on the relevant Reset Determination Date.

“TARGET System” means the Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET2) System which was launched on 19 November 2007 or any successor thereto.

- (i) **Calculation Agent:** The Issuer shall procure that there shall at all times be one or more Calculation Agents if provision is made for them hereon and for so long as any Subordinated Note is outstanding (as defined in the Agency Agreement). Where more than one Calculation Agent is appointed in respect of the Subordinated Notes, references in these Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its respective duties under the Conditions. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest for an Interest Accrual Period or to calculate any Interest Amount, Instalment Amount, Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, or to comply with any other requirement, the Issuer shall appoint a leading bank or financial institution engaged in the inter bank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the calculation or determination to be made by the Calculation Agent (acting through its

principal London office or any other office actively involved in such market) to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid.

## 5. Redemption, Purchase and Options

- (a) **Redemption by Instalments and Final Redemption:**
- (i) Unless previously redeemed, written down, converted or purchased and cancelled as provided below or in Condition 5(h) (*Statutory Loss Absorption or Recapitalisation of Subordinated Notes*), each Subordinated Note that provides for Instalment Dates and Instalment Amounts shall be partially redeemed on each Instalment Date at the related Instalment Amount specified hereon. The outstanding nominal amount of each such Subordinated Note shall be reduced by the Instalment Amount (or, if such Instalment Amount is calculated by reference to a proportion of the nominal amount of such Subordinated Note, such proportion) for all purposes with effect from the related Instalment Date, unless payment of the Instalment Amount is improperly withheld or refused, in which case such amount shall remain outstanding until the Relevant Date relating to such Instalment Amount.
  - (ii) The Subordinated Notes are dated or undated instruments, as specified hereon.
  - (iii) Unless previously redeemed, written down, converted or purchased and cancelled as provided below or in Condition 5(h) (*Statutory Loss Absorption or Recapitalisation of Subordinated Notes*), each dated Subordinated Note shall, subject to Condition 6(i) be finally redeemed on the Maturity Date specified hereon at its Final Redemption Amount (which, unless otherwise provided, is its nominal amount) or, in the case of a Subordinated Note falling within paragraph (i) above, its final Instalment Amount.
  - (iv) The undated Subordinated Notes are perpetual securities in respect of which there is no fixed redemption date and the Issuer shall (subject to the provisions of Condition 3 and without prejudice to the provisions of Condition 10) only have the right to repay, redeem, convert, exchange, substitute or purchase them, or vary their terms, in accordance with the following provisions of this Condition 6.
- (b) **Early Redemption:** Subject to Condition 5(h) (*Statutory Loss Absorption or Recapitalisation of Subordinated Notes*) below, for the purpose of Condition 6(d) (*Redemption for taxation purposes*) below and Condition 9 (*Events of Default*), each Subordinated Note will be redeemed at its Early Redemption Amount calculated as follows:
- (i) in the case of a Subordinated Note with a Final Redemption Amount equal to the Issue Price, at the Final Redemption Amount thereof; and
  - (ii) in any other case, at the amount specified in, or determined in the manner specified in, the applicable Final Terms or, if no such amount or manner is so specified in the Final Terms, at their nominal amount.
- (c) **Redemption at the Option of the Issuer:** If Call Option is specified hereon, the Issuer may, subject to Condition 5(i), on giving not less than 15 nor more than 30 days' irrevocable notice to

the Subordinated Noteholders (or such other notice period as may be specified hereon), redeem all or, if so provided, some of the Subordinated Notes on any Optional Redemption Date. Any such redemption of Subordinated Notes shall be at their Optional Redemption Amount specified hereon (which may be the Early Redemption Amount (as described in Condition 6(b) above)), together with interest accrued to the date fixed for redemption. Any such notice of redemption may, at the Issuer's discretion, be subject to one or more conditions precedent, in which case such notice shall state that, in the Issuer's discretion, the Optional Redemption Date may be delayed until such time as any or all such conditions shall be satisfied (or waived by the Issuer in its sole discretion), or such redemption may not occur and such notice may be rescinded in the event that any or all such conditions shall not have been satisfied (or waived by the Issuer in its sole discretion) by the Optional Redemption Date, or by the Optional Redemption Date so delayed. Any such redemption or exercise must relate to Subordinated Notes of a nominal amount at least equal to the Minimum Redemption Amount to be redeemed specified hereon and no greater than the Maximum Redemption Amount to be redeemed specified hereon.

All Subordinated Notes in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition 5.

In the case of a partial redemption the notice to Subordinated Noteholders shall also contain the certificate numbers of the Bearer Subordinated Notes, or in the case of Registered Subordinated Notes shall specify the nominal amount of Registered Subordinated Notes drawn and the holder(s) of such Registered Subordinated Notes, to be redeemed, which shall have been drawn in such place and in such manner as may be fair and reasonable in the circumstances, taking account of prevailing market practices, subject to compliance with any applicable laws and stock exchange or other relevant authority requirements.

Further, if the Subordinated Notes qualify as Tier 2 Notes, the Issuer must (i) obtain the prior written permission of the Competent Authority **provided that**, at the relevant time, such permission is required to be given pursuant to article 77 CRD Regulation and (ii) have demonstrated to the satisfaction of the Competent Authority that the Issuer complies with article 78 CRD Regulation, which may include the replacement of the Subordinated Notes with own funds instruments of equal or higher quality at terms that are sustainable for the income capacity.

In these Conditions, "Competent Authority" means the European Central Bank, the Dutch Central Bank (*De Nederlandsche Bank N.V.*) or other authority having primary responsibility for the prudential oversight and supervision of the Issuer and/or the relevant Resolution Authority (if applicable), as determined by the Issuer.

- (d) **Redemption for taxation purposes:** The Subordinated Notes may be redeemed at the option of the Issuer in whole, but not in part, on any Interest Payment Date (if this Subordinated Note is a Floating Rate Subordinated Note) or, at any time (if this Subordinated Note is not a Floating Rate Subordinated Note), on giving not less than 15 nor more than 30 days' notice to the Subordinated Noteholders (which notice shall be irrevocable), at their Early Redemption Amount (as described in Condition 5(b) above) (together with interest accrued to the date fixed for redemption), if on the occasion of the next payment due under the Subordinated Notes (i) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 7 as a result of any change in, or amendment to, the laws or regulations of The Netherlands (in the case of payment by the Issuer) or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change

or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Subordinated Notes, and (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Subordinated Notes then due. Prior to the publication of any notice of redemption pursuant to this Condition 5(c), the Issuer shall deliver to the Fiscal Agent a certificate duly signed on behalf of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment.

Each Subordinated Note redeemed pursuant to this Condition 6(d) will be redeemed at its Early Redemption Amount referred to in Condition 5(b) (*Early Redemption Amounts*) below together (if appropriate) with interest accrued to (but excluding) the date of redemption.

Further, if the Subordinated Notes qualify as Tier 2 Notes, the Issuer must (i) obtain the prior written permission of the Competent Authority **provided that**, at the relevant time, such permission is required to be given pursuant to article 77 CRD Regulation and (ii) have demonstrated to the satisfaction of the Competent Authority that the Issuer complies with article 78 CRD Regulation, which may include the replacement of the Subordinated Notes with own funds instruments of equal or higher quality at terms that are sustainable for the income capacity of the Issuer. The Competent Authority may only permit the Issuer to redeem the Subordinated Notes at any time within five years after the Issue Date if, without prejudice to this Condition 5(b), there is a change in the applicable tax treatment of the Subordinated Notes which the Issuer demonstrates to the satisfaction of the Competent Authority is material and was not reasonably foreseeable at the time of their issuance.

- (e) **Redemption, substitution and variation for regulatory purposes of Subordinated Notes:** If Regulatory Call is specified in the applicable Final Terms and upon the occurrence of a Capital Event or an MREL Disqualification Event, the Issuer may at its option, subject to:
- (a) in the case of Subordinated Notes qualifying as Tier 2 Notes, (i) the prior written permission of the Competent Authority **provided that** at the relevant time such permission is required to be given pursuant to article 77 CRD Regulation and (ii) the Issuer demonstrating to the satisfaction of the Competent Authority that the Issuer complies with article 78 CRD Regulation, which may include the replacement of the Subordinated Notes with own funds instruments of equal or higher quality at terms that are sustainable for the income capacity of the Issuer; or
  - (b) in the case of Subordinated Notes qualifying as MREL Eligible Liabilities, (i) the prior permission of the Competent Authority **provided that** at the relevant time such permission is required to be given and (ii) compliance with any other pre-conditions to, or requirements applicable to, such redemption as may be required by the Competent Authority or the Applicable MREL Regulations at such time,

and having given not less than 30 nor more than 60 days' notice or such other period of notice as is specified in the applicable Final Terms (which notice shall be irrevocable) to the Subordinated Noteholders redeem at any time (in the case of Subordinated Notes other than Floating Rate

Subordinated Notes) or on any Interest Payment Date (in the case of Floating Rate Subordinated Notes), in accordance with the Conditions, all, but not some only, of the Subordinated Notes at the Optional Redemption Amount specified in the applicable Final Terms together with accrued interest (if any) to but excluding the date of redemption.

A "Capital Event" shall occur if there is a change in the regulatory classification of the Subordinated Notes that has resulted or would be likely to result in the Subordinated Notes being excluded, in whole but not in part, from the Tier 2 capital (within the meaning of the CRD Regulation) of the Issuer or reclassified as a lower quality form of own funds of the Issuer, which change in regulatory classification (or reclassification) (i) becomes effective on or after the Issue Date and, if redeemed within five years after the Issue Date, (ii) is considered by the Competent Authority to be sufficiently certain and (iii) the Issuer has demonstrated to the satisfaction of the Competent Authority was not reasonably foreseeable at the time of their issuance as required by article 78(4) CRD Regulation.

An "MREL Disqualification Event" shall occur if, as a result of any amendment to, or change in, any Applicable MREL Regulations, or any change in the application or official interpretation of any Applicable MREL Regulations, in any such case becoming effective on or after the Issue Date of the first Tranche of the Subordinated Notes, the Subordinated Notes are or (in the opinion of the Issuer or the Competent Authority) are likely to become:

- (i) if "MREL Disqualification Event – Full Exclusion" is specified in the Final Terms, fully excluded; or
- (ii) if "MREL Disqualification Event – Full or Partial Exclusion" is specified in the Final Terms, fully or partially excluded,

in each case, from the Issuer's MREL Eligible Liabilities determined in accordance with, and pursuant to, the Applicable MREL Regulations; provided that an MREL Disqualification Event shall not occur where the exclusion of the Subordinated Notes from the relevant minimum requirement(s) is due to (i) the remaining maturity of the Subordinated Notes being less than any period prescribed by any applicable eligibility criteria for such minimum requirements under the Applicable MREL Regulations effective with respect to the Issuer on the Issue Date of the first Tranche of the Subordinated Notes or (ii) any applicable limits on the amount of MREL Eligible Liabilities permitted or allowed to meet the MREL Requirement.

If Variation or Substitution is specified in the applicable Final Terms and if a CRD Capital Event or a Capital Event has occurred and is continuing, then the Issuer may, subject to the prior written permission of the Competent Authority provided that at the relevant time such permission is required to be given (but without any requirement for the permission of the Subordinated Noteholders) and having given not less than 30 nor more than 60 days' notice (which notice shall be irrevocable) to the Subordinated Noteholders, either substitute all, but not some only, of the Subordinated Notes or vary the terms of the Subordinated Notes so that they remain or, as appropriate, become compliant with CRD or such other regulatory capital rules applicable to the Issuer at the relevant time. Upon the expiry of the notice referred to above, the Issuer shall either vary the terms of, or substitute, the Subordinated Notes in accordance with this Condition 5(e), as the case may be, provided that such substitution or variation shall not result in terms that are materially less favorable to the Subordinated Noteholders. For the avoidance of doubt, the

Competent Authority has discretion as to whether or not it will approve any such substitution or variation of the Subordinated Notes.

Following such variation or substitution the resulting securities shall (1) have a ranking at least equal to that of the Subordinated Notes, (2) have at least the same interest rate and the same interest payment dates as those from time to time applying to the Subordinated Notes, (3) have the same Maturity Date and redemption rights as the Subordinated Notes, (4) preserve any existing rights under the Subordinated Notes to any accrued interest which has not been paid in respect of the period from (and including) the interest payment date last preceding the date of variation or substitution, (5) have assigned (or maintain) the same (solicited) credit ratings as were assigned to the Subordinated Notes immediately prior to such variation or substitution and (6) be listed on a recognized stock exchange if the Subordinated Notes were listed immediately prior to such variation or substitution.

In these Conditions:

“CRD Capital Event” is deemed to have occurred if the whole of the outstanding nominal amount of the Subordinated Notes can no longer be included in full in the Tier 2 capital of the Issuer by reason of their non-compliance with CRD or such other regulatory capital rules applicable to the Issuer at the relevant time;

“CRD” means together, (i) the CRD Directive, (ii) the CRD Regulation and (iii) the Future Capital Instruments Regulations;

“CRD Directive” means Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC (as amended from time to time, including by Directive (EU) 2019/878 of the European Parliament and of the Council of 20 May 2019);

“CRD Regulation” means Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 (as amended from time to time, including by Regulation (EU) 2019/876 of the European Parliament and of the Council of 20 May 2019); and

“Future Capital Instruments Regulations” means any regulatory capital rules implementing the CRD Regulation or the CRD Directive which may from time to time be introduced, including, but not limited to, delegated or implementing acts (regulatory technical standards or implementing technical standards) adopted by the European Commission, national laws and regulations, and regulations and guidelines issued by the European Central Bank, the Dutch Central Bank (*De Nederlandsche Bank N.V.*), the European Banking Authority or other relevant authority, which are applicable to the Issuer (on a solo or consolidated basis) and which lay down the requirements to be fulfilled by financial instruments for inclusion in the regulatory capital of the Issuer (on a solo or consolidated basis) as required by (i) the CRD Regulation or (ii) the CRD Directive.

- (f) **Purchases:** The Issuer and its Subsidiaries as defined in the Agency Agreement may at any time purchase Subordinated Notes (provided that all unmatured Receipts and Coupons and unexchanged Talons relating thereto are attached thereto or surrendered therewith) in the open market or otherwise at any price. If the Subordinated Notes to be purchased are Notes that qualify

as Tier 2 Notes, the Issuer must (i) obtain the prior written permission of the Competent Authority provided that, at the relevant time, such permission is required to be given pursuant to article 77 CRD Regulation and (ii) have demonstrated to the satisfaction of the Competent Authority that the Issuer complies with article 78 CRD Regulation (or any equivalent or substitute provision under applicable banking regulation), which may include the replacement of the Subordinated Notes with own funds instruments of equal or higher quality at terms that are sustainable for the income capacity of the Issuer, and furthermore provided that any such purchase may not take place within 5 years after the Issue Date unless permitted under applicable laws and regulations (including CRD as then in effect).

- (g) **Cancellation:** All Subordinated Notes purchased by or on behalf of the Issuer or any of its Subsidiaries may be surrendered for cancellation, in the case of Bearer Subordinated Notes, by surrendering each such Subordinated Note together with all unmatured Receipts and Coupons and all unexchanged Talons to the Fiscal Agent and, in the case of Registered Subordinated Notes, by surrendering the Certificate representing such Subordinated Notes to the Registrar and, in each case, if so surrendered, shall, together with all Subordinated Notes redeemed by the Issuer, be cancelled forthwith (together with all unmatured Receipts and Coupons and unexchanged Talons attached thereto or surrendered therewith). Any Subordinated Notes so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer in respect of any such Subordinated Notes shall be discharged.
- (h) **Statutory Loss Absorption or Recapitalisation of Subordinated Notes:** Subordinated Notes may become subject to the determination by the Resolution Authority or the Issuer (following instructions from the Resolution Authority) that without the consent of the Subordinated Noteholder (a) all or part of the nominal amount of the Subordinated Notes, including accrued but unpaid interest in respect thereof, must be written down to absorb losses, subject to write-up by the Resolution Authority (such loss absorption, “Statutory Loss Absorption”) or (b) all or part of the nominal amount of the Subordinated Notes, including accrued but unpaid interest in respect thereof, must be converted into claims which may give right to common equity Tier 1 instruments (such conversion, “Recapitalisation”), all as prescribed by the Applicable Resolution Framework, or that the Subordinated Notes must otherwise be applied to absorb losses. Upon any such determination, (i) the relevant proportion of the outstanding nominal amount of the Subordinated Notes subject to Statutory Loss Absorption or Recapitalisation shall be written down or converted into claims which may give right to common equity Tier 1 instruments or otherwise be applied to absorb losses, as prescribed by the Applicable Resolution Framework, (ii) such Statutory Loss Absorption or Recapitalisation shall not constitute an Event of Default and (iii) the Subordinated Noteholders will have no further claims in respect of the amount so written down or subject to conversion or otherwise as a result of such Statutory Loss Absorption or Recapitalisation.

Upon any write-down or conversion of a proportion of the outstanding nominal amount of the Subordinated Notes, any reference in these Conditions to principal, nominal amount, Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount of the Subordinated Notes shall be deemed to be to the amount resulting after such write-down or conversion.

In addition, subject to the determination by the Resolution Authority and without the consent of the Subordinated Noteholders, the Subordinated Notes may be subject to other resolution measures as envisaged under the Applicable Resolution Framework, such as replacement or substitution of the Issuer, transfer of the Subordinated Notes, expropriation of Subordinated Noteholders,

modification of the terms of the Subordinated Notes and/or suspension or termination of the listings of the Subordinated Notes. Such determination, the implementation thereof and the rights of Subordinated Noteholders shall be as prescribed by the Applicable Resolution Framework, which may include the concept that, upon such determination, no Subordinated Noteholder shall be entitled to claim any indemnification or payment in respect of any tax or other consequences arising from any such event and that any such event shall not constitute an Event of Default.

In these Conditions:

“Applicable MREL Regulations” means, at any time, the laws, regulations, requirements, guidelines, rules, standards and policies relating to the MREL Requirement then in effect and applicable to the Issuer (whether on a solo or (sub)consolidated basis) including, without limitation to the generality of the foregoing, any delegated or implementing acts (such as regulatory technical standards) adopted by the European Commission and any regulations, requirements, guidelines, rules, standards and policies relating to the MREL Requirement adopted by the Competent Authority from time to time (whether or not such regulations, requirements, guidelines, rules, standards or policies have force of law and whether or not they are applied generally or specifically to the Issuer);

“Applicable Resolution Framework” means any relevant laws and regulations applicable to the Issuer at the relevant time pursuant to, or which implement, or are enacted within the context of Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms and amending Council Directive 82/891/EEC, and Directives 2001/24/EC, 2002/47/EC, 2004/25/EC, 2005/56/EC, 2007/36/EC, 2011/35/EU, 2012/30/EU and 2013/36/EU and Regulations (EU) No 1093/2010 and (EU) No 648/2012, of the European Parliament and of the Council, or any other resolution or recovery rules which may from time to time be applicable to the Issuer, including Regulation (EU) No 806/2014 of the European Parliament and of the Council of 15 July 2014 establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of a Single Resolution Mechanism and a Single Resolution Fund and amending Regulation (EU) No 1093/2010;

“MREL Eligible Liabilities” means “eligible liabilities” (or any equivalent or successor term) which are available to meet any MREL Requirement (however called or defined by then Applicable MREL Regulations) of the Issuer (whether on a solo or (sub)consolidated basis) under Applicable MREL Regulations;

“MREL Requirement” means the requirement for own funds and eligible liabilities, which is or, as the case may be, will be, applicable to the Issuer (whether on a solo or (sub)consolidated basis); and

“Resolution Authority” means the European Single Resolution Board, the Dutch Central Bank (*De Nederlandsche Bank N.V.*) or such other regulatory authority or governmental body having the power to impose Statutory Loss Absorption or Recapitalisation on the Subordinated Notes pursuant to the Applicable Resolution Framework.



## 6. Payments and Talons

- (a) **Bearer Subordinated Notes:** Payments of principal and interest in respect of Bearer Subordinated Notes shall, subject as mentioned below, be made against presentation and surrender of the relevant Receipts (in the case of payments of Instalment Amounts other than on the due date for redemption and provided that the Receipt is presented for payment together with its relative Subordinated Note), Subordinated Notes (in the case of all other payments of principal and, in the case of interest, as specified in Condition 6(f)(vi) or Coupons (in the case of interest, save as specified in Condition 6(f)(vi), as the case may be, at the specified office of any Paying Agent outside the United States by a cheque payable in the relevant currency drawn on, or, at the option of the holder, by transfer to an account denominated in such currency with, a Bank. “Bank” means a bank in the principal financial centre for such currency or, in the case of euro, in a city in which banks have access to the TARGET System.
- (b) **Registered Subordinated Notes:**
- (i) Payments of principal (which for the purposes of this Condition 7(b) shall include final Instalment Amounts but not other Instalment Amounts) in respect of Registered Subordinated Notes shall be made against presentation and surrender of the relevant Certificates at the specified office of any of the Transfer Agents or of the Registrar and in the manner provided in paragraph (ii) below(ii) above.
- (ii) Interest (which for the purpose of this Condition 6(b) shall include all Instalment Amounts other than final Instalment Amounts) on Registered Subordinated Notes shall be paid to the person shown on the Register at the close of business on the fifteenth day before the due date for payment thereof (the “Record Date”). Payments of interest on each Registered Subordinated Note shall be made in the relevant currency by cheque drawn on a Bank and mailed to the holder (or to the first-named of joint holders) of such Subordinated Note at its address appearing in the Register. Upon application by the holder to the specified office of the Registrar or any Transfer Agent before the Record Date, such payment of interest may be made by transfer to an account in the relevant currency maintained by the payee with a Bank.
- (c) **Payments in the United States:** Notwithstanding the foregoing, if any Bearer Subordinated Notes are denominated in U.S. dollars, payments in respect thereof may be made at the specified office of any Paying Agent in New York City in the same manner as aforesaid if (i) the Issuer shall have appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment of the amounts on the Subordinated Notes in the manner provided above when due, (ii) payment in full of such amounts at all such offices is illegal or effectively precluded by exchange controls or other similar restrictions on payment or receipt of such amounts and (iii) such payment is then permitted by United States law, without involving, in the opinion of the Issuer, any adverse tax consequence to the Issuer.
- (d) **Payments Subject to Laws:** All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives in the place of payment, but without prejudice to the provisions of Condition 8. No commission or expenses shall be charged to the Subordinated Noteholders or Couponholders in respect of such payments.

- (e) **Appointment of Agents:** The Fiscal Agent, the Paying Agents, the Registrar, the Transfer Agents and the Calculation Agent initially appointed by the Issuer and their respective specified offices are listed below. The Fiscal Agent, the Paying Agents, the Registrar, Transfer Agents and the Calculation Agent(s) act solely as agents of the Issuer and do not assume any obligation or relationship of agency or trust for or with any Subordinated Noteholder or Couponholder. The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal Agent, any other Paying Agent, the Registrar, any Transfer Agent or the Calculation Agent(s) and to appoint additional or other Paying Agents or Transfer Agents, provided that the Issuer shall at all times maintain (i) a Fiscal Agent, (ii) a Registrar in relation to Registered Subordinated Notes, (iii) a Transfer Agent in relation to Registered Subordinated Notes, (iv) one or more Calculation Agent(s) where the Conditions so require, (v) Paying Agents having specified offices in at least two major European cities and (vi) such other agents as may be required by any other stock exchange on which the Subordinated Notes may be listed.

In addition, the Issuer shall forthwith appoint a Paying Agent in New York City in respect of any Bearer Subordinated Notes denominated in U.S. dollars in the circumstances described in paragraph (c) above.

Notice of any such change or any change of any specified office shall promptly be given to the Subordinated Noteholders.

(f) **Unmatured Coupons and Receipts and unexchanged Talons:**

- (i) Upon the due date for redemption of Bearer Subordinated Notes which comprise Fixed Rate Subordinated Notes, those Subordinated Notes should be surrendered for payment together with all unexpired Coupons (if any) relating thereto, failing which an amount equal to the face value of each missing unexpired Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unexpired Coupon that the sum of principal so paid bears to the total principal due) shall be deducted from the Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, due for payment. Any amount so deducted shall be paid in the manner mentioned above against surrender of such missing Coupon within a period of 10 years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 8).
- (ii) Upon the due date for redemption of any Bearer Subordinated Note comprising a Fixed Rate Reset Subordinated Note, unexpired Coupons relating to such Subordinated Note (whether or not attached) shall become void and no payment shall be made in respect of them.
- (iii) Upon the due date for redemption of any Bearer Subordinated Note comprising a Floating Rate Subordinated Note, unexpired Coupons relating to such Subordinated Note (whether or not attached) shall become void and no payment shall be made in respect of them.
- (iv) Upon the due date for redemption of any Bearer Subordinated Note, any unexpired Talon relating to such Subordinated Note (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.

- (v) Upon the due date for redemption of any Bearer Subordinated Note that is redeemable in instalments, all Receipts relating to such Subordinated Note having an Instalment Date falling on or after such due date (whether or not attached) shall become void and no payment shall be made in respect of them.
- (vi) Where any Bearer Subordinated Note that provides that the relative unmatured Coupons are to become void upon the due date for redemption of those Subordinated Notes is presented for redemption without all unmatured Coupons, and where any Bearer Subordinated Note is presented for redemption without any unexchanged Talon relating to it, redemption shall be made only against the provision of such indemnity as the Issuer may require.
- (vii) If the due date for redemption of any Subordinated Note is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Bearer Subordinated Note or Certificate representing it, as the case may be. Interest accrued on a Subordinated Note that only bears interest after its Maturity Date shall be payable on redemption of such Subordinated Note against presentation of the relevant Subordinated Note or Certificate representing it, as the case may be.
- (g) **Talons:** On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Bearer Subordinated Note, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Fiscal Agent in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet) (but excluding any Coupons that may have become void pursuant to Condition 9).
- (h) **Non-Business Days:** If any date for payment in respect of any Subordinated Note, Receipt or Coupon is not a business day, the holder shall not be entitled to payment until the next following business day nor to any interest or other sum in respect of such postponed payment. In this paragraph, “business day” means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in the relevant place of presentation, in such jurisdictions as shall be specified as “Financial Centres” hereon and:
  - (i) (in the case of a payment in a currency other than euro) where payment is to be made by transfer to an account maintained with a bank in the relevant currency, on which foreign exchange transactions may be carried on in the relevant currency in the principal financial centre of the country of such currency; or
  - (ii) (in the case of a payment in euro) which is a TARGET Business Day.

## 7. Taxation

All payments of principal and interest by or on behalf of the Issuer in respect of the Subordinated Notes, the Receipts and the Coupons shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by The Netherlands or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law at the initiative of the relevant tax authorities of the Issuer. In that event, the Issuer shall pay such additional amounts in respect of payments of interest only, but not

in respect of principal, as shall result in receipt by the Subordinated Noteholders and the Couponholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable with respect to any Subordinated Note, Receipt or Coupon:

- (a) **Principal:** in respect of payment of any amount of principal; or
- (b) **Other connection:** to, or to a third party on behalf of, a holder who is liable to such taxes, duties, assessments or governmental charges in respect of such Subordinated Note, Receipt or Coupon by reason of his having some connection with The Netherlands other than the mere holding of the Subordinated Note, Receipt or Coupon; or
- (c) **Presentation more than 30 days after the Relevant Date:** presented (or in respect of which the Certificate representing it is presented) for payment more than 30 days after the Relevant Date except to the extent that the holder of it would have been entitled to such additional amounts on presenting it for payment on the thirtieth such day; or
- (d) **Dutch Withholding Tax Act 2021:** as a result of the entry into force of the Dutch Withholding Tax Act 2021 (*Wet bronbelasting 2021*) on 1 January 2021.

As used in these Conditions, “Relevant Date” in respect of any Subordinated Note, Receipt or Coupon means the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date seven days after that on which notice is duly given to the Subordinated Noteholders that, upon further presentation of the Subordinated Note (or relative Certificate), Receipt or Coupon being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such presentation. References in these Conditions to (i) “principal” shall be deemed to include any premium payable in respect of the Subordinated Notes, all Instalment Amounts, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts, Amortised Face Amounts and all other amounts in the nature of principal payable pursuant to Condition 6 or any amendment or supplement to it, (ii) “interest” shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 4 and 5 or any amendment or supplement to it and (iii) “principal” and/or “interest” shall be deemed to include any additional amounts that may be payable under this Condition.

#### ***Condition relating to FATCA***

Notwithstanding any other provision in these Conditions, the Issuer shall be permitted to withhold or deduct any amounts imposed or required pursuant to Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended (the “Code”), any current or future regulations or official interpretations thereof, any agreement entered into pursuant to Section 1471(b) of the Code, or any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement (“IGA”) entered into in connection with the implementation of such Sections of the Code (or any law implementing such an IGA) (a “FATCA Withholding Tax”), and the Issuer will have no obligation to pay additional amounts or otherwise indemnify a holder/an investor on account of any FATCA Withholding Tax deducted or withheld by the Issuer, any Paying Agent, the Registrar or any other party.

## **8. Prescription**

Claims against the Issuer for payment in respect of the Subordinated Notes, Receipts and Coupons (which

for this purpose shall not include Talons) shall be prescribed and become void unless made within five years from the date on which such payment first became due.

## 9. Events of Default

If any of the following events shall have occurred and be continuing:

- (a) the Issuer is declared bankrupt; or
- (b) an order is made or an effective resolution is passed for the winding up or liquidation of the Issuer unless this is done in connection with a merger, consolidation or other form of combination with another company and such company assumes all obligations contracted by the Issuer in connection with the Subordinated Notes,

then any Subordinated Noteholder may, by written notice to the Issuer at the specified office of the Agent, effective upon the date of receipt thereof by the Agent, declare the Subordinated Note held by the holder to be forthwith due and payable whereupon the same shall become forthwith due and payable at its Early Redemption Amount (as described in Condition 5(b) (Early Redemption Amounts)), together with accrued interest (if any) to the date of repayment, without presentment, demand, protest or other notice of any kind provided that repayment of Subordinated Notes under this Condition 9 that qualify as Tier 2 Notes will only be effected after the Issuer has obtained the prior written permission of the Competent Authority provided that at the relevant time such permission is required to be given.

## 10. Meeting of Subordinated Noteholders and Modifications

- (a) **Meetings of Subordinated Noteholders:** The Agency Agreement contains provisions for convening meetings of Subordinated Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution (as defined in the Agency Agreement) of a modification of any of these Conditions. Such a meeting may be convened by Subordinated Noteholders holding not less than 10 per cent. in nominal amount of the Subordinated Notes for the time being outstanding. The quorum for any meeting convened to consider an Extraordinary Resolution shall be two or more persons holding or representing a clear majority in nominal amount of the Subordinated Notes for the time being outstanding, or at any adjourned meeting two or more persons being or representing Subordinated Noteholders whatever the nominal amount of the Subordinated Notes held or represented, unless the business of such meeting includes consideration of proposals, *inter alia* (i) to amend the dates of maturity or redemption of the Subordinated Notes, any Instalment Date or any date for payment of interest or Interest Amounts on the Subordinated Notes, (ii) to reduce or cancel the nominal amount of, or any Instalment Amount of, or any premium payable on redemption of, the Subordinated Notes, (iii) to reduce the rate or rates of interest in respect of the Subordinated Notes or to vary the method or basis of calculating the rate or rates or amount of interest or the basis for calculating any Interest Amount in respect of the Subordinated Notes, (iv) if a Minimum and/or a Maximum Rate of Interest, Instalment Amount or Redemption Amount is shown hereon, to reduce any such Minimum and/or Maximum, (v) to vary any method of, or basis for, calculating the Final Redemption Amount, the Early Redemption Amount or the Optional Redemption Amount, including the method of calculating the Amortised Face Amount, (vi) to vary the currency or currencies of payment or denomination of the Subordinated Notes or (vii) to modify the provisions concerning the quorum required at any meeting of Subordinated Noteholders or the majority required to pass the Extraordinary Resolution, in which case the necessary quorum shall be two or more persons holding or

representing not less than 75 per cent. or at any adjourned meeting not less than 25 per cent. in nominal amount of the Subordinated Notes for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on Subordinated Noteholders (whether or not they were present at the meeting at which such resolution was passed) and on all Couponholders.

The Agency Agreement provides that a resolution in writing signed by or on behalf of the holders of not less than 75 per cent. in nominal amount of the Subordinated Notes outstanding shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Subordinated Noteholders duly convened and held. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Subordinated Noteholders.

*These Conditions may be amended, modified or varied in relation to any Series of Subordinated Notes by the terms of the applicable Final Terms in relation to such Series.*

- (b) **Modification of Agency Agreement:** Subject at all times to Condition 5(h) (*Statutory Loss Absorption or Recapitalisation of Subordinated Notes*), the Agent and the Issuer may, and the Subordinated Noteholders hereby agree that the Agent and the Issuer may, without any further consent of the Subordinated Noteholders or Couponholders being required, agree to:
- (i) any modification (except as mentioned above) of the Agency Agreement which, in the opinion of the Issuer, is not materially prejudicial to the interests of the Subordinated Noteholders; or
  - (ii) any modification of the Subordinated Notes, the Coupons or the Agency Agreement which is of a formal, minor or technical nature or is made to correct a manifest or proven error or to comply with mandatory provisions of the law of the jurisdiction in which the Issuer is incorporated; or
  - (iii) in accordance with Condition 5(e) (*Redemption, substitution and variation for regulatory purposes of Subordinated Notes*), substitution of the Subordinated Notes or variation of the terms of the Subordinated Notes in order to ensure that such substituted or varied Subordinated Notes continue to qualify as Tier 2 Notes under CRD or such other regulatory capital rules applicable to the Issuer at the relevant time.

Any such modification shall be binding on the Subordinated Noteholders and the Couponholders and any such modification shall be notified to the Subordinated Noteholders in accordance with Condition 14 as soon as practicable thereafter.

Any amendment to Condition 5(h) (*Statutory Loss Absorption or Recapitalisation of Subordinated Notes*) or which otherwise impacts upon the eligibility of the Subordinated Notes for eligibility as Tier 2 Notes is subject to the prior written permission of the Competent Authority and/or the relevant Resolution Authority (**provided that**, at the relevant time, such permission is required to be given).

## 11. Substitution

- (a) If this Condition 11 is specified in the applicable Final Terms to be applicable, the Issuer may, and the Subordinated Noteholders hereby irrevocably agree in advance that the Issuer may, without

any further consent of the Subordinated Noteholders or Couponholders being required, when no payment of principal of or interest on any of the Subordinated Notes is in default and after consent of the Competent Authority, be replaced and substituted by any directly or indirectly wholly-owned subsidiary of the Issuer (the “Substituted Debtor”) as principal debtor in respect of the Subordinated Notes and the relative Coupons, provided that:

- (i) such documents shall be executed by the Substituted Debtor and the Issuer as may be necessary to give full effect to the substitution (together the “Documents”) and (without limiting the generality of the foregoing) pursuant to which the Substituted Debtor shall undertake in favour of each Subordinated Noteholder and Couponholder to be bound by the Conditions and the provisions of the Agency Agreement as fully as if the Substituted Debtor had been named in the Subordinated Notes, and the relative Coupons, the Agency Agreement as the principal debtor in respect of the Subordinated Notes and the relative Coupons in place of the Issuer and pursuant to which the Issuer shall guarantee, which guarantee shall be unconditional and irrevocable, (the “Guarantee”) in favour of each Subordinated Noteholder and each holder of the relative Coupons the payment of all sums payable in respect of the Subordinated Notes and the relative Coupons;
- (ii) the Documents shall contain a covenant by the Substituted Debtor and the Issuer to indemnify and hold harmless each Subordinated Noteholder and Couponholder against all liabilities, costs, charges and expenses (provided that, insofar as the liabilities, costs, charges and expenses are taxes or duties, the same arise by reason of a law or regulation having legal effect or being in reasonable contemplation thereof on the date such substitution becomes effective) which may be incurred by or levied against such holder as a result of any substitution pursuant to this Condition and which would not have been so incurred or levied had such substitution not been made (and, without limiting the foregoing, such liabilities, costs, charges and expenses shall include any and all taxes or duties which are imposed on any such Subordinated Noteholder or Couponholder by any political subdivision or taxing authority of any country in which such Subordinated Noteholder or Couponholder resides or is subject to any such tax or duty and which would not have been so imposed had such substitution not been made);
- (iii) the Documents shall contain a warranty and representation by the Substituted Debtor and the Issuer (a) that each of the Substituted Debtor and the Issuer has obtained all necessary governmental and regulatory approvals and consents for such substitution and the performance of its obligations under the Documents, and that all such approvals and consents are in full force and effect and (b) that the obligations assumed by each of the Substituted Debtor and the Issuer under the Documents are all valid and binding in accordance with their respective terms and enforceable by each Subordinated Noteholder;
- (iv) each stock exchange which has Subordinated Notes listed thereon shall have confirmed that, following the proposed substitution of the Substituted Debtor, such Subordinated Notes would continue to be listed on such stock exchange;
- (v) the Substituted Debtor shall have delivered to the Fiscal Agent or procured the delivery to the Fiscal Agent of a legal opinion from a leading firm of local lawyers acting for the Substituted Debtor to the effect that the Documents constitute legal, valid and binding obligations of the Substituted Debtor, such opinion to be dated not more than three days prior to the date of substitution of the Substituted Debtor for the Issuer and to be available

for inspection by Subordinated Noteholders and Couponholders at the specified office of the Fiscal Agent;

- (vi) the Issuer shall have delivered to the Fiscal Agent or procured the delivery to the Fiscal Agent of a legal opinion from the internal legal adviser to the Issuer to the effect that the Documents (including the Guarantee) constitute legal, valid and binding obligations of the Issuer, such opinion to be dated not more than three days prior to the date of substitution of the Substituted Debtor for the Issuer and to be available for inspection by Subordinated Noteholders and Couponholders at the specified office of the Fiscal Agent; and
  - (vii) the Issuer shall have delivered to the Fiscal Agent or procured the delivery to the Fiscal Agent of a legal opinion from a leading firm of Dutch lawyers to the effect that the Documents (including the Guarantee) constitute legal, valid and binding obligations of the Substituted Debtor and the Issuer under Dutch law, such opinion to be dated not more than three days prior to the date of substitution of the Substituted Debtor for the Issuer and to be available for inspection by Subordinated Noteholders and Couponholders at the specified office of the Fiscal Agent.
- (b) In connection with any substitution effected pursuant to this Condition, neither the Issuer nor the Substituted Debtor need have any regard to the consequences of any such substitution for individual Subordinated Noteholders or Couponholders resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory and no Subordinated Noteholder or Couponholder, except as provided in Condition 11(a)(ii), shall be entitled to claim from the Issuer or any Substituted Debtor under the Subordinated Notes and the relative Coupons any indemnification or payment in respect of any tax or other consequences arising from such substitution.
  - (c) In respect of any substitution pursuant to this Condition 11 in respect of the Subordinated Notes of any Series, the Documents shall provide for such further amendment of the Terms and Conditions of the Subordinated Notes as shall be necessary or desirable to ensure that the Subordinated Notes of such Series constitute subordinated obligations of the Substituted Debtor and that the Guarantee constitutes a subordinated obligation of the Issuer, in each case subordinated to no greater than the same extent as the Issuer's obligations prior to its substitution to make payments of principal in respect of the Subordinated Notes of such Series under Condition 3 (Status).
  - (d) With respect to Subordinated Notes, the Issuer shall be entitled, after written approval of the Competent Authority, and by notice to the Subordinated Noteholders given in accordance with Condition 14 (Notices), at any time either to effect a substitution which does not comply with Condition 11(c) above provided that the terms of such substitution have been approved by 75% of the Subordinated Noteholders or to waive all and any rights to effect a substitution of the principal debtor pursuant to this Condition. Any such notice of waiver shall be irrevocable.
  - (e) The documents in relation to the substitution shall provide for such further amendment of these Conditions of the Subordinated Notes as shall be necessary or desirable to ensure that the Subordinated Notes of such Series constitute subordinated obligations of the Substituted Debtor and that the Guarantee constitutes a subordinated obligation of the Issuer, subordinated to no greater extent than the Issuer's obligations prior to its substitution to make payments of principal in respect of the Subordinated Notes of such Series under Condition 3.



- (f) The Issuer shall be entitled by notice to the Subordinated Noteholders given in accordance with Condition 14, at any time to effect a substitution which does not comply with this Condition 11, provided that the terms of such substitution have been approved by an Extraordinary Resolution or to waive all and any rights to effect a substitution of the principal debtor pursuant to this Condition 11. Any such notice of waiver shall be irrevocable.
- (g) Upon the execution of the Documents as referred to in paragraph (a) above, and subject to the notification as referred to in paragraph (i) below having been given, the Substituted Debtor shall be deemed to be named in the Subordinated Notes and the relative Coupons as the principal debtor in place of the Issuer and the Subordinated Notes and the relative Coupons shall thereupon be deemed to be amended to give effect to the substitution. The execution of the Documents shall operate to release the Issuer as issuer from all of its obligations as principal debtor in respect of the Subordinated Notes and the relative Coupons, save that any claims under the Subordinated Notes and the relative Coupons prior to release shall ensure for the benefit of Subordinated Noteholders and Couponholders.
- (h) The Documents shall be deposited with and held by the Fiscal Agent for so long as any Subordinated Notes or Coupons remain outstanding and for so long as any claim made against the Substituted Debtor by any Subordinated Noteholder or Couponholder in relation to the Subordinated Notes or the relative Coupons or the Documents shall not have been finally adjudicated, settled or discharged. The Substituted Debtor and the Issuer shall acknowledge in the Documents the right of every Subordinated Noteholder and Couponholder to the production of the Documents for the enforcement of any of the Subordinated Notes or the relative Coupons or the Documents.
- (i) Not later than 15 business days after the execution of the Documents, the Substituted Debtor shall give notice thereof to the Subordinated Noteholders in accordance with Condition 14.

## **12. Replacement of Subordinated Notes, Certificates, Receipts, Coupons and Talons**

If a Subordinated Note, Certificate, Receipt, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations and stock exchange or other relevant authority regulations, at the specified office of the Fiscal Agent (in the case of Bearer Subordinated Notes, Receipts, Coupons or Talons) and of the Registrar (in the case of Certificates) or such other Paying Agent or Transfer Agent, as the case may be, as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Subordinated Noteholders, in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, *inter alia*, that, if the allegedly lost, stolen or destroyed Subordinated Note, Certificate, Receipt, Coupon or Talon is subsequently presented for payment or, as the case may be, for exchange for further Coupons, there shall be paid to the Issuer on demand the amount payable by the Issuer in respect of such Subordinated Notes, Certificates, Receipts, Coupons or further Coupons) and otherwise as the Issuer may require. Mutilated or defaced Subordinated Notes, Certificates, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

## **13. Further Issues**

The Issuer may from time to time without the consent of the Subordinated Noteholders or Couponholders create and issue further Subordinated Notes having the same terms and conditions as the Subordinated Notes (so that, for the avoidance of doubt, references in these Conditions to “Issue Date” shall be to the first issue

date of the Subordinated Notes) and so that the same shall be consolidated and form a single series with such Subordinated Notes, and references in these Conditions to “Subordinated Notes” shall be construed accordingly.

#### **14. Notices**

Notices to the holders of Registered Subordinated Notes shall be mailed to them at their respective addresses in the Register and deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the date of mailing. Notices to the holders of Bearer Subordinated Notes shall be valid if published in a daily newspaper of general circulation in The Netherlands (which is expected to be *Het Financieele Dagblad*). So long as the Subordinated Notes are listed on any stock exchange, notices to holders of the Subordinated Notes shall also be made as required under the rules of such stock exchange. If any such publication is not practicable, notice shall be validly given if published in another leading daily English language newspaper with general circulation in Europe. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the date of the first publication as provided above.

Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the holders of Bearer Subordinated Notes in accordance with this Condition 14.

#### **15. Currency Indemnity**

Any amount received or recovered in a currency other than the currency in which payment under the relevant Subordinated Note, Coupon or Receipt is due (whether as a result of, or of the enforcement of, a judgment or order of a court of any jurisdiction, in the insolvency, winding-up or dissolution of the Issuer or otherwise) by any Subordinated Noteholder or Couponholder in respect of any sum expressed to be due to it from the Issuer shall only constitute a discharge to the Issuer to the extent of the amount in the currency of payment under the relevant Subordinated Note, Coupon or Receipt that the recipient is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so). If the amount received or recovered is less than the amount expressed to be due to the recipient under any Subordinated Note, Coupon or Receipt, the Issuer. In any event, the Issuer shall indemnify the recipient against the cost of making any such purchase. For the purposes of this Condition 16, it shall be sufficient for the Subordinated Noteholder or Couponholder, as the case may be, to demonstrate that it would have suffered a loss had an actual purchase been made. These indemnities constitute a separate and independent obligation from the Issuer’s other obligations, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by any Subordinated Noteholder or Couponholder and shall continue in full force and effect despite any other judgment, order, claim or proof for a liquidated amount in respect of any sum due under any Subordinated Note, Coupon or Receipt or any other judgment or order.

#### **16. Governing Law and Jurisdiction**

- (a) **Governing Law:** The Agency Agreement, the Subordinated Notes, the Receipts, the Coupons, and the Talons, and any non-contractual obligations arising out of or in connection with them, are governed by, and shall be construed in accordance with, the laws of The Netherlands.
- (b) **Jurisdiction:** The courts of Amsterdam, the Netherlands are to have jurisdiction to settle any disputes that may arise out of or in connection with the Agency Agreement, any Subordinated

Notes, Receipts, Coupons or Talons and, accordingly, any legal action or proceedings arising out of or in connection with the Agency Agreement, any Subordinated Notes, Receipts, Coupons or Talons may be brought in such courts.

## **SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM**

### **1. Initial Issue of Notes**

If the Global Notes or the Global Certificates are stated in the applicable Final Terms to be issued in NGN form or to be held under the NSS (as the case may be), the Global Notes or the Global Certificates will be delivered on or prior to the original issue date of the Tranche to a Common Safekeeper. Depositing the Global Notes or the Global Certificates with the Common Safekeeper does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.

Global notes which are issued in CGN form and Global Certificates which are not held under the NSS may be delivered on or prior to the original issue date of the Tranche to a Common Depository.

If the Global Note is a CGN, upon the initial deposit of a Global Note with a common depository for Euroclear and Clearstream, Luxembourg (the “Common Depository”) or registration of Registered Notes in the name of any nominee for Euroclear and Clearstream, Luxembourg and delivery of the relative Global Certificate to the Common Depository, Euroclear or Clearstream, Luxembourg will credit each subscriber with a nominal amount of Notes equal to the nominal amount thereof for which it has subscribed and paid. If the Global Note is a NGN, the nominal amount of the Notes shall be the aggregate amount from time to time entered in the records of Euroclear or Clearstream, Luxembourg. The records of such clearing system shall be conclusive evidence of the nominal amount of Notes represented by the Global Note and a statement issued by such clearing system at any time shall be conclusive evidence of the records of the relevant clearing system at that time.

Notes that are initially deposited with the Common Depository may also be credited to the accounts of subscribers with (if indicated in the applicable Final Terms) other clearing systems through direct or indirect accounts with Euroclear and Clearstream, Luxembourg held by such other clearing systems. Conversely, Notes that are initially deposited with any other clearing system may similarly be credited to the accounts of subscribers with Euroclear, Clearstream, Luxembourg or other clearing systems.

### **2. Relationship of Accountholders with Clearing Systems**

Each of the persons shown in the records of Euroclear, Clearstream, Luxembourg or any other permitted clearing system (“Alternative Clearing System”) as the holder of a Note represented by a Global Note or a Global Certificate must look solely to Euroclear, Clearstream, Luxembourg or any such Alternative Clearing System (as the case may be) for his share of each payment made by the Issuer to the bearer of such Global Note or the holder of the underlying Registered Notes, as the case may be, and in relation to all other rights arising under the Global Notes or Global Certificates, subject to and in accordance with the respective rules and procedures of Euroclear, Clearstream, Luxembourg or such Alternative Clearing System (as the case may be). Such persons shall have no claim directly against the Issuer in respect of payments due on the Notes for so long as the Notes are represented by such Global Note or Global Certificate and such obligations of the Issuer will be discharged by payment to the bearer of such Global Note or the holder of the underlying Registered Notes, as the case may be, in respect of each amount so paid.

### **3. Exchange**

#### **3.1 Temporary Global Notes**

Each temporary Global Note will be exchangeable, free of charge to the holder, on or after its Exchange Date:

- (i) if the applicable Final Terms indicates that such Global Note is issued in compliance with the C Rules or in a transaction to which TEFRA is not applicable (as to which, see “*Overview of the Programme — Selling Restrictions*”), in whole, but not in part, for the Definitive Notes defined and described below; and
- (ii) otherwise, in whole or in part, upon certification as to non-U.S. beneficial ownership in the form set out in the Agency Agreement for interests in a permanent Global Note or, if so provided in the applicable Final Terms, for Definitive Notes.

#### **3.2 Permanent Global Notes**

Each permanent Global Note will be exchangeable, free of charge to the holder, on or after its Exchange Date in whole but not, except as provided under paragraph 3.4 below, in part for Definitive Notes:

- (i) if the permanent Global Note is held on behalf of Euroclear or Clearstream, Luxembourg or an Alternative Clearing System and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or in fact does so; or
- (ii) if principal in respect of any Notes is not paid when due, by the holder giving notice to the Fiscal Agent of its election for such exchange.

In the event that a Global Note is exchanged for Definitive Notes, such Definitive Notes shall be issued in Specified Denomination(s) only. A Noteholder who holds a principal amount of less than the minimum Specified Denomination will not receive a definitive Note in respect of such holding and would need to purchase a principal amount of Notes such that it holds an amount equal to one or more Specified Denominations.

#### **3.3 Permanent Global Certificates**

If the Final Terms state that the Notes are to be represented by a permanent Global Certificate on issue, the following will apply in respect of transfers of Notes held in Euroclear or Clearstream, Luxembourg or an Alternative Clearing System. These provisions will not prevent the trading of interests in the Notes within a clearing system whilst they are held on behalf of such clearing system, but will limit the circumstances in which the Notes may be withdrawn from the relevant clearing system.

Transfers of the holding of Notes represented by any Global Certificate pursuant to Condition 2(b) may only be made in part:

- (i) if the relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so; or
- (ii) if principal in respect of any Notes is not paid when due; or
- (iii) with the consent of the Issuer,

provided that, in the case of the first transfer of part of a holding pursuant to paragraph 3.3(i) or 3.3(ii) above, the Registered Holder has given the Registrar not less than 30 days' notice at its specified office of the Registered Holder's intention to effect such transfer.

### **3.4 Partial Exchange of Permanent Global Notes**

For so long as a permanent Global Note is held on behalf of a clearing system and the rules of that clearing system permit, such permanent Global Note will be exchangeable in part on one or more occasions for Definitive Notes (i) if principal in respect of any Notes is not paid when due or (ii) if so provided in, and in accordance with, the Conditions (which will be set out in the applicable Final Terms) relating to Partly Paid Notes.

### **3.5 Delivery of Notes**

If the Global Note is a CGN, on or after any due date for exchange, the holder of a Global Note may surrender such Global Note or, in the case of a partial exchange, present it for endorsement to or to the order of the Fiscal Agent. In exchange for any Global Note, or the part thereof to be exchanged, the Issuer will (i) in the case of a temporary Global Note exchangeable for a permanent Global Note, deliver, or procure the delivery of, a permanent Global Note in an aggregate nominal amount equal to that of the whole or that part of a temporary Global Note that is being exchanged or, in the case of a subsequent exchange, endorse, or procure the endorsement of, a permanent Global Note to reflect such exchange or (ii) in the case of a Global Note exchangeable for Definitive Notes, deliver, or procure the delivery of, an equal aggregate nominal amount of duly executed and authenticated Definitive Notes or, if the Global Note is a NGN, the Issuer will procure that details of such exchange be entered pro rata in the records of the relevant clearing system. In this Prospectus, "Definitive Notes" means, in relation to any Global Note, the definitive Bearer Notes for which such Global Note may be exchanged (if appropriate, having attached to them all Coupons and Receipts in respect of interest or Instalment Amounts that have not already been paid on the Global Note and a Talon). Definitive Notes will be security printed in accordance with any applicable legal and stock exchange requirements in or substantially in the form set out in the Schedules to the Agency Agreement. On exchange in full of each permanent Global Note, the Issuer will, if the holder so requests, procure that it is cancelled and returned to the holder together with the relevant Definitive Notes.

### **3.6 Exchange Date**

"Exchange Date" means, in relation to a temporary Global Note, the day falling after the expiry of 40 days after its issue date and, in relation to a permanent Global Note, a day falling not less than 60 days or, in the case of failure to pay principal in respect of any Notes when due 30 days, after that on which the notice requiring exchange is given and on which banks are open for business in

the city in which the specified office of the Fiscal Agent is located and in the city in which the relevant clearing system is located.

#### **4. Amendment to Conditions**

The temporary Global Notes, permanent Global Notes and Global Certificates contain provisions that apply to the Notes that they represent, some of which modify the effect of the terms and conditions of the Notes set out in this Prospectus. The following is a summary of certain of those provisions:

##### **4.1 Payments**

No payment falling due after the Exchange Date will be made on any Global Note unless exchange for an interest in a permanent Global Note or for Definitive Notes is improperly withheld or refused. Payments on any temporary Global Note issued in compliance with the D Rules before the Exchange Date will only be made against presentation of certification as to non-U.S. beneficial ownership in the form set out in the Agency Agreement. All payments in respect of Notes represented by a Global Note in CGN form will be made against presentation for endorsement and, if no further payment falls to be made in respect of the Notes, surrender of that Global Note to or to the order of the Fiscal Agent or such other Paying Agent as shall have been notified to the Noteholders for such purpose. If the Global Note is a CGN, a record of each payment so made will be endorsed on each Global Note, which endorsement will be prima facie evidence that such payment has been made in respect of the Notes. If the Global Note is a NGN or if the Global Certificate is held under the NSS, the Issuer shall procure that details of each such payment shall be entered pro rata in the records of the relevant clearing system and, in the case of payments of principal, the nominal amount of the Notes recorded in the records of the relevant clearing system and represented by the Global Note or the Global Certificate will be reduced accordingly. Payments under a NGN will be made to its holder. Each payment so made will discharge the Issuer's obligations in respect thereof. Any failure to make the entries in the records of the relevant clearing system shall not affect such discharge. For the purpose of any payments made in respect of a Global Note, the relevant place of presentation shall be disregarded in the definition of "business day" set out in Condition 6(h) (*Non-Business Days*).

All payments in respect of Notes represented by a Global Certificate will be made to, or to the order of, the person whose name is entered on the Register at the close of business on the record date which shall be on the Clearing System Business Day immediately prior to the date for payment, where "Clearing System Business Day" means Monday to Friday inclusive except 25 December and 1 January.

##### **4.2 Prescription**

Claims against the Issuer in respect of Notes that are represented by a permanent Global Note will become void unless it is presented for payment within a period of five years from the date on which such payment first became due.

##### **4.3 Meetings**

The holder of a permanent Global Note or of the Notes represented by a Global Certificate shall (unless such permanent Global Note or Global Certificate represents only one Note) be treated as being two persons for the purposes of any quorum requirements of a meeting of Noteholders and,

at any such meeting, the holder of a permanent Global Note shall be treated as having one vote in respect of each integral currency unit of the Specified Currency of the Notes. (All holders of Registered Notes are entitled to one vote in respect of each integral currency unit of the Specified Currency of the Notes comprising such Noteholder's holding, whether or not represented by a Global Certificate.)

#### **4.4 Cancellation**

Cancellation of any Note represented by a permanent Global Note that is required by the Conditions to be cancelled (other than upon its redemption) will be effected by reduction in the nominal amount of the relevant permanent Global Note.

#### **4.5 Purchase**

Notes represented by a permanent Global Note may only be purchased by the Issuer or any of its subsidiaries if they are purchased together with the rights to receive all future payments of interest and Instalment Amounts (if any) thereon.

#### **4.6 Issuer's Option**

Any option of the Issuer provided for in the Conditions of any Notes while such Notes are represented by a permanent Global Note shall be exercised by the Issuer giving notice to the Noteholders within the time limits set out in and containing the information required by the Conditions, except that the notice shall not be required to contain the serial numbers of Notes drawn in the case of a partial exercise of an option and, accordingly, no drawing of Notes shall be required. In the event that any option of the Issuer is exercised in respect of some but not all of the Notes of any Series, the rights of accountholders with a clearing system in respect of the Notes will be governed by the standard procedures of Euroclear and/or Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion) or any other Alternative Clearing System (as the case may be).

#### **4.7 Noteholders' Options**

Any option of the Senior Preferred Noteholders provided for in the Conditions of any Senior Preferred Notes while such Senior Preferred Notes are represented by a permanent Global Senior Preferred Note may be exercised by the holder of the permanent Global Senior Preferred Note giving notice to the Fiscal Agent within the time limits relating to the deposit of Senior Preferred Notes with a Paying Agent set out in the Conditions substantially in the form of the notice available from any Paying Agent, except that the notice shall not be required to contain the serial numbers of the Senior Preferred Notes in respect of which the option has been exercised, and stating the nominal amount of Senior Preferred Notes in respect of which the option is exercised and at the same time, where the permanent Global Senior Preferred Note is a CGN, presenting the permanent Global Senior Preferred Note to the Fiscal Agent, or to a Paying Agent acting on behalf of the Fiscal Agent, for notation. Where the Global Senior Preferred Note is a NGN or where the Global Certificate is held under the NSS, the Issuer shall procure that details of such exercise shall be entered *pro rata* in the records of the relevant clearing system and the nominal amount of the Senior Preferred Notes recorded in those records will be reduced accordingly.



#### **4.8 NGN nominal amount**

Where the Global Note is a NGN, the Issuer shall procure that any exchange, payment, cancellation, exercise of any option or any right under the Notes, as the case may be, in addition to the circumstances set out above shall be entered in the records of the relevant clearing systems and upon any such entry being made, in respect of payments of principal, the nominal amount of the Notes represented by such Global Note shall be adjusted accordingly.

#### **4.9 Events of Default**

Each Global Note provides that the holder may cause such Global Note, or a portion of it, to become due and repayable in the circumstances described in Condition 9 by stating in the notice to the Fiscal Agent the nominal amount of such Global Note that is becoming due and repayable. If principal in respect of any Note is not paid when due, the holder of a Global Note or Registered Notes represented by a Global Certificate may elect for direct enforcement rights against the Issuer under the terms of that Global Note to come into effect in relation to the whole or a part of such Global Note or one or more Registered Notes in favour of the persons entitled to such part of such Global Note or such Registered Notes, as the case may be, as accountholders with a clearing system. Following any such acquisition of direct rights, the Global Note or, as the case may be, the Global Certificate and the corresponding entry in the Register kept by the Registrar will become void as to the specified portion or Registered Notes, as the case may be. However, no such election may be made in respect of Notes represented by a Global Certificate unless the transfer of the whole or a part of the holding of Notes represented by that Global Certificate shall have been improperly withheld or refused.

#### **4.10 Notices**

So long as any Notes are represented by a Global Note and such Global Note is held on behalf of a clearing system, notices to the holders of Notes of that Series may be given by delivery of the relevant notice to that clearing system for communication by it to entitled accountholders in substitution for publication as required by the Conditions or by delivery of the relevant notice to the holder of the Global Note. So long as the Notes are listed on any stock exchange, notices to holders of the Notes shall also be made as required under the rules of such stock exchange.

### **5. Electronic Consent and Written Resolution**

While any Global Note is held on behalf of, or any Global Certificate is registered in the name of any nominee for, a clearing system, then:

- (a) approval of a resolution proposed by the Issuer given by way of electronic consents communicated through the electronic communications systems of the relevant clearing system(s) in accordance with their operating rules and procedures by or on behalf of the holders of not less than 75 per cent. in nominal amount of the Notes outstanding (an “Electronic Consent” as defined in the Fiscal Agency Agreement) shall, for all purposes (including matters that would otherwise require an Extraordinary Resolution to be passed at a meeting for which the special quorum was satisfied), take effect as an Extraordinary Resolution passed at a meeting of Noteholders duly convened and held, and shall be binding on all Noteholders and holders of Coupons, Talons and Receipts whether or not they participated in such Electronic Consent; and

- (b) where Electronic Consent is not being sought, for the purpose of determining whether a Written Resolution (as defined in the Fiscal Agency Agreement) has been validly passed, the Issuer shall be entitled to rely on consent or instructions given in writing directly to the Issuer by (a) accountholders in the clearing system with entitlements to such Global Note or Global Certificate and/or, where (b) the accountholders hold any such entitlement on behalf of another person, on written consent from or written instruction by the person identified by that accountholder as the person for whom such entitlement is held. For the purpose of establishing the entitlement to give any such consent or instruction, the Issuer shall be entitled to rely on any certificate or other document issued by, in the case of (a) above, Euroclear, Clearstream, Luxembourg or any other relevant alternative clearing system (the “**relevant clearing system**”) and, in the case of (b) above, the relevant clearing system and the accountholder identified by the relevant clearing system for the purposes of (b) above. Any resolution passed in such manner shall be binding on all Noteholders and Couponholders, even if the relevant consent or instruction proves to be defective. Any such certificate or other document shall, in the absence of manifest error, be conclusive and binding for all purposes. Any such certificate or other document may comprise any form of statement or print out of electronic records provided by the relevant clearing system (including Euroclear’s EUCLID or Clearstream, Luxembourg’s CreationOnline system) in accordance with its usual procedures and in which the accountholder of a particular principal or nominal amount of the Notes is clearly identified together with the amount of such holding. The Issuer shall not be liable to any person by reason of having accepted as valid or not having rejected any certificate or other document to such effect purporting to be issued by any such person and subsequently found to be forged or not authentic.

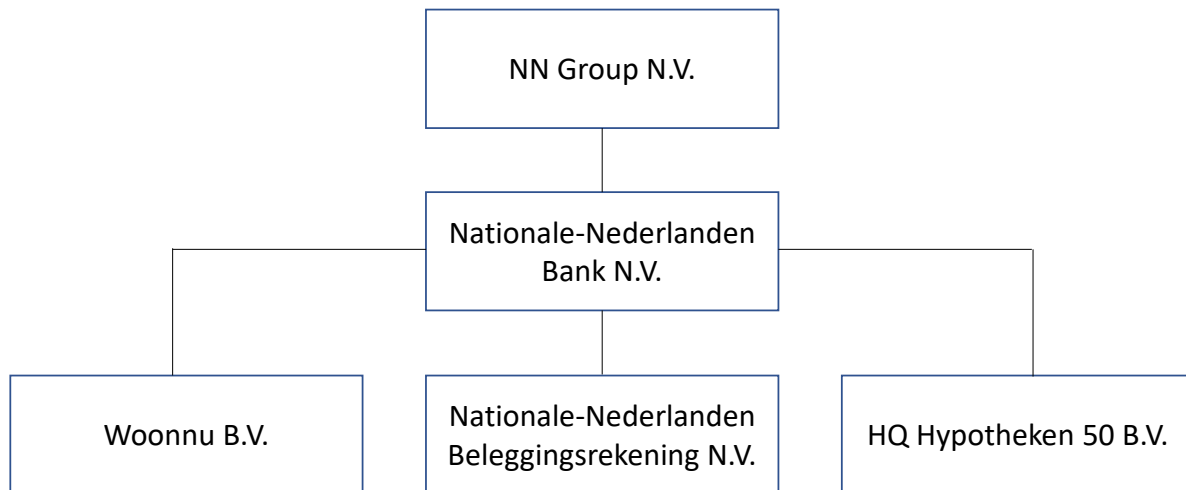
## **USE OF PROCEEDS**

The net proceeds from the issue of each Tranche of Notes will be applied by the Issuer for general corporate purposes. If, in respect of any particular issue, there is a particular identified use of proceeds, this will be stated in the applicable Final Terms.

## BUSINESS DESCRIPTION OF THE ISSUER

### General

The Issuer is a public company with limited liability (*naamloze vennootschap*) organised and operating under Dutch law and incorporated on 26 April 2011 under the name Nationale-Nederlanden Bank N.V. The Issuer operates under the business names 'Nationale-Nederlanden Bank N.V.', 'Nationale-Nederlanden Bank', 'NN Bank', 'Nationale-Nederlanden', 'NN', 'Brickler', 'Delta Lloyd Bank', 'Delta Lloyd Hypotheken', 'Amstelhuys' and 'OHRA Bank'. The legal entity identifier (LEI) of the Issuer is 724500BICUQ0LF1AH770. The website of the Issuer is <https://www.nn.nl>. The information contained on or accessible via <https://www.nn.nl> does not form part of this Prospectus and has not been scrutinised or approved by the AFM, unless such information is incorporated by reference into the Prospectus.



The Issuer has its statutory seat in The Hague, the Netherlands and its registered office at Prinses Beatrixlaan 35-37, 2595 AK The Hague, the Netherlands, telephone number +31 (0)70 3418418. It is registered with the Business Register held by the Chamber of Commerce under number 52605884. According to article 2 of the Issuer's articles of association, its objectives are to conduct the banking business in the widest sense of the word, including to offer bank savings products, to broker in insurances, acquire, establish and develop real estate, and furthermore to participate in, to conduct the business of, to provide the funding and to give personal or collateral security for the commitments of and to provide services to other companies and institutions, of any type, but especially companies and institutions which are active in the area of the credit system, investments, and/or other financial services, as well as to undertake all actions that are deemed to be necessary to the foregoing, or in furtherance thereof.

### Share capital

The Issuer's authorised share capital at 31 December 2019 amounted to EUR 50,000,000, divided into 5,000,000 ordinary shares, each with a nominal value of EUR 10. The Issuer's issued share capital amounts to EUR 10,000,000, consisting of 1,000,000 ordinary shares, with a nominal value of EUR 10 each. The rights of the shareholders are described in the Issuer's articles of association in conjunction with Dutch company law. The Issuer is fully owned by NN Group.

### Brief history

The Issuer was founded on 26 April 2011 as a Dutch retail bank. It is a fully-owned subsidiary of NN Group, and its broad range of banking products is complementary to Nationale-Nederlanden's individual life and non-life insurance products for retail customers in the Netherlands. On 1 July 2013, the Issuer entered into a legal merger with WestlandUtrecht Effectenbank N.V. (WUE) and Nationale-Nederlanden Financiële Diensten B.V. (NNFD). As a result of this merger, WUE and NNFD ceased to exist as separate entities and the Issuer acquired all assets and liabilities of WUE and NNFD under universal title of succession (*algemene titel*), effective on 2 July 2013. The

Issuer's purpose is to help retail customers secure their financial futures: helping them manage and protect their assets and income through mortgage loans, (internet) savings, bank annuities, consumer lending and retail investment products. In addition, the Issuer provides administration and management services to NN Group companies and external parties.

On 1 January 2018, Delta Lloyd Bank N.V. legally merged into the Issuer, followed by the legal mergers of Amstelhuys N.V. and OHRA Hypotheken Fonds N.V. (OHF) into the Issuer on 1 December 2019.

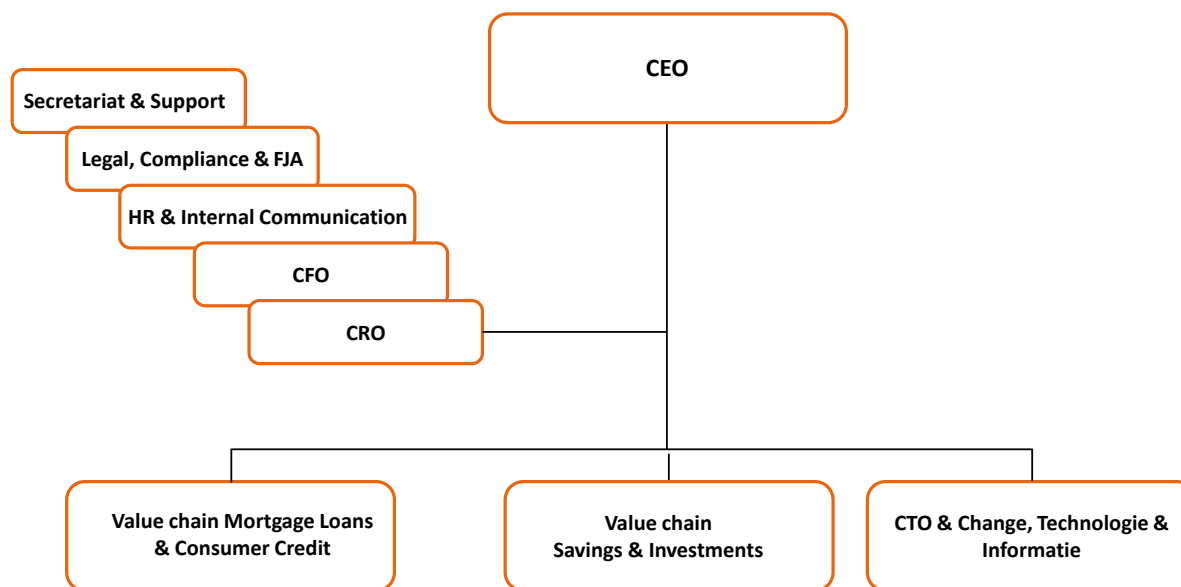
## Subsidiaries

The Issuer has three fully-owned subsidiaries:

- Woonnu B.V., which was founded on 13 August 2019 with statutory seat in The Hague, the Netherlands. Woonnu B.V. is a new mortgage provider in the Dutch market focusing on sustainable living and offers mortgage solutions for the purchase of energy efficient properties and/or investments to increase the energy efficiency of residential properties. It is a platform, in which external investors can invest directly in the sustainability transition of the Dutch housing market.
- HQ Hypotheken 50 B.V., which was founded on 21 August 2012 with statutory seat in Rotterdam, the Netherlands. Through this subsidiary, the Issuer offered mortgage loans to customers via a third-party mortgage service provider until April 2020.
- Nationale-Nederlanden Beleggingsrekening N.V. This is a dormant company, not currently conducting any business or other activities.

## Organisation

The Issuer is part of Nationale-Nederlanden in the Netherlands. The Issuer is organised in a value chain structure focused on its core retail banking activities: Mortgage Loans & Consumer Loans and Savings & Investments. Each value chain is organised in such a way, that all responsibilities and activities regarding a specific product (e.g. mortgage loans) are embedded within that chain, i.e. from front to back.



As part of the CFO organisation, the Issuer's Treasury department is responsible for capital planning and the management of the funding (medium and long-term), liquidity (short-term) and interest rate risk position. The starting point for the management of capital and the liquidity and interest rate risk position are the mortgage and customer savings portfolios.

## Strategy

The customer strategy of the Issuer is based on the overall strategy of NN Group and the 'Strategy NL'. The common objective is to help people care for what matters most to them. This objective reflects the company's aim to deliver long-term value for all its stakeholders, not just wealth. NN puts its resources, expertise, and networks to use for the well-being of its customers, the advancement of its communities, and the preservation of the planet, and for the promotion of a stable, inclusive, and sustainable economy.

In the coming years the Issuer will continue its current business strategy:

- primary focus on growth in mortgage loans and savings;
- investing in its customer service and processes; and
- simplifying its IT landscape.

In addition to the integration and investing in the customer relationship, the Issuer started exploring future business opportunities.

## Revenue model

The activities of the Issuer generate the following income flows:

- *Interest result*: which is the difference between (i) interest income (mainly comprising (long-term) interest received on mortgages and consumer loans) and (ii) interest expense (including (short-term) interest paid on internet savings accounts, deposits and wholesale funding as well as interest expense on debt securities issued, subordinated loans and other borrowed funds).
- *Net fee and commission income*: which is the difference between commission received and commission paid. Commission received mainly comprises the origination fee received on mortgage production for other NN Group entities, servicing fees related to mortgage portfolios of other NN Group entities, NN Dutch Residential Mortgage Fund and ING Bank which the Issuer services and management fees on the investment portfolio. The commission paid mainly relates to lending commission on mortgages and consumer credits and services bought from third parties e.g. for servicing the mortgage offering process.
- *Gains and losses on financial transactions and other income*: mainly comprises gains and losses on financial transactions and valuation results on derivatives.

## Business

The Issuer offers a range of banking products to mainly retail customers in the Netherlands. In 2018, the Issuer started offering an online savings product in Spain.

The Issuer's banking product offering, with mortgages and savings as its key products, includes the following: mortgages, (bank annuity) savings products, consumer credit and retail investments.

### Mortgage Loans

The Issuer originated EUR 4.4bn of new mortgage loans in the first six months of 2020, of which 41 per cent. was originated for Nationale-Nederlanden Levensverzekering Maatschappij N.V., 34 per cent. for the Issuer, 9 per cent. for NN Dutch Residential Mortgage Fund and 16 per cent. for other NN Group entities. In addition to the business of originating mortgage loans, the Issuer is also servicing mortgage loan portfolios for other NN Group companies, NN Dutch Residential Mortgage Fund and ING Bank N.V. As at 30 June 2020, the Issuer services EUR 51.8bn of mortgage loans, of which EUR 23.8bn for the life insurance businesses (Nationale-Nederlanden Levensverzekering Maatschappij N.V.), EUR 18.7bn for the Issuer, EUR 4.7bn for other NN Group entities, EUR 2.9bn for the NN Dutch Residential Mortgage Fund and EUR 1.4bn for ING Bank N.V.

### (Bank annuity) savings

Main categories of savings products are bank annuities and on-line savings accounts. Bank annuities are fiscally driven savings products and include immediate annuities, deferred annuities and severance payment annuities.

### **Key risk metrics**

On 30 June 2020 the key capital ratios of the Issuer were:

- Total Capital Ratio of 18.1 per cent., calculated as Tier 1 + Tier 2 capital divided by risk-weighted assets;
- CET1 ratio of 16.7 per cent., calculated as Common Equity Tier 1 divided by risk-weighted assets; and
- Leverage Ratio of 4.0 per cent., calculated as Tier 1 capital divided by total assets.

In addition, on 30 June 2020, the key liquidity and funding ratios of the Issuer were:

- Liquidity Coverage Ratio (LCR) of 193 per cent., calculated as total high quality liquid assets divided by total net cash outflow;
- Net Stable Funding Ratio (NSFR) of 130 per cent., calculated as total available stable funding divided by total required stable funding;
- Loan-to Deposit ratio of 130 per cent., calculated as the bank's total volume of loans divided by its retail deposits; and
- Asset Encumbrance ratio of 21.1 per cent., calculated as the amount of encumbered assets divided by total assets.

### **Relevant regulatory requirements**

#### *Basel IV/CRD IV/EU Banking Reforms*

Regulatory requirements with respect to capital adequacy and liquidity, as proposed by the Basel Committee on Banking Supervision (the "**Basel Committee**") and being implemented in the European Union through, among others, the CRD IV Directive and the CRR, as these are amended from time to time. These requirements are subject to ongoing change, and are expected to become more stringent. This is especially due to the implementation and entry into force of the change to CRD IV included in the EU banking package adopted in April 2019 (the "**EU Banking Reforms**") and the finalised Basel III reforms as published on 7 December 2017 (the "**Basel III Reforms**") (informally referred to as Basel IV). The foregoing measures are expected to require the Issuer to attract and retain additional and/or enhanced capital and liquidity, and will impact the Issuer's day-to-day business. Notable changes that will affect the Issuer's business includes changes to the requirements for the risk-weighting of mortgages and the introduction of an output floor. The Issuer expects that as of 2023, due to the Basel III Reforms its RWA will increase to a limited extent and that its CET1 capital ratio will be adversely affected to a limited extent as a consequence. Furthermore and finally, the impact of these changes to the applicable prudential regime is yet to be fully determined by the Issuer. This is among others due to the fact that the EU Banking Reforms and Basel III Reforms are still subject (in part) to further implementation in EU or national laws.

#### *AML Directive/AML Regulation*

Further AML rules, as laid down in, among others, Directive 2015/849/EU (the "**AML Directive**") and accompanying Regulation (EU) No 2015/847 (the "**AML Regulation**"), as these are amended from time to time. The Issuer maintains a close and continuous survey on development and creation of new anti-money laundering laws. However, future amendments could adversely affect the Issuer's financial position, credit rating and results of operations and prospects.

#### *Benchmarks Regulation*

Under the Benchmarks Regulation new requirements apply with respect to the provision of a wide range of benchmarks (such as the Reference Rate (as defined below)), the contribution of input data to a benchmark and the use of a benchmark within the European Union. As a supervised entity and user of benchmarks within the meaning

of the Benchmarks Regulation, the Issuer has to comply with certain obligations under the Benchmarks Regulation in respect of in-scope products and contracts. This includes the obligation to produce and maintain a robust written plan among others setting out the actions the Issuer would take in the event a benchmark materially changes or ceases to be provided. This plan is commonly referred to as a fallback plan and the Issuer has produced and is maintaining such a plan. The Issuer is also required to ensure that it only makes use of authorised benchmarks and that its contracts include appropriate fallback language. The Issuer runs the risk that it is not able to timely amend its contracts and switch from the use of unauthorised benchmarks to authorised benchmarks and paying and/or receiving a similar rate of interest (both in its internal processes as well as in its external products and investments). This may affect the Issuer's financial and compliance position. For the impact of the Benchmarks Regulation on the Notes, see the risk factors: '*Changes or uncertainty in respect of LIBOR and/or EURIBOR or other interest rate benchmarks may affect the value or payment of interest under the Notes.*' and '*Future discontinuance of LIBOR, EURIBOR and any other benchmark may adversely affect the value of Notes which reference LIBOR, EURIBOR or such other benchmark*'.

#### *EMIR*

The Issuer's derivative activities remain subject to significant reform as a result of Regulation (EU) No 648/2012, as amended ("**EMIR**"). EMIR already requires the Issuer to centrally clear certain OTC-derivatives and report its derivative contracts to a trade repository. It furthermore requires the Issuer to exchange variation and initial margin with certain of its counterparties, which group of counterparties will be extended in the near future. This will lead to an increased margining obligation for the Issuer. The Issuer runs the risk that it will not be able to have the necessary contractual documentation and operational process timely in place in order to be able to trade or continue trading with the relevant counterparties. This will lead to additional compliance costs for the Issuer.

#### *SFTR*

Regulation (EU) No 2015/2365, pertaining to the transparency and reuse of securities financing transactions (the "**SFTR**"), requires the Issuer to as of Q2 2020 report these transactions to a central database. In order to be able to comply, the Issuer will have to obtain access to an eligible central database and ensure that its systems and involved employees are able to (timely) compile, verify and process the required reports. This will give rise to additional costs and expenses. The Issuer runs the risk that it will not be able to have the necessary contractual documentation and operational process timely in place to be able to adequately and timely report securities financing transactions. This may affect the Issuer's ability to trade or continue trading with the relevant counterparties.

#### *IFRS*

The Issuer's consolidated financial statements are prepared in accordance with the International Financial Reporting Standards (IFRS) - including International Accounting Standards (IAS) and Interpretations - as adopted by the European Union (hereafter EU). The IFRS guidelines are periodically revised or expanded. It is possible that future accounting standards which the Issuer is required to adopt, or as a result of choices made by the Issuer, could change the current accounting treatment that applies to its consolidated financial statements and that such changes could have a material adverse effect on the Issuer's reported results of operations and financial condition and may have a corresponding impact on its capital ratios.

#### *Financial Conglomerate ("FICO")*

On 19 April 2016, DNB designated NN Group as a financial conglomerate (FICO) effective from 1 January 2016. As of that date NN Group qualifies as a mixed financial holding company and is subject to supplemental group supervision by DNB in accordance with the requirements of the EU's Financial Conglomerate Directive. As a result, DNB has required NN Group to deduct its participation in credit institutions from the NN Group Solvency II ratio. Accordingly, NN Group excludes the Issuer from both Own Funds and the SCR. On 10 July 2020, DNB announced that the required approach to calculating the Group Solvency II ratio for an insurance-led FICO would be revised, as a result of which NN Group will be required to include the Issuer in the calculation of the Group Solvency II ratio from 31 December 2020 onwards. Additional requirements stemming from other European directives and regulations, such as the Recovery and Resolution Directive (2014/59/EU), CRD IV (2013/36/EU) as amended by CRD V (2019/878/EU) and CRR (575/2013/EU), might also apply to a FICO. For insurance led FICOs, DNB is currently of the view that the CRD IV and CRR requirements do not apply to the holding company given that it is



already subject to Solvency II group supervision requirements. However, a different interpretation of these requirements by the EC or future changes to these requirements might lead to DNB taking a different view in this respect. If so, this could lead to the application of other consolidation requirements for the Issuer, whereby the Issuer would need to include certain group elements in its capital calculation. This could have a material adverse effect on its business and requires NN Group to make changes to its business model.

## Legal proceedings

The Issuer is, and could be, involved in litigation and other binding proceedings involving claims by and against the Issuer that arise in the ordinary course of its business, including in connection with its activities as bank, investor and its position as employer and taxpayer. Such proceedings could entail that large or indeterminate amounts are sought. While it is not feasible to predict or determine the ultimate outcome of all pending or threatened legal and regulatory proceedings, at the date of this Prospectus, there are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) during the twelve (12) months prior to the date of this Prospectus that may have or have in the recent past, had a significant effect on the financial condition or profitability of the Issuer and its subsidiaries.

On 17 July 2018, two consumer organisations (*Consumentenbond and Vereniging Eigen Huis*) started proceedings as a test case against Amstelhuys N.V., at that moment a sister company of the Issuer, claiming that prepayment penalties charged prior 14 July 2016 should be recalculated and potentially be repaid to the borrowers. These claims have been rejected by Amstelhuys N.V. and Amstelhuys N.V. defended itself in these proceedings. The court hearing was held at 27 November 2019. The Amsterdam District Court delivered its verdict on 15 January 2020 and rejected all claims of the aforementioned consumer organisations against Amstelhuys N.V. and as such against the Issuer, following the merger of Amstelhuys N.V. into the Issuer on 1 December 2019. The decision of the Amsterdam Court has become final.

On 29 November 2019, the AFM published its decision to impose an administrative fine of EUR 1,125,000 on the Issuer for violation of article 4:34 of the Dutch Financial Supervision Act (which relates to the overextension of credit to consumers). The Issuer is not subject to any legal proceedings in this respect.

Currently, several legal proceedings regarding unit-linked products are pending before Dutch Courts and the KiFiD against Dutch insurance subsidiaries of NN Group N.V. Although the Issuer is not subject to any governmental, legal or arbitration proceedings regarding unit-linked products, actions against Dutch insurance subsidiaries of NN Group N.V. might lead to material losses for the Issuer. See for more information the paragraph '*Unit-linked products*' hereafter and the risk factor '*Risks related to the unit-linked products as offered by the Dutch insurance subsidiaries of NN Group N.V.*'.

## COVID-19

COVID-19 has had a substantial impact on financial markets, global trade, manufacturing and travel and also has a negative impact on the markets in which the Issuer is active. However, to date, the impact on the Dutch mortgage market has been limited and the Euro wholesale funding market has largely recovered.

The Issuer's key priorities are to safeguard the well-being of its employees and provide an uninterrupted service to its customers. In that respect, the Issuer has taken several measures to mitigate the immediate impact of COVID-19:

- The Issuer is following the recommendations of the Dutch government with nearly all of its employees working from home and only employees in essential functions working from its office locations;
- Payment holidays (postponement of payments) are offered on an individual basis to borrowers who face temporary payment difficulties on their mortgage loans or consumer loans. As at 30 June 2020, the Issuer had granted a payment holiday to 0.7% of its mortgage loan customers. It is reasonable to expect that this percentage will increase over the course of 2020;
- Additional (temporary) measures have been implemented regarding the origination of mortgage loans, e.g. list of additional questions on income for employees and self-employed;

- Sufficient (backup) liquidity and funding alternatives have been put in place, hence for the foreseeable future no significant difficulties are expected in refinancing the Issuer's funding positions and liquidity positions which are expected to remain comfortably above regulatory and internal limits; and
- No final dividend over 2019 was paid and no interim dividend over 2020 has been proposed. With this, the Issuer follows the recommendation issued by the ECB in view of the current COVID-19 situation to refrain from dividend payments until 1 January 2021. The Issuer intends to resume dividend payments at such time that is appropriate in light of COVID-19 developments.

Although the financial impact to date is limited to a slight increase in risk costs due to payment holidays and the application of revised macroeconomic outlooks, the expenses incurred to increase capacity at loan servicing and the measures to increase (back up) liquidity, COVID-19 is likely to continue to impact the Issuer in the coming period.

## **Brexit**

The Issuer's Treasury has a number of transaction-related parties that are UK (-based) firms, and transaction documentation under English Law. Following a national referendum and enactment of legislation by the government of the United Kingdom, the United Kingdom formally withdrew from the European Union on 31 January 2020 and entered into a transition period during which it will continue its ongoing and complex negotiations with the European Union relating to the future trading relationship between the parties. Significant political and economic uncertainty remains about whether the terms of the relationship will differ materially from the terms before withdrawal, as well as about the possibility that a so-called "no deal" separation will occur if negotiations are not completed by the end of the transition period on 31 December 2020. In light of these developments, a response plan for the Issuer is being implemented. The primary objective for the Issuer is to safeguard the ability to hedge its interest rate position via new transactions through an EU-based clearing framework, regardless of any Brexit scenario. As uncertainty remains over access to UK-based parties after the end of the transition period, the need to ensure the Issuer has access to an EU-based clearing framework remains. Therefore, the Issuer has established relationships with clearing members in Europe who provide access to the European clearing house Eurex.

## **Unit-linked products**

Since the end of 2006, unit-linked products (commonly referred to in Dutch as '*beleggingsverzekeringen*') have received negative attention in the Dutch media, from the Dutch Parliament, the Netherlands Authority for the Financial Markets (*Autoriteit Financiële Markten*) and consumer protection organisations. Costs of unit-linked products sold in the past are perceived as too high and Dutch insurers are in general being accused of being less transparent in their offering of such unit-linked products. The criticism on unit-linked products led to the introduction of compensation schemes by Dutch insurance companies that have offered unit-linked products. In 2008 and 2010, Nationale-Nederlanden and Delta Lloyd (and ABN AMRO Levensverzekering in 2010) reached agreements with consumer protection organisations to offer compensation to unit-linked policyholders. The agreements with the consumer protection organisations are not binding to policyholders, and consequently, do not prevent individual policyholders from initiating legal proceedings against NN Group's Dutch insurance subsidiaries.

On 29 April 2015, the European Court of Justice issued its ruling on preliminary questions submitted by the District Court in Rotterdam, upon request of parties, including Nationale-Nederlanden, to obtain clarity on principal legal questions with respect to cost transparency in relation to unit-linked products. The main preliminary question considered by the European Court of Justice was whether European law permits the application of information requirements based on general principles of Dutch law that extend beyond information requirements as explicitly prescribed by laws and regulations in force at the time the policy was written. The European Court of Justice ruled that the information requirements prescribed by the applicable European directive may be extended by additional information requirements included in national law, provided that these requirements are necessary for a policyholder to understand the essential characteristics of the commitment and are clear, accurate and foreseeable. Although the European Court does not decide on the applicable standards in specific cases and solely provides clarification on the interpretation of the applicable European directive, the ruling of the European Court of Justice has given clarification on this question of legal principle which is also the subject of other legal proceedings in the Netherlands. Dutch courts will need to take the interpretation of the European Court of Justice into account in relevant proceedings.

In 2013 Woekerpolis, and in 2017 Consumentenbond and Wakkerpolis, all associations representing the interests of policyholders of Nationale-Nederlanden, individually initiated so-called 'collective actions' against Nationale-Nederlanden. These claims are all based on similar grounds and have been rejected by Nationale-Nederlanden and Nationale-Nederlanden defends itself in these legal proceedings.

Woekerpolis requested the District Court in Rotterdam to declare that Nationale-Nederlanden sold products which are defective in various respects. Woekerpolis alleges that Nationale-Nederlanden failed to meet the required level of transparency regarding, cost charges and other product characteristics, failed to warn policyholders of certain product related risks, such as considerable stock depreciations, the inability to realise the projected final policy value, unrealistic capital projections due to differences in geometric versus arithmetic returns and that certain general terms and conditions regarding costs were unfair. On 19 July 2017, the District Court in Rotterdam rejected all claims of Woekerpolis and ruled that Nationale-Nederlanden has generally provided sufficient information on costs and premiums. Woekerpolis has lodged an appeal with the Court of Appeal in The Hague against the ruling of the District Court in Rotterdam. On 31 March 2020, the Court of Appeal in The Hague ruled in an interim ruling that it wishes to refer preliminary questions to the Dutch Supreme Court to obtain clarity on various principal points of law related to unit-linked products. The collective action before the Court of Appeal in The Hague will only resume once the Dutch Supreme Court has formulated its answers to the preliminary questions.

Consumentenbond alleges that Nationale-Nederlanden failed to adequately inform policyholders on cost charges, risk premium for life insurance cover and the leverage and capital consumption effect and that Nationale-Nederlanden provided misleading capital projections. Consumentenbond requests the District Court in Rotterdam to order a recalculation of certain types of unit-linked insurance products and to declare that Nationale-Nederlanden is liable for any damage caused by a lack of information and misleading capital projections. On 29 July 2020, the District Court in Rotterdam rejected all claims of Consumentenbond, concluding that agreement between parties (*wilsovereenstemming*) on costs components included in the gross premium and on the manner in which these costs components are set off during the term of the insurance, may be assumed. The ruling of the District Court in Rotterdam is subject to appeal.

The claim from Wakkerpolis primarily concentrates on the recovery of initial costs for policyholders and refers to a ruling of the Kifid in an individual case against Nationale-Nederlanden. In this case, the Appeals Committee of Kifid ruled that there is no contractual basis for charging initial costs and that the insurer is obliged to warn against the leverage and capital consumption effect. In an interim ruling issued on 22 April 2020 the District Court in Rotterdam dismissed Wakkerpolis' claim to recalculate the value of unit-linked products without initial costs. With respect to unit-linked products issued after 1994, the District Court concluded that Nationale-Nederlanden complied with information requirements prescribed by law and regulations applicable at the time and further concluded that in principle all costs (including initial costs) were agreed upon by parties (*wilsovereenstemming*). With respect to unit-linked products issued before 1994, Nationale-Nederlanden is requested to provide the District Court with information to demonstrate that also for these unit-linked products it acted in accordance with the applicable information requirements at the time. For unit-linked products issued before 1 August 1999, the District Court concluded that policyholders were not sufficiently informed by Nationale-Nederlanden on the effect of costs on the surrender value or paid up value of a policy, leading to an absence in the agreement between parties (*leemte*). In principle, the District Court will apply the principle of reasonableness and fairness in order to determine what the implied agreement is between parties. Nationale-Nederlanden is requested to inform the District Court on whether the allocation system for initial costs used by Nationale-Nederlanden would negatively affect the value of policies in case they are surrendered early or converted into paid up policies.

All life insurance policies and savings investment insurance policies with an investment alternative related to the mortgage loans may qualify as unit-linked products as referred to in the paragraphs above, and are therefore exposed to this risk. Approximately 16 per cent. of the mortgage loans on the balance sheet of the Issuer has such insurance policies connected to them as collateral for the loans.

Currently, several legal proceedings regarding unit-linked products are pending before Dutch Courts and the KiFiD against Dutch insurance subsidiaries of NN Group N.V. Although the Issuer is not subject to any governmental, legal or arbitration proceedings regarding unit-linked products, actions against Dutch insurance subsidiaries of NN Group N.V. might lead to material losses for the Issuer. See for more information the paragraph '*Legal proceedings*' in this section and the risk factor '*Risks related to the unit-linked products as offered by the Dutch insurance subsidiaries*

## MANAGEMENT BOARD AND SUPERVISORY BOARD

### General

The Issuer has a two tier board structure consisting of a management board (*raad van bestuur*) (the "**Management Board**") and a supervisory board (*raad van commissarissen*) (the "**Supervisory Board**").

The Issuer is managed by a Management Board under the supervision of the Supervisory Board. The Management Board has the ultimate executive responsibility for the Issuer. The Management Board is responsible for profitability and for business and operational activities and the risks and controls they entail. The Management Board establishes the Issuer's risk appetite (ratified by the Supervisory Board) and determines the risk policy framework, which it implements and monitors under the supervision of the Supervisory Board.

### Supervisory Board

#### *Powers, responsibilities and functioning*

The Supervisory Board is responsible for supervising the management of the Management Board and the general course of affairs of the Issuer and the business connected with it and providing advice to the Management Board. The Supervisory Board may, on its own initiative, provide the Management Board with advice and may request any information from the Management Board that it deems appropriate. In performing its duties, the Supervisory Board must consider and act in accordance with the interests of the Issuer and the business connected with it, taking into consideration the relevant interests of all the stakeholders of the Issuer (including its customers and personnel). The Management Board must timely provide the Supervisory Board with the information necessary for the performance of its duties. At least once a year, the Management Board must provide the Supervisory Board with a written report outlining the Issuer's strategy, the general and financial risks faced by the Issuer and the Issuer's management and control system.

The Supervisory Board has appointed one of its members as chairman. The Supervisory Board is assisted by the Head of the Legal and Compliance department of the Issuer.

#### *Members of the Supervisory Board*

As at the date of this Prospectus, the Supervisory Board consists of the following persons:

- Mr H.G.M. (Hein) Blocks (1945), chair (independent member). Mr Blocks has a long background in the banking industry. He is also chair of Bestuur Stichting Administratiekantoor KLM (SAK2), member of the Raad van Advies Autoriteit Persoonsgegevens, member of the Commissie Toegang Notariaat (Min. Veiligheid en Justitie), member Raad van Toezicht Elisabeth Otter Knoll Stichting, member board Stichting Elah Nederland, chair Vereniging van Eigenaars Zuid Een Egmond, chair supervisory board Zeedijk N.V., member board Verzetsmuseum, member board Stichting BlocksGoetheer Fonds.
- Mr A.A.G. (André) Bergen (1950) (independent member), former CEO of the Belgian KBC Group, is an experienced management and supervisory board member of large financial institutions, also chair of the audit and risk committee of the supervisory board of Nationale-Nederlanden Bank N.V.
- Mr D. (Delfin) Rueda (1964), also chief financial officer and member and vice-chair of the executive board and management board of NN Group and member of the supervisory boards of NN Re (Netherlands) N.V., Nationale-Nederlanden Levensverzekering Maatschappij N.V., Movir N.V., Nationale-Nederlanden Schadeverzekering Maatschappij and NN Non-Life Insurance N.V., member of the audit and risk committee of the supervisory board of Nationale-Nederlanden Bank N.V., vice-chair of the CFO Forum and supervisory board member and chair of the audit committee of the supervisory board of Adyen N.V.

The business address of the members of the Supervisory Board is the registered address of the Issuer, at Prinses

Beatrixlaan 35-37, 2595 AK The Hague, the Netherlands.

### ***Potential conflicts of interest***

Other than the fact that one member of the Supervisory Board is not independent from an NN Group N.V. perspective (because Mr Rueda is a member of the executive board and management board of NN Group N.V.), there are no actual or potential conflicts of interests between any duties owed by the members of the Supervisory Board to the Issuer and any private interests or other duties that such person may have. There is no family relationship between any member of the Management Board or the Supervisory Board. Conflicting interests are considered to be absent and are not reported if a member of the Supervisory Board obtains financial products and services from the Issuer, which are provided by the Issuer in the ordinary course of business on terms that apply to all personnel.

### **Management Board**

#### ***Powers, responsibilities and functioning***

The Management Board is entrusted with the general and day-to-day management, the strategy and the operations of the Issuer under the supervision of the Supervisory Board. In performing its duties, the Management Board must carefully consider and act in accordance with the interests of the Issuer and the business connected with it, taking into consideration the interest of all the stakeholders of the Issuer (including its customers and personnel). The Management Board, through the CEO, is required to keep the Supervisory Board informed, to consult with the Supervisory Board on important matters and to submit certain important decisions to the Supervisory Board for its approval (such as the Issuer's risk appetite, the medium term planning and the Issuer's risk policies). At least once a year, the Management Board must provide the Supervisory Board with a written report outlining the Issuer's strategy and the general and financial risks faced by the Issuer. Each of the members of the Management Board is responsible and accountable within the Management Board for the specific tasks as assigned. The members of the Management Board will attend Supervisory Board meetings if so requested.

The tasks and responsibilities of the members of the Management Board are allocated as follows:

- Chief Executive Officer (CEO)

As chairman, the CEO is responsible for the liaison between the various members of the Management Board, so that they can take collective management responsibility for profitability and business and operational activities, and thus also the risk profile and control of the bank. The CEO reports hierarchically as well as functionally to the CEO Non-Life, Banking & Technology.

- Chief Financial Officer (CFO)

The CFO is responsible for the financial function, including Financial accounting, Financial Management and Treasury. The CFO reports hierarchically to the Issuer's CEO.

- Chief Risk Officer (CRO)

The CRO is responsible for the risk management function (second-line) and is jointly responsible with the business (first-line) for the risk profile within the Issuer. The CRO reports hierarchically to the Issuer's CEO.

### ***Members of the Management Board***

As at the date of this Prospectus, the Management Board consists of the following persons:

- Mr A.J.M. (Marcel) Zuidam (1970), CEO and chairman; chairman of the Supervisory Board of Stichting NJHC, member of the Supervisory Board of Stichting Stayokay;
- Mr C.H.A. (Kees) van Kalveen (1971), CFO; statutory board member of Nationale-Nederlanden Beleggingsrekening N.V. and statutory board member of Stichting Nationale-Nederlanden Bank

Beleggersgiro;

- Mr P.C.A.M. (Pieter) Emmen (1969), CRO; and
- Mr. D.C. (Dennis) Brussel (1972), CTO<sup>3</sup>

The business address of the members of the Management Board is the registered address of the Issuer, at Prinses Beatrixlaan 35-37, 2595 AK The Hague, the Netherlands.

### ***Potential conflicts of interest***

There are no actual or potential conflicts of interests between any duties owed by the members of the Management Board to the Issuer and any private interests or other duties that such person may have. There is no family relationship between any member of the Management Board or the Supervisory Board.

Conflicting interests are considered to be absent and are not reported if a member of the Management Board obtains financial products and services from the Issuer, which are provided by the Issuer in the ordinary course of business on terms that apply to all personnel.

### ***Committees***

The Management Board has delegated a number of activities to specific committees within the Issuer. These committees have an advisory role to the Management Board or have been granted delegated authority. Those committees are as follows:

#### Asset and Liability Committee (ALCO)

The responsibilities of the Management Board with respect to asset and liability management are delegated to the ALCO. The ALCO is responsible for managing interest rate risk, liquidity risk, customer behaviour and for determining which capital instruments are to be deployed and for overseeing the implementation of (new) instruments. Within the ALCO financial risks associated with the banking business are discussed and reviewed with the individual members in order to address the risks in an integrated way. Credit Risk and Operational Risk are out of scope of ALCO's responsibilities, being dealt with by Credit Risk Management and Operational Risk Management respectively. The Management Board remains ultimately responsible for policy regarding, and management of, all the Issuer's risks.

#### Credit Risk Committee (CRC)

The responsibilities of the Management Board with respect to credit risk management are delegated to the CRC. The CRC is responsible for managing the Issuer's credit risk. The Management Board remains ultimately responsible for policy regarding, and management of, all the Issuer's risks.

#### Data Governance Committee (DGC)

Responsibilities of the Management Board with respect to data governance & quality management are delegated to the DGC. The DGC is responsible for maintenance and implementation of the policies regarding data governance & quality management. Decisions made in the DGC are mandatory guidance for those with an identified role in the data governance & quality management policy (e.g. data owners, data custodians, data stewards). The Management Board remains ultimately responsible for data governance and quality management within the Issuer.

#### Impairment and Provisioning Committee (IPC)

The IPC has been mandated to determine the Loan Loss Provisioning (LLP) of the Issuer in accordance with the methodology as described in the credit risk policy of the Issuer. The Management Board remains ultimately

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<sup>3</sup> Chief Transformation Officer, non statutory Board member as defined by Company Internal Governance in line with IAS 24

responsible for the LLP and the correctness of the used methodology and processes.

#### Non-Financial Risk Committee (NFRC)

The responsibilities of the Management Board with respect to non-financial risk management are delegated to the NFRC. The NFRC is responsible for managing non-financial risk. The Management Board remains ultimately responsible for policy regarding, and management of, all the Issuer's risks.

#### Crisis Committee (CC)

The main scope and responsibility of the CC is handling financial and non-financial crisis situations in accordance with the crisis management governance as described in the Issuer's recovery plan. The Issuer's crisis management governance frameworks meets four key crisis management governance criteria:

- Ensure separation between decision making and execution;
- Ensure tracking & logging of actions;
- Ensure unity of command;
- Ensure that the Issuer speaks with a single voice to its stakeholders and other parties.

The framework provides the necessary flexibility to tackle different financial crisis situations. It effectively facilitates the Issuer's mobilisation of the required expertise and to focus all efforts on finding, deciding on and bringing about an effective solution.

#### Balance Sheet Management Committee (BMC)

Responsibilities of the Management Board of the Issuer with respect to managing the balance sheet concerning ROE/profitability are delegated to the Balance Sheet Management Committee (BMC). The BMC is responsible for optimisation of the pricing of savings and mortgages to ensure meeting at least ROE/profitability targets while striving for economic profit per product greater than zero. Decisions made in the BMC are mandatory guidance for the pricing committees. In scope are all products and the current key focus is on mortgages and savings.

#### Model Committee (MoC)

The responsibilities of the Management Board with respect to model risk management has been delegated to the MoC, including the approval authority for the models, methodologies and parameters. The Management Board remains ultimately responsible for policy regarding, and management of, all the Issuer's risks.

#### Product Approval & Review Committee (PRC)

The PRC has been established to support the Management Board with product approval and review. The PRC is responsible for coordination and oversight of approval and review of (new and existing) products of the Issuer.

#### Pricing Committees (PC)

There are two Pricing Committees, the Wealth Finance Pricing Committee (WFPC) for mortgages and consumer lending rates and the Wealth Accumulation Pricing Committee (WAPC) for savings products (including "Box 3" savings and "Banksparen"). Both Pricing Committees support the Management Board in determining and evaluating the client rates that the Issuer sets for its mortgages (including "overbruggingskredieten"), consumer lending and savings products. The Pricing Committees are mandated to decide on rate setting within limits set by the Management Board. When no limits are set the Pricing Committees advises the Management Board on rate setting.

#### Disclosure Committee (DC)

The Disclosure Committee advises the NN Group Disclosure Committee on bank relevant disclosures. Furthermore the committee assists the Issuer in providing full, fair, accurate, timely and understandable information in documents required to be filed by the Issuer in compliance with regulations (e.g. Annual Report, COREP, FINREP and

Prospectus). The Disclosure Committee ensures that all disclosures made by the Issuer are accurate, complete, appropriate and fairly present the Issuer's condition.

#### Disclosure Committee, specific for inside information

The Disclosure Committee decides on issues (potentially) relating to inside information. It (i) decides whether information is inside information, (ii) decides whether or not to delay a publication of inside information, (iii) decides if a draft (emergency) press release must be prepared, (iv) records the time when the inside information first existed within the Issuer, (v) informs and liaises with the Disclosure Committee secretary of NN Group and (other members of the) Disclosure Committee of NN Group in relation to the possibility of inside information pertaining to the Issuer affecting NN Group.

#### **Supervision**

The Issuer is a credit institution with a full Netherlands banking licence and as such is supervised by the Dutch Central Bank (*De Nederlandsche Bank*) and by the Netherlands Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten*).

#### **Credit rating**

In January 2016, S&P assigned a long-term rating of single A and short-term rating of A-1 and the stable outlook to the Issuer. On 11 April 2016, Fitch Ratings Limited assigned NN Group a financial strength rating of A+. On 7 October 2016, S&P placed NN Group on CreditWatch negative, after NN Group initially announced its intention to purchase Delta Lloyd Group in an all-cash transaction on 5 October 2016. Due to the highly strategic status to its parent, the Issuer was also put on CreditWatch negative as per 7 October 2016. On 11 May 2017, S&P lowered the insurer financial strength rating of NN Group with one notch to 'A' and the long-term counterparty credit rating of NN Group with one notch to 'BBB+' and the long-term counterparty credit rating of the Issuer to A-, both with a stable outlook. On 29 September 2020, S&P reconfirmed the Issuer's long-term rating of A- and short-term rating of A-1, with stable outlook.

#### **NN Group N.V.**

NN Group N.V. is a financial service company active in 18 countries with a leading position in the Netherlands and a strong presence in a number of European markets and Japan. NN Group N.V. includes Nationale-Nederlanden, NN Investment Partners, ABN AMRO Insurance, Movir, AZL, BeFrank and OHRA.

NN Group N.V.'s roots lie in the Netherlands with a rich history that stretches back more than 170 years. With more than 14.000 employees, NN Group N.V. offers retirement services, insurance, investment and banking products to retail, self-employed workers, SME, large corporate and institutional customers.

NN Group is the leading life insurer in the Netherlands, with 40 per cent. market share in group pensions and 23 per cent. market share in individual life (see source 1 below). It also is the largest non-life insurer in the Netherlands, with 32 per cent. market share in Disability & Accident and 26 per cent. market share in Property & Casualty<sup>4</sup>. NN Group is a top 3 player in Central and Eastern Europe (CEE) focusing on life and voluntary pensions. In Japan, NN Group is market leader in corporate-owned life insurance (COLI) products<sup>5</sup>. The assets under management (AuM) at NN Investment Partners are EUR 285bn at 2Q20.

NN Group N.V. is a public limited liability company (*naamloze vennootschap*) incorporated under the laws of the Netherlands. NN Group became a standalone company on 2 July 2014. Since that date, the shares in the share capital of NN Group N.V. are listed on Euronext in Amsterdam under the listing name "NN Group". The shareholders' equity is EUR 35.1bn at 30 June 2020. A key milestone for NN Group was the acquisition of Delta Lloyd, which was completed in April 2017. In April 2020, NN Group completed the acquisition of the non-life business of Vivat

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<sup>4</sup> Source: DNB, based on the Gross Written Premium (GWP) data of 2018.

<sup>5</sup> Source: market share of about 12%, during the period 2016-2018; internal estimate NN Group based on the Annual Premium Equivalent (APE) data.



N.V.

According to the NN Group Decision Structure, certain decisions of the Issuer require the approval of NN Group N.V. prior to those decisions being taken. Examples of such decisions are: (a) the acquisition, increase, decrease and/or spinning-off of shareholder interests in a company (insofar as the transaction exceeds a specific threshold value); (b) intra group transactions (insofar as the transaction exceeds a specific threshold value); (c) the development of structurally new business activities or cessation of current business activities; and (d) proposals that may result in significant damage to reputation or harbours a substantial financial risk.

The NN Group governance manual describes the key structures, organisation and operating principles of NN Group, governing the standard management practices that must apply to all operations of NN Group, amongst which the Issuer's operations. This also includes a reporting model between certain functions of the Issuer and NN Group N.V.

NN Group has a framework of policies, procedures and minimum standards in place to create consistency throughout its entire organisation, and to define minimum requirements that are binding to all group companies such as the Issuer.

The Issuer also has certain outstanding debt facilities with NN Group.

The information contained in or accessible through <https://www.nn.nl> does not form a part of this Prospectus and has not been scrutinised or approved by the AFM, unless such information is incorporated by reference into the Prospectus.

## TAXATION

### General

The comments below are of a general nature and are not intended to be exhaustive. They assume that there will be no substitution of the Issuer and do not address the consequences of any such substitution (notwithstanding that such substitution may be permitted by the terms and conditions of the Notes). Each prospective investor should consult a professional tax adviser with respect to the tax consequences of an investment in the Notes.

### The Netherlands

#### General

The following summary outlines certain principal Dutch tax consequences of the acquisition, holding, settlement, redemption and disposal of the Notes, but does not purport to be a comprehensive description of all Dutch tax considerations that may be relevant. For the purposes of Dutch tax law, a Noteholder may include an individual or entity who does not have the legal title of these Notes, but to whom nevertheless the Notes or the income thereof is attributed based on specific statutory provisions or on the basis of such individual or entity having an interest in the Notes or the income thereof. This summary is intended as general information only and each prospective investor should consult a professional tax adviser about the tax consequences of the acquisition, holding, settlement, redemption and disposal of the Notes.

This summary is based on tax legislation, published case law, treaties, regulations and published policy, in each case as in force as of the date of this Prospectus, and does not take into account any developments or amendments thereof after that date whether or not such developments or amendments have retroactive effect.

This summary does not address the Dutch tax consequences for:

- (a) investment institutions (*fiscale beleggingsinstellingen*);
- (b) pension funds, exempt investment institutions (*vrijgestelde beleggingsinstellingen*) or other entities that are not subject to or exempt from Dutch corporate income tax;
- (c) holders of Notes holding a substantial interest (*aanmerkelijk belang*) or deemed substantial interest (*fictief aanmerkelijk belang*) in the Issuer and holders of Notes of whom a certain related person holds a substantial interest in the Issuer. Generally speaking, a substantial interest in the Issuer arises if a person, alone or, where such person is an individual, together with his or her partner (statutory defined term), directly or indirectly, holds or is deemed to hold: (i) an interest of 5 per cent. or more of the total issued capital of the Issuer or of 5 per cent. or more of the issued capital of a certain class of shares of the Issuer, (ii) rights to acquire, directly or indirectly, such interest, or (iii) certain profit-sharing rights in the Issuer;
- (d) persons to whom the Notes and the income from the Notes are attributed based on the separated private assets (*afgezonderd particulier vermogen*) provisions of the Dutch Income Tax Act 2001 (*Wet inkomstenbelasting 2001*);
- (e) entities which are a resident of Aruba, Curacao or Saint Maarten that have an enterprise which is carried on through a permanent establishment or a permanent representative on Bonaire, Saint Eustatius or Saba and the Notes are attributable to such permanent establishment or permanent representative; and

- (f) individuals to whom Notes or the income therefrom are attributable to employment activities which are taxed as employment income in the Netherlands.

Where this summary refers to the Netherlands, such reference is restricted to the part of the Kingdom of the Netherlands that is situated in Europe and the legislation applicable in that part of the Kingdom.

This summary does not describe the consequences of the exchange or the conversion of the Notes.

### **Withholding tax**

All payments made by the Issuer under the Notes may be made free of withholding or deduction for any taxes of whatsoever nature imposed, levied, withheld or assessed by the Netherlands or any political subdivision or taxing authority thereof or therein provided that the Notes do not in fact function as equity of the Issuer within the meaning of article 10, paragraph 1, under d of the Dutch Corporate Income Tax Act 1969 (*Wet op de vennootschapsbelasting 1969*).

However, as of 1 January 2021 Dutch withholding tax may apply on certain (deemed) payments of interest made to an affiliated (*gelieerde*) entity of the Issuer if such entity (i) is considered to be resident of a jurisdiction that is listed in the yearly updated Dutch Regulation on low-taxing states and non-cooperative jurisdictions for tax purposes (*Regeling laagbelastende staten en niet-coöperatieve rechtsgebieden voor belastingdoeleinden*), or (ii) has a permanent establishment located in such jurisdiction to which the interest is attributable, or (iii) is entitled to the interest payable for the main purpose or one of the main purposes to avoid taxation of another person, or (iv) is a hybrid entity, or (v) is not resident in any jurisdiction, all within the meaning of the Dutch Withholding Tax Act 2021 (*Wet bronbelasting 2021*).

### **Corporate and individual income tax**

#### ***Residents of the Netherlands***

If a Noteholder is a resident of the Netherlands or deemed to be a resident of the Netherlands for Dutch corporate income tax purposes and is fully subject to Dutch corporate income tax or is only subject to Dutch corporate income tax in respect of an enterprise to which the Notes are attributable, income derived from the Notes and gains realised upon the redemption, settlement or disposal of the Notes are generally taxable in the Netherlands (at up to a maximum rate of 25 per cent.).

If an individual is a resident of the Netherlands or deemed to be a resident of the Netherlands for Dutch individual income tax purposes, income derived from the Notes and gains realised upon the redemption, settlement or disposal of the Notes are taxable at the progressive rates (at up to a maximum rate of 49.50 per cent.) under the Dutch Income Tax Act 2001, if:

- (a) the individual is an entrepreneur (*ondernemer*) and has an enterprise to which the Notes are attributable or the individual has, other than as a shareholder, a co-entitlement to the net worth of an enterprise (*medegerechtigde*), to which enterprise the Notes are attributable; or
- (b) such income or gains qualify as income from miscellaneous activities (*resultaat uit overige werkzaamheden*), which includes activities with respect to the Notes that exceed regular, active portfolio management (*uitgaat boven normaal, actief vermogensbeheer*).

If neither condition (a) nor condition (b) above applies, an individual that holds the Notes must determine taxable income with regard to the Notes on the basis of a deemed return on income from savings and investments (*sparen*

*en beleggen*), rather than on the basis of income actually received or gains actually realised. This deemed return on savings and investments is fixed at a percentage of the individual's yield basis (*rendementsgrondslag*) at the beginning of the calendar year (1 January), insofar as the individual's yield basis exceeds a statutory threshold (*heffingvrij vermogen*). The individual's yield basis is determined as the fair market value of certain qualifying assets held by the individual less the fair market value of certain qualifying liabilities on 1 January. The fair market value of the Notes will be included as an asset in the individual's yield basis. The deemed return percentage to be applied to the yield basis increases progressively depending on the amount of the yield basis. The deemed return on savings and investments is taxed at a rate of 30 per cent.

### ***Non-residents of the Netherlands***

If a person is not a resident of the Netherlands nor is deemed to be a resident of the Netherlands for Dutch corporate or individual income tax purposes, such person is not liable to Dutch income tax in respect of income derived from the Notes and gains realised upon the settlement, redemption or disposal of the Notes, unless:

- (a) the person is not an individual and such person: (i) has an enterprise that is, in whole or in part, carried on through a permanent establishment or a permanent representative in the Netherlands to which permanent establishment or permanent representative the Notes are attributable, or (ii) is (other than by way of securities) entitled to a share in the profits of an enterprise or a co-entitlement to the net worth of an enterprise, which is effectively managed in the Netherlands and to which enterprise the Notes are attributable;

This income is subject to Dutch corporate income tax at up to a maximum rate of 25 per cent.

- (b) the person is an individual and such individual (i) has an enterprise or an interest in an enterprise that is, in whole or in part, carried on through a permanent establishment or a permanent representative in the Netherlands to which permanent establishment or permanent representative the Notes are attributable, or (ii) realises income or gains with respect to the Notes that qualify as income from miscellaneous activities in the Netherlands which includes activities with respect to the Notes that exceed regular, active portfolio management (*normaal, actiefvermogensbeheer*), or (iii) is other than by way of securities entitled to a share in the profits of an enterprise which is effectively managed in the Netherlands and to which enterprise the Notes are attributable.

Income derived from the Notes as specified under (i) and (ii) is subject to individual income tax at progressive rates up to a maximum rate of 49.50 per cent. Income derived from a share in the profits of an enterprise as specified under (iii) that is not already included under (i) or (ii) will be taxed on the basis of a deemed return on income from savings and investments (as described above under “—Residents of the Netherlands”). The fair market value of the share in the profits of the enterprise (which includes the Notes) will be part of the individual’s Dutch yield basis.

### **Gift and inheritance tax**

Dutch gift or inheritance taxes will not be levied on the occasion of the transfer of a Note by way of gift by, or on the death of, a holder of a Note, unless:

- (a) the holder of a Note is, or is deemed to be, resident in the Netherlands for the purpose of the relevant provisions; or
- (b) the transfer is construed as an inheritance or gift made by, or on behalf of, a person who, at the time of the gift or death, is or is deemed to be resident in the Netherlands for the purpose of the relevant provisions.

**Value added tax**

No value added tax will arise in respect of payments in consideration for the issue of the Notes or in respect of a cash payment made under the Notes, or in respect of a transfer of Notes.

**Other taxes and duties**

No registration tax, customs duty, transfer tax, stamp duty or any other similar documentary tax or duty will be payable in the Netherlands by a holder in respect of or in connection with the subscription, issue, placement, allotment, delivery or transfer of the Notes.

**Foreign Account Tax Compliance Act**

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a foreign financial institution (as defined by FATCA) may be required to withhold on certain payments it makes (foreign passthru payments) to persons that fail to meet certain certification, reporting or related requirements. The Issuer is a foreign financial institution for these purposes. A number of jurisdictions (including the Netherlands) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (IGAs), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as Notes, such withholding would not apply prior to the date that is two years after the date on which final regulations defining foreign passthru payments are published in the U.S. Federal Register and Notes issued on or prior to the date that is six months after the date on which final regulations defining foreign passthru payments are filed with the U.S. Federal Register generally would be grandfathered for purposes of FATCA withholding unless materially modified after such date. However, if additional the Notes (as described under "Terms and Conditions—Further Issues") that are not distinguishable from previously issued the Notes are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all the Notes, including the Notes offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA.

Holders should consult their own tax advisers regarding how these rules may apply to their investment in the Notes. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, no person will be required to pay additional amounts as a result of the withholding.

## SUBSCRIPTION AND SALE

### Summary of Dealer Agreement

Subject to the terms and on the conditions contained in an amended and restated dealer agreement dated 15 October 2020 (the “Dealer Agreement”) between the Issuer, the Permanent Dealers and the Arranger, the Notes will be offered on a continuous basis by the Issuer to the Permanent Dealers. However, the Issuer has reserved the right to sell Notes directly on its own behalf to Dealers that are not a Permanent Dealer. The Notes may be resold at prevailing market prices, or at prices related thereto, at the time of such resale, as determined by the relevant Dealer. The Notes may also be sold by the Issuer through the Dealers, acting as agents of the Issuer. The Dealer Agreement also provides for Notes to be issued in syndicated Tranches that are jointly and severally underwritten by two or more Dealers.

The Issuer will pay each relevant Dealer a commission as agreed between them in respect of Notes subscribed by it. The Issuer has agreed to reimburse the Arranger for certain of its expenses incurred in connection with the update of the Programme. The commissions in respect of an issue of Notes on a syndicated basis will be stated in the applicable Final Terms.

The Issuer has agreed to indemnify the Dealers against certain liabilities in connection with the offer and sale of the Notes. The Dealer Agreement entitles the Dealers to terminate any agreement that they make to subscribe Notes in certain circumstances prior to payment for such Notes being made to the Issuer.

### Selling Restrictions

#### Prohibition of sales to EEA and UK Retail Investors

Unless the Final Terms in respect of any Notes specifies “Prohibition of Sales to EEA and UK Retail Investors” as “Not Applicable”, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by the Prospectus as completed by the Final Terms in relation thereto to any retail investor in the European Economic Area or in the United Kingdom. For the purposes of this provision:

- (a) the expression “retail investor” means a person who is one (or more) of the following:
  - (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “MiFID II”); or
  - (ii) a customer within the meaning of Directive (EU) 2016/97 (the “IDD”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
  - (iii) not a qualified investor as defined in the Regulation (EU) 2017/1129 (the “Prospectus Regulation”); and
- (b) the expression an **offer** includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes.

### United States

The Notes have not been and will not be registered under the Securities Act, as amended and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt

from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Notes in bearer form having a maturity of more than one year are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and regulations thereunder.

Each Dealer has represented and agreed that, except as permitted by the Dealer Agreement, it has not offered, sold or delivered and will not offer, sell or deliver the Notes of any identifiable Tranche (i) as part of their distribution at any time or (ii) otherwise until 40 days after completion of the distribution of such Tranche as determined, and certified to the Issuer, by the Fiscal Agent, or in the case of Notes issued on a syndicated basis, the relevant lead manager, within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each dealer to which it sells Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons.

In addition, until 40 days after the commencement of the offering, an offer or sale of Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

### **United Kingdom**

Each Dealer has represented and agreed that:

- (i) in relation to any Notes which have a maturity of less than one year, (a) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (b) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of section 19 of the FSMA by the Issuer;
- (ii) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and
- (iii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

### **The Netherlands**

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that bearer Zero Coupon Notes and other Notes which qualify as savings certificates or *spaarbewijzen* as defined in the Savings Certificates Act (*Wet inzake spaarbewijzen*) may only be transferred or accepted through the intermediary of the Issuer of those Notes or a member of Euronext in Amsterdam and with due observance of the Savings Certificates Act (including registration requirements). However, no such intermediary

services are required in respect of (i) the initial issue of those Notes to the first holders thereof, (ii) any transfer and acceptance by individuals who do not act in the conduct of a profession or trade, and (iii) the transfer or acceptance of those Notes, if they are physically issued outside the Netherlands and are not distributed in the Netherlands in the course of primary trading or immediately thereafter.

## **Italy**

The offering of the Notes has not been registered with the Commissione Nazionale per le Società e la Borsa ("**CONSOB**") pursuant to Italian securities legislation and, accordingly, the Dealers have represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that, save as set out below, it has not offered or sold, and will not offer or sell, any Note in the Republic of Italy in an offer to the public and that sales of the Notes in the Republic of Italy shall be effected in accordance with all Italian securities, tax and exchange control and other applicable laws and regulation.

Accordingly, each of the Dealers has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer, sell or deliver any Note or distribute copies of this Prospectus and any other document relating to the Notes in the Republic of Italy except:

- (1) to "qualified investors", as defined in the Prospectus Regulation; or
- (2) that it may offer, sell or deliver Notes or distribute copies of any prospectus relating to such Notes in an offer to the public in the period commencing on the date of publication of such prospectus, provided that such prospectus has been approved in another Relevant Member State and notified to CONSOB, all in accordance with the Prospectus Regulation, Legislative Decree No. 58 of 24 February 1998, as amended (the "Decree No. 58") and CONSOB Regulation No. 11971 of 14 May 1999, as amended ("Regulation No. 11971"), and ending on the date which is 12 months after the date of approval of such prospectus; or
- (3) in any other circumstances where an express exemption from compliance with the offer restrictions applies, as provided under the Prospectus Regulation, Decree No. 58 or Regulation No. 11971.

Any such offer, sale or delivery of the Notes or distribution of copies of this Prospectus or any other document relating to the Notes in the Republic of Italy must be:

- (a) made by investment firms, banks or financial intermediaries permitted to conduct such activities in the Republic of Italy in accordance with Legislative Decree No. 385 of 1 September 1993 as amended, Decree No. 58, CONSOB Regulation No. 20307 of 15 February 2018, as amended and any other applicable laws and regulations;
- (b) in compliance with Article 129 of Legislative Decree No. 385 of 1 September 1993, as amended, pursuant to which the Bank of Italy may request information on the issue or the offer of securities in the Republic of Italy and the relevant implementing guidelines of the Bank of Italy issued on 25 August 2015 (as amended on 10 August 2016); and
- (c) in compliance with any other applicable notification requirement or limitation which may be imposed by CONSOB or the Bank of Italy.

### *Provisions relating to the secondary market in the Republic of Italy*

Investors should also note that, in any subsequent distribution of the Notes in the Republic of Italy, the Prospectus



Regulation and Decree No. 58 may require compliance with the law relating to public offers of securities. Furthermore, Article 100-bis of Decree No. 58 provides that where the Notes are placed solely with "qualified investors" and are then systematically resold on the secondary market at any time in the 12 months following such placing, purchasers of Notes who are acting outside of the course of their business or profession may in certain circumstances be entitled to declare such purchase void and, in addition, to claim damages from any authorised person at whose premises the Notes were purchased, unless an exemption provided for under the Prospectus Regulation or Decree No. 58 applies.

## **Japan**

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended; the "FIEA") and each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

## **Belgium**

Other than in respect of Notes for which "Prohibition of Sales to Belgian Consumers" is specified as "Not Applicable" in the applicable Final Terms, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that an offering of Notes may not be advertised to any individual in Belgium qualifying as a consumer within the meaning of Article I.1 of the Belgian Code of Economic Law, as amended from time to time (a Belgian Consumer) and that it has not offered, sold or resold, transferred or delivered, and will not offer, sell, resell, transfer or deliver, the Notes, and that it has not distributed, and will not distribute, any prospectus, memorandum, information circular, brochure or any similar documents in relation to the Notes, directly or indirectly, to any Belgian Consumer.

## **General**

These selling restrictions may be modified by the agreement of the Issuer and the Dealers following a change in a relevant law, regulation or directive. Any such modification will be set out in the Final Terms issued in respect of the issue of Notes to which it relates or in a supplement to this Prospectus.

No representation is made that any action has been taken in any jurisdiction that would permit a public offering of any of the Notes, or possession or distribution of the Prospectus or any other offering material or any Final Terms, in any country or jurisdiction where action for that purpose is required.

Each Dealer has agreed that it shall, to the best of its knowledge, comply with all relevant laws, regulations and directives in each jurisdiction in which it purchases, offers, sells or delivers Notes or has in its possession or distributes the Prospectus, any other offering material or any Final Terms in all cases at its own expense.

## FORM OF SENIOR PREFERRED FINAL TERMS

*The following is the form of Final Terms that, subject to completion and deletion of non-applicable provisions, will be applicable to, and issued in respect of, each issue of Senior Preferred Notes.*

**[PROHIBITION OF SALES TO EEA AND UK RETAIL INVESTORS** – The Senior Preferred Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (EEA) or in the United Kingdom (UK). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, **MiFID II**); or (ii) a customer within the meaning of Directive (EU) 2016/97 (the **IDD**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Regulation (EU) 2017/1129 (the **Prospectus Regulation**). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the **PRIIPs Regulation**) for offering or selling the Senior Preferred Notes or otherwise making them available to retail investors in the EEA or in the UK has been prepared and therefore offering or selling the Senior Preferred Notes or otherwise making them available to any retail investor in the EEA or in the UK may be unlawful under the PRIIPs Regulation.]<sup>6</sup>

**[MiFID II product governance / Professional investors and ECPs only target market** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Senior Preferred Notes has led to the conclusion that: (i) the target market for the Senior Preferred Notes is eligible counterparties and professional clients only, each as defined in [Directive 2014/65/EU (as amended, **MiFID II**)] [MiFID II]; and (ii) all channels for distribution of the Senior Preferred Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Senior Preferred Notes (a **distributor**) should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Senior Preferred Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

**Final Terms dated [●]**

**Nationale-Nederlanden Bank N.V.**

**Legal entity identifier (LEI): 724500BICUQ0LF1AH770**

Issue of **[Aggregate Nominal Amount of Tranche] [Title of Senior Preferred Notes]**

under the **€5,000,000,000**

**Debt Issuance Programme**

### **PART A – CONTRACTUAL TERMS**

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the prospectus dated 15 October 2020 [and the supplement(s) to it dated [●]] which [together] constitute[s] a base prospectus (the “Prospectus”) for the purposes of Regulation (EU) 2017/1129 (the “Prospectus Regulation”). This document constitutes the Final Terms of the Senior Preferred Notes described herein which have been prepared for the purposes

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<sup>6</sup> Legend to be included on front of the Final Terms if the Notes potentially constitute "packaged" products and no key information document will be prepared or the issuer wishes to prohibit offers to EEA and UK retail investors for any other reason, in which case the selling restriction should be specified to be "Applicable".

of the Prospectus Regulation and must be read in conjunction with the Prospectus in order to obtain all the relevant information. The Prospectus and the Final Terms have been published on [www.nn-group.com](http://www.nn-group.com).

*[Include whichever of the following apply or specify as “Not Applicable” (N/A). Note that the numbering should remain as set out below, even if “Not Applicable” is indicated for individual paragraphs (in which case the subparagraphs of the paragraphs which are not applicable can be deleted). Italics denote guidance for completing the Final Terms.]*

*[If the Senior Preferred Notes have a maturity of less than one year from the date of their issue, the minimum denomination may need to be £100,000 or its equivalent in any other currency.]*

*[When completing any final terms consideration should be given as to whether such terms or information constitute “significant new factors” and consequently trigger the need for a supplement to the Prospectus under Article 23 of the Prospectus Regulation.]*

- |    |   |   |
|----|---|---|
| 1. | Issuer:   | Nationale-Nederlanden Bank N.V.   |
| 2. | [(i)] Series Number:  | [•]   |
|    | [(ii)] Tranche Number:  | [•]   |
|    | [(iii)] Date on which the Senior Preferred Notes become fungible: | [Not Applicable/The Senior Preferred Notes shall be consolidated, form a single series and be interchangeable for trading purposes with the <i>[insert description of the Series]</i> on <i>[insert date/the Issue Date/exchange of the Temporary Global Senior Preferred Note for interests in the Permanent Global Senior Preferred Note, as referred to in paragraph [24] below [which is expected to occur on or about [insert date]]]</i> .] |
| 3. | Specified Currency:   | [•]   |
| 4. | Aggregate Nominal Amount:   | [•]   |
|    | [(i)] Series:   | [•]   |
|    | [(ii)] Tranche:   | [•]   |
| 5. | Issue Price:  | [•] per cent. of the Aggregate Nominal Amount [plus accrued interest from <i>[insert date]</i> (if applicable)]   |
| 6. | (i) Specified Denominations:                                      | [•]   |

*[If the specified denomination is expressed to be €100,000 or its equivalent and multiples of a lower principal amount (for example €1,000), insert the following wording unless they are to be admitted to trading only on a regulated market, or a specific segment of a regulated market, to which only qualified investors have access: “€100,000 and integral multiples of [€1,000] in excess thereof up to and including [€199,000]. No Senior Preferred Notes in definitive*

form will be issued with a denomination above [€199,000].”]

*[In addition, Senior Preferred Notes (including Senior Preferred Notes denominated in Sterling) in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of Section 19 FSMA and which have a maturity of less than one year must have a minimum redemption value of £100,000 (or its equivalent in other currencies).]*

- (ii) Calculation Amount: [●]  
*(If there is only one Specified Denomination, insert the Specified Denomination. If there are several Specified Denominations (including where the circumstances referred to in 6(i) above apply of having Specified Denominations of €100,000 and multiples of €1,000), insert the highest common factor of those Specified Denominations (note: there must be a common factor in the case of two or more Specified Denominations)).*
7. (i) Issue Date: [●]  
(ii) Interest Commencement Date: [Specify/Issue Date/Not Applicable]
8. Maturity Date: [Specify date or (for Floating Rate Senior Preferred Notes) Interest Payment Date falling in or nearest to [specify the relevant month and year]]
9. Interest Basis: [[●] per cent. Fixed Rate]  
[[●] month [LIBOR/EURIBOR]] +/- [●] per cent. Floating Rate  
[Zero Coupon]  
(See paragraph [14/15/16] below)
10. Redemption/Payment Basis: Subject to any purchase and cancellation or early redemption, the Senior Preferred Notes will be redeemed on the Maturity Date at [[●]/[100]] per cent. of their nominal amount.
11. Change of Interest Basis: [Specify the date when any fixed to floating rate change occurs or refer to paragraphs 14 and 15 below and identify there/For the period from (and including) the Interest Commencement Date, up to (but excluding) [date] paragraph [14/15] applies and, for the period from (and including) [date], up to (and including) the Maturity Date, paragraph [14/15] applies]/Not Applicable]
12. Put/Call Options: [Issuer Call]  
[Investor Put]  
[Issuer Clean-up Call]

[Issuer Make-Whole Call]  
[MREL Disqualification Event Call]

(See paragraph [17/18/19/20/21] below)]

13. [(i)] Status of the Senior Preferred Notes: Senior Preferred Notes
- [(ii)] Intended to qualify as MREL Eligible Liabilities<sup>7</sup>: [No/Yes<sup>8</sup>]
- [(iii)] [Date [Board] approval for issuance of Senior Preferred Notes obtained: [●] [and [●], respectively]]
- (N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Senior Preferred Notes)*

#### PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14. Fixed Rate Senior Preferred Note Provisions: [Applicable/Not Applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Rate[(s)] of Interest: [●] per cent. per annum payable in arrear on each Interest Payment Date
- (ii) Interest Payment Date(s): [●] in each year
- (iii) Fixed Coupon Amount[(s)]: [●] per Calculation Amount
- (iv) Broken Amount(s): [●] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [●]
- (v) Day Count Fraction: [30/360 / Actual/Actual (ICMA) / include any other option from the Conditions]
- (vi) [Determination Dates: [●] in each year *(insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon. N.B. only relevant where Day Count Fraction is Actual/Actual (ICMA))*]
15. Floating Rate Senior Preferred Note Provisions: [Applicable/Not Applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Interest Period(s): [[●], subject to adjustment in accordance with the Business Day Convention set out in (v) below/, not subject to any adjustment[, as the Business Day Convention in (v) below is specified to be Not Applicable]]]

<sup>7</sup> The standard position is that Senior Preferred Notes will not be MREL Eligible Liabilities.

<sup>8</sup> If chosen for no, note that this intention refers to the position at issuance, and that notes could still become eligible for MREL in the future, e.g. upon a change in resolutions.

- (ii) Specified Interest Payment Dates: [[●] in each year[, subject to adjustment in accordance with the Business Day Convention set out in (v) below/, not subject to any adjustment[, as the Business Day Convention in (v) below is specified to be Not Applicable]]]
- (iii) Interest Period Date: [Not Applicable]/[[●] in each year[, subject to adjustment in accordance with the Business Day Convention set out in (v) below/, not subject to any adjustment[, as the Business Day Convention in (v) below is specified to be Not Applicable]]]
- (iv) First Interest Payment Date: [●]
- (v) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention] [Not Applicable]
- (vi) Business Centre(s): [●]
- (vii) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination/ISDA Determination]
- (viii) Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the Fiscal Agent): [●]
- (ix) Screen Rate Determination:
- Reference Rate: [[●]-month [LIBOR/EURIBOR]]
  - Interest Determination Date(s): [●]
  - Relevant Screen Page: [●]
- (x) ISDA Determination:
- Floating Rate Option: [●]
  - Designated Maturity: [●]
  - Reset Date: [●]
  - [– ISDA Definitions [2006]]
- (N.B. The fall-back provisions applicable to ISDA Determination under the 2006 ISDA Definitions are reliant upon the provision by reference banks of offered quotations for LIBOR and/or EURIBOR which, depending on market circumstances, may not be available at the relevant time)*
- (xi) Linear Interpolation: Not Applicable/Applicable – the Rate of Interest for the [long/short] [first/last] Interest Period shall be

- calculated using Linear Interpolation (*specify for each short or long interest period*)
- (xii) Margin(s): [ +/- ] [ ● ] per cent. per annum
- (xiii) Minimum Rate of Interest: [ [ ● ] per cent. per annum ] / [ Not Applicable ]
- (xiv) Maximum Rate of Interest: [ [ ● ] per cent. per annum ] / [ Not Applicable ]
- (xv) Day Count Fraction: [ [ 30/360 ] [ Actual/360 ] [ Actual/365 ] ] [ *Include any other option from the Conditions* ]
16. Zero Coupon Senior Preferred Note Provisions: [ Applicable/Not Applicable ]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Amortisation Yield: [ ● ] per cent. per annum
- (ii) Day Count Fraction in relation to Early Redemption Amounts: [ [ 30/360 ] [ Actual/360 ] [ Actual/365 ] ] [ *Include any other option from the Conditions* ]

#### **PROVISIONS RELATING TO REDEMPTION**

17. Issuer Call: [ Applicable/Not Applicable ]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Optional Redemption Date(s): [ ● ]
- (ii) Optional Redemption Amount(s) of each Senior Preferred Note: [ ● ] per Calculation Amount
- (iii) If redeemable in part:
- Minimum Redemption Amount: [ ● ] per Calculation Amount
- Maximum Redemption Amount: [ ● ] per Calculation Amount
- (iv) Notice period: [ ● ] days
- (N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example clearing systems (which require a minimum of five business days' notice for a call) and custodians, as well as any other notice requirements which may apply.)*
18. Put Option: [ Applicable/Not Applicable ]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Optional Redemption Date(s): [ ● ]
- (ii) Optional Redemption Amount(s) of each Senior Preferred Note: [ ● ] per Calculation Amount
- (iii) Notice period: [ ● ] days

*(N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of fifteen business days' notice for a put) and custodians, as well as any other notice requirements which may apply.)*

19. Issuer Clean-up Call Option:

[Applicable/Not Applicable]

*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

(i) Optional Redemption Amount(s) of each Senior Preferred Note: [●] per Calculation Amount

(ii) Percentage of aggregate nominal amount of the Senior Preferred Notes outstanding: [●]

(iii) Notice period: [●] days

*(N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of fifteen business days' notice for a put) and custodians, as well as any other notice requirements which may apply.)*

20. Issuer Make-Whole Call:

[Applicable/Not Applicable]

*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

(i) Notice period: [●] days

*(N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of fifteen business days' notice for a put) and custodians, as well as any other notice requirements which may apply.)*

(ii) Parties to be notified by Issuer of Make-Whole Redemption Date and Make-whole Redemption Amount in addition to those set out in Condition 5(g): [●]/[Not Applicable]

(iii) Discounting basis for purposes of calculating sum of the present values of the remaining scheduled payments of principal and interest on the Notes in the determination of the Make-Whole Redemption Amount: [Annual/Semi-Annual/Quarterly]



- (iv) Make-Whole Redemption Margin: [●]
- (v) Quotation Agent: [●]/[Not Applicable]
- (vi) Reference Dealers: [give details]
- (vii) Reference Security: [give details]
21. MREL Disqualification Event Call: [Applicable/Not Applicable]  
[Full exclusion only/Full or partial exclusion]
- (i) Optional Redemption Amount(s) of each Senior Preferred Note: [●] per Calculation Amount
- (ii) Notice period: [●] days  
*(N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of fifteen business days' notice for a put) and custodians, as well as any other notice requirements which may apply.)*
- (iii) Optional Redemption Amount(s) of each Senior Preferred Note: [●] per Calculation Amount
22. Variation or Substitution of Senior Preferred Notes: [Applicable/Not Applicable]
23. Final Redemption Amount of each Senior Preferred Note: [●][Par] per Calculation Amount
24. Early Redemption Amount  
Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons or on event of default or other early redemption: [●]/[Par] per Calculation Amount

#### GENERAL PROVISIONS APPLICABLE TO THE SENIOR PREFERRED NOTES

25. Form of Senior Preferred Notes: **Bearer Senior Preferred Notes:**  
[Temporary Global Senior Preferred Note exchangeable for a Permanent Global Senior Preferred Note which is exchangeable for Definitive Senior Preferred Notes in the limited circumstances specified in the Permanent Global Senior Preferred Note]  
[Temporary Global Senior Preferred Note exchangeable for Definitive Senior Preferred Notes on [●] days' notice]  
*(The exchange at any time upon due notice option should not be expressed to be applicable if the Specified Denomination of the Senior Preferred Notes in*

*paragraph 6 includes language substantially to the following effect: “[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000].” Furthermore, such Specified Denomination construction is not permitted in relation to any issue of Senior Preferred Notes which is to be represented on issue by a Temporary Global Senior Preferred Note exchangeable for Definitive Senior Preferred Notes, other than in the limited circumstances specified in the permanent Global Senior Preferred Note.)*

[Permanent Global Senior Preferred Note exchangeable for Definitive Senior Preferred Notes in the limited circumstances specified in the Permanent Global Senior Preferred Note]

**Registered Senior Preferred Notes:**

[Global Certificate registered in the name of a nominee for [a common depositary for Euroclear and Clearstream, Luxembourg/a common safekeeper for Euroclear and Clearstream, Luxembourg]]

26. New Global Senior Preferred Note: [Yes] [No]
27. Financial Centre(s): [Not Applicable/give details. Note that this paragraph relates to the date of payment, and not the end dates of interest periods for the purposes of calculating the amount of interest, to which sub-paragraph 15(vi) relates.]
28. Talons for future Coupons to be attached to Definitive Senior Preferred Notes (and dates on which such Talons mature): [No/Yes. As the Senior Preferred Notes have more than 27 coupon payments, talons may be required if, on exchange into definitive form, more than 27 coupon payments are still to be made.]
29. Condition 11 of the Senior Preferred Notes applies: [Yes/No]

**THIRD PARTY INFORMATION**

[(Relevant third party information) has been extracted from (specify source). The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by (specify source), no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of Nationale-Nederlanden Bank N.V.:

By:

Duly authorised

By:

Duly authorised

## PART B – OTHER INFORMATION

### 1. LISTING AND ADMISSION TO TRADING

- (i) Admission to trading: [Application has been made by the Issuer (or on its behalf) for the Senior Preferred Notes to be admitted to trading on Euronext in Amsterdam with effect from [●].] [Application is expected to be made by the Issuer (or on its behalf) for the Senior Preferred Notes to be admitted to trading on Euronext in Amsterdam with effect from [●].] [Not Applicable.]

*(Where documenting a fungible issue need to indicate that original Senior Preferred Notes are already admitted to trading.)*

- (ii) Estimate of total expenses related to admission to trading: [●]

### 2. RATINGS

Ratings: [The Senior Preferred Notes to be issued [have been/are expected to be] rated]:

[S & P: [●]]

[Moody's: [●]]

[[Other]: [●]]

[(Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider.)]

### 3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER

*(Need to include a description of any interest, including conflicting ones, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the statement below:)*

[Save for any fees payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the offer of the Senior Preferred Notes has an interest material to the offer. The [Managers/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business. *(Amend as appropriate if there are other interests).*]

*[(When adding any other description, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Prospectus under Article 23 of the Prospectus Regulation.)]*

### 4. REASONS FOR THE OFFER AND ESTIMATED NET PROCEEDS

- (i) Reasons for the offer: Reasons for the offer: [See “Use of Proceeds” wording in Prospectus/specify particular identified use of proceeds]

(ii) Estimated net proceeds:	[•]
<b>5. [Fixed Rate Senior Preferred Notes only – YIELD]</b>	
Indication of yield:	[•]
	The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]
<b>6. OPERATIONAL INFORMATION</b>	
ISIN:	[•]
Common Code:	[•]
CFI:	[[See/[ <i>include code</i> ], as updated, as set out on] the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available]
FISN:	[[See/[ <i>include code</i> ], as updated, as set out on] the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available]
Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking, S.A. and the relevant identification number(s):	[Not Applicable/ <i>give name(s) and number(s)</i> ]
Delivery:	Delivery [against/free of] payment
Names and addresses of additional Paying Agent(s) (if any):	[•]
Intended to be held in a manner which would allow Eurosystem eligibility:	<p>[Yes. Note that the designation “yes” simply means that the Senior Preferred Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper [(and registered in the name of a nominee of one of the ICSDs acting as common safekeeper)] [<i>include this text for registered notes</i>] and does not necessarily mean that the Senior Preferred Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]</p> <p>[No. Whilst the designation is specified as “no” at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Senior Preferred Notes are capable of meeting them, the</p>

Senior Preferred Notes may then be deposited with one of the ICSDs as common safekeeper [(and registered in the name of a nominee of one of the ICSDs acting as common safekeeper) *[include this text for registered notes]*]. Note that this does not necessarily mean that the Senior Preferred Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]

## 7. DISTRIBUTION

- (i) Method of distribution: [Syndicated/Non-syndicated]
- (ii) If syndicated:
- (A) Names of Managers: [Not Applicable/*give names*]
- (B) Stabilisation Manager(s) (if any): [Not Applicable/*give names*]
- (iii) If non-syndicated, name of Dealer: [Not Applicable/*give name*]
- (iv) U.S. Selling Restrictions: [Reg. S Compliance Category 2; TEFRA C/ TEFRA D/ TEFRA not applicable]
- (v) Prohibition of Sales to EEA and UK Retail Investors: [Applicable/Not Applicable]
- (If the Senior Preferred Notes clearly do not constitute “packaged” products or the Senior Preferred Notes do constitute “packaged” products and a key information document will be prepared, “Not Applicable” should be specified. If the Senior Preferred Notes may constitute “packaged” products and no key information document will be prepared, “Applicable” should be specified.)*
- (vi) [Prohibition of Sales to Belgian Consumers: [Applicable/Not Applicable]
- (N.B. advice should be taken from Belgian counsel before disapplying this selling restriction)]*

## FORM OF SENIOR NON-PREFERRED NOTES FINAL TERMS

*The following is the form of Final Terms that, subject to completion and deletion of non-applicable provisions, will be applicable to, and issued in respect of, each issue of Senior Non-Preferred Notes.*

**[PROHIBITION OF SALES TO EEA AND UK RETAIL INVESTORS** – The Senior Non-Preferred Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (EEA) or in the United Kingdom (UK). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, **MiFID II**); or (ii) a customer within the meaning of Directive (EU) 2016/97 (the **IDD**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Regulation (EU) 2017/1129 (the **Prospectus Regulation**). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the **PRIIPs Regulation**) for offering or selling the Senior Non-Preferred Notes or otherwise making them available to retail investors in the EEA or in the UK has been prepared and therefore offering or selling the Senior Non-Preferred Notes or otherwise making them available to any retail investor in the EEA or in the UK may be unlawful under the PRIIPs Regulation.]<sup>9</sup>

**[MIFID II product governance / Professional investors and ECPs only target market** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Senior Non-Preferred Notes has led to the conclusion that: (i) the target market for the Senior Non-Preferred Notes is eligible counterparties and professional clients only, each as defined in [Directive 2014/65/EU (as amended, **MiFID II**)]**[MiFID II]**; and (ii) all channels for distribution of the Senior Non-Preferred Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Senior Non-Preferred Notes (a **distributor**) should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Senior Non-Preferred Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

**Final Terms dated [●]**

**Nationale-Nederlanden Bank N.V.**

**Legal entity identifier (LEI): 724500BICUQ0LF1AH770**

Issue of **[Aggregate Nominal Amount of Tranche] [Title of Senior Non-Preferred Notes]**

under the **€5,000,000,000**

**Debt Issuance Programme**

### **PART A – CONTRACTUAL TERMS**

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the prospectus dated 15 October 2020 [and the supplement(s) to it dated [●]] which [together] constitute[s] a base prospectus (the “Prospectus”) for the purposes of Regulation (EU) 2017/1129 (the “Prospectus Regulation”). This document constitutes the Final Terms of the Senior Non-Preferred Notes described herein which have been prepared for the

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<sup>9</sup> Legend to be included on front of the Final Terms if the Notes potentially constitute "packaged" products and no key information document will be prepared or the issuer wishes to prohibit offers to EEA and UK retail investors for any other reason, in which case the selling restriction should be specified to be "Applicable".

purposes of the Prospectus Regulation and must be read in conjunction with the Prospectus in order to obtain all the relevant information. The Prospectus and the Final Terms have been published on [www.nn-group.com](http://www.nn-group.com).

*[Include whichever of the following apply or specify as “Not Applicable” (N/A). Note that the numbering should remain as set out below, even if “Not Applicable” is indicated for individual paragraphs (in which case the subparagraphs of the paragraphs which are not applicable can be deleted). Italics denote guidance for completing the Final Terms.]*

*[If the Senior Non-Preferred Notes have a maturity of less than one year from the date of their issue, the minimum denomination may need to be £100,000 or its equivalent in any other currency.]*

*[When completing any final terms consideration should be given as to whether such terms or information constitute “significant new factors” and consequently trigger the need for a supplement to the Prospectus under Article 23 of the Prospectus Regulation.]*

- |    |   |  |
|----|---|--|
| 1. | Issuer:   | Nationale-Nederlanden Bank N.V.  |
| 2. | [(i)] Series Number:  | [•]  |
|    | [(ii)] Tranche Number:  | [•]  |
|    | [(iii)] Date on which the Senior Non-Preferred Notes become fungible: | [Not Applicable/The Senior Non-Preferred Notes shall be consolidated, form a single series and be interchangeable for trading purposes with the <i>[insert description of the Series]</i> on <i>[insert date]</i> /the Issue Date/exchange of the Temporary Global Senior Non-Preferred Note for interests in the Permanent Global Senior Non-Preferred Note, as referred to in paragraph [24] below [which is expected to occur on or about <i>[insert date]</i> ]].] |
| 3. | Specified Currency:   | [•]  |
| 4. | Aggregate Nominal Amount:   | [•]  |
|    | [(i)] Series:   | [•]  |
|    | [(ii)] Tranche:   | [•]]   |
| 5. | Issue Price:  | [•] per cent. of the Aggregate Nominal Amount [plus accrued interest from <i>[insert date]</i> (if applicable)]  |
| 6. | (i) Specified Denominations:  | [•]  |
- [If the specified denomination is expressed to be €100,000 or its equivalent and multiples of a lower principal amount (for example €1,000), insert the following wording unless they are to be admitted to trading only on a regulated market, or a specific segment of a regulated market, to which only qualified investors have access: “€100,000 and integral multiples of [€1,000] in excess thereof up to and including [€199,000]. No Senior Non-Preferred Notes in*

definitive form will be issued with a denomination above [€199,000].”]

*[In addition, Senior Non-Preferred Notes (including Senior Non-Preferred Notes denominated in Sterling) in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of Section 19 FSMA and which have a maturity of less than one year must have a minimum redemption value of £100,000 (or its equivalent in other currencies).]*

- (ii) Calculation Amount: [●]  
*(If there is only one Specified Denomination, insert the Specified Denomination. If there are several Specified Denominations (including where the circumstances referred to in 6(i) above apply of having Specified Denominations of €100,000 and multiples of €1,000), insert the highest common factor of those Specified Denominations (note: there must be a common factor in the case of two or more Specified Denominations)).*
7. (i) Issue Date: [●]  
(ii) Interest Commencement Date: [Specify/Issue Date/Not Applicable]
8. Maturity Date: [Specify date or (for Floating Rate Senior Non-Preferred Notes) Interest Payment Date falling in or nearest to [specify the relevant month and year]]
9. Interest Basis: [[●] per cent. Fixed Rate]  
[[●] month [LIBOR/EURIBOR]] +/- [●] per cent. Floating Rate  
(See paragraph [14/15] below)
10. Redemption/Payment Basis: Subject to any purchase and cancellation or early redemption, the Senior Non-Preferred Notes will be redeemed on the Maturity Date at [[●]/[100]] per cent. of their nominal amount.
11. Change of Interest Basis: *[Specify the date when any fixed to floating rate change occurs or refer to paragraphs 14 and 15 below and identify there/For the period from (and including) the Interest Commencement Date, up to (but excluding) [date] paragraph [14/15] applies and, for the period from (and including) [date], up to (and including) the Maturity Date, paragraph [14/15] applies]/Not Applicable]*
12. Call Options: [Issuer Call]  
[MREL Disqualification Event Call]  
(See paragraph [16/17] below)]



13. [(i)] Status of the Senior Non-Preferred Senior Non-Preferred Notes Notes:  
 [(ii)] [Date [Board] approval for issuance of Senior Non-Preferred Notes obtained: [●] [and [●], respectively]]
- (N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Senior Non-Preferred Notes)*

**PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

14. Fixed Rate Senior Non-Preferred Note Provisions [Applicable/Not Applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Rate[(s)] of Interest: [●] per cent. per annum payable in arrear on each Interest Payment Date
- (ii) Interest Payment Date(s): [●] in each year
- (iii) Fixed Coupon Amount[(s)]: [●] per Calculation Amount
- (iv) Broken Amount(s): [●] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [●]
- (v) Day Count Fraction: [30/360 / Actual/Actual (ICMA) / include any other option from the Conditions]
- (vi) [Determination Dates: [●] in each year *(insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon. N.B. only relevant where Day Count Fraction is Actual/Actual (ICMA))*]
15. Floating Rate Senior Non-Preferred Note Provisions [Applicable/Not Applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Interest Period(s): [[●], subject to adjustment in accordance with the Business Day Convention set out in (v) below/, not subject to any adjustment[, as the Business Day Convention in (v) below is specified to be Not Applicable]]]
- (ii) Specified Interest Payment Dates: [[●] in each year[, subject to adjustment in accordance with the Business Day Convention set out in (v) below/, not subject to any adjustment[, as the Business Day Convention in (v) below is specified to be Not Applicable]]]
- (iii) Interest Period Date: [Not Applicable]/[[●] in each year[, subject to adjustment in accordance with the Business Day Convention set out in (v) below/, not subject to any

- adjustment[, as the Business Day Convention in (v) below is specified to be Not Applicable]]
- (iv) First Interest Payment Date: [●]
- (v) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention] [Not Applicable]
- (vi) Business Centre(s): [●]
- (vii) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination/ISDA Determination]
- (viii) Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the Fiscal Agent): [●]
- (ix) Screen Rate Determination:
- Reference Rate: [[●]-month [LIBOR/EURIBOR]]
  - Interest Determination Date(s): [●]
  - Relevant Screen Page: [●]
- (x) ISDA Determination:
- Floating Rate Option: [●]
  - Designated Maturity: [●]
  - Reset Date: [●]
  - [– ISDA Definitions [2006]]
- (N.B. The fall-back provisions applicable to ISDA Determination under the 2006 ISDA Definitions are reliant upon the provision by reference banks of offered quotations for LIBOR and/or EURIBOR which, depending on market circumstances, may not be available at the relevant time)*
- (xi) Linear Interpolation: Not Applicable/Applicable – the Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation (*specify for each short or long interest period*)
- (xii) Margin(s): [+/-][●] per cent. per annum
- (xiii) Minimum Rate of Interest: [[●] per cent. per annum]/[Not Applicable]
- (xiv) Maximum Rate of Interest: [[●] per cent. per annum]/[Not Applicable]
- (xv) Day Count Fraction: [[30/360][Actual/360][Actual/365]][*Include any other option from the Conditions*]

## PROVISIONS RELATING TO REDEMPTION

16. Issuer Call: [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Optional Redemption Date(s): [●]
- (ii) Optional Redemption Amount(s) of each Senior Non-Preferred Note: [●] per Calculation Amount
- (iii) If redeemable in part:  
Minimum Redemption Amount: [●] per Calculation Amount  
Maximum Redemption Amount: [●] per Calculation Amount
- (iv) Notice period: [●] days  
*(N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example clearing systems (which require a minimum of five business days' notice for a call) and custodians, as well as any other notice requirements which may apply.)*
17. MREL Disqualification Event Call: [Full exclusion only/Full or partial exclusion]
- (i) Optional Redemption Amount(s) of each Senior Non-Preferred Note: [●] per Calculation Amount
- (ii) Notice period: [●] days  
*(N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of fifteen business days' notice for a put) and custodians, as well as any other notice requirements which may apply.)*
18. Variation or Substitution of Senior Non-Preferred Notes: [Applicable/Not Applicable]
19. Final Redemption Amount of each Senior Non-Preferred Note: [●][Par] per Calculation Amount
20. Early Redemption Amount  
Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons or on event of default or other early redemption: [●]/[Par] per Calculation Amount

## GENERAL PROVISIONS APPLICABLE TO THE SENIOR NON-PREFERRED NOTES

21. Form of Senior Non-Preferred Notes: **Bearer Senior Non-Preferred Notes:**
- [Temporary Global Senior Non-Preferred Note exchangeable for a Permanent Global Senior Non-Preferred Note which is exchangeable for Definitive Senior Non-Preferred Notes in the limited circumstances specified in the Permanent Global Senior Non-Preferred Note]
- [Temporary Global Senior Non-Preferred Note exchangeable for Definitive Senior Non-Preferred Notes on [●] days' notice]
- (The exchange at any time upon due notice option should not be expressed to be applicable if the Specified Denomination of the Senior Non-Preferred Notes in paragraph 6 includes language substantially to the following effect: "[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000]." Furthermore, such Specified Denomination construction is not permitted in relation to any issue of Senior Non-Preferred Notes which is to be represented on issue by a Temporary Global Senior Non-Preferred Note exchangeable for Definitive Senior Non-Preferred Notes, other than in the limited circumstances specified in the permanent Global Senior Non-Preferred Note.)*
- [Permanent Global Senior Non-Preferred Note exchangeable for Definitive Senior Non-Preferred Notes in the limited circumstances specified in the Permanent Global Senior Non-Preferred Note]
- Registered Senior Non-Preferred Notes:**
- [Global Certificate registered in the name of a nominee for [a common depositary for Euroclear and Clearstream, Luxembourg/a common safekeeper for Euroclear and Clearstream, Luxembourg]]
22. New Global Senior Non-Preferred Note: [Yes] [No]
23. Financial Centre(s): [Not Applicable/give details. Note that this paragraph relates to the date of payment, and not the end dates of interest periods for the purposes of calculating the amount of interest, to which sub-paragraph 15(vi) relates.]
24. Talons for future Coupons to be attached to Definitive Senior Non-Preferred Notes (and dates on which such Talons mature): [No/Yes. As the Senior Non-Preferred Notes have more than 27 coupon payments, talons may be required if, on

exchange into definitive form, more than 27 coupon payments are still to be made.]

25. Condition 11 of the Senior Non-Preferred [Yes/No]  
Notes applies

### **THIRD PARTY INFORMATION**

[(*Relevant third party information*) has been extracted from (*specify source*). The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by (*specify source*), no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of Nationale-Nederlanden Bank N.V.:

By:

Duly authorised

By:

Duly authorised

## PART B – OTHER INFORMATION

### 1. LISTING AND ADMISSION TO TRADING

- (i) Admission to trading: [Application has been made by the Issuer (or on its behalf) for the Senior Non-Preferred Notes to be admitted to trading on Euronext in Amsterdam with effect from [●].] [Application is expected to be made by the Issuer (or on its behalf) for the Senior Non-Preferred Notes to be admitted to trading on Euronext in Amsterdam with effect from [●].] [Not Applicable.]
- (Where documenting a fungible issue need to indicate that original Senior Non-Preferred Notes are already admitted to trading.)*
- (ii) Estimate of total expenses related to admission to trading: [●]

### 2. RATINGS

- Ratings: [The Senior Non-Preferred Notes to be issued [have been/are expected to be] rated]:
- [S & P: [●]]
- [Moody's: [●]]
- [[Other]: [●]]
- [(Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider.)]

### 3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER

*(Need to include a description of any interest, including conflicting ones, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the statement below:)*

[Save for any fees payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the offer of the Senior Non-Preferred Notes has an interest material to the offer. The [Managers/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business. *(Amend as appropriate if there are other interests).*]

*[(When adding any other description, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Prospectus under Article 23 of the Prospectus Regulation.)]*

### 4. REASONS FOR THE OFFER AND ESTIMATED NET PROCEEDS

- (i) Reasons for the offer: Reasons for the offer: [See “Use of Proceeds” wording in Prospectus/specify particular identified use of proceeds]

(ii) Estimated net proceeds:	[•]
<b>5. [Fixed Rate Senior Non-Preferred Notes only – YIELD]</b>	
Indication of yield:	[•]
	The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]
<b>6. OPERATIONAL INFORMATION</b>	
ISIN:	[•]
Common Code:	[•]
CFI:	[[See/[[ <i>include code</i> ], as updated, as set out on] the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available]
FISN:	[[See/[[ <i>include code</i> ], as updated, as set out on] the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available]
Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking, S.A. and the relevant identification number(s):	[Not Applicable/ <i>give name(s) and number(s)</i> ]
Delivery:	Delivery [against/free of] payment
Names and addresses of additional Paying Agent(s) (if any):	[•]
Intended to be held in a manner which would allow Eurosystem eligibility:	<p>[Yes. Note that the designation “yes” simply means that the Senior Non-Preferred Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper [(and registered in the name of a nominee of one of the ICSDs acting as common safekeeper)] [<i>include this text for registered notes</i>] and does not necessarily mean that the Senior Non-Preferred Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]/</p> <p>[No. Whilst the designation is specified as “no” at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Senior Non-Preferred Notes are capable of meeting</p>

them, the Senior Non-Preferred Notes may then be deposited with one of the ICSDs as common safekeeper [(and registered in the name of a nominee of one of the ICSDs acting as common safekeeper) *[include this text for registered notes]*]. Note that this does not necessarily mean that the Senior Non-Preferred Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]

## 7. DISTRIBUTION

- (i) Method of distribution: [Syndicated/Non-syndicated]
- (ii) If syndicated:
- (A) Names of Managers: [Not Applicable/*give names*]
- (B) Stabilisation Manager(s) (if any): [Not Applicable/*give names*]
- (iii) If non-syndicated, name of Dealer: [Not Applicable/*give name*]
- (iv) U.S. Selling Restrictions: [Reg. S Compliance Category 2; TEFRA C/ TEFRA D/ TEFRA not applicable]
- (v) Prohibition of Sales to EEA and UK Retail Investors: [Applicable/Not Applicable]
- (If the Senior Non-Preferred Notes clearly do not constitute “packaged” products or the Senior Non-Preferred Notes do constitute “packaged” products and a key information document will be prepared, “Not Applicable” should be specified. If the Senior Non-Preferred Notes may constitute “packaged” products and no key information document will be prepared, “Applicable” should be specified.)*
- (vi) [Prohibition of Sales to Belgian Consumers: [Applicable/Not Applicable]
- (N.B. advice should be taken from Belgian counsel before disapplying this selling restriction)]*



## FORM OF SUBORDINATED NOTES FINAL TERMS

*The following is the form of Final Terms that, subject to completion and deletion of non-applicable provisions, will be applicable to, and issued in respect of, each issue of Subordinated Notes.*

**[PROHIBITION OF SALES TO EEA AND UK RETAIL INVESTORS** – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (EEA) or in the United Kingdom (UK). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, **MiFID II**); or (ii) a customer within the meaning of Directive (EU) 2016/97 (the **IDD**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Regulation (EU) 2017/1129 (the **Prospectus Regulation**). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the **PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the EEA or in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA or in the UK may be unlawful under the PRIIPs Regulation.]<sup>10</sup>

**[MiFID II product governance / Professional investors and ECPs only target market** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in [Directive 2014/65/EU (as amended, **MiFID II**)] [MiFID II]; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a **distributor**) should take into consideration the manufacturer[’s/s’] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer[’s/s’] target market assessment) and determining appropriate distribution channels.]

**Final Terms dated [●]**

**Nationale-Nederlanden Bank N.V.**

**Legal entity identifier (LEI): 724500BICUQ0LF1AH770**

Issue of [**Aggregate Nominal Amount of Tranche**] [**Title of Subordinated Notes**]

under the **€5,000,000,000**

**Debt Issuance Programme**

### **PART A – CONTRACTUAL TERMS**

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the prospectus dated 15 October 2020 [and the supplement(s) to it dated [●]] which [together] constitute[s] a base prospectus (the “Prospectus”) for the purposes of Regulation (EU) 2017/1129 (the “Prospectus Regulation”). This document constitutes the Final Terms of the Subordinated Notes described herein which have been prepared for the purposes of the Prospectus Regulation and must be read in conjunction with the Prospectus in order to obtain all the relevant information. The Prospectus and the Final Terms have been published on [www.nn-group.com](http://www.nn-group.com).

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<sup>10</sup> Legend to be included on front of the Final Terms if the Notes potentially constitute "packaged" products and no key information document will be prepared or the issuer wishes to prohibit offers to EEA and UK retail investors for any other reason, in which case the selling restriction should be specified to be "Applicable".

*[Include whichever of the following apply or specify as “Not Applicable” (N/A). Note that the numbering should remain as set out below, even if “Not Applicable” is indicated for individual paragraphs (in which case the subparagraphs of the paragraphs which are not applicable can be deleted). Italics denote guidance for completing the Final Terms.]*

*[If the Subordinated Notes have a maturity of less than one year from the date of their issue, the minimum denomination may need to be £100,000 or its equivalent in any other currency.]*

*[When completing any final terms consideration should be given as to whether such terms or information constitute “significant new factors” and consequently trigger the need for a supplement to the Prospectus under Article 23 of the Prospectus Regulation.]*

- |    |   |  |
|----|---|--|
| 1. | Issuer:   | Nationale-Nederlanden Bank N.V.  |
| 2. | [(i)] Series Number:  | [●]  |
|    | [(ii)] Tranche Number:  | [●]  |
|    | [(iii)] Date on which the Subordinated Notes become fungible: | [Not Applicable/The Subordinated Notes shall be consolidated, form a single series and be interchangeable for trading purposes with the <i>[insert description of the Series]</i> on <i>[insert date/the Issue Date/exchange of the Temporary Global Subordinated Note for interests in the Permanent Global Subordinated Note, as referred to in paragraph [22] below [which is expected to occur on or about [insert date]]]</i> ].] |
| 3. | Specified Currency:   | [●]  |
| 4. | Aggregate Nominal Amount:                                     | [●]  |
|    | [(i)] Series:   | [●]  |
|    | [(ii)] Tranche:   | [●]  |
| 5. | Issue Price:  | [●] per cent. of the Aggregate Nominal Amount [plus accrued interest from <i>[insert date]</i> (if applicable)]  |
| 6. | (i) Specified Denominations:                                  | [●]  |

*[If the specified denomination is expressed to be €100,000 or its equivalent and multiples of a lower principal amount (for example €1,000), insert the following wording unless they are to be admitted to trading only on a regulated market, or a specific segment of a regulated market, to which only qualified investors have access: “€100,000 and integral multiples of [€1,000] in excess thereof up to and including [€199,000]. No Subordinated Notes in definitive form will be issued with a denomination above [€199,000].”]*  
*[In addition, Subordinated Notes (including Subordinated Notes denominated in Sterling) in respect of which the issue proceeds are to be accepted by the*

*Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of Section 19 FSMA and which have a maturity of less than one year must have a minimum redemption value of £100,000 (or its equivalent in other currencies).]*

- (ii) Calculation Amount: [●]  
*(If there is only one Specified Denomination, insert the Specified Denomination. If there are several Specified Denominations (including where the circumstances referred to in 6(i) above apply of having Specified Denominations of €100,000 and multiples of €1,000), insert the highest common factor of those Specified Denominations (note: there must be a common factor in the case of two or more Specified Denominations)).*
7. (i) Issue Date: [●]  
(ii) Interest Commencement Date: [Specify/Issue Date/Not Applicable]
8. Maturity Date: [Specify date or (for Floating Rate Subordinated Notes) Interest Payment Date falling in or nearest to [specify the relevant month and year]] [Undated (Perpetual) Subordinated Notes]
9. Interest Basis: [[●] per cent. Fixed Rate]  
[[●] per cent. subject to Fixed Reset Rate]  
[[●] month [LIBOR/EURIBOR]] +/- [●] per cent. Floating Rate]  
(See paragraph [14/15/16/17] below)
10. Redemption/Payment Basis: Subject to any purchase and cancellation or early redemption, the dated Subordinated Notes will be redeemed on the Maturity Date at [[●]/[100]] per cent. of their nominal amount.
11. Change of Interest Basis: [Specify the date when any fixed to floating rate change occurs or refer to paragraphs 14 and 16 below and identify there/For the period from (and including) the Interest Commencement Date, up to (but excluding) [date] paragraph [14/16] applies and, for the period from (and including) [date], up to (and including) the Maturity Date, paragraph [14/16] applies]/Not Applicable]
12. Call Options: [Issuer Call]  
[Regulatory Call]  
(See paragraph [17/18] below)]
13. [(i)] Status of the Subordinated Notes: Subordinated (Tier 2) Notes  
[(ii)] [Date [Board] approval for issuance of Subordinated Notes obtained: [●] [and [●], respectively]]

*(N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Subordinated Notes)*

**PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

14. Fixed Rate Subordinated Note Provisions [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Rate[(s)] of Interest: [●] per cent. per annum payable in arrear on each Interest Payment Date
  - (ii) Interest Payment Date(s): [●] in each year
  - (iii) Fixed Coupon Amount[(s)]: [●] per Calculation Amount
  - (iv) Broken Amount(s): [●] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [●]
  - (v) Day Count Fraction: [30/360 / Actual/Actual (ICMA) / include any other option from the Conditions]
  - (vi) [Determination Dates: [●] in each year *(insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon. N.B. only relevant where Day Count Fraction is Actual/Actual (ICMA))*]
15. Fixed Rate Reset Subordinated Note Provisions [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Initial Interest Rate: [●] per cent. per annum payable in arrear on each Interest Payment Date up to and including the First Reset Date
  - (ii) Interest Payment Date(s): [●] in each year
  - (iii) (Fixed Coupon Amount[(s)] to (but excluding) the First Reset Date: [●] per Calculation Amount
  - (iv) (Broken Amount(s): [●] per Calculation Amount payable on the Interest Payment Date falling [in/on] [●]
  - (v) Day Count Fraction: [30/360 / Actual/Actual (ICMA) / / include any other option from the Conditions]
  - (vi) [Determination Date(s): [●] in each year *(insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon N.B. Only relevant where Day Count Fraction is Actual/Actual (ICMA))*]
  - (vii) First Reset Date: [●]
  - (viii) Second Reset Date: [●]/[Not Applicable]
  - (ix) Subsequent Reset Date(s): [●] [and [●]]/[Not Applicable]

- (x) Reset Determination Date: [first/second/specify] Business Day immediately preceding the relevant Reset Date
- (xi) Reset Determination Time: [11.00 a.m. (Central European Time)/specify]
- (xii) Reset Margin(s): [+/-][●] per cent. per annum
- (xiii) Mid-Swap Rate: [●]
- (xiv) Fixed Reset Rate Relevant Screen Page: [●]
- (xv) Initial Mid-Swap Rate: [●] per cent. per annum (quoted on a[n] annual/semi-annual basis)
16. Floating Rate Subordinated Note Provisions [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Interest Period(s): [[●], subject to adjustment in accordance with the Business Day Convention set out in (v) below/, not subject to any adjustment[, as the Business Day Convention in (v) below is specified to be Not Applicable]]]
- (ii) Specified Interest Payment Dates: [[●] in each year[, subject to adjustment in accordance with the Business Day Convention set out in (v) below/, not subject to any adjustment[, as the Business Day Convention in (v) below is specified to be Not Applicable]]]
- (iii) Interest Period Date: [Not Applicable]/[[●] in each year[, subject to adjustment in accordance with the Business Day Convention set out in (v) below/, not subject to any adjustment[, as the Business Day Convention in (v) below is specified to be Not Applicable]]]
- (iv) First Interest Payment Date: [●]
- (v) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention] [Not Applicable]
- (vi) Business Centre(s): [●]
- (vii) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination/ISDA Determination]
- (viii) Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the Fiscal Agent): [●]
- (ix) Screen Rate Determination:
- Reference Rate: [[●]-month [LIBOR/EURIBOR]]

- Interest Determination Date(s): [●]
- Relevant Screen Page: [●]
- (x) ISDA Determination:
  - Floating Rate Option: [●]
  - Designated Maturity: [●]
  - Reset Date: [●]
  - [- ISDA Definitions [2006]]

*(N.B. The fall-back provisions applicable to ISDA Determination under the 2006 ISDA Definitions are reliant upon the provision by reference banks of offered quotations for LIBOR and/or EURIBOR which, depending on market circumstances, may not be available at the relevant time)*
- (xi) Linear Interpolation: Not Applicable/Applicable – the Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation (*specify for each short or long interest period*)
- (xii) Margin(s): [+/-][●] per cent. per annum
- (xiii) Minimum Rate of Interest: [●] per cent. per annum
- (xiv) Maximum Rate of Interest: [●] per cent. per annum
- (xv) Day Count Fraction: [[30/360][Actual/360][Actual/365]][*Include any other option from the Conditions*]

## PROVISIONS RELATING TO REDEMPTION

17. Issuer Call: [Applicable/Not Applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Optional Redemption Date(s): [●]
  - (ii) Optional Redemption Amount(s) of each Subordinated Note: [●] per Calculation Amount
  - (iii) If redeemable in part:
    - Minimum Redemption Amount: [●] per Calculation Amount
    - Maximum Redemption Amount: [●] per Calculation Amount
  - (iv) Notice period: [●] days
- (N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example clearing systems (which require a minimum of five*

- business days' notice for a call) and custodians, as well as any other notice requirements which may apply.)*
18. Regulatory Call: [Applicable/Not Applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Optional Redemption Date(s): [●]
- (ii) Optional Redemption Amount(s) of each Subordinated Note: [●] per Calculation Amount
- (iii) Notice period: [●] days
- (N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of fifteen business days' notice for a put) and custodians, as well as any other notice requirements which may apply.)*
- (iv) MREL Disqualification Event: [Full exclusion only/Full or partial exclusion]
19. Final Redemption Amount of each Subordinated Note: [●][Par] per Calculation Amount
20. Early Redemption Amount
- Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons or on event of default or other early redemption: [●]/[Par] per Calculation Amount
21. Variation or Substitution of Subordinated Notes: [Applicable/Not Applicable]

#### GENERAL PROVISIONS APPLICABLE TO THE SUBORDINATED NOTES

22. Form of Subordinated Notes: **Bearer Subordinated Notes:**
- [Temporary Global Subordinated Note exchangeable for a Permanent Global Subordinated Note which is exchangeable for Definitive Subordinated Notes in the limited circumstances specified in the Permanent Global Subordinated Note]
- [Temporary Global Subordinated Note exchangeable for Definitive Subordinated Notes on [●] days' notice]
- (The exchange at any time upon due notice option should not be expressed to be applicable if the Specified Denomination of the Subordinated Notes in paragraph 6 includes language substantially to the following effect: "[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000]."*

*Furthermore, such Specified Denomination construction is not permitted in relation to any issue of Subordinated Notes which is to be represented on issue by a Temporary Global Subordinated Note exchangeable for Definitive Subordinated Notes, other than in the limited circumstances specified in the permanent Global Subordinated Note.)*

[Permanent Global Subordinated Note exchangeable for Definitive Subordinated Notes in the limited circumstances specified in the Permanent Global Subordinated Note]

**Registered Subordinated Notes:**

[Global Certificate registered in the name of a nominee for [a common depositary for Euroclear and Clearstream, Luxembourg/a common safekeeper for Euroclear and Clearstream, Luxembourg]]

23. New Global Subordinated Note: [Yes] [No]
24. Financial Centre(s): [Not Applicable/give details. Note that this paragraph relates to the date of payment, and not the end dates of interest periods for the purposes of calculating the amount of interest, to which sub-paragraph 15(vi) relates.]
25. Talons for future Coupons to be attached to Definitive Subordinated Notes (and dates on which such Talons mature): [No/Yes. As the Subordinated Notes have more than 27 coupon payments, talons may be required if, on exchange into definitive form, more than 27 coupon payments are still to be made.]
26. Condition 11 of the Subordinated Notes applies [Yes/No]

**THIRD PARTY INFORMATION**

[(*Relevant third party information*) has been extracted from (*specify source*). The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by (*specify source*), no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of Nationale-Nederlanden Bank N.V.:

By:

Duly authorised

By:

Duly authorised



## PART B – OTHER INFORMATION

### 1. LISTING AND ADMISSION TO TRADING

- (i) Admission to trading: [Application has been made by the Issuer (or on its behalf) for the Subordinated Notes to be admitted to trading on Euronext in Amsterdam with effect from [●].] [Application is expected to be made by the Issuer (or on its behalf) for the Subordinated Notes to be admitted to trading on Euronext in Amsterdam with effect from [●].] [Not Applicable.]

*(Where documenting a fungible issue need to indicate that original Subordinated Notes are already admitted to trading.)*

- (ii) Estimate of total expenses related to admission to trading: [●]

### 2. RATINGS

Ratings: [The Subordinated Notes to be issued [have been/are expected to be] rated]:

[S & P: [●]]

[Moody's: [●]]

[[Other]: [●]]

[(Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider.)]

### 3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER

*(Need to include a description of any interest, including conflicting ones, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the statement below:)*

[Save for any fees payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the offer of the Subordinated Notes has an interest material to the offer. The [Managers/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business. *(Amend as appropriate if there are other interests.)*]

*[(When adding any other description, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Prospectus under Article 23 of the Prospectus Regulation.)]*

### 4. REASONS FOR THE OFFER AND ESTIMATED NET PROCEEDS

- (i) Reasons for the offer: Reasons for the offer: [See “Use of Proceeds” wording in Prospectus/specify particular identified use of proceeds]

(ii) Estimated net proceeds:	[•]
<b>5. [Fixed Rate Subordinated Notes only – YIELD]</b>	
Indication of yield:	[•]
	The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]
<b>6. OPERATIONAL INFORMATION</b>	
ISIN:	[•]
Common Code:	[•]
CFI:	[[See/[ <i>include code</i> ], as updated, as set out on] the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available]
FISN:	[[See/[ <i>include code</i> ], as updated, as set out on] the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available]
Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking, S.A. and the relevant identification number(s):	[Not Applicable/ <i>give name(s) and number(s)</i> ]
Delivery:	Delivery [against/free of] payment
Names and addresses of additional Paying Agent(s) (if any):	[•]
Intended to be held in a manner which would allow Eurosystem eligibility:	<p>[Yes. Note that the designation “yes” simply means that the Subordinated Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper [(and registered in the name of a nominee of one of the ICSDs acting as common safekeeper)] [<i>include this text for registered notes</i>] and does not necessarily mean that the Subordinated Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]/</p> <p>[No. Whilst the designation is specified as “no” at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Subordinated Notes are capable of meeting them, the Subordinated Notes may then be deposited with one of</p>

the ICSDs as common safekeeper [(and registered in the name of a nominee of one of the ICSDs acting as common safekeeper) *[include this text for registered notes]*. Note that this does not necessarily mean that the Subordinated Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]

7. **DISTRIBUTION**

- (i) Method of distribution: [Syndicated/Non-syndicated]
- (ii) If syndicated:
  - (A) Names of Managers: [Not Applicable/*give names*]
  - (B) Stabilisation Manager(s) (if any): [Not Applicable/*give names*]
- (iii) If non-syndicated, name of Dealer: [Not Applicable/*give name*]
- (iv) U.S. Selling Restrictions: [Reg. S Compliance Category 2; TEFRA C/ TEFRA D/ TEFRA not applicable]
- (v) Prohibition of Sales to EEA and UK Retail Investors: [Applicable/Not Applicable]
 

*(If the Subordinated Notes clearly do not constitute “packaged” products or the Subordinated Notes do constitute “packaged” products and a key information document will be prepared, “Not Applicable” should be specified. If the Subordinated Notes may constitute “packaged” products and no key information document will be prepared, “Applicable” should be specified.)*
- (vi) [Prohibition of Sales to Belgian Consumers: [Applicable/Not Applicable]
 

*(N.B. advice should be taken from Belgian counsel before disapplying this selling restriction)]*

## GENERAL INFORMATION

- (1) Application has been made to Euronext for Notes issued under the Programme to be listed and admitted to trading on Euronext Amsterdam.
- (2) The Issuer has obtained all necessary consents, approvals and authorisations in The Netherlands in connection with the establishment of the Programme. The update of the Programme was authorised by the Management Board and the Supervisory Board and passed on 13 October 2020 and 23 January 2020 respectively.
- (3) The Issuer accepts responsibility for the information contained in this Prospectus. To the best of the knowledge of the Issuer, the information contained in this Prospectus is in accordance with the facts and makes no omission likely to affect the import of such information.
- (4) There has been no significant change in the financial performance and financial position of the Issuer or of the Group since 30 June 2020. Other than disclosed in the section “*Business description of the Issuer – COVID-19*”, there has been no material adverse change in the prospects of the Issuer since 31 December 2019.
- (5) Each Bearer Note (other than a Temporary Bearer Note) having a maturity of more than one year, Receipt, Coupon and Talon will bear the following legend: “Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code”.
- (6) Notes have been accepted for clearance through the Euroclear and Clearstream, Luxembourg systems (which are the entities in charge of keeping the records). The Common Code, the International Securities Identification Number (ISIN) and (where applicable) the identification number for any other relevant clearing system for each Series of Notes will be set out in the applicable Final Terms.  
The address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium and the address of Clearstream, Luxembourg is 42 Avenue JF Kennedy, L-1855 Luxembourg. The address of any alternative clearing system will be specified in the applicable Final Terms.
- (7) Where information in this Prospectus has been sourced from third parties, this information has been accurately reproduced and, as far as the Issuer is aware and is able to ascertain from the information published by such third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading. The source of third party information is identified where used.
- (8) The issue price and the amount of the relevant Notes will be determined, before filing of the applicable Final Terms of each Tranche, based on the prevailing market conditions. The Issuer does not intend to provide any post-issuance information in relation to any issues of Notes.
- (9) For so long as Notes may be issued pursuant to this Prospectus, the following documents will be available for inspection on <https://www.nn-group.com/investors/debt-securities-credit-ratings/nn-bank-unsecured-funding.htm>:
  - (i) the Agency Agreement (which includes the form of the Global Notes, the definitive Bearer Notes, the Certificates, the Coupons, the Receipts and the Talons);
  - (ii) the Articles of Association of the Issuer;

- (iii) each Final Terms (save that Final Terms relating to a Note which is neither admitted to trading on a regulated market within the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Regulation will only be available for inspection by a holder of such Note and such holder must produce evidence satisfactory to the Issuer and the Issuing and Paying Agent as to its holding of Notes and identity); and
  - (iv) a copy of this Prospectus together with any supplement to this Prospectus or further Prospectus.
- (10) The Issuer's consolidated annual accounts for the year ended 31 December 2018 and the consolidated annual accounts for the year ended 31 December 2019 have been audited by KPMG Accountants N.V., independent auditors. The auditors of KPMG Accountants N.V. are members of the Netherlands Institute of Chartered Accountants (*Nederlandse Beroepsorganisatie van Accountants*). KPMG Accountants N.V. have issued unqualified auditor's reports on the consolidated annual accounts for the years ended 31 December 2018 and 2019 dated 2 April 2019 and 24 March 2020, respectively. These auditor's reports have been included in the form and context in which they appear with the consent of KPMG Accountants N.V., who have authorised the contents of these auditor's reports.
- (11) Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services to, the Issuer and/or its affiliates in the ordinary course of business.
- (12) Certain of the Dealers and their affiliates may have positions, deal or make markets in the Notes issued under the Programme, related derivatives and reference obligations, including (but not limited to) entering into hedging strategies on behalf of the Issuer and its affiliates, investor clients, or as principal in order to manage their exposure, their general market risk, or other trading activities.
- (13) In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or the Issuer's affiliates. Certain of the Dealers or their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes issued under the Programme. Any such positions could adversely affect future trading prices of Notes issued under the Programme. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

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