OFFERING CIRCULAR



(Incorporated with limited liability under the laws of The Netherlands and having its corporate seat in The Hague)

Euro 20,000,000,000

Programme for the Issuance of Debt Instruments

Under this Programme for the Issuance of debt instruments (the "**Programme**"), NIBC Bank N.V. (the "**Issuer**") may from time to time issue one or more Tranches (as defined herein) of notes (the "**Notes**"). The maximum aggregate nominal amount of all Notes from time to time outstanding under the Programme will not exceed Euro 20,000,000,000.

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"), or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons (within the meaning of Regulation S under the Securities Act ("**Regulation S**")) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws.

PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Notes are not intended, from 1 January 2018, to be offered, sold or otherwise made available to and, with effect from such date, should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). 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 ("**MiFID II**"); (ii) a customer within the meaning of Directive 2002/92/EC ("**IMD**"), 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 Prospectus Directive. Consequently no key information document required by Regulation (EU) No 1286/2014 (the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

In connection with the Programme, the Issuer has prepared this Offering Circular for approval as a base prospectus by the Netherlands Authority for the Financial Markets (*Autoriteit Financiële Markten*, the "**AFM**").

Application has been made to Euronext Amsterdam N.V. for the Notes issued under the Programme during the period of 12 months from the date of this Offering Circular to be admitted to listing and trading on Euronext in Amsterdam, the regulated market of Euronext Amsterdam N.V. ("**Euronext Amsterdam**"). Euronext Amsterdam is a regulated market for the purposes of Directive 2004/39/EC (the "**Markets in Financial Instruments Directive**").

The Programme also permits Notes to be issued on the basis that they will not be admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system on a regulated market for the purposes of the Markets in Financial Instruments Directive in the European Economic Area or otherwise (the "**Unlisted Notes**") or to be admitted to listing, trading and/or quotation by the listing authorities, stock exchanges and/or quotation systems as may be agreed with the Issuer.

Any person (an "Investor") intending to acquire or acquiring any securities from an offeror (an "Offeror") will do so, and offers and sales of the securities to an Investor by an Offeror will be made, in accordance with any terms of other arrangements in place between such Offeror and such Investor including as to price, allocations and settlement arrangements. The Issuer will not be a party to any such arrangements with Investors (other than Dealers) in connection with the offer or sale of the securities and, accordingly, neither this Offering Circular nor any Final Terms will contain such information and an Investor must obtain such information from the Offeror. Such information will be provided at the time of any sub-offers.

An investment in Notes issued under the Programme involves certain risks. A section containing "*Risk Factors*" has been included in the Offering Circular (please see pages 6 to 34 of the Offering Circular).

References in this Offering Circular to "**Passported Countries**" shall mean the European Economic Area Member State(s) whose competent authorities have received from the AFM (i) a copy of the Offering Circular and (ii) a certificate of approval pursuant to Article 18 of the Prospectus Directive (as defined herein) attesting that the Offering Circular has been drawn up in accordance with the Prospectus Directive.

Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and any other terms and conditions not contained herein which are applicable to each Tranche (as defined under *"Terms and Conditions of the Notes"*) of Notes will be set out in a Final Terms document (the "**Final Terms**") (or, in the case of Unlisted Notes, a pricing supplement (the "**Pricing Supplement**") issued by the Issuer) which, in respect of Notes to be listed on Euronext Amsterdam, will be delivered to the AFM and Euronext Amsterdam, on or before the date of issue of the Notes of such Tranche.

Arranger

MORGAN STANLEY

Dealers

ABN AMRO BANK N.V.
BOFA MERRILL LYNCH
CITIGROUP
COMMERZBANK
CREDIT SUISSE
DEUTSCHE BANK
GOLDMAN SACHS INTERNATIONAL
ING
J.P. MORGAN
LANDESBANK BADEN-WÜRTTEMBERG
MORGAN STANLEY
NATWEST MARKETS
NIBC BANK
UBS INVESTMENT BANK
SOCIÉTÉ GÉNÉRALE CORPORATE & INVESTMENT BANKING

The date of this Offering Circular is 21 June 2017

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IMPORTANT NOTICES

This Offering Circular together with all documents which are deemed to be incorporated herein by reference (see "*Documents incorporated by reference*") constitutes a base prospectus for the purposes of Article 5.4 of the Prospectus Directive. References in this Offering Circular to the "**Prospectus Directive**" are to Directive 2003/71/EC (as amended, including by Directive 2010/73/EU), and include any relevant implementing measure in the Relevant Member State, and references to "**Relevant Member State**" are to each Member State of the European Economic Area which has implemented the Prospectus Directive.

The Issuer (the "**Responsible Person**") accepts responsibility for the information contained in this Offering Circular (including all documents incorporated by reference herein) and any Final Terms (as defined below). To the best of the knowledge and belief of the Issuer (which has taken all reasonable care to ensure that such is the case), the information contained in this Offering Circular is in accordance with the facts and does not omit anything likely to affect the import of such information.

Each Tranche (as defined herein) of Notes will be issued on the terms set out herein under "*Terms and Conditions of the Notes*" (the "**Conditions**") as contemplated by a document specific to such Tranche called final terms (the "**Final Terms**") (or, in the case of Unlisted Notes, the relevant Pricing Supplement).

This Offering Circular must be read and construed together with any amendments or supplements hereto and, in relation to any Tranche of Notes which is the subject of Final Terms or a Pricing Supplement, must be read and construed together with the relevant Final Terms or Pricing Supplement. Any text included in this Offering Circular which is not in the English language is a direct and accurate translation of the preceding English language text.

References in this Offering Circular to "**Final Terms**" shall, in the case of an issue of Unlisted Notes, be read and construed as a reference to the applicable Pricing Supplement, unless the context otherwise requires.

The Dealers have not independently verified all the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by any Dealer as to the accuracy or completeness of the information contained or incorporated in this Offering Circular or any other information provided by the Issuer in connection with the Programme or the Notes or their distribution. No Dealer accepts any liability in relation to the information contained or incorporated by reference in this Offering Circular or any other information provided by the Issuer in connection with the Programme or the Notes or their distribution. For the avoidance of doubt, nothing in this paragraph affects the representations, responsibilities or undertakings of the Issuer as may be set out in this Offering Circular.

No person is or has been authorised by the Issuer to give any information or to make any representation not contained in or not consistent with this Offering Circular or any other information supplied in connection with the Programme or the Notes or their distribution and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or any Dealer.

Neither this Offering Circular nor any other information supplied in connection with the Programme or any Note (a) is intended to provide the basis of any credit or other evaluation or (b) should be considered as a recommendation by the Issuer or any Dealer that any recipient of this Offering Circular or any other information supplied in connection with the Programme or any Note should purchase any Note. Each Investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. Investors should not construe the contents of this Offering Circular as legal, business, financial or tax advice and should consult its own attorney, business advisor, financial advisor or tax advisor and make its own assessment of the risks involved. Neither this Offering Circular nor any other information supplied in connection with the Programme or the issue of any Notes constitutes an offer or invitation by or on behalf of the Issuer or any Dealer to any person to subscribe for or to purchase any Notes.

Neither the delivery of this Offering Circular nor the offering, sale or delivery of any Notes shall in any circumstances imply that the information contained herein concerning the Issuer is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Programme is

correct as of any time subsequent to the date indicated in the document containing the same. The Dealers expressly do not undertake to review the financial condition or affairs of the Issuer during the life of the Programme or to advise any Investor in the Notes of any information coming to their attention. Investors should review, among other things, the most recently published documents incorporated by reference into, and any supplements to, this Offering Circular when deciding whether or not to purchase any Notes.

This Offering Circular does not and any Final Terms do not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The Notes have not been and will not be registered under the Securities Act and are subject to U.S. tax law requirements. The distribution of this Offering Circular and the offer or sale of Notes may be restricted by law in certain jurisdictions. The Issuer and the Dealers do not represent that this Offering Circular may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer or any Dealer which is intended to permit a public offering of any Notes or distribution of this document in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Offering Circular nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Offering Circular or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Offering Circular and the offering and sale of Notes (see *"Subscription and Sale"* and *"Transfer Restrictions"* below).

In the case of any Notes which are to be admitted to trading on Euronext Amsterdam or any other regulated market within the European Economic Area or offered to the public in a Member State of the European Economic Area in circumstances which require the publication of a prospectus under the Prospectus Directive, the minimum specified denomination shall be €100,000 (or its equivalent in any other currency as at the date of issue of the Notes).

THE NOTES ARE BEING OFFERED AND SOLD OUTSIDE THE UNITED STATES TO NON-U.S. PERSONS WITHIN THE MEANING OF REGULATION S IN RELIANCE ON REGULATION S AND WITHIN THE UNITED STATES TO "QUALIFIED INSTITUTIONAL BUYERS" ("**QIBS**") AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT ("**RULE 144A**"). PROSPECTIVE PURCHASERS ARE HEREBY NOTIFIED THAT SELLERS OF THE NOTES MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A. FOR A DESCRIPTION OF THESE AND CERTAIN FURTHER RESTRICTIONS SEE "*SUBSCRIPTION AND SALE*" AND "*TRANSFER RESTRICTIONS*".

THE NOTES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION (THE "**SEC**"), ANY STATE SECURITIES COMMISSION OR ANY OTHER REGULATORY AUTHORITY IN THE UNITED STATES. NEITHER THE SEC NOR ANY OF THE FOREGOING AUTHORITIES HAVE PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL CRIMINAL OFFENSE IN THE UNITED STATES.

This Prospectus may be distributed on a confidential basis in the United States only to QIBs solely in connection with the consideration of the purchase of the Notes being offered hereby. Its use for any other purpose in the United States is not authorised. It may not be copied or reproduced in whole or in part nor may it be distributed or any of its contents disclosed to anyone other than the prospective Investors to whom it is originally submitted.

Registered Notes may be offered or sold within the United States only to QIBs in transactions exempt from the registration requirements under the Securities Act. Each U.S. purchaser of Registered Notes is hereby notified that the offer and sale of any Registered Notes to it may be made in reliance upon the exemption from the registration requirements of the Securities Act provided by Rule 144A.

Each purchaser or holder of Notes represented by a Rule 144A Global Note or any Notes issued in registered form in exchange or substitution therefor (together "**Restricted Notes**") will be deemed, by its acceptance or purchase of any such Restricted Notes, to have made certain representations and agreements intended to restrict the resale or other transfer of such Notes as set out in "*Subscription and*

Sale" and "*Transfer Restrictions*". Unless otherwise stated, terms used in this paragraph have the meanings given to them in "*Form of the Notes*".

AVAILABLE INFORMATION UNDER RULE 144A

For so long as any of the Notes are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act, the Issuer will, during any period in which it is not subject to Section 13 or Section 15(d) under the U.S. Securities Exchange Act of 1934, as amended, (the "**Exchange Act**"), nor exempt from reporting under the Exchange Act pursuant to Rule 12g3-2(b) thereunder, make available to any holder or beneficial owner of a Note, or to any prospective purchaser of a Note designated by such holder or beneficial owner, the information specified in, and meeting the requirements of, Rule 144A(d)(4) under the Securities Act upon the request of such holder or beneficial owner.

RATINGS

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.

The Issuer has long term, subordinated long term and short term debt ratings of BBB-/BB/A-3 issued by Standard & Poor's Credit Market Services Europe Limited ("**Standard & Poor's**") and long and short term debt ratings of BBB-/F3 issued by Fitch Ratings Limited ("**Fitch**"). Standard & Poor's and Fitch are established in the European Union (the "**EU**") and are registered under the Regulation (EU) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies (as amended) (the "**CRA Regulation**"). As such, Standard & Poor's and Fitch are included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with the CRA Regulation.

STABILISATION

In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as the Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) in the applicable Final Terms may over-allot or effect transactions with a view to supporting the market price of the Notes of the Series (as defined below) of which such Tranche forms part 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 of Notes 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 of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) in accordance with all applicable laws and rules.

INVESTOR SUITABILITY

Each prospective Investor must determine, based on its own independent review and such professional tax and accounting advice as it deems appropriate under the circumstances, that its acquisition and holding of the Notes issued under the Programme is fully consistent with its financial needs, objectives and conditions, and complies and is fully consistent with, all investment policies, guidelines and restrictions applicable to it. None of the Issuer or the Dealers acts as an investment adviser, or assumes any fiduciary obligation, to any prospective purchaser of the Notes.

In making an investment decision, Investors must rely on their own examination of the Issuer and the terms of the Notes being offered, including the merits and risks involved. It is advisable that Investors consult their own financial, legal, accounting and tax advisers about the risks associated with an investment in Notes issued under the Programme, the appropriate tools to analyse that investment, and the suitability of the investment in each Investor's particular circumstances. No Investor should purchase Notes issued under the Programme unless that Investor understands and has sufficient financial resources to bear the price, market liquidity, structure and other risks associated with an investment in these Notes (including, but not limited to, any political, economic and other factors which could affect the value of,

and return on, the Notes). In particular, but without prejudice to the generality of the above paragraph, prospective Investors should note that an investment in the Notes is only suitable for Investors who:

(i) are capable of bearing the economic risk of an investment in the Notes for an indefinite period of time;

(ii) are acquiring the Notes for their own account for investment, not with a view to resale, distribution or other disposition of the Notes (subject to any applicable law requiring that the disposition of the Investor's property be within its control); and

(iii) who will recognise that it may not be possible to make any transfer of the Notes for a substantial period of time, if at all.

Understanding and appropriateness of the investment

Each Investor (a) should be financially able to bear such risks; (b) in making such investment shall not rely on any advice or recommendations of or any information, representation or warranty provided by each Dealer, the Issuer or any of their respective representatives (other than the information contained in, or incorporated by reference into, this Offering Circular); (c) recognise that it may not be possible to make any transfer of the Notes for a substantial period of time; and (d) should seek advice from such advisers as such Investor considers necessary and appropriate, to enable such Investor to make its own independent decision with regard to the suitability and appropriateness of the Notes as an investment for its own account. Each Investor should be capable of assessing and independently deciding, and should have assessed and independently decided, to assume the risks of an investment in the Notes. Each Investor in the Notes should consider the tax consequences of investing in the Notes. None of the Issuer, the Dealers or any of their respective representatives makes any representation and has given, nor will give, any advice concerning the appropriate accounting treatment or possible tax consequences of purchasing the Notes. Each Investor should consult its own financial, tax, accounting and legal advisers about risks associated with an investment in the Notes and the suitability of investing in such Notes in light of the Investor's particular circumstances.

Any information communicated (in any manner) to Investors by the Issuer or the Dealers should not be relied upon as investment advice or as a recommendation to invest in the Notes, which shall include, amongst other things, any such information, explanations or discussions concerning the terms and conditions of the Notes, or related features. Investment in the Notes should comply, and be fully consistent, with all investment policies, guidelines and restrictions applicable to an Investor. It is the responsibility of each Investor to ensure that it is compliant with all regulations relevant to its acquisition of the Notes and that it is lawful for it to enter into such investment. Any information communicated (in any manner) to Investors by the Issuer or the Dealers should not be relied upon, nor shall such information be deemed to be an assurance or guarantee, as to the expected results of an investment in the Notes. Each Investor should be aware that any return on the Notes may not exceed or even equal the return that might have been achieved had the amount of its initial investment been placed on deposit for the same period. Each Investor should be aware that none of the Issuer or the Dealers is acting as a fiduciary or trustee for, or as an adviser to the Investor with regard to the investment in the Notes.

This Offering Circular identifies in a general way, some of the information that a prospective Investor should consider prior to making an investment in the Notes. However, this Offering Circular does not purport to provide all of the information or the comprehensive analysis necessary to evaluate the economic and other consequences of investing in the Notes. Therefore, a prospective Investor should conduct its own thorough analysis (including its own financial, accounting, legal and tax analysis) prior to deciding whether to invest in the Notes. This Offering Circular is not, and does not purport to be, investment advice. The applicable Final Terms may contain additional information that a prospective Investor should consider prior to making an investment in the Notes.

LEGAL INVESTMENT CONSIDERATIONS

Investors should consult their own legal advisers in determining whether and to what extent the Notes constitute legal investments for such Investors and whether and to what extent the Notes can be used as collateral for various types of borrowings. In addition, financial institutions should consult their legal advisers or regulators in determining the appropriate treatment of the Notes under any applicable risk-based capital or similar rules. Investors whose investment activities are subject to investment laws and regulations or to review or regulation by certain authorities may be subject to restrictions on investments in certain types of debt securities, which may include the Notes. Investors should review and consider such restrictions prior to investing in the Notes.

The Notes may involve substantial risks, it is the responsibility of prospective purchasers to ensure that they have sufficient knowledge, experience and professional advice necessary to make their own legal, financial, tax, accounting and other business evaluation of the merits and risks of investing in the Notes without relying on the Issuer, the Dealers or any officers or employees of the Issuer or the Dealers in that regard. Prospective Investors should ensure that they understand the nature of the relevant Notes and the extent of their exposure to risks and that they consider the suitability of the relevant Notes as an investment in the light of their own circumstances and financial condition. Prospective Investors should consider the suitability of the Notes as an investment in light of their own circumstances, investment objectives, tax position and financial condition. Some or all of the risks highlighted in "*Risk Factors*" could adversely affect the trading price of the Notes or the rights of Investors under the Notes and, as a result, Investors could lose some or all of their investment.

RISK FACTORS

The Issuer believes that the following factors may affect its ability to fulfil its obligations under Notes issued under the Programme. These factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring.

In addition, factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme are also described below.

The Issuer believes that the factors described below represent the principal risks inherent in investing in Notes issued under the Programme, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with any Notes may occur for other reasons and the Issuer does not represent that the statements below regarding the risks of holding any Notes are exhaustive. Additional risks and uncertainties not presently known to the Issuer or that the Issuer currently believes to be immaterial could also have a material impact on its business operations. Prospective Investors should also read the detailed information set out elsewhere in this Offering Circular and reach their own views prior to making any investment decision.

Terms used in this section and not otherwise defined shall have the meanings given to them in "Terms and Conditions of the Notes".

Factors that may affect the Issuer's ability to fulfil its obligations under Notes issued under the Programme

The Issuer's revenues and earnings are affected by the volatility and strength of the economic, business and capital markets environments specific to the geographic regions in which it conducts business. The ongoing turbulence and volatility of such factors have affected, and may continue to (adversely) affect, the profitability and solvency of the Issuer.

Factors such as interest rates, securities prices, credit spreads, liquidity spreads, exchange rates, consumer spending, changes in client behaviour, business investment, real estate and private equity valuations, government spending, inflation, the volatility and strength of the capital markets, political events and trends, and terrorism all impact the business and economic environment and, ultimately, its solvency, liquidity and the amount and profitability of business the Issuer conducts in a specific geographic region. In an economic downturn characterised by higher unemployment, lower family income, lower corporate earnings, higher corporate and private debt defaults, lower business investments, and lower consumer spending, the demand for banking products is usually adversely affected and the Issuer's reserves and provisions typically would increase, resulting in overall lower earnings. Securities prices, real estate values and private equity valuations may also be adversely impacted, and any such losses would be realised through profit and loss and shareholders' equity. The Issuer also offers a number of financial products that expose it to risks associated with fluctuations in interest rates, securities prices, corporate and private default rates, the value of real estate assets, exchange rates and credit spreads. See also "*Interest rate volatility and other interest rate changes may adversely affect the Issuer's profitability*", "*Continued turbulence and volatility in the financial markets and economy generally have affected the Issuer, and may continue to do so*", and "*Market conditions observed over the past few years may increase the risk of loans being impaired. The Issuer is exposed to declining values on the collateral supporting residential and commercial real estate, as well as shipping and infrastructure lending*" below.

In case one or more of the factors mentioned above adversely affects the profitability of the Issuer's business this might also result, among other things, in the following:

- reserve inadequacies which could ultimately be realised through profit and loss and shareholders' equity;
- the write down of tax assets impacting net results;
- impairment expenses related to goodwill and other intangible assets, impacting net results; and/or
- movements in risk weighted assets for the determination of required capital.

Shareholders' equity and the Issuer's net result may be significantly impacted by ongoing turbulence and volatility in the worldwide financial markets and economy generally. Negative developments in financial

markets and/or economies may have a material adverse impact on shareholders' equity and net results in future periods, including as a result of the potential consequences listed above. See "*Continued turbulence and volatility in the financial markets and economy generally have affected the Issuer, and may continue to do so*" below.

Adverse capital and credit market conditions may impact the Issuer's ability to access liquidity and capital, as well as the cost of credit and capital.

The capital and credit markets have been experiencing ongoing volatility and disruption. 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 Issuer needs liquidity in its day-to-day business activities to pay its operating expenses, interest on its debt, dividends on its capital stock, to maintain its repo activities and to replace certain maturing liabilities. Without sufficient liquidity, the Issuer may be forced to curtail its operations and its business may suffer. The principal sources of its funding are client deposits, including from retail clients, and medium- and long-term debt securities. Other sources of funding may also include a variety of short- and long-term instruments, including repurchase agreements, commercial paper, medium- and long-term debt, subordinated debt securities, securitised debt, capital securities and shareholders' equity.

In the event current resources do not satisfy its needs or need to be refinanced, the Issuer may need to seek additional financing. The availability of additional financing will depend on a variety of factors such as market conditions, the general availability of credit, the volume of trading activities, 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 customers or lenders could develop a negative perception of its long- or short-term financial prospects. 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.

Disruptions, uncertainty or volatility in the capital and credit markets, such as that experienced over the past few years, including in relation to the ongoing European sovereign debt crisis, may also limit the Issuer's access to capital required to operate its business. 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 (1) delay raising capital, (2) reduce, cancel or postpone interest payments on its capital securities, (3) issue capital of different types or under different terms than the Issuer would otherwise offer, or (4) incur a higher cost of capital than it would in a more stable market environment. This would have the potential to decrease both the Issuer's profitability and its financial flexibility. The Issuer's results of operations, financial condition, cash flows and regulatory capital position could be materially adversely affected by disruptions in the financial markets.

The Issuer is subject to the jurisdiction of a variety of banking regulatory bodies, some of which have proposed regulatory changes that, if implemented, would hinder its ability to manage its liquidity in a centralised manner. Furthermore, regulatory liquidity requirements in certain jurisdictions in which the Issuer operates are generally becoming more stringent, including those forming part of the "Basel III" requirements, discussed further below under "*The Issuer operates in highly regulated industries. There could be an adverse change or increase in the financial services laws and/or regulations governing its business*", undermining the Issuer's efforts to maintain centralised management of its liquidity. These developments may cause trapped pools of liquidity, resulting in inefficiencies in the cost of managing the Issuer's liquidity.

The default of a major market participant could disrupt the markets.

Within the financial services industry the severe distress or default of any one institution (including sovereigns) could lead to defaults or severe distress by other institutions. Such distress or defaults could disrupt securities markets or clearance and settlement systems in the Issuer's markets. This could cause market declines or volatility. Because the commercial and financial soundness of many financial institutions may be closely related as a result of their credit, trading, clearing or other relationships, a failure by one such institution could lead to a chain of defaults that could adversely affect the Issuer and its contract counterparties. Concerns about the creditworthiness of a sovereign or financial institution (or

a default by any such entity) could lead to significant liquidity and/or solvency problems, losses or defaults by other institutions. Even the perceived lack of creditworthiness of, or questions about, a sovereign or a counterparty may lead to market-wide liquidity problems and losses or defaults by the Issuer or by other institutions. This risk is sometimes referred to as "**systemic risk**" and may adversely affect financial intermediaries, such as clearing agencies, clearing houses, banks, securities firms and exchanges with whom the Issuer interacts on a daily basis and financial instruments of sovereigns in which the Issuer invests. Systemic risk could have a material adverse effect on the Issuer's ability to raise new funding and on its business, financial condition, results of operations, liquidity and/or prospects. In addition, such a failure could impact future product sales as a potential result of reduced confidence in the financial services industry.

The Issuer believes that despite increased attention recently, systemic risk to the markets in which it operates continue to exist, and dislocations caused by the interdependency of financial market participants continues to be a potential source of material adverse changes to the Issuer's business, financial condition, results of operations, liquidity and/or prospects.

Because the Issuer's businesses are subject to losses from unforeseeable and/or catastrophic events, which are inherently unpredictable, the Issuer may experience an abrupt interruption of activities, which could have an adverse effect on its financial condition.

Because unforeseeable and/or catastrophic events can lead to an abrupt interruption of activities, the Issuer's business operations may be subject to losses resulting from such disruptions (as discussed further below under "*Operational risks are inherent in the Issuer's business*"). Losses can relate to property, financial assets, trading positions, insurance and pension benefits to employees and also to key personnel. If the Issuer's business continuity plans are not able to be put into action or do not take such events into account, the Issuer's financial condition could be adversely affected.

The Issuer operates in highly regulated industries. There could be an adverse change or increase in the financial services laws and/or regulations governing its business.

The Issuer is subject to detailed banking, asset management and other financial services laws and government regulation in each of the jurisdictions in which the Issuer conducts business. Regulatory agencies have broad administrative power over many aspects of the financial services business, which may include liquidity, capital adequacy and permitted investments, ethical issues, anti-money laundering, anti-terrorism measures, privacy, record keeping, product and sale suitability, and marketing and sales practices, and the Issuer's own internal governance practices. Banking, and other financial services laws, regulations and policies currently governing the Issuer may also change at any time and in ways which have an adverse effect on its business, and it is difficult to predict the timing or form of any future regulatory or enforcement initiatives in respect thereof. Also, bank regulators and other supervisory authorities continue to scrutinise the financial services industry and its activities under regulations governing such matters as money-laundering, prohibited transactions with countries subject to sanctions, and bribery or other anti-corruption measures. Regulation is becoming increasingly more extensive and complex and regulators are focusing increased scrutiny on the industries in which the Issuer operates, often requiring additional resources from the Issuer. These regulations can serve to limit the Issuer's activities, including through its net capital, customer protection and market conduct requirements, and restrictions on businesses in which the Issuer can operate or invest. If the Issuer fails to address, or appears to fail to address, appropriately any of these matters, its reputation could be harmed and it could be subject to additional legal risk, which could, in turn, increase the size and number of claims and damages asserted against the Issuer or subject it to enforcement actions, fines and penalties.

In light of current conditions in the global financial markets and the global economy, regulators have increased their focus on the regulation of the financial services industry. Most of the principal markets where the Issuer conducts its business have adopted, or are currently considering, major legislative and/or regulatory initiatives in response to the financial crisis. Governmental and regulatory authorities in the EU, The Netherlands and elsewhere are implementing measures to increase regulatory control in their respective financial markets and financial services sectors, including in the areas of prudential rules, capital requirements, executive compensation, crisis and contingency management, bank and financial transaction taxes and financial reporting, among others. Additionally, governmental and regulatory authorities in The Netherlands as well as in a multitude of jurisdictions continue to consider new mechanisms to limit the occurrence and/or severity of future economic crises (including proposals to

restrict the size of financial institutions operating in their jurisdictions and/or the scope of operations of such institutions).

Further, the International Accounting Standards Board has proposed certain amendments to several IFRS standards (including but not limited to the new standards known as IFRS 9 'Financial Instruments', which replaces IAS 39) which could also have a material impact on the Issuer's reported results and financial condition.

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 on its business, financial condition, results of operations, capital, liquidity and/or prospects.

Despite the Issuer's efforts to maintain effective compliance procedures and to comply with applicable laws and regulations, there is a risk that the Issuer may fail to meet applicable standards, for example in areas where applicable regulations may be unclear, subject to multiple interpretation or under development or may conflict with one another or where regulators revise their previous guidance or courts overturn previous rulings. Regulators and other authorities have the power to bring administrative or judicial proceedings against the Issuer, which could result, amongst other things, in suspension or revocation of its licences, cease and desist orders, fines, civil penalties, criminal penalties or other disciplinary action which could materially harm the Issuer's results of operations and financial condition.

Basel III

In December 2010, the Basel Committee on Banking Supervision (the "**Basel Committee**") announced higher global minimum capital standards for banks, and has introduced a new global liquidity standard and a new leverage ratio. The Committee's package of reforms, collectively referred to as "**Basel III**", will, among other requirements, increase the amount of common equity required to be held by subject banking institutions, prescribe the amount of liquid assets and the long term funding a subject banking institution must hold at any given moment, and limit leverage. Banks will be required to hold a "capital conservation buffer" to withstand future periods of stress such that the minimum Common Equity Tier 1 ratio, when fully phased in on 1 January 2019, will rise to 7 per cent. Basel III also introduces a "countercyclical buffer" as an extension of the capital conservation buffer, which permits national regulators to require banks to hold more capital during periods of high credit growth (to strengthen capital reserves and moderate the debt markets). Further, Basel III has strengthened the definition of capital that will have the effect of disqualifying many hybrid securities, potentially including those issued by the Issuer, from inclusion in regulatory capital, Basel III has also partially introduced, with effect from 1 January 2014, higher capital requirements for trading and derivative and securitisation activities.

For European banks these requirements have been implemented through the Capital Requirements Regulation ("**CRR**") and Capital Requirement Directive ("**CRD IV Directive**", and together with CRR, "**CRD IV**"). The CRR came into effect on 1 January 2014 and has direct effect in The Netherlands. The CRD IV Directive was implemented in the Dutch Act on financial supervision (*Wet op het financieel toezicht*, the "**Wft**"), as of 1 August 2014. A number of the requirements introduced under CRD IV will be further supplemented through the Regulatory and Implementing Technical Standards produced by the European Banking Authority ("**EBA**") some of which are not yet finalised. Relevant supervisory authorities may impose additional capital requirements that are more stringent than CRD IV. CRD IV and any additional capital requirements may have a material impact on the Issuer's operations and financial condition and may require the Issuer to seek additional capital.

In addition, at the end of 2014, the Basel Committee published for public consultation revisions to the standardised approaches for credit, operational and market risk, and the introduction of capital floors based on standardised approaches. In December 2015, the Basel Committee published a second consultative document on the standardised approach for credit risk. Of these proposals, the introduction of the standardised credit risk RWA (as defined below) floor would have the most impact on the Issuer. The proposals for the new standardised credit risk risk-weighted assets ("**RWA**") calculation rules include (i) introduction of new risk drivers, (ii) introduction of higher risk weights and (iii) reduce mechanistic` reliance on ratings. In addition, the revisions are likely to require that banks which apply advanced approaches to risk categories, apply the higher of (i) the RWA floor based on (new) standardised approaches and (ii) the RWA floor based on advanced approaches in the denominator of their ratios. Although timing for adoption, content and impact of these proposals remain subject to considerable uncertainty, the implementation of the standardised RWA floors could have a negative impact on the

calculation of the Issuer's parent company and its consolidated subsidiaries' (including the Issuer) risk weighted assets due to the difference in RWA calculated on the basis of advanced approaches. In April 2016, the Basel Committee issued a consultative document on the revision to the Basel III leverage ratio framework, including proposals for revisions in respect of the measurement of derivative positions, the treatment of provisions and the credit conversion factors for off-balance sheet items. Should these proposals become effective the Issuer may be required to hold additional regulatory capital, which may have a negative effect on its business.

On 23 November 2016, the European Commission announced a further package of reforms to CRD IV, including measures to increase the resilience of EU institutions and enhance financial stability, potentially resulting in changes to pillar 2 regulatory capital framework, a biding leveraged ratio of 3%, the introduction of a binding minimum net stable funding ratio of 100% and the implementation of the Basels' committee fundamental review of the trading book (FRTB) into law. The timing for the final implementation and the final impact of these reforms as at the date of this Offering Circular is unclear. These proposals may have a material impact on the Issuer's operations and financial condition, including that the Issuer may be required to obtain additional capital.

Dutch Intervention Act

Under the Dutch Intervention Act (*Wet bijzondere maatregelen financiële ondernemingen*, the "**Dutch Intervention Act**"), which entered into force on 13 June 2012, the Dutch Minister of Finance is granted substantial powers to deal with ailing Dutch banks, insurance companies and special purpose vehicles for risk acceptance (each a "**relevant entity**") and financial enterprises (which also includes collective investment schemes, investment firms, custodians of pension funds), respectively. The powers of the Dutch Minister of Finance include taking measures intended to safeguard the stability of the financial system as a whole. The Dutch Minister of Finance may with immediate effect take these measures, which include an expropriation of assets or securities issued by or with the consent of a financial enterprise or its parent, in each case if it has its corporate seat in The Netherlands. The Dutch Minister of Finance may also suspend voting rights of board members. In taking these measures, provisions in Dutch statute and articles of association may be set aside. The Wft further provides that acceleration, early termination and other contractual rights, to the extent they are triggered by the preparation or implementation of the measures introduced by the Dutch Intervention Act (collectively, "**events**"), cannot be exercised against relevant entities provided the Issuer continues to meet its primary obligations under the relevant agreement, instruments or other documents.

Exercise of the foregoing powers could involve taking various actions in relation to the Issuer or any securities issued by the Issuer (including Notes) without the consent of the Noteholders in the context of which any termination or acceleration rights or events of default (including any Event of Default under the Notes) may be disregarded. There can be no assurance that the taking of any such actions would not adversely affect the rights of Noteholders, the price or value of their investment in Notes and/or the ability of the Issuer to satisfy its obligations under the Notes. In such circumstances, Noteholders may have a claim for compensation (which claim may be negatively impacted by the Dutch Intervention Act), but there can be no assurance that Noteholders would thereby recover compensation promptly or equal to any loss actually incurred.

As at the date of this Offering Circular, the Issuer has not received any notice of any measure being taken in respect of it and there has been no indication that any event may occur. However, there can be no assurance that this will not change and/or that Noteholders will not be adversely affected by any event if it does occur.

BRRD and SRM

To complement the CRD IV, on 2 July 2014 the directive providing for the establishment of an EU-wide framework for the recovery and resolution of credit institutions and investment firms (Directive 2014/59/EU) (known as the Bank Recovery and Resolution Directive or "**BRRD**") entered into force. The BRRD is designed to provide authorities with a harmonised set of tools and powers to intervene sufficiently early and quickly in an unsound or failing institution so as to ensure the continuity of the institution's critical financial and economic functions, while minimising the impact of an institution's failure on the economy and financial system. The BRRD provides that it will be applied by Member States from 1 January 2015, other than the bail-in provisions (as contained in Section 5 of Chapter IV of

Title IV) for which the implementation deadline is 1 January 2016. The BRRD (including the bail-in provisions) have been implemented in the Wft with effect from 26 November 2015.

The measures set forth in the BRRD are available to regulators in cases where an institution does not meet or is likely to not meet the requirements of CRD IV or in the event that there is a material deterioration in an institution's financial position. The BRRD gives regulators powers to impose early intervention measures on an institution or to write down an institution's debt or to convert such debt into equity to allow an institution to continue as a going concern subject to appropriate restructuring. Directions on when and whether the intervention measures in the BRRD can be considered and applied are set forth in the guidelines on triggers for use of early intervention measures pursuant to Article 27(4) of the BRRD published on 8 May 2015 by the EBA.

It is possible that pursuant to the BRRD or other resolution or recovery rules which may in the future be applicable to the Issuer (including, but not limited to, CRD IV), new powers may be granted by way of statute to the Dutch Central Bank (*De Nederlandsche Bank N.V.*, "**DNB**") and/or any other relevant authority which could be used in such a way as to result in debt, including the Notes, absorbing losses.

Closely coupled with the BRRD is the European single resolution mechanism (the "**SRM**") established by the regulation establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms (the "**SRM Regulation**"). The SRM applies as of 1 January 2015 to all banks that are subject to the SSM (as defined below), and the SSM (as defined below) applies to all banks in the Eurozone and in certain other participating member states and establishes the European Central Bank (the "**ECB**") as the single bank supervisory authority. As a result, the SRM will apply to the Issuer as the primary recovery and resolution code. See the information set out in "*Supervision and Regulation*" under the paragraph "*Supervision*".

The powers provided to resolution authorities in the BRRD and SRM include write down and conversion powers to ensure relevant capital instruments (excluding Senior Notes and Subordinated Notes not qualifying as Tier 2 Notes, but including the Tier 2 Notes (all as defined below)) fully absorb losses at the point of non-viability of the Issuer or its group, as well as a bail-in tool comprising a more general power for resolution authorities to write down the claims of unsecured creditors (including holders of senior debt instruments (such as the Senior Notes and Subordinated Notes that do not qualify as Tier 2 Notes (all as defined below))) of a failing institution and/or to convert unsecured debt claims to equity if the conditions for resolution are met.

In addition, the BRRD and SRM provide resolution authorities with broader powers to implement other resolution measures with respect to distressed banks which satisfy the conditions for resolution, which may include (without limitation) the following resolution tool (i) the sale of the business tool, allowing resolution authorities to effect a sale and transfer of the shares in the bank or all or any assets, rights or liabilities of the bank on commercial terms, (ii) the bridge institution tool – with a bridge institution being an institution which is wholly or partially owned by one or more public authorities and controlled by the resolution authority – allowing the resolution authority to effect a transfer of the shares in the bank or all or any assets, rights or liabilities of the bank to a bridge institution and (iii) the asset separation tool, allowing the resolution authority to effect a separation of the performing assets from the impaired or under-performing assets of the bank, and the following ancillary powers (a) the replacement or substitution of the bank as obligor in respect of debt instruments, (b) modifications to the terms of debt instruments (including altering the maturity and/or the amount of interest payable and/or imposing a temporary suspension on payments) and (c) discontinuing the listing and admission to trading of financial instruments. See further the risk factor entitled "*Loss absorbency at the point of non-viability*".

The use of one or more of these tools will be included in a resolution plan to be adopted by the relevant authority.

Exercise of the foregoing powers could involve taking various actions in relation to the Issuer or any securities issued by the Issuer (including Notes) without the consent of the Noteholders in the context of which any termination or acceleration rights or events of default (including Events of Default under the Notes) may be disregarded. In addition, Noteholders will have no further claims in respect of any amount so written off, converted or otherwise applied as a result thereof. There can be no assurance that the taking of any such actions would not adversely affect the rights of Noteholders, the price or value of their investment in Notes and/or the ability of the Issuer to satisfy its obligations under the Notes.

The Issuer is unable to predict what effects, if any, the BRRD and SRM Regulation may have on the financial system generally, the Issuer's counterparties, the Issuer, any of its consolidated subsidiaries, its operations and/or its financial position.

On 23 November 2016, the European Commission announced a further package of reforms to the BRRD and the SRM Regulation, including measures to increase the resilience of EU institutions and enhance financial stability. The timing for the final implementation and the final impact of these reforms as at the date of this Offering Circular is unclear. These proposals may have a material impact on the Issuer's operations and financial condition, including that the Issuer may be required to obtain additional capital.

Resolution Fund

The SRM provides for a single resolution fund ("**SRF**") that will replace the national resolution funds set up (or to be set up) as a result of the implementation of the BRRD for banks in the SSM (as defined below). The SRF will be financed by ex-ante individual contributions from banks, such as the Issuer. For the SRF these contributions will be calculated on the basis of each bank's liabilities compared (excluding own funds and covered deposits), and adjusted for risk. The SRF will be built up over a period of eight years to reach the target level of at least 1 per cent. of the amount of all covered deposits of the bank authorised in all member states participating in the SRM. The ultimate costs to the industry of payments under the SRF may be significant and these and the associated costs to the Issuer may have a material adverse effect on its results of operations and financial condition.

The minimum requirement for own funds and eligible liabilities under BRRD and SRM Regulation

Pursuant to the BRRD and the SRM Regulation, banks such as the Issuer must meet, at all times, a minimum requirement for own funds (including Common Equity Tier 1, Additional Tier 1 or Tier 2 instruments) and eligible liabilities ("**MREL**"). The minimum requirement shall be calculated as the amount of own funds and eligible liabilities expressed as a percentage of the total liabilities and own funds of the bank.

On 23 May 2016, the European Commission adopted the regulatory technical standards ("**RTS**") on the criteria for determining the MREL under the BRRD (the "**MREL RTS**"). The MREL requirement applies to all credit institutions. In order to ensure the effectiveness of bail-in and other resolution tools introduced by the BRRD and the SRM Regulation, it is required that all institutions meet an individual MREL requirement, calculated as a percentage of total liabilities and own funds and set by the relevant resolution authorities. The RTS do not set a minimum EU-wide level of MREL. Each resolution authority is required to make a separate determination of the appropriate MREL requirement for each resolution group within its jurisdiction, depending on the resolvability, risk profile, systemic importance and other characteristics of each institution. The MREL requirement for each institution will be comprised of a number of key elements, including the required loss absorbing capacity of the institution and the level of recapitalisation needed to implement the preferred resolution strategy identified during the resolution planning process. Items eligible for inclusion in MREL will include an institution's own funds (within the meaning of CRD IV), along with "eligible liabilities" (meaning, *inter alia*, liabilities which are issued and fully paid up and have a maturity of at least one year (or do not give the investor a right to repayment within one year) and do not arise from derivatives).

The MREL requirement came into force on 1 January 2016. However, given the impact that the MREL requirement has on the funding structure of banks such as the Issuer, the MREL RTS specifies that resolution authorities may determine an appropriate transitional period to reach the final MREL required in accordance with the MREL RTS, and which should in any case be as short as possible. Any transitional period applied in respect of the Issuer may be subsequently revised.

Further to the above, on 23 November 2016 the European Commission announced a further package of reforms to the BRRD and the SRM Regulation, including to the MREL requirement. As part of these reforms, the European Commission proposes to align the MREL requirement under the BRRD and the SRM Regulation with the Financial Stability Board's ("**FSB**") standards on total loss-absorbing capacity of global systemically important banks in resolution of 9 November 2015 (the "**TLAC Standards**"). Although the Issuer is not a global systemically important bank, the European Commission proposes to make certain changes to the MREL requirements applicable to non-global systemically important banks, including (without limitation) the eligibility of liabilities for MREL, to maintain coherence between the MREL requirements applicable to global systemically important bank and other banks. Furthermore, the

European Commission, in the context of these reforms, also proposes to harmonise the priority ranking of unsecured debt instruments under national insolvency proceedings, which includes the introduction of a new statutory category of unsecured debt available in all EU Member States which would rank just below the most senior debt and other senior liabilities for the purposes of resolution, while still being part of the senior unsecured debt category (so called 'senior non-preferred debt').

In addition, on 14 December 2016, the EBA submitted a final report on the implementation and design of the MREL framework which contains a number of recommendations to amend the current MREL framework, including but not limited to the change of the reference base of MREL from total liabilities and own funds to risk weighted assets and steps towards further convergence of the MREL requirement towards the TLAC Standards.

The Issuer may have difficulties raising MREL, which would have a material adverse effect on the Issuer's business, financial position and results. Moreover, in addition to the proposed amendments described above, the MREL framework may be subject to further changes over the coming years. At this point in time, it is not possible for the Issuer to assess the impact which these changes will have on the Issuer once implemented. As a result of these changes, the Issuer may have to raise additional MREL.

The MREL requirements (including any (further) changes thereto) and the Issuer's perceived or actual difficulties in complying therewith may negatively affect the market value of the Notes.

The Financial Stability Board

In addition to the adoption of the laws, regulations and other measures described above, regulators and lawmakers around the world are actively reviewing the causes of the financial crisis and exploring steps to avoid similar problems in the future. In many respects, this work is being led by the FSB, consisting of representatives of national financial authorities of the G20 nations. The G20 and the FSB have issued a series of papers and recommendations intended to produce significant changes in how financial companies, particularly companies that are members of large and complex financial groups, should be regulated. These proposals address such issues as financial group supervision, capital and solvency standards, systemic economic risk, corporate governance including executive compensation, and a host of related issues associated with responses to the financial crisis. The lawmakers and regulatory authorities in a number of jurisdictions in which the Issuer conducts business have already begun introducing legislative and regulatory changes consistent with G20 and FSB recommendations, including proposals governing executive compensation by the financial regulators in The Netherlands (DNB), Germany (The Federal Financial Supervisory Authority) and the United Kingdom (The Financial Conduct Authority).

Continued turbulence and volatility in the financial markets and economy generally have affected the Issuer, and may continue to do so.

General

The Issuer's results of operations are impacted by conditions in the global capital markets and the economy generally. Concerns over the slow economic recovery, the European sovereign debt crisis, the ability of certain countries to remain in the Eurozone, unemployment, the availability and cost of credit, inflation levels, energy costs and geopolitical issues all have contributed to increased volatility and diminished expectations for the economy and the markets in recent years.

These conditions have generally resulted in greater volatility, widening of credit spreads and overall shortage of liquidity and tightening of financial markets throughout the world. In addition, prices for many types of asset-backed securities and other structured products have significantly deteriorated. These concerns have since expanded to include a broad range of fixed income securities, including those rated investment grade and especially the sovereign debt of some EEA countries and the United States, the international credit and interbank money markets generally, and a wide range of financial institutions and markets, asset classes, such as public and private equity, and real estate sectors. Although certain of such conditions have improved in recent years, as a result of these and other factors, sovereign governments across the globe, including in regions where the Issuer operates, have also experienced budgetary and other financial difficulties, which have resulted in austerity measures, downgrades in credit ratings by credit agencies, planned or implemented bail-out measures and, on occasion, civil unrest (for further details regarding sovereign debt concerns, see "*European Sovereign Debt Crisis*" below). As a result, the market for fixed income instruments has experienced decreased liquidity, increased price volatility, credit

downgrade events, and increased probability of default. These and other factors have resulted in volatile foreign exchange markets. Securities that are less liquid are more difficult to value and may be hard to dispose of. International equity markets have also been experiencing heightened volatility and turmoil, with issuers that have exposure to the real estate, mortgage, private equity and credit markets particularly affected. These events and market upheavals, including extreme levels of volatility, have had and may continue to have an adverse effect on the Issuer's revenues and results of operations.

Reduced consumer confidence could have an adverse effect on the Issuer's revenues and results of operations, including through an increase of lapses or surrenders of policies and withdrawal of client deposits that the Issuer has among other things originated via internet banking.

In many cases, the markets for investments and instruments have been and remain highly illiquid, and issues relating to counterparty credit ratings and other factors have exacerbated pricing and valuation uncertainties. Valuation of such investments and instruments is a complex process involving the consideration of market transactions, pricing models, management judgment and other factors, and is also impacted by external factors such as underlying mortgage default rates, interest rates, rating agency actions and property valuations. The Issuer continues to monitor its exposures, however there can be no assurances that it will not experience further negative impacts to its shareholders' equity or profit and loss accounts in future periods.

European Sovereign Debt Crisis

In 2010, a financial crisis emerged in Europe, triggered by high budget deficits and rising direct and contingent sovereign debt in Greece, Ireland, Italy, Portugal and Spain, which created concerns about the ability of these EU "peripheral" states to continue to service their sovereign debt obligations. Significant concerns regarding the sovereign debt of these countries, as well as certain other countries, of the 'core' European Union member states are ongoing and in some cases have required countries to obtain emergency financing. These concerns impacted financial markets and resulted in high and volatile bond yields on the sovereign debt of many EU nations. If these or other countries require additional financial support or if sovereign credit ratings continue to decline, yields on the sovereign debt of certain countries may continue to increase, the cost of borrowing may increase and credit may become more limited. Despite the creation of a joint EU-IMF European Financial Stability Facility in May 2010, assistance packages to Greece, Ireland and Portugal, the approval of a further bailout of Greece by the relevant government and monetary bodies of the Eurozone and the International Monetary Fund in March 2012, and the establishment of the European Stability Mechanism on 27 September 2012 (which provided its first financial assistance in February 2013 for the recapitalisation of Spain's banking sector) uncertainty over the outcome of the EU governments' financial support programmes and worries about sovereign finances persisted. Market concerns over the direct and indirect exposure of European banks and insurers to the EU sovereign debt further resulted in a widening of credit spreads and increased costs of funding for some European financial institutions. In December 2011, European leaders agreed to implement steps (and continue to meet regularly to review, amend and supplement such steps) to encourage greater long term fiscal responsibility on the part of the individual member states and bolster market confidence in the Euro and European sovereign debt; and the Treaty on Stability, Coordination and Governance (the "**Fiscal Treaty**") was signed by 25 EU member states on 2 March 2012 and entered into force on 1 January 2014 and was ratified by and entered into force for all signatory Member States in April 2014. However, the implementation of the Fiscal Treaty in national law and EU treaties and remains uncertain and is likely to take many years, and even if the Fiscal Treaty is implemented, there is no guarantee that it will ultimately and finally resolve uncertainties regarding the ability of Eurozone states to continue to service their sovereign debt obligations. Further, even if such long term structural adjustments contemplated by the Fiscal Treaty are ultimately implemented, the future of the Euro in its current form, and with its current membership, remains uncertain. The financial turmoil in Europe continues to be a threat to global capital markets and remains a challenge to global financial stability.

Risks and ongoing concerns about the debt crisis in Europe, as well as the possible default by, or exit from the Eurozone of one or more European states and/or the replacement of the Euro by one or more successor currencies, could have a detrimental impact on the global economic recovery, sovereign and non-sovereign debt in these European countries and the financial condition of European and other financial institutions, including the Issuer. Additionally, the possibility of capital market volatility spreading through a highly integrated and interdependent banking system remains elevated. In the event of any default or similar event with respect to a sovereign issuer, some financial institutions may suffer significant losses for which they would require additional capital, which may not be available. Market and

economic disruptions stemming from the crisis in Europe have affected, and may continue to affect, consumer confidence levels and spending, bankruptcy rates, levels of incurrence of and default on consumer debt and home prices, among other factors. There can be no assurance that the market disruptions in Europe, including the increased cost of funding for certain government and financial institutions, will not spread, nor can there be any assurance that future assistance packages will be available or, even if provided, will be sufficient to stabilise the affected countries and markets in Europe or elsewhere. To the extent uncertainty regarding the economic recovery continues to negatively impact consumer confidence and consumer credit factors, the Issuer's business and results of operations could be significantly and adversely impacted. In addition, the possible exit from the Eurozone of one or more European states and/or 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 and/or its counterparties' liquidity, financial condition and operations. Such uncertainties may include the risk that (i) an obligation that was expected to be paid in Euros is redenominated into a new currency (which may not be easily converted into other currencies without significant cost), (ii) currencies in some European Union member states may devalue relative to others, (iii) former Eurozone member states may impose capital controls that would make it complicated or illegal to move capital out of such countries, and/or (iv) some courts (in particular, courts in countries that have left the Eurozone) may not recognise and/or enforce claims denominated in Euros (and/or in any replacement currency). The possible exit from the Eurozone of one or more European states 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, and otherwise have potentially materially adverse impacts on the Issuer and its counterparties, including its depositors, lenders, borrowers and other customers. These factors, combined with volatile oil prices, reduced business and consumer confidence and continued high unemployment, have negatively affected the economy of The Netherlands and other countries where the Issuer conducts business.

Because the Issuer operates in highly competitive markets, including its home market, it may not be able to increase or maintain its market share, which may have an adverse effect on its results of operations.

There is substantial competition in The Netherlands and the other countries in which the Issuer does business for the types of Corporate Banking, Consumer Banking and other products and services it provides. Customer loyalty and retention can be influenced by a number of factors, including relative service levels, the prices and attributes of products and services and actions taken by competitors. If the Issuer is not able to match or compete with the products and services offered by the Issuer's competitors, it could adversely impact its ability to maintain or further increase its market share, which would adversely affect its results of operations. Competition could also increase due to new entrants in the markets that may have new operating models that are not burdened by potentially costly legacy operations. Increasing competition in these or any of its other markets may significantly impact its results if the Issuer is unable to match the products and services offered by its competitors. Over time, certain sectors of the financial services industry have become more concentrated, as institutions involved in a broad range of financial services have been acquired by or merged into other firms or have declared bankruptcy. These developments could result in the Issuer's competitors gaining greater access to capital and liquidity, expanding their ranges of products and services, or gaining geographic diversity.

The Issuer may experience pricing pressures as a result of these factors in the event that some of its competitors seek to increase market share by reducing prices.

Operational risks are inherent in the Issuer's business.

The Issuer's businesses depend on the ability to process a large number of transactions efficiently and accurately. Losses can result from inadequately trained or skilled personnel, IT failures, inadequate or failed internal control processes and systems, regulatory breaches, human errors, employee misconduct including fraud or from external events that interrupt normal business operations. The Issuer depends on the secure processing, storage and transmission of confidential and other information in its computer systems and networks. The equipment and software used in the Issuer's computer systems and networks may be at or near the end of their useful lives or may not be capable of processing, storing or transmitting information as expected. Certain of the Issuer's computer systems and networks may also have insufficient recovery capabilities in the event of a malfunction or loss of data. In addition, such systems and networks may be vulnerable to unauthorised access, computer viruses or other malicious code and

other external attacks or internal breaches that could have a security impact and jeopardise the Issuer's confidential information or that of its clients or its counterparts. These events can potentially result in financial loss, harm to the Issuer's reputation and hinder its operational effectiveness. The Issuer also faces the risk that the design and operating effectiveness of its controls and procedures prove to be inadequate or are circumvented. Furthermore, widespread outbreaks of communicable diseases may impact the health of the Issuer's employees, increasing absenteeism, or may cause a significant increase in the utilisation of health benefits offered to its employees, either or both of which could adversely impact its business. Unforeseeable and/or catastrophic events can lead to an abrupt interruption of activities, and the Issuer's operations may be subject to losses resulting from such disruptions. Losses can result from destruction or impairment of property, financial assets, trading positions, the payment of insurance and pension benefits to employees and the loss of key personnel. If the Issuer's business continuity plans are not able to be implemented or do not take such events into account, losses may increase further.

The Issuer has suffered losses from operational risk in the past and there can be no assurance that it will not suffer material losses from operational risk in the future.

Because the Issuer does business with many counterparties, the inability of these counterparties to meet their financial obligations could have a material adverse effect on its results of operations.

Third-parties that owe the Issuer money, securities or other assets may not pay or perform under their obligations. These parties include the issuers and guarantors (including sovereigns) of securities the Issuer holds, borrowers under loans originated, customers, trading counterparties, counterparties under swaps, credit default and other derivative contracts, clearing agents, exchanges, clearing houses and other financial intermediaries. Severe distress or defaults by one or more of these parties on their obligations to the Issuer due to bankruptcy, lack of liquidity, downturns in the economy or real estate values, operational failure, etc., or even rumours about potential severe distress or defaults by one or more of these parties or regarding the financial services industry generally, could lead to losses for the Issuer, and defaults by other institutions. In light of experiences with significant constraints on liquidity and high cost of funds in the interbank lending market, and given the high level of interdependence between financial institutions, the Issuer is and will continue to be subject to the risk of deterioration of the commercial and financial soundness, or perceived soundness, of sovereigns and other financial services institutions.

The Issuer routinely executes a high volume of transactions with counterparties in the financial services industry, resulting in large daily settlement amounts and significant credit and counterparty exposure. As a result, the Issuer faces concentration risk with respect to specific counterparties and customers. The Issuer is exposed to increased counterparty risk as a result of recent financial institution failures and weakness and will continue to be exposed to the risk of loss if counterparty financial institutions fail or are otherwise unable to meet their obligations. A default by, or even concerns about the creditworthiness of, one or more financial services institutions could therefore lead to further significant systemic liquidity problems, or losses or defaults by other financial institutions.

In addition, the Issuer is subject to the risk that its rights against third parties may not be enforceable in all circumstances. The deterioration or perceived deterioration in the credit quality of third parties whose securities or obligations the Issuer holds could result in losses and/or adversely affect its ability to rehypothecate or otherwise use those securities or obligations for liquidity purposes. A significant downgrade in the credit ratings of the Issuer's counterparties could also have a negative impact on its income and risk weighting, leading to increased capital requirements.

While in many cases the Issuer is permitted to require additional collateral from counterparties that experience financial difficulty, disputes may arise as to the amount of collateral it is entitled to receive and the value of pledged assets. The Issuer's credit risk may also be exacerbated when the collateral it holds cannot be realised or is liquidated at prices not sufficient to recover the full amount of the loan or derivative exposure that is due to the Issuer, which is most likely to occur during periods of illiquidity and depressed asset valuations, such as those experienced during the recent financial crisis. The termination of contracts and the foreclosure on collateral may subject the Issuer to claims for the improper exercise of its rights under such contracts. Bankruptcies, downgrades and disputes with counterparties as to the valuation of collateral tend to increase in times of market stress and illiquidity.

Any of these developments or losses could materially and adversely affect the Issuer's business, financial condition, results of operations, liquidity and/or prospects.

Market conditions observed over the past few years may increase the risk of loans being impaired. The Issuer is exposed to declining values on the collateral supporting residential and commercial real estate, as well as shipping and infrastructure lending.

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. This may lead to impairment charges on loans and other assets, higher costs and additions to loan loss provisions. A significant increase in the size of the Issuer's provision for loan losses could have a material adverse effect on its financial position and results of operations.

Economic and other factors could lead to further contraction in the residential mortgage, commercial, shipping and infrastructure lending market (including, without limitation, SME lending) and to further decreases in residential and commercial property prices and in shipping and infrastructure asset prices which could generate substantial increases in impairment losses.

Interest rate volatility and other interest rate changes may adversely affect the Issuer's profitability.

Changes in prevailing interest rates may negatively affect the Issuer's business including the level of net interest revenue the Issuer earns, and for its banking business the levels of deposits and the demand for loans. In a period of changing interest rates, interest expense may increase at different rates than the interest earned on assets. Accordingly, changes in interest rates could decrease net interest revenue. Changes in the 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.

Declining interest rates may result in:

- lower investment earnings because the interest earnings on the Issuer's fixed income investments could decline in parallel with market interest rates on its assets; and
- lower profitability since the Issuer may not be able to fully track the decline in interest rates in its savings rate.

The Issuer may incur losses due to failures of banks falling under the scope of state compensation schemes.

Risk associated with Compensation Schemes.

In The Netherlands and other jurisdictions deposit guarantee schemes and similar funds ("**Compensation Schemes**") have been implemented and an euro-area wide deposit insurance scheme for bank deposits was proposed by the European Commission on 24 November 2015. It is not yet clear whether and if so, when this will come into effect. Pursuant to such schemes compensation may become payable to customers of financial services firms in the event the financial service firm is unable to pay, or unlikely to pay, claims against it. In many jurisdictions these Compensation Schemes are funded, directly or indirectly, by financial services firms which operate and/or are licensed in the relevant jurisdiction. As a result of the increased number of bank failures, in particular since the fall of 2008, the Issuer expects that levies in the industry will continue to rise as a result of the Compensation Schemes. In particular, the Issuer is a participant in the Dutch Deposit Guarantee Scheme (*Depositogarantiestelsel*), (the "**Deposit Guarantee Scheme**"), which guarantees an amount of EUR 100,000 per person per bank (regardless of the number of accounts held). The costs involved with making compensation payments under the Deposit Guarantee Scheme are allocated among the participating banks by DNB, based on an allocation key related to their market shares with respect to the deposits protected by the Deposit Guarantee Scheme. The ultimate costs to the industry of payments which may become due under the Compensation Schemes, remains uncertain although they may be significant and these and the associated costs to the Issuer may have a material adverse effect on its results of operations and financial condition. The costs associated with the euro-area wide deposit insurance scheme are today unknown and may be significant.

On 16 April 2014, the (recast) EU Directive on deposit guarantee schemes (2014/49/EU) (the "**DGS Directive**") was adopted. Pursuant thereto, the Deposit Guarantee Scheme changes from an ex-post scheme, where the Issuer contributes after the failure of a firm, to an ex-ante scheme where the Issuer and

other financial institutions will pay risk-weighted contributions into a fund to cover future drawings under the Deposit Guarantee Scheme. The fund is expected to grow to a target size of 0.8 per cent. of all deposits guaranteed under the Dutch Deposit Guarantee Scheme. The target size should be reached by 3 July 2024. The costs associated with potential future ex-ante contributions are today unknown, and will depend on the methodology used to calculate risk-weighting, but may be significant. The DGS Directive has been implemented in a decree by the Dutch Minister of Finance on 26 November 2015.

The Issuer may be unable to manage its risks successfully through derivatives.

The Issuer employs various economic hedging strategies with the objective of mitigating the market risks that are inherent in its business and operations. These risks include currency fluctuations, changes in the fair value of its investments, the impact of interest rates, equity markets, credit spread changes and the occurrence of credit defaults. The Issuer seeks to control these risks by, among other things, entering into a number of derivative instruments, such as swaps, options, futures and forward contracts including from time to time macro hedges for parts of its business, either directly as a counterparty or as a credit support provider to affiliate parties.

Developing an effective strategy for dealing with these risks is complex, and no strategy can completely insulate the Issuer from risks associated with those fluctuations. The Issuer's hedging strategies also rely on assumptions and projections regarding its assets, liabilities, general market factors and the creditworthiness of its counterparties that may prove to be incorrect or prove to be inadequate. Accordingly, the Issuer's hedging activities may not have the desired beneficial impact on its results of operations or financial condition. Poorly designed strategies or improperly executed transactions could actually increase its risks and losses. Hedging instruments used by the Issuer to manage product and other risks might not perform as intended or expected, which could result in higher (un)realised losses such as credit value adjustment risks or unexpected profit and loss effects, and unanticipated cash needs to collateralise or settle such transactions. Adverse market conditions can limit the availability and increase the costs of hedging instruments, and such costs may not be recovered in the pricing of the underlying products being hedged. In addition, hedging counterparties may fail to perform their obligations resulting in unhedged exposures and losses on positions that are not collateralised. As such, the Issuer's hedging strategies involve transaction costs and other costs, and if the Issuer terminates a hedging arrangement, it may also be required to pay additional costs, such as transaction fees or breakage costs. It is possible that there will be periods in the future, during which the Issuer has incurred or may incur losses on transactions, perhaps significant, after taking into account the Issuer's hedging strategies. Further, the nature and timing of the Issuer's hedging transactions could actually increase its risk and losses. The Issuer's hedging strategies and the derivatives that the Issuer uses and may use, may not adequately mitigate or offset the risk of interest rate volatility and its hedging transactions may result in losses.

The Issuer's hedging strategy additionally relies on the assumption that hedging counterparties remain able and willing to provide the hedges required by its strategy. Increased regulation, market shocks, worsening market conditions (whether due to the ongoing Euro crisis or otherwise), and/or other factors that affect or are perceived to affect the financial condition, liquidity and creditworthiness of the Issuer may reduce the ability and/or willingness of such counterparties to engage in hedging contracts with it and/or other parties, affecting the Issuer's overall ability to hedge its risks and adversely affecting its business, financial condition, results of operations, liquidity and/or prospects.

The Issuer may be unable to retain key personnel.

As a financial services enterprise with a decentralised management structure, the Issuer relies to a considerable extent on the quality of local management in the various countries in which the Issuer operates. The success of the Issuer's operations is dependent, among other things, on the Issuer's ability to attract and retain highly qualified professional personnel. The Issuer's ability to attract and retain key personnel is dependent on a number of factors, including prevailing market conditions and compensation packages offered by companies competing for the same talent.

As a part of the responses of the European Commission and governments throughout Europe to the financial crisis in 2008, there have been and will be various legislative initiatives, including those set out in CRD IV, the Guidelines on Remuneration Policies and Practices published by the predecessor of the EBA, the Regulation of the Dutch Central Bank on Sound Remuneration Policies (*Regeling beheerst beloningsbeleid Wft 2014*), the act prohibiting the payment of variable remuneration to board members and day-to-day policy makers of financial institutions that receive state aid (*Wet bonusverbod*

staatsgesteunde ondernemingen) and the Dutch Act on remuneration policy for financial enterprises (*Wet* b*eloningsbeleid financiële ondernemingen*). There have also been legislative initiatives to ensure that financial institutions' remuneration policies and practices are consistent with and promote sound and effective risk management and initiatives that impose restrictions on the remuneration of personnel, in particular senior management, with a focus on risk alignment of performance-related remuneration. These restrictions have had and will have an impact on the Issuer's existing remuneration policies and individual remuneration packages of personnel.

These restrictions, alone or in combination with the other factors described above, could adversely affect the Issuer's ability to retain or attract qualified employees.

The Issuer's risk management policies and guidelines may prove inadequate for the risks it faces.

The Issuer has developed risk management policies and procedures and the Issuer expects to continue to do so in the future. Nonetheless, the Issuer's policies and procedures to identify, monitor and manage risks may not be fully effective, particularly during extremely turbulent times. The methods the Issuer uses to manage, estimate and measure risk are partly based on historic market behaviour. The methods may, therefore, prove to be inadequate for predicting future risk exposure, which may be significantly greater than what is suggested by historic experience. For instance, these methods may not adequately allow prediction of circumstances arising due to the government interventions, stimulus and/or austerity packages, which increase the difficulty of evaluating risks. Other methods for risk management are based on evaluation of information regarding markets, customers or other information that is publicly known or otherwise available to the Issuer. Such information may not always be correct, updated or correctly evaluated.

Because the Issuer is continuously developing new financial products and entering into financial transactions, it might be faced with claims that could have an adverse effect on its operations and net result if clients' expectations are not met.

When new financial products are brought to the market, although communication and marketing aims to present a balanced view of the product, there is a focus on potential advantages for the customers. Whilst the Issuer engages in a due diligence process when it develops financial products and enters into financial transactions, if such products or transactions do not generate the expected profit for the Issuer's clients, or result in a loss, or otherwise do not meet expectations, customers may file mis-selling claims against the Issuer. Mis-selling claims are claims from customers who allege that they have received misleading advice or other information from either the Issuer or internal or external advisors (even though the Issuer does not always have full control over external advisors). 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 money has been invested in reviewing and assessing historic sales and "know your customer" practices and in the maintenance of risk management, 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/or regulatory changes resulting from such issues could have a material adverse effect on the Issuer's reputation, operations and net results.

Customer protection regulations as well as changes in interpretation and perception by both the public at large and governmental authorities of acceptable market practices might influence client expectations.

Ratings are important to the Issuer's business for a number of reasons. Downgrades could have an adverse impact on its operations and net results.

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 raise capital through the issuance of 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. Certain institutional investors may also be obliged to withdraw their deposits from the Issuer following a downgrade, which could have an adverse effect on its liquidity. The Issuer has credit ratings from Standard & Poor's and Fitch which review their ratings and rating methodologies on a recurring basis and may decide on a downgrade at any time. In addition, other rating agencies may seek to rate the Issuer or the Notes on an unsolicited basis and if such unsolicited ratings are

lower than comparable ratings granted, such unsolicited ratings could have a material adverse effect on the Issuer's results of operations, financial condition and liquidity and may negatively affect the market value of the Notes. The decision to withdraw a rating or continue with an unsolicited rating remains with the relevant rating agency.

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.

As rating agencies continue to evaluate the financial services industry, it is possible that rating agencies will heighten the level of scrutiny that they apply to financial institutions, increase the frequency and scope of their credit reviews, request additional information from the companies that they rate and potentially adjust upward the capital and other requirements employed in the rating agency models for maintenance of certain ratings levels. It is possible that the outcome of any such review of the Issuer would have additional adverse ratings consequences, which could have a material adverse effect on the Issuer's results of operations, financial condition and liquidity. The Issuer may need to take actions in response to changing standards set by any of the rating agencies which could cause its business and operations to suffer. The Issuer cannot predict what additional actions rating agencies may take, or what actions the Issuer may take in response to the actions of rating agencies. A downgrade of the Issuer could result in a downgrade of the Notes. See "Credit or corporate rating may not reflect all risks" below.

The Issuer's business may be negatively affected by a sustained increase in inflation.

A sustained increase in the inflation rate in the Issuer's principal markets would have multiple impacts on the Issuer and may negatively affect its business, solvency position and results of operations. For example, a sustained increase in the inflation rate may result in an increase in market interest rates which may:

(1) decrease the estimated fair value of certain fixed income securities the Issuer holds in its investment portfolios resulting in:

- reduced levels of unrealised capital gains available to it which could negatively impact its solvency position and net income; and/or
- a decrease of collateral values; and/or

(2) require the Issuer, as an issuer of securities, to pay higher interest rates on debt securities it issues in the financial markets from time to time to finance its operations which would increase its interest expenses and reduce its results of operations.

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:

(1) result in impairment charges to equity securities that the Issuer holds in its investment portfolios and reduced levels of unrealised capital gains available to it which would reduce its net income and negatively impact its solvency position; and/or

(2) 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 do manage, which may negatively impact their results of operations.

The Issuer's business may be negatively affected by adverse publicity, regulatory actions or litigation with respect to such business, other well-known companies or the financial services industry in general.

Adverse publicity and damage to the Issuer's reputation may arise from its failure or perceived failure to comply with legal and regulatory requirements, financial reporting irregularities involving other large and well-known companies, increasing regulatory and law enforcement scrutiny of "know your customer", anti-money laundering, prohibited transactions with countries subject to sanctions, anti-bribery or other anti-corruption measures and anti-terrorist-financing procedures and their effectiveness. In addition, the above factors as well as regulatory investigations of the financial services industry and litigation that arises from the failure or perceived failure by the Issuer to comply with legal, regulatory and compliance

requirements, could also result in adverse publicity and reputational harm, lead to increased regulatory supervision, affect the Issuer's ability to attract and retain customers, reduce access to the capital markets, result in cease and desist orders, suits, enforcement actions, fines, civil and criminal penalties, other disciplinary action or have other material adverse effects on the Issuer in ways that are not predictable.

The above factors may have an adverse effect on the Issuer's financial condition and/or results of operations.

The Issuer finalised the acquisition of SNS Securities N.V. on 30 June 2016. SNS Securities N.V. will continue under the name NIBC Markets N.V. ("NIBC Markets"). The Issuer faces risks relating to the integration of NIBC Markets into the Issuer's existing business.

NIBC Markets provides capital market solutions, equity and fixed income brokerage, research and execution services for independent asset managers. The Issuer faces risks relating to the integration of NIBC Markets into the Issuer's existing business. Failure to integrate NIBC Markets effectively into the existing business of the Issuer may have an adverse effect on the Issuer's financial condition and/or results of operations.

Factors which are material for assessing the market risks associated with Notes issued under the Programme

Risks related to the structure of a particular issue of Notes

Fixed/Floating Rate Notes

Fixed/Floating Rate Notes 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 prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In additional, 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 certain of the Notes issued by the Issuer.

A reset of the interest rate could affect the market value of an investment in the Notes

Fixed Rate Notes may bear interest at an initial Rate of Interest subject to one or more resets during the tenor of the Notes. Such reset rate could be less than the initial Rate of Interest and could affect the market value of an investment in the Notes.

Investors will not be able to calculate in advance their yield to maturity on Floating Rate Notes, CMS-Linked Interest Notes, Range Accrual Notes and Index Linked Notes

A key difference between Floating Rate Notes, CMS-Linked Interest Notes, Range Accrual Notes and Index Linked Notes on the one hand, and Fixed Rate Notes, on the other hand, is that interest income on Floating Rate Notes, CMS-Linked Interest Notes, Range Accrual Notes and Index Linked Notes cannot be anticipated. Due to varying interest income, investors are not able to determine a definite yield of Floating Rate Notes, CMS-Linked Interest Notes, Range Accrual Notes and Index Linked 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 than prevailing.

Notes issued at a substantial discount

The market value of securities issued at a substantial discount to their nominal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

Credit or corporate ratings may not reflect all risks

As of the date of this Offering Circular, Fitch and Standard & Poor's have assigned BBB-/F3and BBB-/A-3 to the long and short term debt ratings of the Issuer, respectively.

Where a Tranche of Notes is rated, the applicable rating(s) will be specified in the Final Terms. Whether or not each credit rating applied for in relation to a relevant Tranche of Notes will be (1) issued by a credit rating agency established in the EEA and registered under the CRA Regulation, or (2) issued by a credit rating agency which is not established in the EEA but will be endorsed by a credit rating agency which is established in the EEA and registered under the CRA Regulation, or (3) issued by a credit rating agency which is not established in the EEA but which is certified under the CRA Regulation will also be disclosed in the Final Terms. Such rating(s) may not necessarily be the same as the ratings of the Issuer or any Note already issued. Furthermore, one or more independent rating agencies may also assign ratings to the Notes, which may not necessarily be the same as the rating(s) described above or the rating(s) assigned to Notes already issued. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed in this section, and other factors that may affect the value of the Notes. A credit rating and/or a corporate rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time. Any adverse change in an applicable credit rating could adversely affect the trading price of, and market for, Notes issued under the Programme.

The Notes may be redeemed by the Issuer

An optional redemption feature of Notes is likely to limit their market value. During any period when the Issuer may elect; or there is the likelihood (or perceived likelihood) that the Issuer may be able to 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 may also be true prior to any redemption period. The Issuer may be expected to redeem Notes it has issued 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.

Inverse Floating Rate Notes

Notes that are specified as having an inverse floating rate have an interest rate equal to a fixed rate minus a rate based upon a reference rate such as the London Interest Bank Offered Rate ("**LIBOR**"). The market values of such Notes typically are more volatile than market values of other conventional floating rate debt securities based on the same reference rate (and with otherwise comparable terms). Inverse Floating Rate Notes are more volatile because an increase in the reference rate not only decreases the interest rate of the Notes, but may also reflect an increase in prevailing interest rates, which further adversely affects the market value of these Notes.

Range Accrual Notes

The payments of interest on a Range Accrual Note will be determined by reference to a formula, which is linked to or dependant on the performance of one or more underlying range items (each a "**Range Item**"). Range Accrual Notes may be particularly vulnerable to risks which may include changes in the method of calculating the underlying rate of the relevant Range Item from time to time, changes to the composition of the relevant Range Item (where such item is an Index) and market expectations regarding its future performance.

Potential investors should be aware that the interest amount payable in respect of Range Accrual Notes will depend on the frequency with which the relevant Range Accrual Reference Rate falls (in the case of Standard Range Accrual Notes) or does not fall (in the case of Inverse Range Accrual Notes) between the Upper Barrier and the Lower Barrier on specified days ("**Range Accrual Observation Dates**") during the relevant Range Accrual Observation Period. Investors should note that it is the performance of the underlying Range Item on the Range Accrual Observation Dates and on each Interest Determination Date (being in respect of a Range Accrual Observation Period, the first Business Day following the last Range Accrual Observation Date falling within such Range Accrual Observation Period) which is important for

the purposes of determining interest amounts payable on the Notes and not the performance on any other date.

The calculation of the Rate of Interest on Range Accrual Notes factors in the scaling up or down of the performance of the Range Items by the application of a percentage designated to that particular Range Item (the "**Multiplier**"). If the applicable Multiplier is higher than 100 per cent., its application will magnify any positive performance of the relevant Range Item, but investors should note that any negative performance will also be magnified. If the relevant Multiplier is less than 100 per cent., any negative performance will be scaled down, but investors will not benefit fully from any positive performance of the applicable Range Item. Investors should note that the relevant Multiplier may be zero which would mean that the performance of the relevant Range Item would be scaled down completely.

The Rate of Interest may be capped at a Maximum Rate of Interest, if specified in the relevant Final Terms. To the extent the Range Accrual Range Item Rate is greater than the Maximum Rate of Interest (if applicable), investors will not receive the full benefit from the performance of the Range Accrual Range Item Rate.

Where the relevant Range Item is an Index, investors should carefully consider the risk factors below under the headings "*Index Linked Notes*" and "*Additional Risks Related to Index Linked Notes*".

Where the relevant Range Item is Range Accrual CMS Rate, Range Accrual CMS Rate 1, Range Accrual CMS Rate 2, or a Range Accrual Calculation Reference Rate, investors should note that the Notes are exposed to the risk of a fluctuating Range Item level and uncertain income. Fluctuating levels of the relevant Specified Range Accrual CMS Rate or Range Accrual Reference Rate (as the case may be) make it impossible to determine the yield of the Range Accrual Notes in advance.

Index Linked Notes

The payments of principal and/or interest on an Index Linked Note may be linked to or dependant on the performance of an underlying index or basket of indices (in each case a "**Reference Asset**"). Index Linked Notes may be particularly vulnerable to risks which may include changes in the method of calculating the level of the relevant Reference Asset from time to time, changes to the composition of the relevant Reference Asset and market expectations regarding its future performance. The level of a Reference Asset will have a direct impact on the amounts payable on Index Linked Notes and as such investors should consider carefully those risk factors under the heading "*Additional risks related to Index Linked Notes*" below which describe factors that may impact the level of a Reference Asset and therefore payments due on such Notes.

Additional risks related to Index Linked Notes

Index Linked Interest Notes

Interest payments on Index Linked Interest Notes are dependent on the level of a particular Reference Asset reaching a specified threshold on certain stated dates. An investment in Index Linked Interest Notes therefore involves the risk of no interest becoming payable under the terms of such Notes as it is possible that the level of the Reference Asset will never reach the required threshold. Investors should note that it is impossible to predict how the level of the Reference Asset will vary over time or what factors will influence its variation. For an indication of factors which may affect the level of a Reference Asset, investors should read and consider carefully the risk factors in this section "*Additional risks related to Index Linked Notes*".

Index Linked Redemption Notes

Principal payments on the Index Linked Redemption Notes are determined by reference to the level of the relevant Reference Asset. A higher Reference Asset level on the relevant Reference Dates is likely to result in a higher payment being due on the Notes than if such level were lower. For an indication of factors which may affect the level of the Reference Asset, investors should read and consider carefully the risk factors in this section "*Additional risks related to Index Linked Notes*".

Date Extension

In certain circumstances the calculation and payment of amounts due on Index Linked Notes may be delayed including where, for example it is not possible to determine the level of the Reference Asset on the specified reference date. In such circumstances Noteholders may receive payments of interest and/or principal (as applicable) on such Notes later than expected. No additional amounts will be paid to Noteholders as a result of such postponement.

The market price of Index Linked Notes may be very volatile

The market price of the Index Linked Notes at any time is likely to be affected primarily by changes in the level of the Reference Asset to which such Notes are linked. It is impossible to predict how the level of the Reference Assets will vary over time or what factors which influence its variation. The level of a Reference Asset may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other securities, indices or funds, resulting in principal and/or interest (as applicable) payable that also may not correlate with such changes.

Emerging markets

A Reference Asset connected to emerging markets may be subject to significant fluctuations attributable to, among other things, nationalisation, expropriation or taxation, currency devaluation, foreign exchange control, political, social or diplomatic instability or governmental restrictions. The capital markets in emerging market countries have substantially less volume, and are generally less liquid and more volatile, than those in more developed markets. As a result, an investor in Index Linked Notes with a Reference Asset connected to emerging markets should be prepared to hold such Notes for an indefinite period and to experience potentially sharp changes in the value of such Notes throughout that period. Disclosure and regulatory requirements could be less stringent than in other markets, with a low level of monitoring and limited and uneven enforcement of existing regulations. An investor in Index Linked Notes with a Reference Asset connected to emerging markets may therefore experience a decrease in the value of such Notes as a result of market or other developments that are less likely in more stringently regulated markets.

Gearing and leverage factors

If the level of a Reference Asset is applied to Index Linked Redemption Notes in conjunction with a gearing of greater than one or contains some other leverage factor, the effect of changes in the level of a Reference Asset on the principal payable are likely to be magnified.

Impact of changes in yield to maturity

The timing of changes in the level of a Reference Asset may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the level of a Reference Asset, the greater the effect on yield.

Redemption at market value

The Index Linked Redemption Notes may be redeemed at their market value and not at their outstanding principal amount. This will be the case where market value is specified as the Early Redemption Amount in the applicable Final Terms.

Limited maturity

Index Linked Notes are of limited maturity and, unlike direct investments in the securities comprised in a Reference Asset, investors are not able to hold the Index Linked Notes beyond the Maturity Date in the expectation of a recovery in the level of the Reference Asset.

Discount to market value

The price at which an investor will be able to sell Index Linked Notes prior to the Maturity Date may be at a substantial discount to the market value of such Notes at the time they are issued depending on the performance of the Reference Asset.

Factors affecting the performance of Reference Assets may adversely affect the value of the Index Linked Notes

The performance of a Reference Asset is dependent upon macroeconomic factors relating to the underlying Reference Asset, such as interest and price levels on the capital markets, currency developments and political factors.

Market risks

There are market risks associated with an actual investment in the constituents of a Reference Asset and though the Index Linked Notes do not create an actual interest in such constituents, the return on such Notes generally involves many of the same associated risks as an actual investment in such constituents. Potential investors in the Index Linked Notes should understand that neither the Issuer nor the (relevant) Dealer(s) has (or have) purported and does (or do) not purport to be a source of information concerning the market risks associated with such constituents.

Conflicts of interest

The Issuer and/or the (relevant) Dealer(s) may for its own account or otherwise invest in the constituents of a Reference Asset to which any Index Linked Note is linked, and may exercise its (or their) discretion in respect of matters concerning its holdings of such interests as it sees fit, without regard to the interests of any investor in the Index Linked Notes. Any such exercise may negatively impact the level of the Reference Asset and therefore the market value and amount payable on such Notes.

Actions by the sponsor of an index may adversely affect the Index Linked Notes

The sponsor(s) of a Reference Asset will have no involvement in the offer and sale of any Notes linked to such Reference Asset and will have no obligation to any purchaser of such Index Linked Notes. The sponsor of a Reference Asset may take any actions in respect of such Reference Asset without regard to the interests of the purchasers of such Notes, and any of these actions could adversely affect the level of the Reference Asset and therefore the market value of, and the amounts payable on the Index Linked Notes.

Returns on Index Linked Notes will not be the same as a direct investment in the underlying components of the Reference Asset

An investment in any Notes linked to a Reference Asset is not the same as a direct investment in the Reference Asset nor any or all of the constituents included in such Reference Asset. In particular, investors may not benefit directly from any positive movements in a Reference Asset nor will investors benefit from any profits made as a direct result of an investment by the Issuer or any Dealer in the components of a Reference Asset. Accordingly, changes in the performance of a Reference Asset may not result in comparable changes in the market value of the Index Linked Notes. Furthermore, Noteholders will in principle not receive dividends issued by companies included in a Reference Asset.

Loss of return of dividends in connection with Index Linked Notes linked to a Reference Asset

The rules of a Reference Asset might stipulate that dividends distributed on its components do not lead to a rise in the level of the Reference Asset, for example, if it is a "price" Reference Asset. As a result, Noteholders of Index Linked Notes linked to such Reference Asset would lose the benefit of any dividends paid by the components of such Reference Asset and would receive less returns than if they had invested directly in such components or where they invested in a "total return" version of such Reference Asset. Even if the rules of the relevant underlying Reference Asset provide that distributed dividends or other distributions of the components are to be reinvested in the Reference Asset and therefore result in raising its level, in some circumstances the dividends or other distributions may not be fully reinvested in such Reference Asset.

A change in the composition or discontinuance of a Reference Asset could have a negative impact on the value of the Index Linked Notes linked to such Reference Asset

The sponsor of a Reference Asset can add, delete or substitute the components of such Reference Asset or make other methodological changes that could change the level of one or more components. The changing of the components of a Reference Asset may affect the level of such Reference Asset as a newly

added component may perform significantly worse or better than the component it replaces, which in turn may adversely affect the value of such Notes linked to such Reference Asset. The sponsor of a Reference Asset may also alter, discontinue or suspend the dissemination of such Reference Asset or the calculation if its level.

Determinations made by the Issuer and/or the Calculation Agent may have an adverse impact on the value of the Index Linked Notes

If certain disruption or adjustment events take place then, in certain circumstances the Calculation Agent shall be responsible for determining the level of a Reference Asset. Further, in such situations the Issuer may be entitled to make any adjustments as it deems necessary to the terms of the Index Linked Notes linked to such Reference Asset including amongst other things, to the Interest Amounts, the Final Redemption Amount, Observation Dates and the Final Reference Level. In such circumstances any such calculations and/or determinations made by the Issuer and/or the Calculation Agent could have an adverse impact on the value of the Index Linked Notes.

Additional risks associated with a Reference Asset comprising a basket of indices

Exposure to the performance of a Reference Asset comprising a basket of indices

Where the Index Linked Notes reference a Reference Asset comprising a basket of indices, the investors in such Index Linked Notes are exposed to the performance of such basket. The investors will bear the risk of the performance of each of the components of such basket. In such circumstances the performance of each individual basket component will contribute to the overall level of the Reference Asset. As such, a negative performance by one basket component could result in a lower Reference Asset level (and a lower amount payable on such Notes) than if such component was not included in the basket.

A high correlation of basket components may have a significant effect on amounts payable

Correlation of basket components indicates the level of interdependence among the individual basket components with respect to their performance. If, for example, all of the basket components originate from the same sector and the same country, a high positive correlation may generally be assumed. Past rates of correlation may not be determinative of future rates of correlation and investors should be aware that, though basket components may not appear to be correlated based on past performance, it may be that they suffer the same adverse performance following a general downturn or other economic or political event. Where the basket components are subject to high correlation, any move in the performance of the basket components will exaggerate the performance of the Index Linked Notes.

The negative performance of a single basket component may outweigh a positive performance of one or more other basket components

Investors in Index Linked Notes must be aware that, even in the case of a positive performance of one or more basket components, the performance of the basket as a whole may be negative resulting in a lower Reference Asset level. This may be the case if the performance of one or more of the other basket components is negative to a greater extent than the positive performance of the other basket components. A lower Reference Asset level would negatively impact the market value of the Index Linked Notes and the amount payable on such Notes.

A small basket, an unequally weighted basket or a "worst of" basket will generally leave the basket more vulnerable to changes in the value of any particular basket component

The performance of a basket that includes a fewer number of basket components will generally, subject to the terms and conditions of the relevant Index Linked Notes, be more affected by changes in the value of any particular basket component included therein than a basket that includes a greater number of basket components. The performance of a basket that gives greater weight to some basket components or bases the level of the entire basket only on the value of one of the basket components will generally, subject to the terms and conditions of the relevant Index Linked Notes, be more affected by changes in the value of any such particular basket component included therein than a basket that gives relatively equal weight to each basket component. In such circumstances, one negatively performing basket component which is heavily weighted could result in a low Reference Asset level (even if the other basket components are performing positively). This could have negative impact on the amounts payable on such Notes and their market value at any given time.

A change in composition of a basket may have an adverse effect on the return of the basket

Where the Index Linked Notes grant the Issuer or the Calculation Agent the right, in certain circumstances, to adjust the composition of the basket, investors should be aware that any replacement basket component may perform differently from the anticipated performance of the original basket component, which may have an adverse effect on the performance of the basket and result in a lower Reference Asset level. This could have negative impact on the amounts payable on such Notes and their market value at any given time.

Conflicts of interest relating to parties acting as market maker

It is intended that under normal market conditions, a market-maker (if any is appointed) will continuously quote bid and offer prices for Index Linked Redemption Notes. The market-maker however, and unless otherwise required by law or regulation, assumes no legal obligation with respect to the amount or the manner of making such quotations. Accordingly, the Index Linked Redemption Notes may not be sold at a specific time or at a specific price during their term. Investors should note that the quotation of bid and offer prices may occasionally be subject to certain delays that, for instance, may result from market disruptions or system malfunctions. Following a transaction, the market-maker will promptly assume an opposite position *vis-à-vis* an investor and either set-off, hedge or hold that position.

The course of action in detail is as follows. If a transaction is contracted at a bid or offer price provided by the market-maker, in general immediately after such transactions a risk position arises with the market-maker having an opposing position to the investor in the transaction. The market-maker will bundle the risk positions arising from this trading transaction and – as the case may be – will set-off such trading positions that balance each other. As to exceeding positions, the market-maker will either hedge itself by making suitable countertrades relating to the Reference Assets or it may decide to sustain the risk position. Investors should note that the market-maker may also assume positions in the Reference Assets and that this may cause movements in the markets.

Furthermore, it should be noted that the bid and offer prices provided by the market-maker are based on price calculation models commonly used in the market, which are applied by the market-maker and other market participants and which calculate the fair value of the Index Linked Redemption Notes in due consideration of several factors that affect the value of such Index Linked Redemption Notes. Circumstances taken into account by the market-maker when setting the quoted bid and offer prices in the secondary market will include the Index Linked Redemption Notes' fair value, which, among other things, depends on the market price or value of the underlying, as well as a certain bid-offer spread targeted by the market-maker. The market-maker will in addition regularly take into account costs which are to be deducted from the cash amount at the maturity of the Index Linked Redemption Notes. Furthermore, the prices quoted in the secondary market will be influenced, for example, by a margin on the Index Linked Redemption Notes included in their issue price, and by dividends paid or expected to be paid under the underlying or its constituents, or other proceeds which, due to the Index Linked Redemption Notes' design, are economically attributable to the Issuer.

The bid-offer spread for the Index Linked Redemption Notes will be set by the market-maker based on supply and demand for the Index Linked Redemption Notes and certain revenue considerations. Certain costs, including for example management fees, are in many cases not taken into account in the quoted prices on a consistent basis over the term of the Index Linked Redemption Notes, but are deducted from the Index Linked Redemption Notes' fair value at an earlier point in time, as determined by the market-maker in its discretion. The same applies for a margin contained in the issue price and for dividends and other proceeds of the underlying which, due to the Index Linked Redemption Notes' design, are economically attributable to the Issuer, which often are not deducted when the underlying or its constituents, are traded "ex dividend", but at an early stage of the Index Linked Redemption Notes' term based on expected dividends for the entire term or a certain time span. The rate at which such costs are deducted depends, *inter alia*, on the net return of money under the Index Linked Redemption Notes to the market-maker. Subsequently, the prices quoted by the market-maker can substantially differ from the fair value of the Index Linked Redemption Notes, or the value to be expected on the basis of the factors mentioned above, at the relevant time. In addition, the market-maker can at any time alter the methodology used to determine the quoted prices, for example, increase or decrease the bid-offer spread. Such difference from the fair price of the Index Linked Redemption Notes may result in a significant deviation between the bid and offer prices of other distributors of Index Linked Redemption Notes (both downward and upward) and the bid and offer prices provided by the market-maker.

A party acting as market-maker may also act as the Issuer's hedging counterparty in respect of the Issuer's exposure to the underlying and/or as the Issuer's calculation agent. The Calculation Agent will make such determinations and adjustments as it deems appropriate, in accordance with the terms and conditions of the relevant Series of Index Linked Redemption Notes. Although, such Calculation Agent is obligated to carry out its duty and function as calculation agent in good faith and using its reasonable judgment, 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 if and when such party is also the Issuer's hedging counterparty or market-maker in respect of a Series of Index Linked Redemption Notes. The interests of such a party, acting in any of such capacities may not necessarily correspond to the interests of such Noteholders.

Risks related to Subordinated Notes

Redemption, substitution and variation risk in respect of Subordinated Notes (including Tier 2 Notes)

If "Regulatory Call" is specified in the applicable Final Terms, the Issuer may upon the occurrence of a Capital Event (as defined in Condition 8.8 of the Terms and Conditions of the Notes) redeem the Subordinated Notes, in whole but not in part, at any time, if the Issuer has notified the relevant Subordinated Noteholders on giving not less than 30 nor more than 60 days' irrevocable notice, or such other period of notice as is specified in the applicable Final Terms, in accordance with Condition 14. Additionally, redemption of the Subordinated Notes is subject to (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 CRR and (ii) the Issuer demonstrating to the satisfaction of the Competent Authority that it meets the conditions in Article 78 CRR, which may include requiring 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.

An optional redemption feature of Subordinated Notes is likely to limit their market value. During any period when the Issuer may elect, or the likelihood (or perceived likelihood) that the Issuer may be able to elect, to redeem Subordinated Notes, the market value of those Subordinated Notes generally will not rise substantially above the price at which they can be redeemed. This may also be true prior to any redemption period. The Issuer may be expected to redeem Subordinated Notes it has issued when its cost of borrowing is lower than the interest rate on the Subordinated 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 Subordinated 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.

If "Substitution or Variation" is specified in the applicable Final Terms and if a Capital Event or a CRD IV Capital Event (as defined in Condition 8.8 of the Terms and Conditions of the Notes) 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 on giving not less than 30 nor more than 60 days' irrevocable notice in accordance with Condition 14 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 IV 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 favourable to the Subordinated Noteholders and following such variation or substitution the resulting securities must have, *inter alia*, at least the same ranking, at least the same interest rate, the same maturity date, redemption rights, existing rights to accrued interest which has not been paid and assigned the same ratings as the Subordinated Notes. Nonetheless, no assurance can be given as to whether any of these changes will negatively 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 8.8 of the Terms and Conditions of the 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.

Subordination; limited acceleration rights

The Issuer may issue Notes under the Programme which are subordinated to the extent described in Condition 2.2 of the Terms and Conditions of the Notes.

Any such Subordinated Notes and the relative Coupons will:

(i) prior to the occurrence of the Existing Subordinated Notes Redemption Event, 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 or under their own terms to rank subordinated and junior to the Subordinated Notes), save for those preferred by mandatory and/or overriding provisions of law; and

(ii) as from the occurrence of the Existing Subordinated Notes Redemption Event, constitute unsecured and subordinated obligations of the Issuer and rank (i) *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 or under their own terms or by mandatory and/or overriding provisions of law to rank either in priority to or subordinated and junior to the Subordinated Notes) and (ii) subordinated and junior to those subordinated obligations expressed by or under their own terms to rank in priority to the Subordinated Notes and those preferred by mandatory and/or overriding provisions of law.

An "**Existing Subordinated Notes Redemption Event**" is deemed to have occurred upon redemption or repurchase and cancellation of the full outstanding principal amount of the Existing Subordinated Notes.

"**Existing Subordinated Notes**" means any instrument or loan issued or incurred before 20 June 2016, whether publicly or privately placed, ranking or expressed to be ranking *pari passu* with all other subordinated obligations (except for those subordinated obligations expressed by or under their own terms to rank subordinated and junior), **provided that** should any such Existing Subordinated Notes be amended in any way (contractually or by statute) which would result in allowing the Issuer to issue subordinated notes ranking senior thereto, then such Subordinated Notes would be deemed to no longer constitute an Existing Subordinated Note.

As a result, in the event of liquidation or bankruptcy of the Issuer or in the event of a Moratorium (as defined in Condition 2.2 of the Terms and Conditions of Notes) with respect to the Issuer, the claims of the holders of the Subordinated Noteholders against the Issuer will be:

(i) prior to the occurrence of the Existing Subordinated Notes Redemption Event, subordinated to (a) the claims of depositors (other than in respect of those whose deposits are expressed by or under their own terms to rank equally to or lower than the Subordinated Notes), (b) unsubordinated claims with respect to the repayment of borrowed money 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 or in the event of a Moratorium with respect to the Issuer, only be made after, and any set-off by a Subordinated Noteholder shall be excluded until, 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; and

(ii) as from the occurrence of the Existing Subordinated Notes Redemption Event, subordinated to (a) the claims of depositors (other than in respect of those whose deposits are expressed by or under their own terms to rank equally to or lower than the Subordinated Notes), (b) unsubordinated claims with respect to the repayment of borrowed money, (c) other unsubordinated claims and (d) subordinated claims expressed by or under their own terms to rank in priority to the Subordinated Notes (collectively, "**Senior Claims**"). By virtue of such subordination, payments to a Subordinated Noteholder will, in the event of the liquidation or bankruptcy of the Issuer or in the event of a Moratorium with respect to the Issuer, only be made after, and any set-off by a Subordinated Noteholder shall be excluded until, all obligations of the Issuer resulting from Senior Claims have been satisfied.

A Subordinated Noteholder may therefore recover less than the holders of deposit liabilities or the holders of other unsubordinated or senior subordinated liabilities of the Issuer. The Conditions of the Notes do not limit or restrict the amount of securities which the Issuer may issue and which rank senior or *pari passu* in priority of payments with the Subordinated Notes or other liabilities incurred or assumed by the Issuer from time to time. The issue of any such securities may reduce the amount recoverable by Subordinated Noteholders on a winding-up of the Issuer. Accordingly, in the winding-up of the Issuer and after payment of the claims of senior creditors and of depositors, there may not be a sufficient amount to satisfy 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 8.3, 8.4 and 8.8 of the Terms and Conditions of the Notes may only be effected after the Issuer has obtained the written permission of the Competent Authority, and (ii) the Issuer must obtain the prior written permission of the Competent Authority before effecting any repayment of Subordinated Notes following an Event of Default (as defined in Condition 5 of the Terms and Conditions of the Notes). See Conditions 5 and 10 of the Terms and Conditions for further details.

There is a greater risk that an investor in Subordinated Notes will lose all or some of his investment should the Issuer become insolvent. See also the risk factor above titled "*Notes subject to optional redemption by the Issuer*".

Subordinated Noteholders will only have limited rights to accelerate repayment of the principal amount of Subordinated Notes. See Condition 5 (*Events of Default*) of the Terms and Conditions, which limits the events of default to the event that (a) the Issuer is declared bankrupt, or a declaration in respect of the Issuer is made under article 3:163(1)(b) of the Wft 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.

Accordingly, if the Issuer fails to meet any interest payment or other obligations under the Subordinated Notes, such failure will not give Subordinated Noteholders any right to accelerate repayment of the principal amount of the Subordinated Notes.

Furthermore, Subordinated Noteholders will have no set-off rights whether or not in the Issuer's bankruptcy.

Loss absorbency at the point of non-viability

Under the BRRD and SRM, all additional Tier 1 and Tier 2 instruments should be capable of being fully and permanently written down or converted fully into Common Equity Tier 1 capital at the point of non-viability of the Issuer or group (such write down or conversion into Common Equity Tier 1 instruments of the outstanding principal and accrued and unpaid interest in respect of Subordinated Notes qualifying as additional Tier 1 or Tier 2 instruments, "**Statutory Loss Absorption**") and the terms and conditions of the Subordinated Notes stipulate the same. Such non-viability may be (i) a decision of the Relevant Resolution Authority that a write down, without which the Issuer or group would become non-viable, is necessary, (ii) a decision to make a public sector injection of capital, or equivalent support, without which the Issuer would have become non-viable, as determined by the Relevant Resolution Authority, or (iii) another event as mandatorily prescribed in the Applicable Resolution Framework (as defined in the Terms and Conditions of the Notes) (a "**Non-Viability Event**").

Although Statutory Loss Absorption may be part of the bail-in tool (as described in the risk factor "*Risk Factors regarding the Issuer - BRRD and SRM*"' above), Statutory Loss Absorption in respect of additional Tier 1 and Tier 2 instruments (such as the Subordinated Notes that qualify as Tier 2 Notes) would in any event occur prior to bail in of senior debt or eligible liabilities (such as the Senior Notes or Subordinated Notes that do not qualify as Tier 2 Notes) and other resolution tools. Any written-down amount as a result of Statutory Loss Absorption shall be irrevocably lost and holders of such Subordinated Notes will cease to have any claims for any principal amount and accrued but unpaid interest which has been subject to write down. Such Statutory Loss Absorption shall not constitute an Event of Default and the Noteholders will have no further claims in respect of the amount so written down or the amount subject to conversion or otherwise as a result of such Statutory Loss Absorption.

The occurrence of a Non-Viability Event may be unpredictable and may depend on a number of factors which may be outside of the Issuer's control. The Relevant Resolution Authority may require or may cause a write down in circumstances that are beyond the control of the Issuer and with which the Issuer may not agree. Although the applicable legalisation provides for conditions to the exercise of any such 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-insolvency scenario affecting the Issuer and in deciding whether to exercise its powers. It is possible that the Relevant Resolution Authority will use its powers under the BRRD or SRM, as applicable (see "*Risk Factors regarding the Issuer – The Issuer operates in highly regulated industries. There could be an adverse change or increase in the financial services laws and/or regulations governing its business*"), to force a write down or conversion, which could result in subordinated and/or senior debt instruments of the Issuer absorbing losses. Because of the inherent uncertainty regarding the determination of whether a Non-Viability Event exists, it will be difficult to predict when, if at all, a write down will occur. Accordingly, market prices and trading strategy in respect of Subordinated Notes which may be subject to Statutory Loss Absorption may differ from other types of securities. Any indication, likelihood or perceived likelihood that the Issuer is trending towards a Non-Viability Event could have an adverse effect on the market price of the relevant Subordinated Notes. Potential investors should consider the risk that a holder of Subordinated Notes which may be subject to Statutory Loss Absorption may lose all of its investment in such Subordinated Notes, including the principal amount plus any accrued but unpaid interest, in the event that a Non-Viability Event occurs. See Condition 8.12 of the Terms and Conditions of the Notes for further details.

Risks related to Notes generally

New Banking Legislation

Basel III reforms to the regulatory capital framework for internationally active banks are designed, in part, to ensure that capital instruments issued by such banks fully absorb losses before tax payers are exposed to loss.

Although the terms and conditions of the Senior Notes do not contain a specific provision which requires them to be converted into equity or written down, it is possible that the powers which either currently exist or which may result from the application of relevant laws, including those arising from the SRM, BRRD or other resolution or recovery rules which may in the future be applicable to the Issuer, could be used in such a way as to result in the Senior Notes absorbing losses. See "*Risk Factors regarding the Issuer - BRRD and SRM*"' above.

The Subordinated Notes include a specific provision that they can be subject to the risk of regulatory intervention resulting in loss absorption. According to the BRRD and the SRM Regulation, the Subordinated Notes would be subject to write down or conversion before the Senior Notes.

The determination that all or part of the principal amount of the Notes will be subject to loss absorption is likely to be inherently unpredictable and may depend on a number of factors which may be outside of the Issuer's control. Because of this inherent uncertainty, it will be difficult to predict when, if at all, a principal write off or conversion to equity will occur. Accordingly, trading behaviour in respect of the Notes is not necessarily expected to follow the trading behaviour associated with other types of securities. Any indication, likelihood or perceived likelihood that Notes will become subject to statutory loss absorption could have an adverse effect on the market price of the Notes. Potential investors in the Notes should consider the risk that a holder may lose all of its investment, including the principal amount plus any accrued interest, if such statutory loss absorption measures are acted upon.

Furthermore, further changes in law after the date hereof may affect the rights of holders of the Notes as well as the market value of the Notes. See also "*The Issuer operates in highly regulated industries. There could be an adverse change or increase in the financial services laws and/or regulations governing its business*" above and "*Dutch Intervention Act*" and "*BRRD and SRM*".

Modification and waivers and substitution

The Terms and Conditions contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. 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.

The Terms and Conditions also provide that (i) the Fiscal Agent and the Issuer may agree, without the consent of the Noteholders, to (a) any modification to the Terms and Conditions in the circumstances described in Condition 13 (*Meetings of Noteholders*) and (b) the variation or substitution of certain Subordinated Notes in the circumstances described in Condition 8.8 (*Redemption, substitution and variation for regulatory purposes of Subordinated Notes*) and (ii) the Issuer may, without the consent of the Noteholders, substitute another company as principal debtor under any Notes in place of the Issuer in the circumstances described in Condition 19 (*Substitution of the Issuer*).

Taxation

Potential purchasers and sellers of Notes should be aware that they may be required to pay stamp taxes or other documentary or fiscal charges in accordance with the laws and practices of the country where the Notes are transferred.

Potential purchasers should consult their own independent tax advisers about their tax position. In addition, potential purchasers should be aware that tax regulations and their application by the relevant taxation authorities change from time to time. Accordingly, it is not possible to predict the precise tax treatment which will apply at any given time.

*The Proposed Financial Transactions Tax (the "**FTT**")*

On 14 February 2013, the European Commission published a proposal (the "**Commission's Proposal**") for a directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "**participating Member States**"). However, Estonia has since stated that it will not participate.

The Commission's Proposal has very broad scope and could, if introduced, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances. The issuance and subscription of Notes should, however, be exempt.

Under the Commission's Proposal the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

The FTT proposal remains subject to negotiation between participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate.

Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

Secondary Market

There can be no assurance as to how any Notes will trade in the secondary market or whether such market will be liquid or illiquid. Application may be made to list the Notes on a stock exchange, as indicated in the applicable Final Terms. The fact that Notes may be listed does not necessarily lead to greater liquidity. No assurance can be given that there will be a market for any Notes. If any Notes are not traded

on any stock exchange, pricing information for such Notes may be more difficult to obtain, and the liquidity and market prices of such Notes may be adversely affected. The liquidity of the Notes may also be affected by restriction on offers and sales of the Notes in some jurisdictions.

Market volatility

Noteholders should be aware of the prevailing and widely reported global credit market conditions (which continue at the date hereof), whereby there is a general lack of liquidity in the secondary market for instruments similar to any Notes that may be issued under the Programme. Such general lack of liquidity may result in investors suffering losses on the Notes in secondary resales even if there is no decline in the performance of the assets of the Issuer. The Issuer cannot predict if and when these circumstances will change or whether conditions of general market illiquidity for such Notes and instruments similar to such Notes will return in the future.

Conflicts of Interest

Where the Issuer acts as Calculation Agent or the Calculation Agent is an Affiliate of the Issuer, potential conflicts of interest may exist between the Calculation Agent and holders of Notes, including with respect to certain determinations and judgments that the Calculation Agent may make pursuant to the Terms and Conditions that may influence the amount receivable upon redemption of the Notes.

Bearer Notes where denominations involve integral multiples: definitive bearer Notes

In relation to any issue of bearer Notes which have a denomination consisting of the minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Notes may be traded in amounts in excess of the minimum Specified Denomination that are not integral multiples of the minimum Specified Denomination. In such a case, a holder who, as a result of trading such amounts, holds a principal amount of less than the minimum Specified Denomination or holds a principal amount which is not an exact multiple of the minimum Specified Denomination may not receive definitive bearer Notes in respect of such holding (should definitive bearer Notes be printed) and would need to purchase a principal amount of Notes such that its holding amounts to a minimum Specified Denomination or a multiple thereof.

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

OVERVIEW OF THE PROGRAMME

The following description does not purport to be complete and is qualified in its entirety by the remainder of this Offering Circular. Words and expressions defined in *"Terms and Conditions of the Notes"* or elsewhere in this Offering Circular shall have the same meanings in this overview.

Issuer	NIBC Bank N.V.
Risk Factors	There are certain risk factors that may affect the Issuer's ability to fulfil its obligations under Notes issued under the Programme. These are set out under "*Risk Factors*" and include risk related to the adverse effects of general economic and other business conditions, risk related to substantial competitive pressures, risk related to regulatory changes as well as operational risk. In addition, there are certain factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme. These are set out under "*Risk Factors*" and include certain risks relating to the structure of a particular Series of Notes and certain market risks.
Arranger	Morgan Stanley & Co. International plc.
Dealers	ABN AMRO Bank N.V., Citigroup Global Markets Limited, Commerzbank Aktiengesellschaft, Credit Suisse Securities (Europe) Limited, Deutsche Bank AG, London Branch, Goldman Sachs International, ING Bank N.V., J.P. Morgan Securities plc, Landesbank Baden-Württemberg, Merrill Lynch International, Morgan Stanley & Co. International plc, NIBC Bank N.V., Société Générale, The Royal Bank of Scotland plc (trading as NatWest Markets) and UBS Limited and any other dealer appointed from time to time by the Issuer.
Calculation Agent	The party specified in the applicable Final Terms as the Calculation Agent will act as Calculation Agent for the applicable Series on the terms set out in the Calculation Agency Agreement entered into or deemed to be entered into between that Calculation Agent and the Issuer. For the avoidance of doubt, where the Notes are Index Linked Notes, the Calculation Agent for such Series will not be Citibank, N.A., London Branch (in its capacity as Fiscal Agent, Exchange Agent, Paying Agent, Principal Registrar and/or Transfer Agent under the Fiscal Agency Agreement).
Exchange Agent and Transfer Agent	Citibank, N.A., London Branch.
Fiscal Agent	Citibank, N.A., London Branch.
Principal Registrar	Citibank, N.A., London Branch or such entity as may replace Citibank, N.A., London Branch as Principal Registrar.
Final Terms	Notes issued under the Programme shall be issued pursuant to this Offering Circular and associated Final Terms. The terms and conditions applicable to any particular Tranche of Notes will be the Terms and Conditions of the Notes as completed by the relevant Final Terms. Unlisted Notes under the Programme shall be issued pursuant to this Offering Circular and associated Pricing Supplement. The terms and conditions applicable to any particular Tranche of Unlisted Notes will be the Terms and Conditions of the Notes as completed by the relevant Pricing Supplement. The Programme also permits Notes to be issued on the basis that they will be admitted to listing, trading and/or quotation by the competent authorities, stock exchanges and/or quotation systems as may be agreed with the Issuer.
Clearing Systems	The Notes may be cleared through Euroclear, Clearstream, Luxembourg, Euroclear Netherlands and/or DTC or any other clearing system as may be

specified in the relevant Final Terms.

Programme Amount

Up to Euro 20,000,000,000 (or its equivalent in other currencies) outstanding at any time. The Issuer may increase or decrease the amount of the Programme.

Issuance in Series

Notes will be issued in Series (each a "**Series**"). Each Series may comprise one or more Tranches (each a "**Tranche**") issued on different issue dates. Each Tranche will be the subject of Final Terms.

Form of Notes

The Notes will be issued in bearer form or registered form as further described in "*Forms of the Notes*".

Notes in registered form may not be exchanged for Notes in bearer form.

Currencies

Notes may be denominated in such currency as the Issuer and the relevant Dealer(s) may agree, as specified in the relevant Final Terms, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements.

Status of Senior Notes

The Senior Notes will constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer, and will at all times rank *pari passu* among themselves and at least *pari passu* with all other present and future unsecured obligations (other than subordinated obligations if any) of the Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

Status and Subordination Terms of the Subordinated Notes

(a) Prior to the Existing Subordinated Notes Redemption Event:

The Subordinated Notes and the relative Coupons 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 or under their own terms to rank subordinated and 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:

(i) in the event of the liquidation or bankruptcy of the Issuer; or

(ii) in the event that a competent court has declared that the Issuer is in a situation which requires special measures (*noodregeling*) in the interests of all creditors, as referred to in Chapter 3.5.5 of the Wft, and for so long as such situation is in force (such situation being hereinafter referred to as a "**Moratorium**"),

subordinated to (a) the claims of depositors (other than in respect of those whose deposits are expressed by or under their own terms to rank equally to or lower than the Subordinated Notes), (b) unsubordinated claims with respect to the repayment of borrowed money and (c) other unsubordinated claims.

By virtue of such subordination, payments to a Noteholder will, in the event of liquidation or bankruptcy of the Issuer or in the event of a Moratorium with respect to the Issuer, only be made after, and any set-off by a Noteholder shall be excluded until, 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) As from the Existing Subordinated Notes Redemption Event:

The Subordinated Notes and the relative Coupons constitute unsecured and subordinated obligations of the Issuer and rank (i) *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 or under their own terms or by mandatory and/or overriding provisions of law to rank either in priority to or subordinated and junior to the Subordinated Notes) and (ii) subordinated and junior to those subordinated obligations expressed by or under their own terms to rank in priority to the Subordinated Notes and those preferred by mandatory and/or overriding provisions of law.

As a result, the claims of the holders of the Subordinated Notes of this Series against the Issuer are:

(i) in the event of the liquidation or bankruptcy of the Issuer; or

(ii) in the event that a competent court has declared that the Issuer is in a situation which requires special measures (noodregeling) in the interests of all creditors, as referred to in Chapter 3.5.5 of the Wft, and for so long as such situation is in force (such situation also being hereinafter referred to as a "**Moratorium**"),

subordinated to (a) the claims of depositors (other than in respect of those whose deposits are expressed by or under their own terms to rank equally to or lower than the Subordinated Notes), (b) unsubordinated claims with respect to the repayment of borrowed money, (c) other unsubordinated claims and (d) subordinated claims expressed by or under their own terms to rank in priority to the Subordinated Notes (collectively, "**Senior Claims**").

By virtue of such subordination, payments to a Noteholder will, in the event of the liquidation or bankruptcy of the Issuer or in the event of a Moratorium with respect to the Issuer, only be made after, and any set-off by a Noteholder shall be excluded until, all obligations of the Issuer resulting from Senior Claims have been satisfied.

Furthermore, Subordinated Noteholders will have no set-off rights whether or not in the Issuer's bankruptcy.

An "**Existing Subordinated Notes Redemption Event**" is deemed to have occurred upon redemption or repurchase and cancellation of the full outstanding principal amount of the Existing Subordinated Notes.

"**Existing Subordinated Notes**" means any instrument or loan issued or incurred before 20 June 2016, whether publicly or privately placed, ranking or expressed to be ranking *pari passu* with all other subordinated obligations (except for those subordinated obligations expressed by or under their own terms to rank subordinated and junior), **provided that** should any such Existing Subordinated Notes be amended in any way (contractually or by statute) which would result in allowing the Issuer to issue subordinated notes ranking senior thereto, then such Subordinated Notes would be deemed to no longer constitute an Existing Subordinated Note.

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.

Subordinated Notes may qualify as Tier 2 capital ("**Tier 2 Notes**") as specified in the applicable Final Terms for the purposes of the regulatory capital rules

applicable to the Issuer from time to time.

Maturities

The Notes may have such maturities as may be agreed between the Issuer and the relevant Dealer(s), subject to a minimum maturity of one month and, in the case of Subordinated Notes, five years, and a maximum maturity of 30 years and to such minimum or maximum maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the Issuer or the relevant Specified Currency.

Any Notes having a maturity of less than one year and in respect of which either (i) the issue proceeds are received by the Issuer in the United Kingdom or (ii) the activity of issuing the Notes is carried on from an establishment maintained by the Issuer in the United Kingdom, such Notes must (a) have a minimum redemption value of £100,000 (or its equivalent in other currencies) and be issued only 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; or (b) be issued in other circumstances which do not constitute a contravention of section 19 of the Financial Services and Markets Act 2000 (the "**FSMA**") by the Issuer.

Issue Price

Notes may be issued at any price as specified in the relevant Final Terms. The price and amount of Notes to be issued under the Programme will be determined by the Issuer and the relevant Dealer(s) at the time of issue in accordance with prevailing market conditions.

Redemption at Maturity

Unless previously redeemed, written down or converted or purchased and cancelled, Notes will be redeemed on the Maturity Date at their Final Redemption Amount which may be the nominal amount of such Notes or such other amount as is specified in the applicable Final Terms.

Index Linked Redemption Notes

Where the Notes are Index Linked Redemption Notes, the return on such Notes may be linked to the level of a specified index (Single Reference Asset Level) or basket of indices. In case of a basket of indices, the combined level of the indices in the basket will, depending on what is specified in the applicable Final Terms, be computed either as (i) the average of the reference levels of the indices determined in accordance with their respective weightings specified in the applicable Final Terms (Average Index Level), or (ii) the reference level or price of the worst performing index relative to its initial reference level (Worst Performer of Basket).

The reference level to which the Notes are linked will, depending on what is specified in the applicable Final Terms, determine the final redemption amount.

If on the Final Valuation Date the Final Reference Level is equal to or higher than the Strike Level, an Index Linked Redemption Note will be redeemed on the Maturity Date at the lowest of (a) (i) the Minimum Redemption Amount plus (ii) the product of (x) the Specified Denomination (y) the gearing* and (z) a fraction the numerator of which is equal to the Final Reference Level minus the Strike Level and the denominator of which is the Initial Reference Level and (b) the Maximum Redemption Amount (if applicable). If Maximum Redemption Amount is specified in the applicable Final Terms as "Not Applicable" then the Notes will redeem at an amount as calculated pursuant to (a) above. If on the Final Valuation Date the Final Reference Level is lower than the Strike Level, an Index Linked Redemption Note will be redeemed on the Maturity Date at the Minimum Redemption Amount. The Reference Level is the Single Reference Asset Level, the Average Basket Level or the Worst

	Performer of Basket. The Final Redemption Amount of an Index Linked Redemption Note will therefore have a direct relationship with the level of the index or indices to which such Notes are linked and can be lower or higher than the Specified Denomination but not lower than the Minimum Redemption Amount or, if applicable, higher than the Maximum Redemption Amount. * If the gearing is 1 (one) or 100% there will effectively be no gearing.
Optional Redemption	Notes may be redeemed before their stated maturity at the option of the Issuer as described in Condition 8.4 (*Optional Early Redemption (Issuer Call)*) and/or the Noteholders as described in Condition 8.6 (*Optional Early Redemption (Investor Put)*) to the extent (if any all) specified in the Final Terms.
Redemption for Taxation Reasons (Tax Call) and Illegality (Illegality Call)	Except as described in "*Optional Redemption*" above and to the extent specified in the Final Terms, early redemption will only be permitted for tax reasons as described in Condition 8.3 (*Early Redemption for Taxation Reasons (Tax Call)*), for illegality as described in Condition 8.7 (*Redemption for Illegality (Illegality Call)*) or for regulatory purposes as described in Condition 8.8 (*Redemption, substitution and variation for regulatory purposes of Subordinated Notes).*
Early Redemption Amount	If the Notes are to be redeemed early, such Notes will be redeemed at their Early Redemption Amount, which may be an amount equal to the Issue Price, such Note's nominal amount; its market value (where the Notes are Index Linked Notes); or such other amount as may be specified in the applicable Final Terms.
Redemption for regulatory purposes	If "Regulatory Call" is specified in the applicable Final Terms, the Issuer may upon the occurrence of a Capital Event (as defined in Condition 8.8 (*Redemption, substitution and variation for regulatory purposes of Subordinated Notes*) of the Terms and Conditions of the Notes) redeem the Subordinated Notes, in whole but not in part, at any time, if the Issuer has notified the relevant Subordinated Noteholders on giving not less than 30 nor more than 60 days' irrevocable notice, or such other period of notice as is specified in the applicable Final Terms, in accordance with Condition 14 (*Notices*). Additionally, redemption of the Subordinated Notes is subject to (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 CRR and (ii) the Issuer demonstrating to the satisfaction of the Competent Authority that it meets the conditions in Article 78 CRR, which may include requiring 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 Issuer will redeem the Subordinated Notes in accordance with the Terms and Conditions at the Early Redemption Amount specified in the applicable Final Terms together with accrued interest (if any) to but excluding the date of redemption.
Substitution or Variation	If "Substitution or Variation" is specified in the applicable Final Terms and if a Capital Event or a CRD IV Capital Event (as defined in Condition 8.8 (*Redemption, substitution and variation for regulatory purposes of Subordinated Notes*) of the Terms and Conditions of the Notes) 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 on giving not less than 30 nor more than 60 days' irrevocable notice in accordance with Condition 14 (*Notices*) 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 IV 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 8.8 (*Redemption, substitution and variation for regulatory purposes of Subordinated Notes*), as the case may be, **provided that** such substitution or variation shall not result in terms that are materially less favourable to the Subordinated Noteholders.

Statutory Loss Absorption

Subordinated Notes may become subject to the determination by the Relevant Resolution Authority or the Issuer (following instructions from the Relevant Resolution Authority) that all or part of the nominal amount of the Subordinated Notes, including accrued but unpaid interest in respect thereof, must be written down or converted into Common Equity Tier 1 instruments or otherwise be applied to absorb losses, all as prescribed by the Applicable Resolution Framework ("**Statutory Loss Absorption**"). Upon any such determination, (i) the relevant proportion of the outstanding nominal amount of the Subordinated Notes subject to Statutory Loss Absorption shall be written down or converted into Common Equity Tier 1 instruments or otherwise be applied to absorb losses, as prescribed by the Applicable Resolution Framework, (ii) such Statutory Loss Absorption shall not constitute an Event of Default and (iii) Subordinated Noteholders will have no further claims in respect of the amount so written down or the amount subject to conversion or otherwise as a result such Statutory Loss Absorption.

Subject to the determination by the Relevant Resolution Authority and without the consent of the Noteholders, the Subordinated Notes may be subject to other resolution measures as envisaged under Applicable Resolution Framework.

Interest

Interest in respect of the Notes may have a Fixed Rate, Floating Rate, CMS-Linked Interest Rate or may not bear interest (Zero Coupon). Interest on Fixed Rate Notes will, if the Index Linked Interest Provisions are specified as "Applicable" in the applicable Final Terms, be conditional on the occurrence of a Conditional Coupon Event, such Notes "**Index Linked Interest Notes**" (as described further below). Interest on Range Accrual Notes will, if the Range Accrual Note Provisions are specified as "Applicable" in the applicable Final Terms, be calculated by reference to Relevant Range Accrual Rate, such Notes "**Range Accrual Notes**" (as described further below).

Index Linked Interest Notes

The payment of interest on Fixed Rate Notes may be conditional on the occurrence of a Conditional Coupon Event, which shall mean that the Reference Level of a specified index or basket of indices is lower than the Coupon Barrier specified in the Final Terms. Such Fixed Rate Notes are also Index Linked Interest Notes. If the Reference Level is lower than the Coupon Barrier on a Conditional Coupon Observation Date, then the Fixed Rate(s) of Interest for the Fixed Interest Period in which such Conditional Coupon Event occurs shall be zero for such Notes. The payment of interest will therefore have a direct relationship with the level of the index or indices to which such Notes are linked. If however, the Reference Level is equal to or higher than the Coupon Barrier on the relevant Conditional Coupon Observation Date, the Fixed Rate(s) of Interest for the related Fixed Interest Period(s) shall be the Fixed Rate(s) of Interest as specified in the applicable Final Terms for such Notes.

If "Memory" is specified as being "Applicable" in the applicable Final Terms then on any Interest Payment Date relating to an Interest Period in respect of which no Conditional Coupon Event has occurred, the amount of interest payable for such Notes on such Interest Payment Date shall be increased by an amount equal to the amount(s) of interest that would have been payable in

respect of all previous Fixed Interest Periods (if any) during which a Conditional Coupon Event occurred, had such Conditional Coupon Event(s) not occurred; **provided that**, a payment in respect of any such Interest Period has not already been made.

Range Accrual Notes

The payments of interest on a Range Accrual Note will be determined by reference to a formula, which is linked to or dependant on the performance of one or more underlying range items (each a "**Range Item**"). The Range Item may be an Index, Range Accrual CMS Rate, Range Accrual CMS Rate 1, Range Accrual CMS Rate 2 or a Range Accrual Calculation Reference Rate.

The Rate of Interest in respect of Range Accrual Notes will depend on the frequency with which the relevant Range Accrual Reference Rate falls (in the case of Standard Range Accrual Notes) or does not fall (in the case of Inverse Range Accrual Notes) between the Upper Barrier and the Lower Barrier on Range Accrual Observation Dates falling during the relevant Range Accrual Observation Period (which is also an Interest Period).

The calculation of the Rate of Interest on Range Accrual Notes factors in the scaling up or down of the performance of the Range Items by the application of a percentage designated to that particular Range Item (the "**Multiplier**"). If the applicable Multiplier is higher than 100 per cent., its application will magnify any positive performance of the relevant Range Item, but any negative performance will also be magnified.

Maximum or Minimum Rates of Interest

Floating Rate Notes, CMS-Linked Interest Rate Notes and Range Accrual Notes may specify a Maximum Rate of Interest or a Minimum Rate of Interest, or both, as being applicable in the applicable Final Terms. If a Maximum Rate of Interest is specified then the rate of interest will in no case be higher than such rate and if a Minimum Rate of Interest is specified, then the rate of interest will in no case be lower than such rate.

Redenomination

The applicable Final Terms may provide that certain Notes may be redenominated in Euro pursuant to Condition 3 (*Redenomination*) of the Terms and Conditions of the Notes.

Denominations

The Notes will be issued in such denominations as may be agreed between the Issuer and the relevant Dealer(s) or such other amount as may be required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency, save that in the case of any Notes which are to be admitted to trading on a regulated market within the European Economic Area or offered to the public in a Member State of the European Economic Area in circumstances which would otherwise require the publication of a prospectus under the Prospectus Directive, the minimum specified denomination shall be EUR 100,000 (or its equivalent in any other currency as at the date of issue of such Notes). See also "*Maturities*" above.

Substitution of the Issuer

The Issuer is entitled, subject to the Terms and Conditions of the Notes, to substitute any other company as principal debtor in respect of all obligations arising from or in connection with any Series of Notes. Upon a substitution of the Issuer, the Issuer will give notice to the holders of the Notes in accordance with the Terms and Conditions of the Notes.

Cross Default

The terms of the Senior Notes will contain a cross default provision as further described in Condition 5(d) (*Events of Default*) of the Notes.

Use of Proceeds

The net proceeds from each issue of Notes will be applied by the Issuer for its general corporate purposes. The Issuer may use the net proceeds from the

	issue of certain Notes, which will be designated as sustainability notes or green bonds, for projects that promote climate and other environmental purposes.
Taxation	Payments in respect of the Notes will be made without withholding or deduction for, or on account of any present or future taxes or duties of whatever nature imposed or levied by or on behalf of the Kingdom of The Netherlands (or any taxing jurisdiction other than or in addition to the Kingdom of The Netherlands to which the Issuer is or becomes subject at any time) or any political subdivision thereof or any authority or agency therein or thereof having power to tax, unless the withholding or deduction of such taxes or duties is required by law or by the administration or official interpretation thereof at the initiative of the relevant tax authority of the Issuer. In that event, the Issuer will (subject as provided in Condition 6 (*Taxation*)) as specified in the applicable Final Terms, either (i) not pay any additional amounts or (ii) pay such additional amounts as will result in the Noteholders and the Couponholders receiving such amounts as they would have received in respect of such Notes or Coupons had no such withholding or deduction been required.
Governing Law	The Notes, all related contractual documentation and any non-contractual obligations arising out of or in connection with the Notes or such related contractual documentation, will be governed by the laws of The Netherlands.
Selling Restrictions	There are restrictions on the offer, sale and transfer of the Notes in the United States, the European Economic Area (including the United Kingdom, The Netherlands, Belgium, France and Italy), Japan, Switzerland, Hong Kong, Singapore, South Korea, Taiwan and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Notes, see *"Subscription and Sale"*.
Ratings	Senior Notes issued under the Programme will initially be rated BBB- by Standard & Poor's and BBB- by Fitch. Standard and Poor's and Fitch are established in the European Union and are included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with the CRA Regulation. Certain Tranches of Notes issued under the Programme may be rated in which case such rating will be specified in the applicable Final Terms. Whether or not each credit rating applied for in relation to a relevant Tranche of Notes will be issued by a credit rating agency established in the European Union and registered under the CRA Regulation will be disclosed in the Final Terms. In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the European Union and registered under the CRA Regulation. A credit rating is not a recommendation to buy, sell or hold any Notes and may be subject to revision, suspension or withdrawal at any time by the relevant rating organisation.

Listing and Admission to Trading

Application has been made to Euronext Amsterdam N.V. for the Notes (other than Unlisted Notes) issued under the Programme during the period of 12 months from the date of this Offering Circular to be admitted to listing and trading on Euronext in Amsterdam, the regulated market of Euronext Amsterdam N.V. ("**Euronext Amsterdam**").

Notes (other than Unlisted Notes) may be listed or admitted to trading, as the case may be, on other or further stock exchanges or markets agreed between the Issuer and the relevant Dealer(s) in relation to the relevant Series. Notes which are neither listed nor admitted to trading on any market may also be issued.

SPECIAL NOTICE REGARDING FORWARD-LOOKING STATEMENTS

This Offering Circular includes forward-looking statements. The words "believe", "expect", "intend", "predict", "continue", "assume", "may", "will", "should", "shall", "risk" and other similar expressions that are predictions of or indicate future events and future trends identify forward looking statements. These forward-looking statements include all matters that are not historical facts. In particular, the statements under the headings "*Risk Factors*" and "*Business Description of NIBC Bank N.V.*" regarding the Issuer's strategy and other future events or prospects are forward-looking statements. Investors should not place undue reliance on forward-looking statements because they involve known and unknown risks, uncertainties and other factors that are in many cases beyond the Issuer's control. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Recipients of this Offering Circular are cautioned that forward-looking statements are not guarantees of future performance and that the Issuer's actual results of operations, financial condition and liquidity, and the development of the industry in which the Issuer operates may differ materially from those made in or suggested by the forward-looking statements contained in this document. The cautionary statements set out above should be considered in connection with any subsequent written or oral forward-looking statements that the Issuer, or persons acting on behalf of the Issuer, may issue. Factors that may cause the Issuer's actual results to differ materially from those expressed or implied by the forward-looking statements in this Offering Circular include but are not limited to the risks described under "*Risk Factors*".

The Issuer does not intend, and does not assume any obligation, to update any forward-looking statements contained herein, except as may be required by law. All subsequent written and oral forward-looking statements attributable to the Issuer or to persons acting on its behalf are expressly qualified in their entirety by the cautionary statements referred to above and contained elsewhere in this Offering Circular.

DOCUMENTS INCORPORATED BY REFERENCE

The Issuer will be incorporating by reference in this Offering Circular important information about the Issuer, which means that (i) the incorporated documents are considered part of this Offering Circular, and (ii) the Issuer can disclose important information to prospective purchasers of Notes by referring prospective purchasers to those documents. The following documents published or issued on or prior to the date hereof shall be deemed to be incorporated in, and form part of, this Offering Circular:

(i) the most recent Articles of Association of the Issuer;

(ii) the audited annual consolidated financial statements for the financial year ended 31 December 2015 of the Issuer, including the auditor's report in respect of such financial statements being set out on page 82 up to and including 305 of the 2015 annual report of the Issuer; and

(iii) the audited annual consolidated financial statements for the financial year ended 31 December 2016 of the Issuer, including the auditor's report in respect of such financial statements being set out on page 104 up to and including 329 of the 2016 annual report of the Issuer,

save that any statement contained herein or any of the documents incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Offering Circular to the extent that a statement contained in any document which is subsequently incorporated by reference herein by way of a supplement prepared in accordance with Article 16 of the Prospectus Directive 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 Offering Circular.

The Issuer and the Paying Agents (at their specified offices) will provide, without charge, to each person to whom a copy of this Offering Circular has been delivered, upon the request of any such person, a copy of any or all of the documents deemed to be incorporated herein by reference. Written or oral requests for such documents should be directed to the Issuer or the specified office of any Paying Agent set out at the end of this Offering Circular.

Copies of the documents deemed to be incorporated herein by reference shall also be available on the following websites:

https://www.nibc.com/about-us/corporate-governance/articles-of-association-and-regulations.html;

https://www.nibc.com/investor-relations/annual-reports.html;

Any information not specified in the list above but contained in the documents incorporated by reference referred to above does not form part of this Offering Circular as it is either not relevant for prospective investors in the Notes or is covered elsewhere in this Offering Circular. Any documents themselves incorporated by reference in the documents incorporated by reference in this Offering Circular shall not form part of this Offering Circular.

FORMS OF THE NOTES

Bearer Notes

Each Tranche of Notes in bearer form ("**Bearer Notes**") will initially be in the form of either a temporary global note in bearer form (the "**Temporary Global Note**") in substantially the form (subject to amendment and completion) scheduled to the Fiscal Agency Agreement, without interest coupons, or a permanent global note in bearer form without interest coupons (the "**Permanent Global Note**") in substantially the form (subject to amendment and completion) scheduled to the Fiscal Agency Agreement, in each case as specified in the relevant Final Terms. Each Temporary Global Note or, as the case may be, Permanent Global Note (each a "**Global Note**") which is not intended to be issued in new global note ("**NGN**") form, as specified in the relevant Final Terms, will be deposited on or around the issue date of the relevant Tranche of the Notes with a depositary or a common depositary for Euroclear Bank S.A./N.V. ("**Euroclear**") and/or Clearstream Banking, S.A. ("**Clearstream, Luxembourg**") and/or any other relevant clearing system and each Global Note which is intended to be issued in NGN form, as specified in the relevant Final Terms, will be deposited on or around the issue date of the relevant Tranche of the Notes with a common safekeeper for Euroclear and/or Clearstream, Luxembourg.

In the case of each Tranche of Bearer Notes, the relevant Final Terms will also specify whether United States Treasury Regulation §1.163-5(c)(2)(i)(C) (or any successor United States Treasury Regulation section, including without limitation, regulations issued in accordance with the Internal Revenue Service Notice 2012-20 or otherwise in connection with the United States Hiring Incentives to Restore Employment Act of 2010) (the "**TEFRA C Rules**") or United States Treasury Regulation §1.163-5(c)(2)(i)(D) (or any successor United States Treasury Regulation section, including without limitation, regulations issued in accordance with the Internal Revenue Service Notice 2012-20 or otherwise in connection with the United States Hiring Incentives to Restore Employment Act of 2010) (the "**TEFRA D Rules**") are applicable in relation to the Notes or, if the Notes do not have a maturity of more than 365 days, that neither the TEFRA C Rules nor the TEFRA D Rules are applicable.

Temporary Global Note exchangeable for Permanent Global Note

If the relevant Final Terms specify the form of Notes as being "Temporary Global Note exchangeable for a Permanent Global Note", then the Notes will initially be in the form of a Temporary Global Note which will be exchangeable, in whole or in part, for interests in a Permanent Global Note, without interest coupons, not earlier than the date (the "**Exchange Date**") which is 40 days after the issue date of the relevant Tranche of the Notes and only upon certification as to non-U.S. beneficial ownership. No payments will be made under the Temporary Global Note unless exchange for interests in the Permanent Global Note is improperly withheld or refused. In addition, interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership.

Whenever any interest in the Temporary Global Note is to be exchanged for an interest in a Permanent Global Note, the Issuer shall procure (in the case of first exchange) the delivery of a Permanent Global Note to the bearer of the Temporary Global Note or (in the case of any subsequent exchange) an increase in the principal amount of the Permanent Global Note in accordance with its terms against:

(i) presentation and (in the case of final exchange) presentation and surrender of the Temporary Global Note to or to the order of the Fiscal Agent; and

(ii) receipt by the Fiscal Agent of a confirmation from the clearing systems that they have received a certificate or certificates of non-U.S. beneficial ownership.

The principal amount of Notes represented by the Permanent Global Note shall be equal to the aggregate of the principal amounts specified in the certificates of non-U.S. beneficial ownership **provided**, **however**, **that** in no circumstances shall the principal amount of Notes represented by the Permanent Global Note exceed the initial principal amount of Notes represented by the Temporary Global Note.

If:

(a) the Permanent Global Note has not been delivered or the principal amount thereof increased by 5.00 p.m. (London time) on the seventh day after the bearer of the Temporary Global Note has requested exchange of an interest in the Temporary Global Note for an interest in a Permanent Global Note; or

(b) the Temporary Global Note (or any part thereof) has become due and payable in accordance with the Terms and Conditions of the Notes or the date for final redemption of the Temporary Global Note has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the bearer of the Temporary Global Note in accordance with the terms of the Temporary Global Note on the due date for payment,

then as from the start of the first day on which banks in Amsterdam and London are open for business following such an event (the "**Relevant Time**"), each Relevant Account Holder (as defined in the Temporary Global Note) shall be able to enforce against the Issuer all rights ("**Direct Rights**") which the Relevant Account Holder in question would have had if, immediately before the Relevant Time, it had been the holder of Definitive Notes issued on the issue date of the Temporary Global Note in an aggregate principal amount equal to the principal amount of the relevant Entry (as defined in the Temporary Global Note) including the right to receive all payments due at any time in respect of such Definitive Notes (upon certification of non-U.S. beneficial ownership unless such certification has already been provided in connection with any payment of interest falling due before the Exchange Date) other than payments corresponding to any already made under the Temporary Global Note, all in accordance with the provisions of the relevant Temporary Global Note.

The Permanent Global Note will become exchangeable, in whole but not in part only and at the request of the bearer of the Permanent Global Note, for Bearer Notes in definitive form ("**Definitive Notes**"):

(a) on the expiry of such period of notice as may be specified in the Final Terms; or

(b) at any time, if so specified in the Final Terms; or

(c) if the Final Terms specify "in the limited circumstances described in the Permanent Global Note, then if either of the following events (each an "**Exchange Event**") occurs:

(i) Euroclear or Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business; or

(ii) any of the circumstances described in Condition 5 (*Events of Default*) occurs.

The exchange upon notice or at any time options should not be selected in the applicable Final Terms if the Specified Denomination of the Notes includes language substantially to the following effect: "EUR 100,000 and integral multiples of EUR 1,000 in excess thereof up to and including EUR 199,000".

Whenever the Permanent Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, in an aggregate principal amount equal to the principal amount of Notes represented by the Permanent Global Note to the bearer of the Permanent Global Note against the surrender of the Permanent Global Note to or to the order of the Fiscal Agent within 30 days of the bearer requesting such exchange. Such Definitive Notes shall be duly authenticated and, if so specified in the relevant Final Terms, have attached thereto at the time of initial delivery coupons ("**Coupons**") and a talon ("**Talon**") for further coupons (and the expression "**Coupons**" shall, where the context so permits, include Talons).

If:

(a) Definitive Notes have not been duly delivered by 5.00 p.m. (London time) on the thirtieth day after the bearer has requested exchange of the Permanent Global Note for Definitive Notes; or

(b) the Permanent Global Note (or any part thereof) has become due and payable in accordance with the Terms and Conditions of the Notes or the date for final redemption of the Permanent Global Note has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the bearer in accordance with the terms of the Permanent Global Note on the due date for payment,

then as from the Relevant Time, each Relevant Account Holder (as defined in the Permanent Global Note) shall be able to enforce against the Issuer all Direct Rights which the Relevant Account Holder in question would have had if, immediately before the Relevant Time, it had been the holder of Definitive Notes issued on the issue date of the Permanent Global Note in an aggregate principal amount equal to

the principal amount of the relevant Entry (as defined in the Permanent Global Note) including, without limitation, the right to receive all payments due at any time in respect of such Definitive Notes other than payments corresponding to any already made under the Permanent Global Note, all in accordance with the provisions of the relevant Permanent Global Note.

Temporary Global Note exchangeable for Definitive Notes

If the relevant Final Terms specify the form of Notes as being "Temporary Global Note exchangeable for Definitive Notes" and also specifies that the TEFRA C Rules are applicable or that neither the TEFRA C Rules or the TEFRA D Rules are applicable, then the Notes will initially be in the form of a Temporary Global Note which will be exchangeable, in whole but not in part, for Definitive Notes not earlier than the Exchange Date.

If the relevant Final Terms specify the form of Notes as being "Temporary Global Note exchangeable for Definitive Notes" and also specifies that the TEFRA D Rules are applicable, then the Notes will initially be in the form of a Temporary Global Note which will be exchangeable, in whole or in part, for Definitive Notes not earlier than the Exchange Date and only upon certification as to non-U.S. beneficial ownership. Interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership.

Whenever the Temporary Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the relevant Final Terms), in an aggregate principal amount equal to the principal amount of the Temporary Global Note to the bearer of the Temporary Global Note against the surrender of the Temporary Global Note to or to the order of the Fiscal Agent within 30 days of the bearer requesting such exchange.

If:

(a) Definitive Notes have not been duly delivered by 5.00 p.m. (London time) on the thirtieth day after the bearer has requested exchange of the Temporary Global Note for Definitive Notes; or

(b) the Temporary Global Note (or any part thereof) has become due and payable in accordance with the Terms and Conditions of the Notes or the date for final redemption of the Temporary Global Note has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the bearer in accordance with the terms of the Temporary Global Note on the due date for payment,

then as from the Relevant Time, each Relevant Account Holder (as defined in the Temporary Global Note) shall be able to enforce against the Issuer all Direct Rights which the Relevant Account Holder in question would have had if, immediately before the Relevant Time, it had been the holder of Definitive Notes issued on the issue date of the Temporary Global Note in an aggregate principal amount equal to the principal amount of the relevant Entry (as defined in the Temporary Global Note) including the right to receive all payments due at any time in respect of such Definitive Notes (upon certification of non-U.S. beneficial ownership unless such certification has already been provided in connection with any payment of interest falling due before the Exchange Date) other than payments corresponding to any already made under the Temporary Global Note, all in accordance with the provisions of the relevant Temporary Global Note.

Permanent Global Note exchangeable for Definitive Notes

If the relevant Final Terms specify the form of Notes as being "Permanent Global Note exchangeable for Definitive Notes", then the Notes will initially be in the form of a Permanent Global Note which will be exchangeable in whole, but not in part, for Definitive Notes:

(a) on the expiry of such period of notice as may be specified in the relevant Final Terms; or

(b) at any time, if so specified in the relevant Final Terms; or

(c) if the relevant Final Terms specify "in the limited circumstances described in the Permanent Global Note", then if either of the following Exchange Events occurs:

(i) Euroclear or Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business; or

(ii) any of the circumstances described in Condition 5 (*Events of Default*) occurs.

The exchange upon notice or at any time options should not be selected in the applicable Final Terms if the Specified Denomination of the Notes includes language substantially to the following effect: "EUR 100,000 and integral multiples of EUR 1,000 in excess thereof up to and including EUR 199,000". Furthermore, such Specified Denomination construction is not permitted in relation to any issuance of Notes which is to be represented on issue by a Permanent Global Note exchangeable for Definitive Notes.

Whenever the Permanent Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the Final Terms), in an aggregate principal amount equal to the principal amount of Notes represented by the Permanent Global Note to the bearer of the Permanent Global Note against the surrender of the Permanent Global Note to or to the order of the Fiscal Agent within 30 days of the bearer requesting such exchange.

If:

(a) Definitive Notes have not been duly delivered by 5.00 p.m. (London time) on the thirtieth day after the bearer has requested exchange of the Permanent Global Note for Definitive Notes; or

(b) the Permanent Global Note (or any part thereof) has become due and payable in accordance with the Terms and Conditions of the Notes or the date for final redemption of the Permanent Global Note has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the bearer in accordance with the terms of the Permanent Global Note on the due date for payment,

then as from the Relevant Time, each Relevant Account Holder (as defined in the Permanent Global Note) shall be able to enforce against the Issuer all Direct Rights which the Relevant Account Holder in question would have had if, immediately before the Relevant Time, it had been the holder of Definitive Notes issued on the issue date of the Permanent Global Note in an aggregate principal amount equal to the principal amount of the relevant Entry (as defined in the Permanent Global Note) including, without limitation, the right to receive all payments due at any time in respect of such Definitive Notes other than payments corresponding to any already made under the Permanent Global Note, all in accordance with the provisions of the relevant Permanent Global Note.

Terms and Conditions applicable to the Notes

The terms and conditions applicable to any Definitive Note will be endorsed on that Note and will consist of the terms and conditions set out under "*Terms and Conditions of the Notes*" below and the provisions of the relevant Final Terms which supplement those terms and conditions.

The terms and conditions applicable to any Note in global form will differ from those terms and conditions which would apply to the Note were it in definitive form to the extent described under "*Summary of Provisions Relating to the Notes while in Global Form*" below.

Legend concerning United States persons

In the case of any Tranche of Bearer Notes having a maturity of more than 365 days, the Notes in global form, the Notes in definitive form and any Coupons and Talons appertaining thereto will bear a legend to the following effect:

"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."

Registered Notes

Each Tranche of Notes in registered form ("**Registered Notes**") will be represented by either:

(i) individual note certificates in registered form ("**Individual Note Certificates**"); or

(ii) one or more unrestricted global registered notes ("**Unrestricted Global Registered Note(s)**") in the case of Registered Notes sold outside the United States to non-U.S. persons in reliance on Regulation S ("**Unrestricted Registered Notes**") and/or one or more restricted global registered notes ("**Restricted Global Registered Note(s)**") in the case of Registered Notes sold to QIBs in reliance on Rule 144A ("**Restricted Registered Notes**"),

in each case as specified in the relevant Final Terms, and references in this Offering Circular to "**Global Registered Note**" shall be construed as a reference to Unrestricted Global Registered Notes and/or Restricted Global Registered Notes.

Each Note represented by an Unrestricted Global Registered Note will either be: (a) in the case of an Unrestricted Global Registered Note which is not to be held under the New Safekeeping Structure registered in the name of a common depositary (or its nominee) for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and the relevant Unrestricted Global Registered Note will be deposited on or about the issue date with the common depositary; or (b) in the case of an Unrestricted Global Registered Note to be held under the New Safekeeping Structure, be registered in the name of a common safekeeper (or its nominee) for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and the relevant Unrestricted Global Registered Note will be deposited on or about the issue date with the common safekeeper for Euroclear and/or Clearstream, Luxembourg. Each Note represented by a Restricted Global Registered Note will be registered in the name of Cede & Co. (or such other entity as is specified in the applicable Final Terms) as nominee for The Depository Trust Company ("**DTC**") and the relevant Restricted Global Registered Note will be deposited on or about the issue date with the custodian for DTC (the "**DTC Custodian**"). Beneficial interests in Notes represented by a Restricted Global Registered Note may only be held through DTC at any time.

If the relevant Final Terms specify the form of Notes as being "Individual Note Certificates", then the Notes will at all times be in the form of Individual Note Certificates issued to each Noteholder in respect of their respective holdings.

Global Registered Note exchangeable for Individual Note Certificates

If the relevant Final Terms specify the form of Notes as being "Global Registered Note exchangeable for Individual Note Certificates", then the Notes will initially be represented by one or more Global Registered Note each of which will be exchangeable in whole, but not in part, for Individual Note Certificates:

(a) on the expiry of such period of notice as may be specified in the relevant Final Terms; or

(b) at any time, if so specified in the relevant Final Terms; or

(c) if the relevant Final Terms specify "in the limited circumstances described in the Global Registered Note", then:

(i) in the case of any Global Registered Note held by or on behalf of DTC, if DTC notifies the Issuer that it is no longer willing or able to discharge properly its responsibilities as depositary with respect to the Global Registered Note or DTC ceases to be a "clearing agency" registered under the Exchange Act or if at any time DTC is no longer eligible to act as such, and the Issuer is unable to locate a qualified successor within 90 days of receiving notice or becoming aware of such ineligibility on the part of DTC;

(ii) in the case of any Unrestricted Global Registered Note, if Euroclear, Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business; and

(iii) in any case, if any of the circumstances described in Condition 5 (*Events of Default*) occurs.

Whenever a Global Registered Note is to be exchanged for Individual Note Certificates, each person having an interest in a Global Registered Note must provide the Registrar (through the relevant clearing system) with such information as the Issuer and the Registrar may require to complete and deliver Individual Note Certificates (including the name and address of each person in which the Notes represented by the Individual Note Certificates are to be registered and the principal amount of each such person's holding). In addition, whenever a Restricted Global Registered Note is to be exchanged for Individual Note Certificates, each person having an interest in the Restricted Global Registered Note must provide the Registrar (through the relevant clearing system) with a certificate given by or on behalf of the holder of each beneficial interest in the Restricted Global Registered Note stating either (i) that such holder is not transferring its interest at the time of such exchange or (ii) that the transfer or exchange of such interest has been made in compliance with the transfer restrictions applicable to the Notes and that the person transferring such interest reasonably believes that the person acquiring such interest is a QIB and is obtaining such beneficial interest in a transaction meeting the requirements of Rule 144A. Individual Note Certificates issued in exchange for interests in the Restricted Global Registered Note will bear the legends and be subject to the transfer restrictions set out under "*Transfer Restrictions*".

Whenever a Global Registered Note is to be exchanged for Individual Note Certificates, the Issuer shall procure that Individual Note Certificates will be issued in an aggregate principal amount equal to the principal amount of the Global Registered Note within five business days of the delivery, by or on behalf of the registered holder of the Global Registered Note to the Registrar of such information as is required to complete and deliver such Individual Note Certificates against the surrender of the Global Registered Note at the specified office of the Registrar.

Such exchange will be effected in accordance with the provisions of the Fiscal Agency Agreement and the regulations concerning the transfer and registration of Notes scheduled thereto and, in particular, shall be effected without charge to any holder, but against such indemnity as the Registrar may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such exchange.

If:

(a) Individual Note Certificates have not been delivered by 5.00 p.m. (London time) on the thirtieth day after they are due to be issued and delivered in accordance with the terms of the Global Registered Note; or

(b) any of the Notes represented by a Global Registered Note (or any part of it) has become due and payable in accordance with the Terms and Conditions of the Notes or the date for final redemption of the Notes has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the holder of the Global Registered Note in accordance with the terms of the Global Registered Note on the due date for payment,

then, each Relevant Account Holder (as defined in the Global Registered Note) shall be able to enforce against the Issuer all rights ("**Direct Rights**") which the Relevant Account Holder in question would have had if it had been the holder of Individual Note Certificates issued on the issue date of the Global Registered Note in an aggregate principal amount equal to the principal amount of Direct Rights including, without limitation, the right to receive all payments due at any time in respect of such Individual Note Certificates other than payments corresponding to any already made under the Global Registered Note, all in accordance with the provisions of the relevant Global Registered Note.

Terms and Conditions applicable to the Notes

The terms and conditions applicable to any Individual Note Certificate will be endorsed on that Individual Note Certificate and will consist of the terms and conditions set out under "*Terms and Conditions of the Notes*" below and the provisions of the relevant Final Terms which supplement those terms and conditions.

The terms and conditions applicable to any Global Registered Note will differ from those terms and conditions which would apply to the Note were it in definitive form to the extent described under "*Summary of Provisions Relating to the Notes while in Global Form*" below.

SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM

Clearing System Accountholders

In relation to any Tranche of Notes represented by a Global Note, references in the Terms and Conditions of the Notes to "**holders of Bearer Notes**" are references to the bearer of the relevant Global Note which, for so long as the Global Note is held by a depositary or a common depositary, in the case of each Global Note which is not intended to be issued in new global note form (a "**Classic Global Note**" or a "**CGN**"), or a common safekeeper, in the case of an NGN, for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, will be that depositary or common depositary or, as the case may be, common safekeeper.

In relation to any Tranche of Notes represented by one or more Global Registered Note, references in the Terms and Conditions of the Notes to "Noteholder" are references to the person in whose name the relevant Global Registered Note is for the time being registered in the register kept by the Registrar (the "**Register**") which (a) in the case of a Restricted Global Registered Note will be Cede & Co. (or such other entity as is specified in the applicable Final Terms) as nominee for DTC; and (b) in the case of any Unrestricted Global Registered Note which is held by or on behalf of a depositary or a common depositary or a common safekeeper for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, will be that depositary or common depositary or common safekeeper or a nominee for that depositary or common depositary or common safekeeper.

Each of the persons shown in the records of DTC, Euroclear, Clearstream, Luxembourg and/or any other relevant clearing system as being entitled to an interest in a Global Note or a Global Registered Note (each an "**Accountholder**") must look solely to DTC, Euroclear, Clearstream, Luxembourg and/or such other relevant clearing system (as the case may be) for such Accountholder's share of each payment made by the Issuer to the holder of such Global Note or Global Registered Note and in relation to all other rights arising under such Global Note or Global Registered Note. The extent to which, and the manner in which, Accountholders may exercise any rights arising under a Global Note or Global Registered Note will be determined by the respective rules and procedures of DTC, Euroclear and Clearstream, Luxembourg and any other relevant clearing system from time to time. For so long as the relevant Notes are represented by a Global Note or Global Registered Note, Accountholders shall have no claim directly against the Issuer in respect of payments due under the Notes and such obligations of the Issuer will be discharged by payment to the holder of such Global Note or Global Registered Note.

Transfers of Interests in Global Notes and Global Registered Note

Transfers of interests in Global Notes and Global Registered Note within DTC, Euroclear and Clearstream, Luxembourg or any other relevant clearing system will be in accordance with their respective rules and operating procedures. None of the Issuer, the Registrar, the Dealers, the Exchange Agent, the Transfer Agent or the Paying Agents will have any responsibility or liability for any aspect of the records of any DTC, Euroclear and Clearstream, Luxembourg or any other relevant clearing system or any of their respective participants relating to payments made on account of beneficial ownership interests in a Global Note or Global Registered Note or for maintaining, supervising or reviewing any of the records of DTC, Euroclear and Clearstream, Luxembourg or any other relevant clearing system or the records of their respective participants relating to such beneficial ownership interests.

The laws of some states of the United States require that certain persons receive individual certificates in respect of their holdings of Notes. Consequently, the ability to transfer interests in a Global Registered Note to such persons will be limited. Because clearing systems only act on behalf of participants, who in turn act on behalf of indirect participants, the ability of a person having an interest in a Global Registered Note to pledge such interest to persons or entities which do not participate in the relevant clearing systems, or otherwise take actions in respect of such interest, may be affected by the lack of an Individual Note Certificate representing such interest.

Subject to compliance with the transfer restrictions applicable to the Registered Notes described under "*Transfer Restrictions*", transfers between DTC participants, on the one hand, and Euroclear or Clearstream, Luxembourg Accountholders, on the other will be effected by the relevant clearing systems in accordance with their respective rules and through action taken by the DTC Custodian, the Registrar and the Fiscal Agent.

On or after the issue date for any Series, transfers of Notes of such Series between Accountholders in Euroclear and/or Clearstream, Luxembourg and transfers of Notes of such Series between participants in DTC will generally have a settlement date three business days after the trade date (T+3). The customary arrangements for delivery versus payment will apply to such transfers.

Transfers between DTC participants, on the one hand, and Euroclear or Clearstream, Luxembourg Accountholders, on the other will need to have an agreed settlement date between the parties to such transfer. Because there is no direct link between DTC, on the one hand, and Euroclear and Clearstream, Luxembourg, on the other, transfers of interests in the relevant Global Registered Notes will be effected through the Transfer Agent, the DTC Custodian, the relevant Registrar and any applicable Transfer Agent receiving instructions (and where appropriate certification) from the transferor and arranging for delivery of the interests being transferred to the credit of the designated account for the transferee. Transfers will be effected on the later of (i) three business days after the trade date for the disposal of the interest in the relevant Global Registered Note resulting in such transfer and (ii) two business days after receipt by the Transfer Agent or the Registrar, as the case may be, of the necessary certification or information to effect such transfer. In the case of cross-market transfers, settlement between Euroclear or Clearstream, Luxembourg Accountholders and DTC participants cannot be made on a delivery versus payment basis. The securities will be delivered on a free delivery basis and arrangements for payment must be made separately. The customary arrangements for delivery versus payment between Euroclear and Clearstream, Luxembourg account holders or between DTC participants are not affected.

For a further description of restrictions on the transfer of Notes, see "*Subscription and Sale*" and "*Transfer Restrictions*".

Upon the issue of a Restricted Global Registered Note to be held by or on behalf of DTC, DTC or the DTC Custodian will credit the respective nominal amounts of the individual beneficial interests represented by such Global Registered Note to the account of DTC participants. Ownership of beneficial interests in such Global Registered Note will be held through participants of DTC, including the respective depositaries of Euroclear and Clearstream, Luxembourg. Ownership of beneficial interests in such Global Registered Note will be shown on, and the transfer of such ownership will be effected only through, records maintained by DTC or its nominee. DTC has advised the Issuer that it will take any action permitted to be taken by a holder of Registered Notes represented by a Global Registered Note held by or on behalf of DTC (including, without limitation, the presentation of such Global Registered Notes for exchange as described above) only at the direction of one or more participants in whose account with DTC interests in such Global Registered Note are credited, and only in respect of such portion of the aggregate nominal amount of such Global Registered Note as to which such participant or participants has or have given such direction. However, in certain circumstances, DTC will exchange the relevant Global Registered Note for Individual Note Certificates (which will bear the relevant legends set out in "*Transfer Restrictions*").

Although DTC, Euroclear and Clearstream, Luxembourg have agreed to the foregoing procedures in order to facilitate transfers of interests in the Global Registered Note among participants and account holders of DTC, Euroclear and Clearstream, Luxembourg, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. None of the Issuer, the Registrar, the Dealers the Exchange Agent, the Transfer Agent or the Paying Agents will have any responsibility for the performance by DTC, Euroclear or Clearstream, Luxembourg or their respective direct or indirect participants or account holders of their respective obligations under the rules and procedures governing their respective operations.

While a Global Registered Note is lodged with DTC, Euroclear, Clearstream, Luxembourg or any relevant clearing system, Individual Note Certificates for the relevant Series of Notes will not be eligible for clearing and settlement through such clearing systems.

Conditions applicable to Global Notes and Global Registered Note

Each Global Note and Global Registered Note will contain provisions which modify the Terms and Conditions of the Notes as they apply to the Global Note or Global Registered Note. The following is a summary of certain of those provisions:

Payments: All payments in respect of the Global Note or Global Registered Note which, according to the Terms and Conditions of the Notes, require presentation and/or surrender of a Note, Note Certificate or

Coupon will be made against presentation and (in the case of payment of principal in full with all interest accrued thereon) surrender of the Global Note or Global Registered Note to or to the order of any Paying Agent and will be effective to satisfy and discharge the corresponding liabilities of the Issuer in respect of the Notes. On each occasion on which a payment of principal or interest is made in respect of the Global Note, the Issuer shall procure that in respect of a CGN the payment is noted in a schedule thereto and in respect of an NGN the payment is entered *pro rata* in the records of Euroclear and Clearstream, Luxembourg.

Payment Business Day: In the case of a Global Note, or a Global Registered Note, shall be, if the currency of payment is euro, any day which is a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre; or, if the currency of payment is not euro, any day which is a day on which dealings in foreign currencies may be carried on in the Principal Financial Centre of the currency of payment and in each (if any) Additional Financial Centre.

Payment Record Date: Each payment in respect of a Global Registered Note will be made to the person shown as the Noteholder in the Register at the close of business (in the relevant clearing system) on the Clearing System Business Day before the due date for such payment (the "**Record Date**") where "**Clearing System Business Day**" means a day on which each clearing system for which the Global Registered Note is being held is open for business.

Exercise of put option: In order to exercise the option contained in Condition 8.6 (*Optional Early Redemption (Investor Put)*) the bearer of a Permanent Global Note or the holder of a Global Registered Note must, within the period specified in the Terms and Conditions of the Notes for the deposit of the relevant Note and put notice, give written notice of such exercise to the Fiscal Agent specifying the principal amount of Notes in respect of which such option is being exercised. Any such notice will be irrevocable and may not be withdrawn.

Partial exercise of call option: In connection with an exercise of the option contained in Condition 8.4 (*Optional Early Redemption (Issuer Call)*) in relation to some only of the Notes, the Permanent Global Note or Global Registered Note may be redeemed in part in the principal amount specified by the Issuer in accordance with the Terms and Conditions of the Notes and the Notes to be redeemed will not be selected as provided in the Terms and Conditions of the Notes but in accordance with the rules and procedures of DTC, Euroclear and/or Clearstream, Luxembourg (to be reflected in the records of DTC, Euroclear and/or Clearstream, Luxembourg as either a pool factor or a reduction in principal amount, at their discretion).

Notices: Notwithstanding Condition 14 (*Notices*), while all the Notes are represented by a Permanent Global Note (or by a Permanent Global Note and/or a Temporary Global Note) or a Global Registered Note and the Permanent Global Note is (or the Permanent Global Note and/or the Temporary Global Note are), or the Global Registered Note is, registered in the name of DTC's nominee or deposited with a depositary or a common depositary for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system or a common safekeeper, notices to Noteholders may be given by delivery of the relevant notice to DTC and/or Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and, in any case, such notices shall be deemed to have been given to the Noteholders in accordance with Condition 14 (*Notices*) on the date of delivery to DTC and/or Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system.

TERMS AND CONDITIONS OF THE NOTES

*The following are the Terms and Conditions of the Notes (the "**Conditions**") which (subject to completion by the relevant Final Terms or, as applicable, the relevant Pricing Supplement) will be applicable to each Series of Notes.*

*In the case of a Tranche of Notes which will not be admitted to listing, trading on a regulated market for the purposes of the Markets in Financial Instruments Directive (Directive 2004/39/EC) in the European Economic Area and/or quotation by any competent authority, stock exchange and/or quotation system (the "**Unlisted Notes**") and, accordingly, for which no base prospectus is required to be produced in accordance with Directive 2003/71/EC, as amended, a pricing supplement (a "**Pricing Supplement**") will be issued describing the final terms of such Tranche of Unlisted Notes. Each reference in these terms and conditions to "**Final Terms**" shall, in the case of a Tranche of Unlisted Notes, be read and construed as a reference to such Pricing Supplement unless the context requires otherwise.*

*Words and expressions defined in the Fiscal Agency Agreement or used in the applicable Final Terms shall have the same meanings where used in these Conditions unless the context otherwise requires or unless otherwise stated and **provided that**, in the event of inconsistency between the Fiscal Agency Agreement and the applicable Final Terms, the applicable Final Terms will prevail.*

The Notes are issued in accordance with an amended and restated fiscal agency agreement (the "**Fiscal Agency Agreement**", which expression shall include any amendments or supplements thereto) dated 21 June 2017 and made between NIBC Bank N.V. (the "**Issuer**"), Citibank, N.A., London Branch in its capacities as exchange agent (the "**Exchange Agent**"), as fiscal agent (the "**Fiscal Agent**", which expression shall include any successor to Citibank, N.A., London Branch in its capacity as such), as principal registrar (the "**Principal Registrar**", which expression shall include any successor to Citibank, N.A., London Branch in its capacity as such) and as transfer agent (the "**Transfer Agent**"), Citibank, N.A., New York Office in its capacity as alternative registrar (the "**Alternative Registrar**", which expression shall include any successor to Citibank, N.A., New York Office in its capacity as such) and the paying agents named therein (the "**Paying Agents**", which expression shall include the Fiscal Agent and any substitute or additional paying agents appointed in accordance with the Fiscal Agency Agreement).

As used herein, "**Tranche**" means Notes which are identical in all respects (including as to listing and admission to trading) and "**Series**" means a Tranche of Notes or together with any further Tranche or Tranches of Notes which are (i) expressed to be consolidated and form a single series and (ii) identical in all respects (including as to listing and admission to trading) except for their respective Issue Dates, Interest Commencement Dates and/or Issue Prices.

A Note may be a Fixed Rate Note, a Floating Rate Note, a CMS-Linked Interest Note, an Index Linked Note, a Zero Coupon Note or a Range Accrual Note.

Bearer Notes are issued with Coupons and, if specified in the applicable Final Terms, a talon ("**Talon**") attached, unless they are Zero Coupon Notes in which case references to Coupons, Talons and Couponholders in these Conditions are not applicable.

A copy of the Fiscal Agency Agreement is available for inspection during normal business hours at the specified office of each of the Paying Agents, the Principal Registrar and the Alternative Registrar. Copies of the applicable Final Terms are available for viewing at the address of the relevant Dealer and copies may be obtained from the same, save that, if the relevant Notes are neither admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Directive, the applicable Final Terms will only be obtainable by a Noteholder holding one or more Notes and such Noteholder must produce evidence satisfactory to the Issuer and the Fiscal Agent or, as the case may be, and the relevant Paying Agent as to its holding of such Notes and identity. The Noteholders, the Couponholders and all persons from time to time entitled to the benefit of obligations under any Notes are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Fiscal Agency Agreement and the applicable Final Terms which are applicable to them. The statements in the Conditions include summaries of, and are subject to, the detailed provisions of the Fiscal Agency Agreement.

The price and amount of Notes to be issued under the Programme will be determined by the Issuer and the relevant Dealer(s) at the time of issue in accordance with prevailing market conditions.

Definitions

In these Conditions:

"**2006 ISDA Definitions**" has the meaning given thereto in Condition 4 (*Interest*).

"**Additional Business Centre(s)**" means TARGET2 and/or the city or cities, each specified as such in the relevant Final Terms.

"**Additional Disruption Event**" means a Change of Law and/or Hedging Disruption, in each case if specified in the applicable Final Terms.

"**Additional Financial Centre(s)**" means the city or cities specified as such in the relevant Final Terms.

"**Affiliate**" means, in relation to any entity (the "**First Entity**"), any entity controlled, directly or indirectly, by the First Entity, any entity that controls, directly or indirectly, the First Entity or any entity directly or indirectly under common control with the First Entity. For these purposes "**control**" means ownership of a majority of the voting power of an entity.

"**Alternative Reference Cut-Off Date**" means the date detailed in accordance with the applicable Final Terms.

"**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.

"**Asian-Out Observation Dates**" means, (i) each date specified as such in the applicable Final Terms; or (ii) each date determined by the Calculation Agent in accordance with the applicable Final Terms, **provided that** each such date is an Observation Date.

"**Average Basket Level**" means, in respect of any time, the level of the Basket calculated by the Calculation Agent on the basis of the average levels of the respective Basket Components at such time in accordance with the Weighting specified in the applicable Final Terms for each such respective Basket Component.

"**Basket**" means a basket comprising the Basket Components specified as such in the applicable Final Terms.

"**Basket Component**" means, in respect of a Basket, any Index comprised in such Basket.

"**Business Day**" means:

(i) in relation to any sum payable in euro, a TARGET Settlement Day and a day on which commercial banks and foreign exchange markets settle payments generally in each (if any) Additional Business Centre (other than TARGET2);

(ii) if TARGET2 is specified as an Additional Business Centre in the applicable Final Terms, a day on which TARGET2 is open;

(iii) in relation to any sum payable in a currency other than euro, a day on which commercial banks and foreign exchange markets settle payments generally in London, in the Principal Financial Centre of the relevant currency and in each (if any) Additional Business Centre; and

(iv) in any other case, a day on which banks are generally open for business in The Hague, The Netherlands, and in each (if any) Additional Business Centre.

"**Calculation Agent**" means the Calculation Agent as specified in the applicable Final Terms, which for the avoidance of doubt, will not be Citibank N.A., London Branch (in its capacity as Fiscal Agent, Exchange Agent, Paying Agent, Principal Registrar and/or Transfer Agent under the Fiscal Agency Agreement) where the relevant Notes are Index Linked Notes or Range Accrual Notes.

"**Change of Law**" means, on or after the Issue Date (or such other date set forth in the Final Terms), (a) due to the adoption of, or any change in, any applicable law, regulation, rule, order, ruling or procedure (including, without limitation, any tax law and any regulation, rule, order, ruling or procedure of any applicable regulatory authority, tax authority and/or any exchange) or (b) due to any change in, or introduction of, any interpretation by any court, tribunal or regulatory authority with competent jurisdiction (including, without limitation, any relevant exchange or trading facility) of any applicable law or regulation (including any action taken by a taxing authority) whether or not in effect on or after the Issue Date, the Issuer determines that:

(i) it has (or it expects that it will) become illegal for the Issuer or any of its Affiliates to (a) hold, acquire or dispose of any Component Security of the Index or to enter into transactions on or relating to any Component Security of the Index or (b) perform its obligations under the Notes (including, without limitation, due to any regulatory re- categorisation of the Notes); or

(ii) the Issuer or any of its Affiliates would (or would expect to) incur a materially increased cost in (a) holding, acquiring or disposing of any Component Security of the Index, (b) maintaining, entering into or unwinding any Hedging Arrangement and/or (c) performing its obligations under the Notes (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position).

"**Common Scheduled Trading Day**" means, in respect of a Basket, each day which is a Scheduled Trading Day for all the Basket Components in the Basket.

"**Common Valid Date**" means, in respect of a Basket, a Common Scheduled Trading Day that is not a Disrupted Day for any Basket Component and on which another Asian-Out Observation Date does not or is deemed not to occur.

"**Competent Authority**" means the Dutch Central Bank (*De Nederlandsche Bank N.V.*) and any successor or replacement thereto, or other authority having primary responsibility for the prudential oversight and supervision of the Issuer, as determined by the Issuer.

"**Component Security**" means, in respect of an Index, any shares, equity options or other component comprised in such Index. If the Index itself comprises or includes one or more other Indices, "Component" shall be read and construed as the relevant underlying shares, equity options or other components.

"**Conditional Coupon Observation Date(s)**" means (i) if "Specified Date(s)" is specified as applicable in the applicable Final Terms, each date specified as such in the applicable Final Terms; or (ii) if "Specified Period(s)" is specified as applicable in the applicable Final Terms, each date occurring during the relevant Conditional Coupon Observation Period(s), **provided that** each such date is an Observation Date.

"**Conditional Coupon Observation Period(s)**" means each period specified as such in the applicable Final Terms, **provided that**, if no such period is specified, the Conditional Coupon Observation Period(s) shall be the Interest Period(s).

"**Coupon Barrier**" means the level specified as such in the applicable Final Terms.

"**Couponholders**" means the holders of the Coupons and shall, unless the context otherwise requires, include the holders of the Talons.

"**CRD IV**" means together, (i) the CRD IV Directive, (ii) the CRR and (iii) the Future Capital Requirements Regulations.

"**CRD IV 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).

"**CRR**" 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).

"**Date**" means any Asian-Out Observation Date, Conditional Coupon Observation Date, Final Valuation Date, Initial Valuation Date, a Range Accrual Observation Date or in the case of Range Accrual Notes only, an Interest Determination Date as the case may be.

"**Disrupted Day**" means, in respect of the Index, any Scheduled Trading Day on which (i) the relevant Index Sponsor fails to publish the Index Level of the Index, (ii) the relevant Exchange fails to open for trading during its regular trading session, (iii) any Related Exchange fails to open for trading during its regular trading session or (iv) on which a Market Disruption Event has occurred.

"**Early Closure**" means the closure on any Exchange Business Day of any relevant Exchange or any Related Exchange prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange(s) or such Related Exchange(s) at least one hour prior to the earlier of (i) the actual closing time for the regular trading session on such Exchange(s) or such Related Exchange(s) on such Exchange Business Day and (ii) the submission deadline for orders to be entered into the relevant Exchange(s) or such Related Exchange(s) system(s) for execution at the Valuation Time on such Exchange Business Day.

"**EURIBOR**" means, in respect of any specified currency and any specified period, the Eurozone inter-bank offered rate for that currency and period displayed on the appropriate page (being currently Reuters screen page EURIBOR01 or EURIBOR02) on the information service that publishes that rate.

"**Exchange**" means, in respect of an Index, (i) the "Exchange" specified in the applicable Final terms; or (ii) if no such specification is made and in respect of any securities comprising the Index, the stock exchanges (from time to time) on which, in the determination of the Issuer, such securities are listed, or any successor to any such exchange or quotation system or any substitute exchange or quotation system to which trading in such securities has temporarily been relocated (**provided that** the Calculation Agent has determined that there is comparable liquidity relative to such securities on such successor or substitute exchange or quotation system as on the original Exchange).

"**Exchange Business Days**" means any Scheduled Trading Day on which the relevant Exchange and each Related Exchange are open for trading during their respective regular trading sessions, notwithstanding the relevant Exchange or any relevant Related Exchange closing prior to its Scheduled Closing Time.

"**Exchange Disruption**" means, in respect of any Index, any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general or the Issuer specifically:

(i) to effect transactions in, or obtain market values for:

(A) if the securities comprised in the relevant Index are listed on multiple Exchanges, any such securities comprised in the Index on such single or any relevant Exchange; and

(B) if the securities comprised in the relevant Index are listed on a single Exchange, securities that comprise 20 per cent. or more of the level of the relevant Index on the relevant Exchange; or

(ii) to effect transactions in, or obtain market values for, futures or options contracts relating to such Index (or any securities comprised in such Index), as the case may be, on any relevant Related Exchange.

"**FATCA**" refers to sections 1471-1474 of the United States Internal Revenue Code of 1986, as amended, enacted by the United States as part of the HIRE Act in March 2010 (commonly referred to as Foreign Account Tax Compliance Act).

"**Floating Rate Note**" means a Note in respect of which the amount of interest payable is calculated by reference to Condition 4(c) not being a CMS-Linked Interest Note.

"**Final Reference Level**" means (i) the Reference Level determined by the Calculation Agent at the Scheduled Closing Time on the Final Valuation Date; or (ii) if "Asian-Out" is specified as being "Applicable" in the applicable Final Terms, the arithmetic mean of the Reference Levels determined by the Calculation Agent at the Scheduled Closing Time on each of the Asian-Out Observation Dates in accordance with the applicable Final Terms.

"**Final Valuation Date**" means the date specified as such in the applicable Final Terms **provided that** such date is an Observation Date.

"**Fixed Rate Note**" means a Note with a fixed rate of interest.

"**Future Capital Requirements Regulations**" means any regulatory capital rules implementing the CRR or the CRD IV 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 EC, 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 competent 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 CRR or (ii) the CRD IV Directive.

"**Gearing**" means the multiple or fraction specified as such in the applicable Final Terms. The value of the Gearing may be lower than, equal to or higher than 1 (one) or 100 per cent. but not lower than or equal to 0 (zero) or 0 per cent.

"**Hedging Arrangement**" means any hedging arrangements entered into by the Issuer and/or its Affiliates at any time with respect to the Notes, including, without limitation, the entry into of any transaction(s) and/or the purchase and/or sale of any Component Security of the Index or any other asset(s) to hedge the equity price risk of entering into and performing the obligations of the Issuer under the Notes and any associated foreign exchange transactions.

"**Hedging Disruption**" means the Issuer and/or its Affiliates is/are unable, after using commercially reasonable efforts, to (i) hold, acquire, re-establish, substitute, maintain, unwind or dispose of any Component Securities of the Index and/or any Hedging Arrangement; and/or (ii) realise, recover or remit the proceeds of any Component Securities of the Index and/or any Hedging Arrangement.

"**Index**" means (i) in the case where "Single Reference Asset Level" is specified as the applicable Reference Level in the applicable Final Terms, the index specified as "Index" in the applicable Final Terms, or (ii) in the case where "Average Basket Level" or "Worst Performer of Basket" is specified as the applicable Reference Level, any of the indices specified as being a component of the Basket specified in the applicable Final Terms and in such case a reference to "Index" shall be read as a reference to "Basket Component".

"**Index Cancellation**" means, in respect of an Index, the Index Sponsor cancels the Index and no Successor Index exists.

"**Index Correction Period**" means the period specified as such (if any) in the applicable Final Terms.

"**Index Disruption**" means, in respect of any Index, the Index Sponsor fails to calculate and announce the Index Level.

"**Index Level**" means, in respect of any Index, on any relevant time, the level of such Index at such time, as calculated and published by the Index Sponsor.

"**Index Linked Interest Note**" means a Note for which the Index Linked Interest Provisions are specified as "Applicable" in the applicable Final Terms.

"**Index Linked Note**" means a Note which is an Index Linked Interest Note and/or an Index Linked Redemption Note.

"**Index Linked Redemption Note**" means a Note for which Condition 8.2 (*Index Linked Redemption*) is specified as "Applicable" in the applicable Final Terms.

"**Index Modification**" means, in respect of an Index, the Index Sponsor announces that it will make (in the opinion of the Issuer) a material change in the formula for or the method of calculating the Index, or in any other way materially modifies the Index (other than a modification prescribed in that formula or method to maintain the Index in the event of changes in constituent securities and capitalisation and other routine events).

"**Index Sponsor**" means, unless otherwise specified in the applicable Final Terms, the corporation or entity as determined by the Calculation Agent that: (i) is responsible for setting and reviewing the rules and procedures and the methods of calculation and adjustments, if any, related to the Index; and (ii) announces (directly or through an agent) the level of the Index on a regular basis during each Scheduled Trading Day, failing whom, the Index Sponsor shall be such person acceptable to the Calculation Agent who calculates and announces the Index or any agent or person acting on behalf of such person.

"**Initial Reference Level**" means (i) the level of the Index specified in the applicable Final Terms or (ii) determined by the Calculation Agent on the Valuation Time on the Initial Valuation Date specified in the applicable Final Terms.

"**Initial Valuation Date**" means the date specified as such in the applicable Final Terms **provided that** such date is an Observation Date.

"**LIBOR**" means, in respect of any specified currency and any specified period, the London interbank offered rate for that currency and period displayed on the appropriate page (being currently Reuters screen page LIBOR01 and LIBOR02) on the information service which publishes that rate.

"**Market Disruption Event**" means, in respect of the Index, the occurrence or existence on any Scheduled Trading Day of:

(i) a Trading Disruption; or

(ii) an Exchange Disruption,

which in either case the Calculation Agent determines in its sole discretion is material, at any time during the one-hour period that ends at the relevant Valuation Time; or

(iii) an Early Closure,

provided that, if the securities comprised in the Index are listed on multiple Exchanges, the securities comprised in the Index in respect of which an Early Closure, an Exchange Disruption and/or a Trading Disruption occurs or exists amount, in the determination of the Issuer, in aggregate to 20 per cent. or more of the level of the Index.

For the purpose of determining whether a Market Disruption Event exists at any time in respect of a security included in the Index at any time, then the relevant percentage contribution of that security to the level of such Index shall be based on a comparison of (x) the portion of the Index Level attributable to that security and (y) the overall level of such Index, in each case immediately before the occurrence of such Market Disruption Event, as determined by the Calculation Agent.

"**Maximum Redemption Amount**" means the amount (if any) specified as such in the applicable Final Terms.

"**Minimum Redemption Amount**" means the amount specified in the applicable Final Terms as being the Minimum Redemption Amount per Specified Denomination.

"**Noteholders**" or "**holders**" in relation to any Notes means the holders of the Notes.

"**Number of Extension Business Days**" means, if "Interest Payment Date Extension" or "Maturity Date Extension" is specified in the applicable Final Terms as being "Applicable", the Number of Extension Business Days is as specified in the applicable Final Terms, or, if not so specified, is:

(i) in respect of a Maturity Date Extension, the number of Business Days that the Scheduled Maturity Date falls after the Scheduled Reference Date falling immediately prior to the Scheduled Maturity Date; or

(ii) in respect of an Interest Payment Date Extension, the number of Business Days that the Scheduled Interest Payment Date falls after the Scheduled Reference Date, falling immediately prior to the relevant Scheduled Interest Payment Date,

and which in any case shall not be fewer than five Business Days.

"**Observation Date**" means, in respect of an Index:

(i) in the case where (a) "Single Reference Asset Level" is specified as the applicable Reference Level in the applicable Final Terms or (b) "Average Basket Level" or "Worst Performer of Basket" is specified as the applicable Reference Level in the applicable Final Terms and "Common Scheduled Trading Days" is specified therein as "Not Applicable": a Scheduled Trading Day in respect of such Index and otherwise the Observation Date shall be the immediately following Scheduled Trading Day; or

(ii) in the case where the applicable Final Terms provide that "Common Scheduled Trading Days" shall be "Applicable": a Common Scheduled Trading Day and otherwise the Observation Date shall be the immediately following Common Scheduled Trading Day,

provided further that, if any such date under (i) or (ii) above (following any adjustment (if applicable)) is a Disrupted Day, the Observation Date shall be determined in accordance with the provisions of Condition 9.2 (*Disrupted Days*).

"**Payment Business Day**" means:

(a) if the currency of payment is euro, any day which is:

(i) a day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and

(ii) in the case of payment by transfer to an account, a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre; or

(b) if the currency of payment is not euro, any day which is:

(i) a day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and

(ii) in the case of payment by transfer to an account, a day on which dealings in foreign currencies may be carried on in the Principal Financial Centre of the currency of payment and in each (if any) Additional Financial Centre;

"**Principal Financial Centre**" means, in relation the Notes denominated in a currency other than euro, such financial centre or centres as may be specified in relation to the relevant currency for the purposes of the definition of "Business Day" in the 2006 ISDA Definitions and, in relation to Notes denominated in euro, the principal financial centre of any of the member states in the Euro-zone;

"**Product Parameter**" means each of: Coupon Barrier, Date, Final Redemption Amount, Final Reference Level, Gearing, Initial Reference Level, Maximum Redemption Amount, Minimum Redemption Amount, Specified Denomination, Reference Level, Strike Level and/or Valuation Time.

"**Reference Cut-Off Date**" means:

(i) in respect of any Scheduled Reference Date relating to an Interest Payment Date, and:

(a) where Interest Payment Date Extension is specified in the applicable Final Terms as being "Applicable":

(A) in the case where "Average Basket Level" or "Worst Performer of Basket" is specified as the applicable Reference Level in the applicable Final Terms and "Common Scheduled Trading Days" and "Common Disrupted Days" are both specified therein as being "Applicable", the eighth (or such other number specified in the applicable Final Terms as "Alternative Reference Cut-Off Date") Scheduled Trading Day following such Scheduled Reference Date (disregarding for such purposes whether or not a Common Scheduled Trading Day is a Disrupted Day); or

(B) in any other case, the eighth (or such other number specified in the applicable Final Terms as "Alternative Reference Cut-Off Date") Scheduled Trading Day following such Scheduled Reference Date (disregarding for such purposes whether or not a Common Scheduled Trading Day is a Disrupted Day); or

(b) where Interest Payment Date Extension is specified in the applicable Final Terms as being "Not Applicable", the earlier of (A) the date that would be determined in accordance with paragraph (i)(a) above, and (B) the last Scheduled Trading Day that falls no later than the second (or such other number specified in the applicable Final Terms as "Alternative Reference Cut-Off Date") Business Day immediately preceding such Interest Payment Date (disregarding for such purposes whether or not a Common Scheduled Trading Day is a Disrupted Day); and

(ii) in respect of any Scheduled Reference Date relating to the Maturity Date or in respect of any Scheduled Reference Date which is an Asian-Out Observation Date, and:

(a) where Maturity Date Extension is specified in the applicable Final Terms as being "Applicable":

(A) in the case where "Average Basket Level" or "Worst Performer of Basket" is specified as the applicable Reference Level in the applicable Final Terms and "Common Scheduled Trading Days" and "Common Disrupted Days" are both specified therein as being "Applicable", the eighth (or such other number specified in the applicable Final Terms as "Alternative Reference Cut-Off Date") Common Scheduled Trading Day following such Scheduled Reference Date (disregarding for such purposes whether or not a Common Scheduled Trading Day is a Disrupted Day); or

(B) in any other case, the eighth (or such other number specified in the applicable Final Terms as "Alternative Reference Cut-Off Date") Scheduled Trading Day following such Scheduled Reference Date (disregarding for such purposes whether or not a Scheduled Trading Day is a Disrupted Day); or

(b) where Maturity Date Extension is specified in the applicable Final Terms as being "Not Applicable", the earlier of (A) the date that would be determined in accordance with paragraph (ii)(a) above, and (B) the last Scheduled Trading Day that falls no later than the second (or such other number specified in the applicable Final Terms as Alternative Reference Cut-Off Date") Business Day immediately preceding the Maturity Date (disregarding for such purposes whether or not a Scheduled Trading Day is a Disrupted Day); and

(iii) in respect of any Scheduled Reference Date which is the Initial Valuation Date:

(a) in the case where the "Average Basket Level" or "Worst Performer of Basket" is specified as "Applicable" and the applicable Final Terms provide that "Common Scheduled Trading Days" and "Common Disrupted Days" shall both be applicable, the

eighth (or such other number specified in the applicable Final Terms as "**Alternative Reference Cut-Off Date**") Common Scheduled Trading Day following the Initial Valuation Date (disregarding for such purposes whether or not a Common Scheduled Trading Day is a Disrupted Day); or

(b) in any other case, the eighth (or such other number specified in the applicable Final Terms) Scheduled Trading Day following such Initial Valuation Date (disregarding for such purposes whether or not a Scheduled Trading Day is a Disrupted Day).

"**Reference Date**" means each Date, in each case, for the avoidance of doubt, subject to adjustment in accordance with Condition 9.2 (*Disrupted Days*) or Condition 9.3 (*Date Extensions*).

"**Reference Level**" means (i) Single Reference Asset Level; (ii) Average Basket Level; or (iii) Worst Performer of Basket, as specified in the Final Terms.

"**Related Exchange**" means, in respect of an Index:

(i) each exchange or quotation system where trading has a material effect (as determined by the Calculation Agent) on the overall market for futures or options contracts relating to such Index; or

(ii) such other options or futures exchange(s) as the Issuer may select, any transferee exchange or quotation system or any successor to any such exchange or quotation system or any substitute exchange or quotation system to which trading in futures or options contracts relating to the Index has temporarily relocated (**provided that** the Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to such Index on such temporary substitute exchange or quotation system as on the original Related Exchange).

"**Relevant Resolution Authority**" means the Dutch Central Bank (*De Nederlandsche Bank N.V.*) or other regulatory authority or governmental body having the power to impose Statutory Loss Absorption (as defined in Condition 8.12 (*Statutory Loss Absorption of Subordinated Notes*)) on the Subordinated Notes pursuant to the Applicable Resolution Framework.

"**Scheduled Asian-Out Observation Date**" means an original date (following any adjustment (if applicable) pursuant to sub-paragraph (i) or (ii) in the definition of "Observation Date") that, but for such day being a Disrupted Day, would have been an Asian-Out Observation Date.

"**Scheduled Closing Time**" means, in respect of the Exchange or Related Exchange and a Scheduled Trading Day, the scheduled weekday closing time of the Exchange or Related Exchange on such Scheduled Trading Day, without regard to after hours or any other trading outside of the regular trading session hours.

"**Scheduled Opening Time**" means, in respect of the Exchange or Related Exchange and a Scheduled Trading Day, the scheduled weekday opening time of the Exchange or Related Exchange on such Scheduled Trading Day, without regard to any trading outside of the regular trading session hours.

"**Scheduled Reference Date**" means an original date (following any adjustment (if applicable) pursuant to sub-paragraph (i) or (ii) in the definition of "Observation Date") that, but for such day being a Disrupted Day, would have been an Observation Date.

"**Scheduled Trading Day**" means any day on which the Index Sponsor is scheduled to publish the level of the Index and any day on which the relevant Exchange and each Related Exchange is scheduled to be open for trading for its regular trading session.

"**Securities Act**" means the United States Securities Act of 1933, as amended.

"**Senior Note**" means a Note that does not constitute a Subordinated Note.

"**Single Reference Asset Level**" means the level of the Index specified in the applicable Final Terms as the "Reference Asset".

"**Strike Level**" means the level specified as such in the applicable Final Terms.

"**Subordinated Note**" means a Note specified in the applicable Final Terms as being "Subordinated Notes".

"**Subordinated Noteholders**" or "holders" in relation to any Subordinated Notes means the holders of the Subordinated Notes.

"**Successor Index**" means, where the Index is (i) not calculated and announced by the Index Sponsor but is calculated and announced by a successor sponsor acceptable to the Calculation Agent or (ii) replaced by a successor index using, in the determination of the Calculation Agent, the same or a substantially similar formula for and method of calculation as used in the calculation of the Index, such successor index or index calculated and announced by the successor sponsor.

"**TARGET 2**" means the Trans-European Automated Real-time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007.

"**TARGET Settlement Day**" means any day on which TARGET 2 is open for the settlement of payments in euro.

"**Trading Disruption**" means, in respect of an Index, any suspension of or limitation imposed on trading by an Exchange or a Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or the relevant Related Exchange or otherwise: (i) if the securities comprised in the Index are listed on multiple Exchanges, on any relevant Exchange(s) relating to any security comprised in such Index or, if the securities comprised in the Index are listed on a single Exchange, on the Exchange relating to securities that comprise 20 per cent. or more of the level of the Index; or (ii) in futures or options contracts relating to such Index on a Related Exchange.

"**Valid Date**" means a Scheduled Trading Day that is not a Disrupted Day and on which another Asian-Out Observation Date does not or is not deemed to occur.

"**Valuation Time**" means (i) if "End of Day" is specified as being "Applicable" in the applicable Final Terms, in respect of any date, the Scheduled Closing Time of the Exchange on such date; or (ii) if "Intra-Day" is specified as being "Applicable" in the applicable Final Terms, on a continuous intra-day basis from the Scheduled Opening Time until the Scheduled Closing Time on the relevant date, on a continuous basis or at the times specified as Intra-Day observation times in the applicable Final Terms. If the Exchange closes prior to its Scheduled Closing Time, and the specified Valuation Time is after the actual closing time for its regular trading session, then (subject to Condition 9.2 (*Disrupted Days*)) the Valuation Time shall be such actual closing time.

"**Weighting**" means, in respect of any Basket Component, the weight specified as the weighting in respect of such Basket Component in the applicable Final Terms.

"**Worst Performer of Basket**" means, in respect of the Basket specified in the applicable Final Terms and in respect of any time, the Index that has the lowest value relative to its Initial Reference Level at such time.

1. FORM, DENOMINATION, TITLE AND TRANSFER

1.1 Form, denomination

Notes are issued in bearer form or in registered form, as specified in the relevant Final Terms. Bearer Notes are serially numbered. Notes are issued in the denominations specified in the relevant Final Terms, except that the minimum denomination of each Note admitted to trading on a regulated market with the European Economic Area or offered to the public in a Member State of the European Economic Area in circumstances which would otherwise require the publication of a prospectus under the Prospectus Directive will be EUR 100,000 (or its equivalent in any other currency as at the date of issue of such Notes). Each Note is a Senior Note or a Subordinated Note (where certain Subordinated Notes may qualify as Tier 2 Notes (as specified in the applicable Final Terms) for the purposes of the regulatory capital rules applicable to the Issuer from time to time).

1.2 **Title, transfer**

Title to Bearer Notes and Coupons passes by delivery. References herein to the "**holders of Bearer Notes**" or of Coupons are to the bearers of such Bearer Notes or such Coupons.

Title to Registered Notes passes by registration in the Register which is kept by the Principal Registrar or, in the case of Rule 144A United States dollar denominated Notes, the Alternative Registrar. For the purposes of these Conditions, "**Registrar**" means, in relation to any Series of Registered Notes, the Principal Registrar or the Alternative Registrar. References herein to the "**holders of Registered Notes**" are to the persons in whose names such Registered Notes are so registered in the relevant register.

The holder of any Bearer Note or Coupon or Registered Note will (except as otherwise required by applicable law or regulatory requirement) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest thereof or therein, any writing thereon, or any theft or loss thereof) and no person shall be liable for so treating such holder.

A Registered Note may, upon the terms and subject to the conditions set forth in the Fiscal Agency Agreement, be transferred in whole or in part only (**provided that** such part is, or is an integral multiple of, the minimum denomination specified in the relevant Final Terms) upon the surrender of the Registered Note to be transferred, together with the form of transfer endorsed on it duly completed and executed, at the specified office of the Registrar. A new Registered Note will be issued to the transferee and, in the case of a transfer of part only of a Registered Note, a new Registered Note in respect of the balance not transferred will be issued to the transferor.

Each new Registered Note to be issued upon the transfer of a Registered Note will, within three London, or Amsterdam or, as the case may be, New York Banking Days of the effective receipt of such form of transfer by the Registrar at its specified office, be available for delivery at the specified office of the Registrar. For these purposes, a form of transfer received by the Registrar during the period of fifteen London or Amsterdam or, as the case may be, New York Banking Days ending on the due date for any payment on the relevant Registered Notes shall be deemed not to be effectively received by the Registrar until the day following the due date for such payment. For the purposes of these Conditions, "**London Banking Day**" means a day on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in London and "**Amsterdam Banking Day**" and "**New York Banking Day**" have the same meanings *mutatis mutandis.*

The issue of new Registered Notes on transfer will be effected without charge by or on behalf of the Issuer or the Registrar, but upon payment by the applicant of (or the giving by the applicant of such Indemnity as the Registrar may require in respect of) any tax or other governmental charges which may be imposed in relation thereto.

A Registered Note may be transferred upon surrender of the relevant Global Registered Note and/or an Individual Note Certificate (each a "**Note Certificate**") which terms includes any replacement Note Certificate) with the endorsed form of transfer duly completed, at the specified office of the Registrar or any Transfer Agent, together with such evidence as the Registrar or (as the case may be) such Transfer Agent may reasonably require to prove the title of the transferor and the authority of the individuals who have executed the form of transfer, **provided**, **however**, **that** a Registered Note may not be transferred unless the principal amount of Registered Notes transferred and (where not all of the Registered Notes held by a holder are being transferred) the principal amount of the balance of Registered Notes not transferred are Specified Denominations. Where not all the Registered Notes represented by the surrendered Note Certificate are the subject of the transfer, a new Note Certificate in respect of the balance of the Registered Notes will be issued to the transferor. All transfers of Registered Notes and entries on the register kept by the Registrar (the "**Register**") are subject to the detailed regulations concerning the transfer of Registered Notes scheduled to the Fiscal Agency Agreement. The regulations may be changed by the Issuer with the prior written approval of the Registrar. A copy of the current regulations will be mailed (free of charge) by the Registrar to any Noteholder who requests in writing a copy of such regulations.

For so long as any of the Registered Notes remain outstanding and are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act and the relevant Final Terms specify that such Notes will be eligible for resale in the United States or to U.S. persons under Rule 144A under the Securities Act, the Issuer covenants and agrees that it shall, during any period in which it is not subject to Section 13 or 15(d) under the United States Securities Exchange Act of 1934, as amended (the "**Exchange Act**") nor exempt from reporting pursuant to Rule 12g3 2(b) under the Exchange Act, make available to any holder of such Registered Notes in connection with any sale thereof and any prospective purchaser of such Notes from such holder, in each case upon request, the information specified in, and meeting the requirements of, Rule 144A(d)(4) under the Securities Act.

2. STATUS OF THE NOTES

2.1 Status of Senior Notes

The Senior Notes constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and rank *pari passu* without any preference among themselves and at least *pari passu* with all other direct, unconditional, unsubordinated and unsecured obligations of the Issuer, present and future (save for certain exemptions provided by law).

2.2 Status of Subordinated Notes

Condition 2.2(a) will apply in respect of the Subordinated Notes for so long as any Existing Subordinated Note is outstanding. Upon redemption or repurchase and cancellation of the full outstanding principal amount of the Existing Subordinated Notes (the "**Existing Subordinated Notes Redemption Event**"), Condition 2.2(b) will automatically replace and supersede Condition 2.2(a).

"**Existing Subordinated Notes**" means any instrument or loan issued or incurred before 20 June 2016, whether publicly or privately placed, ranking or expressed to be ranking *pari passu* with all other subordinated obligations (except for those subordinated obligations expressed by or under their own terms to rank subordinated and junior), **provided that** should any such Existing Subordinated Notes be amended in any way (contractually or by statute) which would result in allowing the Issuer to issue subordinated notes ranking senior thereto, then such Subordinated Notes would be deemed to no longer constitute part of Existing Subordinated Notes. For the avoidance of doubt, on 21 June 2017 Existing Subordinated Notes included the following publicly placed or listed instruments with the following ISIN / CUSIP Codes:

ISIN	Issue Size	Currency	Coupon	Issue Date	Final Maturity Date	First Call Date
XS0161702914	10,000,000	EUR	0%	10/02/2003	10/02/2043	10/02/2013
XS0210781828	100,000,000	EUR	4 * (CMS 10y - CMS2y)	21/02/2005	21/02/2040	21/02/2035
XS1183596151	50,000,000	EUR	4%	24/03/2015	24/03/2025	N/A

The Subordinated Notes of this Series may qualify as Tier 2 capital ("**Tier 2 Notes**") as specified in the applicable Final Terms for the purposes of the regulatory capital rules applicable to the Issuer from time to time.

(a) Prior to the Existing Subordinated Notes Redemption Event:

The Subordinated Notes and the relative Coupons 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 or under their own terms to rank subordinated and 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 and the relative Coupons against the Issuer are:

(i) in the event of the liquidation or bankruptcy of the Issuer; or

(ii) in the event that a competent court has declared that the Issuer is in a situation which requires special measures (*noodregeling*) in the interests of all creditors, as referred to in Chapter 3.5.5 of the Dutch Act on financial supervision (*Wet op het financieel toezicht*, the "**Wft**"), and for so long as such situation is in force (such situation being hereinafter referred to as a "**Moratorium**"),

subordinated to (a) the claims of depositors (other than in respect of those whose deposits are expressed by or under their own terms to rank equally to or lower than the Subordinated Notes), (b) unsubordinated claims with respect to the repayment of borrowed money, (c) other unsubordinated claims.

By virtue of such subordination, payments to a Noteholder will, in the event of liquidation or bankruptcy of the Issuer or in the event of a Moratorium with respect to the Issuer, only be made after, and any set-off by a Noteholder shall be excluded until, 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) As from the Existing Subordinated Notes Redemption Event:

The Subordinated Notes and the relative Coupons constitute unsecured and subordinated obligations of the Issuer and rank (i) *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 or under their own terms or by mandatory and/or overriding provisions of law to rank either in priority to or subordinated and junior to the Subordinated Notes) and (ii) subordinated and junior to those subordinated obligations expressed by or under their own terms to rank in priority to the Subordinated Notes and those preferred by mandatory and/or overriding provisions of law.

As a result, the claims of the holders of the Subordinated Notes of this Series and the relative Coupons against the Issuer are:

(i) in the event of the liquidation or bankruptcy of the Issuer; or

(ii) in the event that a competent court has declared that the Issuer is in a situation which requires special measures (*noodregeling*) in the interests of all creditors, as referred to in Chapter 3.5.5 of the Wft, and for so long as such situation is in force (such situation being hereinafter referred to as a "**Moratorium**"),

subordinated to (a) the claims of depositors (other than in respect of those whose deposits are expressed by or under their own terms to rank equally to or lower than the Subordinated Notes), (b) unsubordinated claims with respect to the repayment of borrowed money, (c) other unsubordinated claims and (d) subordinated claims expressed by or under their own terms to rank in priority to the Subordinated Notes (collectively, "**Senior Claims**").

By virtue of such subordination, payments to a Noteholder will, in the event of the liquidation or bankruptcy of the Issuer or in the event of a Moratorium with respect to the Issuer, only be made after, and any set-off by a Noteholder shall be excluded until, all obligations of the Issuer resulting from Senior Claims have been satisfied.

(c) No set-off

Subject to paragraphs (a) and (b) above, 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.

3. **REDENOMINATION**

(a) ***Redenomination***

Where redenomination is specified in the applicable Final Terms as being applicable, the Issuer may, without the consent of the Noteholders or Couponholders, on giving prior notice to the Paying Agents, Euroclear and Clearstream, Luxembourg and/or as the case

may be, the Registrar, and at least 30 days' prior notice to the Noteholders in accordance with Condition 14 (*Notices*), elect that, with effect from the Redenomination Date specified in the notice, the Notes shall be redenominated in euro.

The election will have effect as follows:

(i) the Notes shall be deemed to be redenominated into euro in the denomination of euro 0.01 with a nominal amount for each Note equal to the nominal amount of that Note in the Specified Currency, converted into euro at the Established Rate, **provided that**, if the Issuer determines, with the agreement of the Fiscal Agent, that the then market practice in respect of the redenomination into euro of internationally offered securities is different from the provisions specified above, such provisions shall be deemed to be amended so as to comply with such market practice and the Issuer shall promptly notify the Noteholders, the stock exchange (if any) on which the Notes may be listed, the Paying Agents and, as the case may be, the Registrar of such deemed amendments;

(ii) save to the extent that an Exchange Notice has been given in accordance with paragraph (iv) below, the amount of interest due in respect of the Notes will be calculated by reference to the aggregate nominal amount of Notes presented (or, as the case may be, in respect of which Coupons are presented) for payment by the relevant holder and the amount of such payment shall be rounded down to the nearest euro 0.01;

(iii) if definitive Notes are required to be issued after the Redenomination Date, they shall be issued at the expense of the Issuer in the denominations of euro 1,000, euro 10,000, euro 100,000 and (but only to the extent of any remaining amounts less than euro 1,000 or such smaller denominations as the Fiscal Agent may approve) euro 0.01 and such other denominations as the Fiscal Agent shall determine and notify to the Noteholders;

(iv) if issued prior to the Redenomination Date, all unmatured Coupons denominated in the Specified Currency (whether or not attached to the Notes) will become void with effect from the date on which the Issuer gives notice (the "**Exchange Notice**") that replacement euro denominated Notes and Coupons are available for exchange (**provided that** such securities are so available) and no payments will be made in respect of them. The payment obligations contained in any Notes so issued will also become void on that date although those Notes will continue to constitute valid exchange obligations of the Issuer. New euro denominated Notes and Coupons will be issued in exchange for Notes and Coupons denominated in the Specified Currency in such manner as the Fiscal Agent may specify and as shall be notified to the Noteholders in the Exchange Notice. No Exchange Notice may be given less than 15 days prior to any date for payment of principal or interest on the Notes;

(v) after the Redenomination Date, all payments in respect of the Notes and the Coupons, other than payments of interest in respect of periods commencing before the Redenomination Date, will be made solely in euro as though references in the Notes to the Specified Currency were to euro. Payments will be made in euro by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or, at the option of the payee, by a euro cheque;

(vi) if the Notes are Fixed Rate Notes and interest for any period ending on or after the Redenomination Date is required to be calculated for a period ending other than on an Interest Payment Date, it will be calculated:

(A) in the case of the Notes represented by a Global Note, by applying the Rate of Interest to the aggregate outstanding nominal amount of the Notes; and

(B) in the case of definitive Notes, by applying the Rate of Interest to the Calculation Amount;

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub unit of the relevant Specified Currency, half of any such sub unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Fixed Rate Note in definitive form is a multiple of the Calculation Amount, the amount of interest payable in respect of such Fixed Rate Note shall be the product of (i) the amount (determined in the manner provided above for the Calculation Amount) and (ii) the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding; and

(vii) if the Notes are Floating Rate Notes, CMS-Linked Interest Notes, Range Accrual Notes or Index Linked Notes, the applicable Final Terms will specify any relevant changes to the provisions relating to interest.

(b) ***Definitions***

For the purposes of this Condition 3 (*Redenomination*), the following expressions have the following meanings:

"**Established Rate**" means the rate for the conversion of the Specified Currency (including compliance with rules relating to roundings in accordance with applicable European Community regulations) into euro established by the Council of the European Union pursuant to the Treaty.

"**euro**" means the currency introduced at the start of the third stage of the European economic and monetary union, and as defined in Article 2 of Council Regulation (EC) No. 974/98 of 3 May 1998 on the introduction of the euro, as amended.

"**Redenomination Date**" means (in the case of interest bearing Notes) any date for payment of interest under the Notes or (in the case of Zero Coupon Notes) any date, in each case specified by the Issuer in the notice given to the Noteholders pursuant to paragraph (a) above and which falls on or after the date on which the country of the Specified Currency first participates in the third stage of European economic and monetary union.

"**Treaty**" means the Treaty on the Functioning of the European Union, as amended.

4. **INTEREST**

Notes may be interest bearing or non interest bearing, as specified in the relevant Final Terms.

(a) ***Definitions in respect of calculations and payment of Interest Amounts***

For the purposes of calculating the amount of interest due in relation to a Note (and for the purposes of interpretation in the event that the following definitions are used in any other context in any Final Terms and are not otherwise defined):

"**2006 ISDA Definitions**" means the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc.

"**Business Day Convention**" means:

(i) if "**Floating Rate Note Convention**", is specified in the applicable Final Terms, that interest shall be payable in arrear on each date which numerically corresponds to the date of issue of the Notes or such other date as may be specified in the relevant Final Terms or, as the case may be, the preceding Interest Payment Date in the calendar month which is the number of months specified in the relevant Final Terms after the calendar month in which such

date of issue or such other date as aforesaid or, as the case may be, the preceding Interest Payment Date occurred **provided that**:

(A) if there is no such numerically corresponding day in the calendar month in which an Interest Payment Date should occur, then the relevant Interest Payment Date will be the last day which is a Business Day in that calendar month; and

(B) if an Interest Payment Date would otherwise fall on a day which is not a Business Day, then the relevant Interest Payment Date will be the first following day which is a Business Day unless that day falls in the next calendar month, in which case it will be the first preceding day which is a Business Day;

if such date of issue or such other date as aforesaid or the preceding Interest Payment Date occurred on the last day in a calendar month which was a Business Day, then all subsequent Interest Payment Dates will be the last day which is a Business Day in the calendar month which is the specified number of months after the calendar month in which such date of issue or such other date as aforesaid or, as the case may be, the preceding Interest Payment Date occurred; or

(ii) if the "**Modified Following Business Day Convention**", is specified in the applicable Final Terms, that interest shall be payable in arrear on such dates as are specified in the relevant Final Terms **provided that**, if any Interest Payment Date would otherwise fall on a date which is not a Business Day, the relevant Interest Payment Date will be the first following day which is a Business Day unless that day falls in the next calendar month, in which case the relevant Interest Payment Date will be the first preceding day that is a Business Day; or

(iii) if the "**Following Business Day Convention**", is specified in the applicable Final Terms, that interest shall be payable in arrear on such dates as are specified in the relevant Final Terms **provided that**, if any Interest Payment Date would otherwise fall on a date which is not a Business Day, the relevant Interest Payment Date will be the first following day that is a Business Day; or

(iv) if the "**Preceding Business Day Convention**", is specified in the applicable Final Terms, that interest shall be payable in arrear on such dates as are specified in the relevant Final Terms **provided that**, if any Interest Payment Date would otherwise fall on a date which is not a Business Day, the relevant Interest Payment Date will be the first preceding day that is a Business Day.

"**CMS-Linked Interest Notes**" means Notes in respect of which the "Floating Rate Interest / CMS-Linked Interest Note Provisions" of Part A of the Final Terms are specified as being CMS-Linked Interest Notes in the applicable Final Terms.

"**CMS Range Accrual Reference Banks**" means, in relation to Specified Range Accrual CMS Rates (i) where the Range Accrual Reference Currency is Euro, the principal Eurozone office of five leading swap dealers in the inter-bank market, (ii) where the Range Accrual Reference Currency is Sterling, the principal London office of five leading swap dealers in the London inter-bank market, (iii) where the Range Accrual Reference Currency is United States dollars, the principal New York City office of five leading swap dealers in the New York City inter-bank market, or (iv) in the case of any other Range Accrual Reference Currency, the principal Relevant Financial Centre office of five leading swap dealers in the Relevant Financial Centre inter-bank market, in each case as selected by the Calculation Agent after consultation with the Issuer.

"CMS Rate" shall mean the applicable swap rate for CMS swap transactions, in the Reference Currency with a maturity of the Designated Maturity, expressed as a percentage, which appears on the Relevant Screen Page in respect of the CMS Rate as at the Specified Time on the Period End Date in question, all as determined by the

Calculation Agent. If the Relevant Screen Page is not available, the Calculation Agent shall request each of the Reference Banks (as defined below) to provide the Calculation Agent with its quotation for the Relevant Swap Rate (as expressed as a percentage rate per annum) at approximately the Specified Time on the Period End Date in question. If two or more of the Reference Banks provide the Calculation Agent with such quotations, the CMS Rate for such Interest Period shall be the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the quotations, eliminating, where there are more than two quotations available, the highest (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 on any Period End Date one only or none of the Reference Banks provides the Calculation Agent with such quotation as provided in the preceding paragraph, the CMS Rate shall be the CMS Rate last determined in relation to the Notes in respect of the immediately preceding Interest Period.

"**CMS Rate 1**" shall mean the applicable swap rate for CMS swap transactions, in the Reference Currency with a maturity of the Designated Maturity, expressed as a percentage, which appears on the Relevant Screen Page in respect of the CMS Rate 1 as at the Specified Time on the Period End Date in question, all as determined by the Calculation Agent. If the Relevant Screen Page is not available, the Calculation Agent shall request each of the Reference Banks to provide the Calculation Agent with its quotation for the Relevant Swap Rate (as expressed as a percentage rate per annum) at approximately the Specified Time on the Period End Date in question. If two or more of the Reference Banks provide the Calculation Agent with such quotations, the CMS Rate for such Interest Period shall be the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the quotations, eliminating, where there are more than two quotations available, the highest (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 on any Period End Date one only or none of the Reference Banks provides the Calculation Agent with such quotation as provided in the preceding paragraph, the CMS Rate shall be the CMS Rate 1 last determined in relation to the Notes in respect of the immediately preceding Interest Period.

"**CMS Rate 2**" shall mean the applicable swap rate for CMS swap transactions, in the Reference Currency with a maturity of the Designated Maturity, expressed as a percentage, which appears on the Relevant Screen Page in respect of the CMS Rate 2 as at the Specified Time on the Period End Date in question, all as determined by the Calculation Agent. If the Relevant Screen Page is not available, the Calculation Agent shall request each of the Reference Banks to provide the Calculation Agent with its quotation for the Relevant Swap Rate (as expressed as a percentage rate per annum) at approximately the Specified Time on the Period End Date in question. If two or more of the Reference Banks provide the Calculation Agent with such quotations, the CMS Rate for such Interest Period shall be the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the quotations, eliminating, where there are more than two quotations available, the highest (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 on any Period End Date one only or none of the Reference Banks provides the Calculation Agent with such quotation as provided in the preceding paragraph, the CMS Rate shall be the CMS Rate 2 last determined in relation to the Notes in respect of the immediately preceding Interest Period.

"**Day Count Fraction**" means, in respect of the calculation of an amount for any Interest Period, such day count fraction as may be specified in these Conditions or the relevant Final Terms:

(i) if "**Actual/Actual (ICMA)**" is specified means:

(A) where the Interest Period is equal to or shorter than the Regular Period during which it falls, the actual number of days in the Interest Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and

(B) where the Interest Period is longer than one Regular Period, the sum of:

(1) the actual number of days in such Interest Period falling in the Regular Period in which it begins divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and

(2) the actual number of days in such Interest Period falling in the next Regular Period divided by the product of (a) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year;

(ii) if "**Actual/365**" or "**Actual/Actual (ISDA)**" is specified, means the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (a) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (b) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);

(iii) if "**Actual/365 (Fixed)**" is so specified, means the actual number of days in the Interest Period divided by 365;

(iv) if "**Actual/365 (Sterling)**" is so specified, means the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;

(v) if "**Actual/360**" is so specified, means the actual number of days in the Interest Period divided by 360;

(vi) if "**30/360**" is so specified, means the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

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

where:

"$\mathbf{Y_1}$" is the year, expressed as a number, in which the first day of the Interest Period falls;

"$\mathbf{Y_2}$" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"$\mathbf{M_1}$" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"$\mathbf{M_2}$" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"$\mathbf{D_1}$" is the first calendar day, expressed as a number, of the Interest Period, unless such number is 31, in which case D_1 will be 30; and

"$\mathbf{D_2}$" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D_1 is greater than 29, in which case D_2 will be 30;

(vii) if "**30E/360**" or "**Eurobond Basis**" is so specified, means the number of days in the Interest 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:

"$\mathbf{Y_1}$" is the year, expressed as a number, in which the first day of the Interest Period falls;

"$\mathbf{Y_2}$" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"$\mathbf{M_1}$" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"$\mathbf{M_2}$" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"$\mathbf{D_1}$" is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D_1 will be 30; and

"$\mathbf{D_2}$" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case D_2 will be 30;

(viii) if "**30E/360 (ISDA)**" is so specified, means the number of days in the Interest 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:

"$\mathbf{Y_1}$" is the year, expressed as a number, in which the first day of the Interest Period falls;

"$\mathbf{Y_2}$" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"$\mathbf{M_1}$" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"$\mathbf{M_2}$" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"$\mathbf{D_1}$" is the first calendar day, expressed as a number, of the Interest Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D_1 will be 30; and

"$\mathbf{D_2}$" is the calendar day, expressed as a number, immediately following the last day included in the Interest 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_2 will be 30.

"**Designated Maturity**" means the time period specified as such in the Final Terms.

"**Interest Calculation Amount**" shall mean the amount specified as such in the relevant Final Terms.

"**Interest Commencement Date**" means the Issue Date of the Notes or such other date as may be specified as the Interest Commencement Date in the relevant Final Terms.

"**Interest Payment Date**" means the date specified in the relevant Final Terms, as may be amended by the terms of such Final Terms in accordance with a Business Day Convention.

"**Interest Period**" means each period from, and including, one Period End Date to, but excluding, the next following applicable Period End Date except that (a) the initial Interest Period will commence on, and include, the Interest Commencement Date and (b) the final Interest Period will end on, but exclude, the Maturity Date of the relevant Notes.

"**Inverse Range Accrual Notes**" means the Notes which are specified as being Inverse Range Accrual Notes in the applicable Final Terms.

"**IRAN Accrual Factor**" means:

(i) where Range Accrual Reference Rate 1 only is applicable, (a) (x) the actual number of Range Accrual Observation Dates in the Range Accrual Observation Period, minus (y) the number of Range Accrual Observation Dates during the Range Accrual Observation Period in which Range Accrual Reference Rate 1 is equal to or greater than Lower Barrier 1 and less than or equal to Upper Barrier 1, *divided by* (b) the actual number of Range Accrual Observation Dates in the Range Accrual Observation Period; or

(ii) where Range Accrual Reference Rate 2 only is applicable, (a) (x) the actual number of Range Accrual Observation Dates in the Range Accrual Observation Period, minus (y) the number of Range Accrual Observation Dates during the Range Accrual Observation Period in which Range Accrual Reference Rate 2 is equal to or greater than Lower Barrier 2 and less than or equal to Upper Barrier 2, *divided by* (b) the actual number of Range Accrual Observation Dates in the Range Accrual Observation Period; or

(iii) where both Range Accrual Reference Rate 1 and Range Accrual Reference Rate 2 are applicable, (a) the actual number of Range Accrual Observation Dates in the Range Accrual Observation Period, minus the number of Range Accrual Observation Dates during the Range Accrual Observation Period on which both (x) Range Accrual Reference Rate 1 is equal to or greater than Lower Barrier 1 and less than or equal to Upper Barrier 1 and (y) Range Accrual Reference Rate 2 is equal to or greater than Lower Barrier 2 and less than or equal to Upper Barrier 2, *divided by* (b) the actual number of Range Accrual Observation Dates in the Range Accrual Observation Period.

"**Lower Barrier 1**" means the percentage as specified in the relevant Final Terms, **provided that** if Lower Barrier 1 is specified in such Final Terms as being Not Applicable, there shall be no Lower Barrier 1 applicable in respect of Range Accrual Reference Rate 1.

"**Lower Barrier 2**" means the percentage as specified in the relevant Final Terms, **provided that** if Lower Barrier 2 is specified in such Final Terms as being Not Applicable, there shall be no Lower Barrier 2 applicable in respect of Range Accrual Reference Rate 2.

"**Margin**" shall mean the amount or percentage, as the case may be, specified as such in the relevant Final Terms.

"**Maximum Rate of Interest**" means the rate of interest specified as such in the relevant Final Terms.

"**Minimum Rate of Interest**" means the rate of interest specified as such in the relevant Final Terms.

"**Multiplier$_A$**" means the percentage specified as such in the relevant Final Terms.

"**Multiplier$_B$**" means the percentage specified as such in the relevant Final Terms.

"**Multiplier$_C$**" means the percentage specified as such in the relevant Final Terms.

"**Multiplier$_D$**" means the percentage specified as such in the relevant Final Terms.

"**Multiplier$_E$**" means the percentage specified as such in the relevant Final Terms.

"**Multiplier$_F$**" means the percentage specified as such in the relevant Final Terms.

"**Period End Dates**" each date specified in the relevant Final Terms as such, **provided that** if no Period End Dates are so specified, each Interest Payment Date.

"**Range Accrual Calculation Reference Rate**" means EURIBOR, LIBOR or any other rate specified as such in the applicable Final Terms.

"**Range Accrual CMS Rate**" shall mean the applicable swap rate for CMS swap transactions, in the Range Accrual Reference Currency with a maturity of the Designated Maturity, expressed as a percentage, which appears on the Relevant Range Item Screen Page in respect of the Range Accrual CMS Rate as at the Specified Time on the Range Accrual Observation Date or Interest Determination Date in question, all as determined by the Calculation Agent. If the Relevant Range Item Screen Page is not available, the Calculation Agent shall request each of the CMS Range Accrual Reference Banks (as defined below) to provide the Calculation Agent with its quotation for the Range Accrual Relevant Swap Rate (as expressed as a percentage rate per annum) at approximately the Specified Time on the Range Accrual Observation Date or Interest Determination Date in question. If two or more of the CMS Range Accrual Reference Banks provide the Calculation Agent with such quotations, the Range Accrual CMS Rate for such Range Accrual Observation Date or Interest Determination Date as the case may be, shall be the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the quotations, eliminating, where there are more than two quotations available, the highest (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 on any Range Accrual Observation Date or Interest Determination Date as the case may be, one only or none of the CMS Range Accrual Reference Banks provides the Calculation Agent with such quotation as provided in the preceding paragraph, the Range Accrual CMS Rate shall be the Range Accrual CMS Rate last determined in relation to the Notes in respect of the immediately preceding Range Accrual Observation Date or Interest Determination Date as the case may be.

"**Range Accrual CMS Rate 1**" shall mean the applicable swap rate for CMS swap transactions, in the Range Accrual Reference Currency with a maturity of the Designated Maturity, expressed as a percentage, which appears on the Relevant Range Item Screen Page in respect of the Range Accrual CMS Rate 1 as at the Specified Time on the Range Accrual Observation Date or Interest Determination Date in question, all as determined by the Calculation Agent. If the Relevant Range Item Screen Page is not available, the Calculation Agent shall request each of the CMS Range Accrual Reference Banks (as defined below) to provide the Calculation Agent with its quotation for the Range Accrual Relevant Swap Rate (as expressed as a percentage rate per annum) at approximately the Specified Time on the Range Accrual Observation Date or Interest Determination Date in question. If two or more of the CMS Range Accrual Reference Banks provide the Calculation Agent with such quotations, the Range Accrual CMS Rate 1 for such Range Accrual Observation Date or Interest Determination Date as the case may be, shall be the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the quotations, eliminating, where there are more than two quotations available, the highest (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 on any Range Accrual Observation Date or Interest Determination Date as the case may be, one only or none of the CMS Range

Accrual Reference Banks provides the Calculation Agent with such quotation as provided in the preceding paragraph, the Range Accrual CMS Rate 1 shall be the Range Accrual CMS Rate 1 last determined in relation to the Notes in respect of the immediately preceding Range Accrual Observation Date or Interest Determination Date as the case may be.

"**Range Accrual CMS Rate 2**" shall mean the applicable swap rate for CMS swap transactions, in the Range Accrual Reference Currency with a maturity of the Designated Maturity, expressed as a percentage, which appears on the Relevant Range Item Screen Page in respect of the Range Accrual CMS Rate 2 as at the Specified Time on the Range Accrual Observation Date or Interest Determination Date in question, all as determined by the Calculation Agent. If the Relevant Range Item Screen Page is not available, the Calculation Agent shall request each of the CMS Range Accrual Reference Banks (as defined below) to provide the Calculation Agent with its quotation for the Range Accrual Relevant Swap Rate (as expressed as a percentage rate per annum) at approximately the Specified Time on the Range Accrual Observation Date or Interest Determination Date in question. If two or more of the CMS Range Accrual Reference Banks provide the Calculation Agent with such quotations, the Range Accrual CMS Rate 2 for such Range Accrual Observation Date or Interest Determination Date as the case may be, shall be the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the quotations, eliminating, where there are more than two quotations available, the highest (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 on any Range Accrual Observation Date or Interest Determination Date as the case may be, one only or none of the CMS Range Accrual Reference Banks provides the Calculation Agent with such quotation as provided in the preceding paragraph, the Range Accrual CMS Rate 2 shall be the Range Accrual CMS Rate 2 last determined in relation to the Notes in respect of the immediately preceding Range Accrual Observation Date or Interest Determination Date as the case may be.

"**Range Accrual Notes**" means Standard Range Accrual Notes and Inverse Range Accrual Notes.

"**Range Accrual Observation Date(s)**" means in respect of a Range Accrual Observation Period, (i) if "Specified Date(s)" is specified as applicable in the applicable Final Terms, each date specified as such in the applicable Final Terms; or (ii) if "Specified Period(s)" is specified as applicable in the applicable Final Terms, each date occurring during the Range Accrual Observation Period(s), **provided that** (a) where the Range Item is an Index, such date is an Observation Date and for such purposes "Single Reference Asset Level" shall be deemed to apply; and (b) where the Range Item is not an Index, such date is a Business Day and if such date is not a Business Day, the next succeeding Business Day shall be the Range Accrual Observation Date.

"**Range Accrual Observation Period(s)**" means each period specified as such in the applicable Final Terms, **provided that**, if no such period is specified, the Range Accrual Observation Period(s) shall be the Interest Period(s).

"**Range Accrual Range Item Rate**" means:

(i) in the case of Standard Range Accrual Notes, the sum of the Underlying Margin and the Range Accrual Scaled Amount, multiplied by the SRAN Accrual Factor; and

(ii) in the case of Inverse Range Accrual Notes, the sum of the Underlying Margin and the Range Accrual Scaled Amount, multiplied by the IRAN Accrual Factor.

"**Range Accrual Reference Currency**" means the currency specified as such in the relevant Final Terms.

"**Range Accrual Reference Currency Mid-market Swap Rate**" means the rate specified as such in the relevant Final Terms.

"**Range Accrual Reference Rate**" means each of Range Accrual Reference Rate 1 and Range Accrual Reference Rate 2.

"**Range Accrual Reference Rate 1**" means, if specified as applicable in the relevant Final Terms, the sum of:

(i) $Multiplier_C$ multiplied by the Underlying Rate of Range $Item_C$ on the Range Accrual Observation Date; and

(ii) $Multiplier_D$ multiplied by the Underlying Rate of Range $Item_D$ on the Range Accrual Observation Date.

"**Range Accrual Reference Rate 2**" means, if specified as applicable in the relevant Final Terms, the sum of:

(i) $Multiplier_E$ multiplied by the Underlying Rate of Range $Item_E$ on the Range Accrual Observation Date; and

(ii) $Multiplier_F$ multiplied by the Underlying Rate of Range $Item_F$ on the Range Accrual Observation Date.

"**Range Accrual Relevant Swap Rate**" means:

(i) where the Range Accrual Reference Currency is euro, the mid-market annual swap rate determined on the arithmetic mean of the bid and offered rates for the annual fixed leg, calculated on a 30/360 day count basis, of a fixed-for-floating Euro interest rate swap transaction with a term equal to the Designated Maturity commencing on the relevant Range Accrual Observation Date or Interest Determination Date as the case may be and in a Representative Amount with an acknowledged dealer of good credit in the swap market, where the floating leg, in each case calculated on an Actual/360 day count basis, is equivalent to EUR-EURIBOR-Reuters (as defined in the 2006 ISDA Definitions) with a Designated Maturity determined by the Calculation Agent after consultation with the Issuer by reference to standard market practice and/or 2006 ISDA Definitions;

(ii) where the Range Accrual Reference Currency is Sterling, the mid-market semi-annual swap rate determined on the arithmetic mean of the bid and offered rates for the semi-annual fixed leg, calculated on an Actual/365 (Fixed) day count basis, of a fixed-for-floating Sterling interest rate swap transaction with a term equal to the Designated Maturity commencing on the relevant Range Accrual Observation Date or Interest Determination Date as the case may be and in a Representative Amount with an acknowledged dealer of good credit in the swap market, where the floating leg, in each case calculated on an Actual/365 (Fixed) day count basis, is equivalent (A) if the Designated Maturity is greater than one year, to GBP-LIBOR-BBA (as defined in the 2006 ISDA Definitions) with a Designated Maturity of six months or (B) if the Designated Maturity is one year or less, to GBP-LIBOR-BBA with a Designated Maturity of three months;

(iii) where the Range Accrual Reference Currency is United States dollars, the mid-market semi-annual swap rate determined on the arithmetic mean of the bid and offered rates for the semi-annual fixed leg, calculated on a 30/360 day count basis, of a fixed-for-floating United States dollar interest rate swap transaction with a term equal to the Designated Maturity commencing on the relevant Range Accrual Observation Date or Interest Determination Date as the case may be and in a Representative Amount with an acknowledged dealer of good credit in the swap market, where the floating leg, in each case calculated on an Actual/360 day count basis, is equivalent to USD-LIBOR-

BBA (as defined in the 2006 ISDA Definitions) with a Designated Maturity of three months; and

(iv) where the Range Accrual Reference Currency is any other currency, the Range Accrual Reference Currency Mid-market Swap Rate as set out in the relevant Final Terms.

"**Range Accrual Scaled Amount**" means the sum of:

(i) $Multiplier_A$ multiplied by the Underlying Rate of Range $Item_A$ on the Interest Determination Date; and

(ii) $Multiplier_B$ multiplied by the Underlying Rate of Range $Item_B$ on the Interest Determination Date.

"**Range Item**" means an Index, Range Accrual CMS Rate, Range Accrual CMS Rate 1, Range Accrual CMS Rate 2 or a Range Accrual Calculation Reference Rate as the case may be.

"**Range $Item_A$**" means the index or rate specified as such in the relevant Final Terms.

"**Range $Item_B$**" means the index or rate specified as such in the relevant Final Terms.

"**Range $Item_C$**" means the index or rate specified as such in the relevant Final Terms.

"**Range $Item_D$**" means the index or rate specified as such in the relevant Final Terms.

"**Range $Item_E$**" means the index or rate specified as such in the relevant Final Terms.

"**Range $Item_F$**" means the index or rate specified as such in the relevant Final Terms.

"**Rate of Interest**" the rate or rates (expressed as a percentage per annum) of interest payable in respect of the Notes specified in the relevant Final Terms or calculated or determined in accordance with the provisions of these Conditions and/or the relevant Final Terms.

"**Reference Banks**" means, in relation to CMS Rates (i) where the Reference Currency is Euro, the principal Eurozone office of five leading swap dealers in the inter-bank market, (ii) where the Reference Currency is Sterling, the principal London office of five leading swap dealers in the London inter-bank market, (iii) where the Reference Currency is United States dollars, the principal New York City office of five leading swap dealers in the New York City inter-bank market, or (iv) in the case of any other Reference Currency, the principal Relevant Financial Centre office of five leading swap dealers in the Relevant Financial Centre inter-bank market, in each case as selected by the Calculation Agent after consultation with the Issuer.

"**Reference Currency**" means each currency specified as such in the applicable Final Terms.

"**Reference Rate**" means, in relation to any CMS-Linked Interest Notes, the rate set out in the relevant Final Terms; and in relation to Linear Interpolation where Screen Rate Determination applies, means the rate set out in the relevant Final Terms.

"**Regular Period**" means an Interest Period, **provided that** for the purposes of determining the Regular Period, the first and the last Interest Periods shall be disregarded.

"**Relevant Financial Centre**" has the meaning given to it in the relevant Final Terms.

"**Relevant Range Accrual Rate**" means the lower of:

(i) the Maximum Rate of Interest (if applicable); and

(ii) the higher of:

a. the Minimum Rate of Interest (if applicable); and

b. the Range Accrual Range Item Rate.

Where the Maximum Rate of Interest and Minimum Rate of Interest are specified as "Not Applicable" in the relevant Final Terms, the Relevant Range Accrual Rate shall be the Range Accrual Range Item Rate.

"**Relevant Range Item Screen Page**" means in relation to a Range Item, such page, section, caption, column or other part of a particular information service as may be specified as such in the applicable Final Terms..

"**Relevant Screen Page**" means such page, section, caption, column or other part of a particular information service as may be specified in the applicable Final Terms.

"**Relevant Swap Rate**" means:

(i) where the Reference Currency is euro, the mid-market annual swap rate determined on the arithmetic mean of the bid and offered rates for the annual fixed leg, calculated on a 30/360 day count basis, of a fixed-for-floating Euro interest rate swap transaction with a term equal to the Designated Maturity commencing on the first day of the relevant Interest Period and in a Representative Amount with an acknowledged dealer of good credit in the swap market, where the floating leg, in each case calculated on an Actual/360 day count basis, is equivalent to EUR-EURIBOR-Reuters (as defined in the 2006 ISDA Definitions) with a Designated Maturity determined by the Calculation Agent after consultation with the Issuer by reference to standard market practice and/or 2006 ISDA Definitions;

(ii) where the Reference Currency is Sterling, the mid-market semi-annual swap rate determined on the arithmetic mean of the bid and offered rates for the semi-annual fixed leg, calculated on an Actual/365 (Fixed) day count basis, of a fixed-for-floating Sterling interest rate swap transaction with a term equal to the Designated Maturity commencing on the first day of the relevant Interest Period and in a Representative Amount with an acknowledged dealer of good credit in the swap market, where the floating leg, in each case calculated on an Actual/365 (Fixed) day count basis, is equivalent (A) if the Designated Maturity is greater than one year, to GBP-LIBOR-BBA (as defined in the 2006 ISDA Definitions) with a Designated Maturity of six months or (B) if the Designated Maturity is one year or less, to GBP-LIBOR-BBA with a Designated Maturity of three months;

(iii) where the Reference Currency is United States dollars, the mid-market semi-annual swap rate determined on the arithmetic mean of the bid and offered rates for the semi-annual fixed leg, calculated on a 30/360 day count basis, of a fixed-for-floating United States dollar interest rate swap transaction with a term equal to the Designated Maturity commencing on the first day of the relevant Interest Period and in a Representative Amount with an acknowledged dealer of good credit in the swap market, where the floating leg, in each case calculated on an Actual/360 day count basis, is equivalent to USD-LIBOR-BBA (as defined in the 2006 ISDA Definitions) with a Designated Maturity of three months; and

(iv) where the Reference Currency is any other currency, the Reference Currency Mid-market Swap Rate as set out in the relevant Final Terms.

"**Representative Amount**" means an amount that is representative for a single transaction in the relevant market at the relevant time.

"**Specified Range Accrual CMS Rates**" means Range Accrual CMS Rate, Range Accrual CMS Rate 1 and Range Accrual CMS Rate 2 as applicable.

"**SRAN Accrual Factor**" means:

(i) where Range Accrual Reference Rate 1 only is applicable, (a) the actual number of Range Accrual Observation Dates during the Range Accrual Observation Period in which Range Accrual Reference Rate 1 is equal to or greater than Lower Barrier 1 and less than or equal to Upper Barrier 1, divided by (b) the actual number of Range Accrual Observation Dates in the Range Accrual Observation Period; or

(ii) where Range Accrual Reference Rate 2 only is applicable, (a) the actual number of Range Accrual Observation Dates during the Range Accrual Observation Period in which Range Accrual Reference Rate 2 is equal to or greater than Lower Barrier 2 and less than or equal to Upper Barrier 2, divided by (b) the actual number of Range Accrual Observation Dates in the Range Accrual Observation Period; or

(iii) where both Range Accrual Reference Rate 1 and Range Accrual Reference Rate 2 are applicable, (a) the actual number of Range Accrual Observation Dates during the Range Accrual Observation Period on which both (x) Range Accrual Reference Rate 1 is equal to or greater than Lower Barrier 1 and less than or equal to Upper Barrier 1 and (y) Range Accrual Reference Rate 2 is equal to or greater than Lower Barrier 2 and less than or equal to Upper Barrier 2, divided by (b) the actual number of Range Accrual Observation Dates in the Range Accrual Observation Period.

"**Standard Range Accrual Notes**" means the Notes which are specified as being Standard Range Accrual Notes in the applicable Final Terms.

"**sub unit**" means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, one cent.

"**Underlying ISDA Rate**" means, a rate equal to the Floating Rate that would be determined by the Calculation Agent under an interest rate swap transaction if it were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the 2006 ISDA Definitions (as amended and updated as at the Issue Date of the first Tranche of the Notes) under which:

(i) the Floating Rate Option is as specified in the applicable Final Terms;

(ii) the Designated Maturity is the period specified in the applicable Final Terms; and

(iii) the relevant Reset Date is the Underlying Rate Reset Date.

For the purposes of this definition of Underlying ISDA Rate, "Floating Rate", "Calculation Agent", "Floating Rate Option", "Designated Maturity" and "Reset Date" have the meanings given to those terms in the 2006 ISDA Definitions.

"**Underlying Margin**" means the percentage specified as such in the relevant Final Terms.

"**Underlying Rate**" means on a date when the Underlying Rate is required to be determined:

(i) where the applicable Range Item is specified in the relevant Final Terms as an Index, the Index Level as at the Valuation Time;

(ii) where the applicable Range Item is specified in the relevant Final Terms as Range Accrual CMS Rate, Range Accrual CMS Rate;

(iii) where the applicable Range Item is specified in the relevant Final Terms as Range Accrual CMS Rate 1, Range Accrual CMS Rate 1;

(iv) where the applicable Range Item is specified in the relevant Final Terms as Range Accrual CMS Rate 2, Range Accrual CMS Rate 2; and

(v) where the applicable Range Item is specified in the relevant Final Terms as a Range Accrual Calculation Reference Rate, the Underlying Screen Rate or the Underlying ISDA Rate, in each case as specified in the relevant Final Terms.

"**Underlying Rate Reset Date**" is as specified in the applicable Final Terms.

"**Underlying Screen Rate**" means, either:

(i) the offered quotation (if there is only one quotation on the Relevant Range Item Screen Page); or

(ii) the arithmetic mean (rounded if necessary to the fourth decimal place, with 0.00005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum) for the Range Accrual Calculation Reference Rate which appears or appear, as the case may be, on the Relevant Range Item Screen Page as at 11.00 a.m. (London time, in the case of LIBOR, or Brussels time, in the case of EURIBOR), as determined by the Calculation Agent. If five or more such offered quotations are available on the Relevant Range Item 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 (rounded as provided above) of such offered quotations.

Provided that:

(a) If the Relevant Range Item Screen Page is not available or if in the case of (i) above, no such offered quotation appears or, in the case of (ii) above, fewer than three such offered quotations appear, in each case as at the time specified in the preceding paragraph, the Calculation Agent shall request each of the Range Accrual Reference Banks (as defined below) to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the Range Accrual Calculation Reference Rate at approximately 11.00 a.m. (London time, in the case of LIBOR, or Brussels time, in the case of EURIBOR) on the date in question. If two or more of the Range Accrual Reference Banks provide the Calculation Agent with such offered quotations, the Underlying Screen Rate for such date, shall be the arithmetic mean (rounded if necessary to the fourth decimal place with 0.00005 being rounded upwards) of such offered quotations, all as determined by the Calculation Agent.

(b) If on any date when the Underlying Rate is to be determined, one only or none of the Range Accrual Reference Banks provides the Calculation Agent with such offered quotations as provided in the preceding paragraph, the Underlying Screen Rate for such date, shall be the rate per annum which the Calculation Agent determines as being the arithmetic mean (rounded if necessary to the fourth decimal place, with 0.00005 being rounded upwards) of the rates, as communicated to (and at the request of) the Calculation Agent by the Range Accrual Reference Banks or any two or more of them, at which such banks were offered, at approximately 11.00 a.m. (London time, in the case of LIBOR, or Brussels time, in the case of EURIBOR) on the relevant date, deposits in the Range Accrual Reference Currency for the period equal to that which would have been used for the relevant Underlying Screen Rate by leading banks in the London inter-bank market (if the Range Accrual Calculation Reference Rate is LIBOR) or the Euro-zone inter-bank market (if the Range Accrual Calculation

Reference Rate is EURIBOR) or, if fewer than two of the Range Accrual Reference Banks provide the Calculation Agent with such offered rates, the offered rate for deposits in the Range Accrual Reference Currency for a period equal to that which would have been used for the Underlying Screen Rate, or the arithmetic mean (rounded as provided above) of the offered rates for deposits in the Range Accrual Reference Currency for the period equal to that which would have been used for the Underlying Screen Rate, at which, at approximately 11.00 a.m. (London time, in the case of LIBOR, or Brussels time, in the case of EURIBOR) on the relevant determination date, any one or more banks (which bank or banks is or are in the opinion of the relevant Issuer suitable for such purpose) inform(s) the Calculation Agent it is quoting to leading banks in the London inter-bank market (if the Range Accrual Calculation Reference Rate is LIBOR) or the Euro-zone inter-bank market (if the Range Accrual Calculation Reference Rate is EURIBOR), **provided that**, if the Underlying Screen Rate cannot be determined in accordance with the foregoing provisions of this paragraph, the Underlying Screen Rate shall be determined by the Calculation Agent in its sole and absolute discretion.

In this definition of Underlying Screen Rate, the expression "**Range Accrual Reference Banks**" means, in the case of (a) above, those banks whose offered rates were used to determine such quotation when such quotation last appeared on the Relevant Range Item Screen Page and, in the case of (b) above, those banks whose offered quotations last appeared on the Relevant Range Item Screen Page when no fewer than three such offered quotations appeared.

"**Upper Barrier 1**" means the percentage specified as such in the relevant Final Terms, **provided that** if Upper Barrier 1 is specified in such Final Terms as being Not Applicable, Upper Barrier 1 shall be infinity.

"**Upper Barrier 2**" means the percentage specified as such in the relevant Final Terms, **provided that** if Upper Barrier 2 is specified in such Final Terms as being Not Applicable, Upper Barrier 2 shall be infinity.

(b) ***Interest on Fixed Rate Notes***

Each Fixed Rate Note bears interest from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest. Interest will be payable in arrear on the Interest Payment Date(s) in each year up to (and including) the Maturity Date.

If the Notes are in definitive form, except as provided in the applicable Final Terms, the amount of interest payable on each Interest Payment Date in respect of the Interest Period ending on (but excluding) such date will amount to the Fixed Coupon Amount or if so specified in the applicable Final Terms, amount to the Broken Amount so specified.

Except in the case of Notes in definitive form where a Fixed Coupon Amount or Broken Amount is specified in the applicable Final Terms, interest shall be calculated in respect of any period by applying the Rate of Interest to:

(i) in the case of Fixed Rate Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Fixed Rate Notes represented by such Global Note; or

(ii) in the case of Fixed Rate Notes in definitive form, the Calculation Amount;

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub unit of the relevant Specified Currency, half of any such sub unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Fixed Rate Note in definitive form is a multiple of the Calculation Amount, the amount of interest payable in respect of such Fixed Rate Note shall be the product of (i) the amount

(determined in the manner provided above for the Calculation Amount) and (ii) the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

Where Fixed Rate Notes are also Index Linked Interest Notes, the calculation and payment of interest on such Notes pursuant to this Condition 4(b) (*Interest on Fixed Rate Notes*) will be subject to and may be adjusted in accordance with the provisions of Condition 4(d) (*Index Linked Interest Provisions*).

Where pursuant to Condition 4(e) (*Range Accrual Note Provisions*), the amount of interest payable on Range Accrual Notes on any Interest Payment Date is to be determined and paid in accordance with this Condition 4(b) (*Interest on Fixed Rate Notes*), such determination and payment will be subject to and may be adjusted in accordance with the provisions of Condition 4(e) (*Range Accrual Note Provisions*).

(c) ***Interest on Floating Rate Notes or CMS-Linked Interest Notes***

Floating Rate Notes and CMS-Linked Interest Notes shall bear interest from their Interest Commencement Date at the rate or rates per annum specified in the relevant Final Terms. Such interest will be calculated by the Calculation Agent and payable on the dates specified in the relevant Final Terms (the "**Determination Date**" or, if not so specified as calculated by the Calculation Agent promptly before the Interest Payment Date) and will be payable in arrear on such dates as are specified in the relevant Final Terms and on the date of final maturity of the Notes.

The Rate of Interest in respect of Floating Rate Notes payable on any Interest Payment Date shall be determined in accordance with the provisions below relating to ISDA Determination or Screen Rate Determination, as specified in the applicable Final Terms. The Rate of Interest in respect of CMS-Linked Interest Notes payable on any Interest Payment Date shall be determined in accordance with the provisions below relating to CMS-Linked Interest Rate. Unless the Final Terms provide otherwise, the amount of interest payable on any Interest Payment Date (the "**Interest Amount**") will be calculated by applying the Rate of Interest to:

(i) in the case of Floating Rate Notes or CMS-Linked Interest Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Notes represented by such Global Note; or

(ii) in the case of Floating Rate Notes or CMS-Linked Interest Notes in definitive form, the Calculation Amount;

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub unit of the relevant Specified Currency, half of any such sub unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Floating Rate Note or CMS-Linked Interest Notes in definitive form is a multiple of the Calculation Amount, the Interest Amount payable in respect of such Note shall be the product of (i) the amount (determined in the manner provided above) for the Calculation Amount) and (ii) the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

The Rate of Interest applicable to Notes for each Interest Period shall be determined by the Calculation Agent on the following basis:

(i) If "Screen Rate Determination" is specified to be applicable in the relevant Final Terms:

(A) the Final Terms shall specify which Relevant Screen Page on the Reuters screen or any other information vending service shall be applicable;

(B) the Calculation Agent will determine the rate for deposits (or, as the case may require, the arithmetic mean of the rates for deposits (rounded, if necessary, to the ten thousandth of a percentage point, five one hundred thousandth being rounded upwards)) in the relevant currency for a period of the duration of the relevant Interest Period on the Relevant Screen Page as of 11.00 a.m. (London time) on the second London Banking Day (or in the case of Notes denominated in Euro as of 11.00 a.m. (Amsterdam time) on the second TARGET Settlement Day before (or, in the case of Notes denominated in Pounds Sterling, on) the first day of the relevant Interest Period or such other date as may be specified in the applicable Final Terms (the "**Rate Determination Date**");

(C) if, on any Rate Determination Date, no such rate for deposits so appears (or, as the case may require, if fewer than two such rates for deposits so appear) or if the Relevant Screen Page is unavailable, the Calculation Agent will, after consultation with the Issuer, request appropriate quotations and will determine the arithmetic mean (rounded as aforesaid) of the rates at which deposits in the relevant currency are offered by four major banks in the London interbank market (in the case of LIBOR) or the Euro zone (as defined below) interbank market (in the case of EURIBOR) (rounded as aforesaid), selected by the Calculation Agent, at approximately 11.00 a.m. (London time) (in the case of LIBOR) or 11.00 a.m. (Amsterdam time) (in the case of EURIBOR) on the Rate Determination Date, to prime banks in the London interbank market (in the case of LIBOR) or the Euro zone interbank market (in the case of EURIBOR) for a period of the duration of the relevant Interest Period and in an amount that is representative for a single transaction in the relevant market at the relevant time;

(D) if, on any Rate Determination Date, only two or three rates are so quoted, the Calculation Agent will determine the arithmetic mean (rounded as aforesaid) of the rates so quoted;

(E) if fewer than two rates are so quoted, the Calculation Agent will determine the arithmetic mean of the rates quoted by four major banks in the financial centre in which the relevant currency originates (for the purposes of the euro, this will mean any financial centre of a Member State of the European Union that has adopted the Euro in accordance with the Treaty), selected by the Calculation Agent after consultation with the Issuer, at approximately 11.00 a.m. in such financial centre on the first day of the relevant Interest Period for loans to leading European banks in the relevant currency for a period of the duration of the relevant Interest Period and in an amount that is representative for a single transaction in the relevant market at the relevant time; and

(F) the Calculation Agent shall then add or subtract (as indicated in the applicable Final Terms) the Margin (if any),

provided that, if the Calculation Agent is unable to determine a rate (or, as the case may be, an arithmetic mean (rounded as aforesaid)) in accordance with the above provisions in relation to any Interest Period, the Rate of Interest applicable to such Notes during such Interest Period will be the rate (or, as the case may be, the arithmetic mean) last determined in relation to such Notes in respect of the last preceding Interest Period, **provided always that** if there is specified in the relevant Final Terms a Minimum Rate of Interest or a Maximum Rate of Interest then the Rate of Interest shall in no event be less than or, as the case may be, exceed it.

As used herein "**Euro zone**" means the zone comprising the Member States of the European Union which have adopted the Euro as their lawful currency in accordance with the Treaty on the Functioning of the European Union.

(ii) If "ISDA Determination" is specified to be applicable in the relevant Final Terms, the relevant Final Terms will specify a "Floating Rate Option", a "Designated Maturity" and a "Reset Date" and the Calculation Agent will calculate the Rate of Interest in accordance with the provisions of the 2006 ISDA Definitions plus or minus (as indicated in the applicable Final Terms) the Margin (if any).

(iii) If "Linear Interpolation" is specified to be applicable in respect of an Interest Period in the relevant Final Terms, the Rate of Interest for such Interest 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 as applicable in the applicable Final Terms), or the relevant Floating Rate Option (where ISDA Determination is specified as applicable in the applicable Final Terms), one of which shall be determined as if the Designated Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Period and the other of which shall be determined as if the Designated Maturity were the period of time for which rates are available next longer than the length of the relevant Interest 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. "**Designated Maturity**" means, in relation to Screen Rate Determination, the period of time designated in the Reference Rate.

(iv) If "**CMS-Linked Interest Rate**" is specified to be applicable in the relevant Final Terms, the Rate of Interest for each Interest Period will be determined as set out below according to which of the following Reference Rates is specified in the applicable Final Terms as being applicable and:

(A) where "**CMS Reference Rate**" is specified as the Reference Rate in the applicable Final Terms, the Rate of Interest shall be determined by the Calculation Agent by reference to the following formula:

CMS Rate + Margin

(B) where "**CMS Steepener Rate**" is specified as the Reference Rate in the applicable Final Terms, the Rate of Interest shall be determined by the Calculation Agent by reference to the following formula:

(Leverage 1 x CMS Rate 1) – (Leverage 2 x CMS Rate 2) + Margin

(C) where "**Leveraged CMS Reference Rate**" is specified as the Reference Rate in the applicable Final Terms, the Rate of Interest shall be determined by the Calculation Agent by reference to the following formula:

Leverage 1 x CMS Rate + Margin

(D) where "**CMS Reference Rate Spread**" is specified as the Reference Rate in the applicable Final Terms, the Rate of Interest shall be determined by the Calculation Agent by reference to the following formula:

CMS Rate 1 – CMS Rate 2 + Margin

(E) where "**Leveraged CMS Reference Rate Spread**" is specified as the Reference Rate in the applicable Final Terms, the Rate of Interest shall be determined by the Calculation Agent using the following formula:

[Leverage 1 x (CMS Rate 1 – CMS Rate 2)] + Margin

(v) Unless otherwise specified in the relevant Final Terms, if the Rate of Interest is less than zero, the Rate of Interest shall be deemed to be zero.

If the applicable Final Terms specify a "Minimum Rate of Interest" for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the manner specified in the applicable Final Terms is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest.

If the applicable Final Terms specify a "Maximum Rate of Interest" for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the manner specified in the applicable Final Terms is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

(d) ***Index Linked Interest Provisions***

If the applicable Final Terms specify "Index Linked Interest Provisions" as "Applicable", Condition 4(b) (*Interest on Fixed Rate Notes*) shall apply to the calculation of interest amounts on the Notes, except that, if at the Valuation Time on a Conditional Coupon Observation Date, a Conditional Coupon Event has occurred, the Rate of Interest, Fixed Coupon Amount or Broken Amount, as the case may be, shall be zero for the Interest Period during which such Conditional Coupon Event has occurred. For the purposes of this Condition 4(d) (*Index Linked Interest Provisions*), "**Conditional Coupon Event**" means the Reference Level is less than the Coupon Barrier.

Notwithstanding the foregoing, if "**Memory**" is specified as being "Applicable" in the applicable Final Terms then on any Interest Payment Date relating to an Interest Period in respect of which no Conditional Coupon Event has occurred, the amount of interest payable on such Interest Payment Date shall be increased by an amount equal to the amount(s) of interest that would have been payable in respect of all previous Interest Periods (if any) during which a Conditional Coupon Event occurred, had such Conditional Coupon Event(s) not occurred; **provided that**, a payment in respect of any such Interest Period has not already been made pursuant to this provision.

For the purposes of this Condition 4(d) (*Index Linked Interest Provisions*) the determination of (i) whether or not interest shall be payable and (ii) the calculation of the amount of any such interest shall be made by the Calculation Agent on the first Business Day following:

(A) each Conditional Coupon Observation Date (in respect of the determination of whether or not a Conditional Coupon Event has occurred on such Conditional Coupon Observation Date); and

(B) the last Conditional Coupon Observation Date falling in a Conditional Coupon Observation Period in respect of the calculation of the amount of interest payable for such Interest Period.

(e) ***Range Accrual Note Provisions***

If the applicable Final Terms specify "**Range Accrual Note Provisions**" as "Applicable", Condition 4(b) (*Interest on Fixed Rate Notes*) shall apply to the calculation of interest amounts on the Notes, and for such purposes the "**Rate of Interest**" shall be the Relevant Range Accrual Rate.

For the purposes of this Condition 4(e) (*Range Accrual Note Provisions*) the determination of the calculation of the amount of any such interest shall be made by the Calculation Agent on the first Business Day following the last Range Accrual Observation Date falling in a Range Accrual Observation Period (the "**Interest Determination Date**") in respect of the calculation of the amount of interest payable for

such Range Accrual Observation Period which shall unless otherwise specified in the relevant Final Terms also be an "**Interest Period**".

If the applicable Final Terms specify a "Minimum Rate of Interest" for any Interest Period, then, in the event that the Relevant Range Accrual Rate in respect of such Interest Period determined in accordance with the manner specified in the applicable Final Terms is less than such Minimum Rate of Interest, the Relevant Range Accrual Rate for such Interest Period shall be such Minimum Rate of Interest.

If the applicable Final Terms specify a "Maximum Rate of Interest" for any Interest Period, then, in the event that the Relevant Range Accrual Rate in respect of such Interest Period determined in accordance with the manner specified in the applicable Final Terms is greater than such Maximum Rate of Interest, the Relevant Range Accrual Rate for such Interest Period shall be such Maximum Rate of Interest.

(f) ***Additional Provisions related to the Interest Amount***

(i) *Minimum Interest Amount and/or Maximum Interest Amount*

If the applicable Final Terms specify a Minimum Interest Amount for any Interest Period, then, in the event that the Interest Amount in respect of such Interest Period determined in accordance with the manner specified in the applicable Final Terms is less than such Minimum Interest Amount, the Interest Amount for such Interest Period shall be such Minimum Interest Amount.

If the applicable Final Terms specify a Maximum Interest Amount for any Interest Period, then, in the event that the Interest Amount in respect of such Interest Period determined in accordance with the manner specified in the applicable Final Terms is greater than such Maximum Interest Amount, the Interest Amount for such Interest Period shall be such Maximum Interest Amount.

(ii) *Determination of Rate of Interest and calculation of Interest Amounts*

The Calculation Agent will at or as soon as practicable after each time at which the Rate of Interest or the Interest Amount is to be determined, determine the Rate of Interest or the Interest Amount for the relevant Interest Period.

The Calculation Agent will calculate the amount of interest (the "**Interest Amount**") payable on the Notes, in respect of each Specified Denomination for the relevant Interest Period. Each Interest Amount shall be calculated in accordance with the terms above.

(iii) *Certificates to be final*

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of these Conditions, whether by the Calculation Agent or any other person performing such duties as may be assigned to them from time to time pursuant to these Conditions and any applicable Final Terms, shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Fiscal Agent, the Calculation Agent (if applicable), the other Agents and all Noteholders and Couponholders and (in the absence as aforesaid) no liability to the Issuer, the Noteholders or the Couponholders shall attach to the Fiscal Agent or the Calculation Agent (if applicable) in connection with the exercise or non exercise by it of its powers, duties and discretions pursuant to such provisions.

(g) ***Accrual of interest***

Each Note (or in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from the date for its redemption unless payment

of principal and/or delivery of all assets deliverable is improperly withheld or refused. In such event, interest will continue to accrue until whichever is the earlier of:

(i) the date on which all amounts due in respect of such Note have been paid and/or all assets deliverable in respect of such Note have been delivered; and (ii) five days after the date on which the full amount of the moneys payable in respect of such Note has been received by the Fiscal Agent and/or all assets in respect of such Note have been received by any agent appointed by the Issuer to deliver such assets to Noteholders and notice to that effect has been given to the Noteholders in accordance with Condition 14 (*Notices*).

(h) ***Interest Supplemental Provision***

This Condition shall be applicable (as appropriate) in relation to all Notes which are interest bearing.

The Calculation Agent will cause each Rate of Interest, Interest Payment Date, final day of an Interest Period, Interest Amount, or any other item related to the calculation of interest, as the case may be, determined or calculated by it to be notified to the Fiscal Agent who will cause them to be notified to the Issuer, the other Paying Agents and, in the case of Registered Notes, the Registrar (from whose respective specified offices such information will be available) and each listing authority, stock exchange and/or quotation system (if any) by which the Notes have then been admitted to listing, trading and/or quotation, as soon as practicable after such determination or calculation has been notified to it but (in the case of each Rate of Interest, Interest Amount and Interest Payment Date) in any event not later than the fourth London Business Day after such notification has been received. The Calculation Agent will be entitled to amend any Interest Amount, floating amount, Interest Payment Date or last day of an Interest Period (or to make appropriate alternative arrangements by way of adjustment) without prior notice in the event of the extension or abbreviation of any relevant Interest Period or Regular Period. If the Calculation Amount is less than the minimum Specified Denomination the Calculation Agent shall not be obliged to publish each Interest Amount but instead may publish only the Calculation Amount and the Interest Amount in respect of a Note having the minimum Specified Denomination. For the purposes of this Condition 4 (*Interest*), "**London Business Day**" shall mean any day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in London.

The determination by the Calculation Agent of all items falling to be determined by it shall, in the absence of wilful default, bad faith or manifest error, be final and binding on all parties.

(i) ***Calculations and determinations to be final***

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 4 (*Interest*), whether by the Fiscal Agent or the Calculation Agent, shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Fiscal Agent, the Calculation Agent, any other agents as may be appointed in respect to any Series of Notes and all relevant Noteholders and Couponholders.

5. EVENTS OF DEFAULT

Unless otherwise specified in the relevant Final Terms, (in the case of Senior Notes) the events or circumstances specified in (a) through (e) or (in the case of Subordinated Notes) the events or circumstances specified in (f) and (g) (each an "**Event of Default**") shall be acceleration events in relation to the Notes of any Series, namely:

(a) the Issuer defaults in any payment of principal or interest in respect of the Notes of the relevant Series or any of them as and when the same shall become due and payable and such default shall not have been cured within 15 days after written notice requiring such

default to be remedied has been given by a Noteholder of the relevant Series to the Issuer; or

(b) the Issuer defaults in the performance of any provision of the Fiscal Agency Agreement or of the Notes of the relevant Series (other than the payment of principal or interest) and such default is not cured within 30 days after written notice requiring such default to be remedied has been given by a Noteholder of the relevant Series to the Issuer; or

(c) the Issuer is dissolved or wound up or if the Issuer enters into a composition with its creditors, files a petition for a suspension of payments, admits in writing that it cannot pay its debts generally as they become due, initiates a proceeding in bankruptcy, or is adjudicated bankrupt; or

(d) the Issuer defaults in the payment of the principal of or interest on any obligations in respect of borrowed moneys of or assumed by the Issuer, or if default is made by the Issuer in making any payment due under any guarantee and/or indemnity given by it in relation to obligations in respect of borrowed moneys (other than guarantees given in the ordinary course of carrying on its banking business), when and as the same shall become due and payable, if such default shall continue for more than the period of grace, if any, applicable thereto and the time for payment of such interest or principal or amount due under any guarantee and/or indemnity as aforesaid has not been effectively extended or if any such obligations in respect of borrowed moneys of or assumed by the Issuer shall have become repayable before the due date thereof as a result of acceleration of maturity by reason of the occurrence of an event of default thereunder. In this sub-paragraph (d) "**borrowed moneys**" means borrowed moneys of an original maturity of 24 months or more, which have an outstanding nominal amount of the equivalent of Euro 10 million or more;

(e) the Issuer becomes or is found bankrupt or an order was made or an effective resolution was passed for the statutory merger *(juridische fusie)*, de-merger *(splitsing)*, winding up or liquidation *(vereffening)* of the Issuer (except for the purposes of a reconstruction or merger, the terms of which have previously been approved by an Extraordinary Resolution (as defined in the Fiscal Agency Agreement) of the Noteholders of the relevant Series) or becomes the subject of a filing for a declaration (which is not revoked within a period of 30 days), or a declaration was made under Chapter 3.5.5 of the Wft in respect of the Issuer or the Issuer compromises with the creditors generally or such measures are officially decreed;

(f) the Issuer is declared bankrupt, or a declaration in respect of the Issuer is made under article 3:163(1)(b) of the Wft; or

(g) 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.

If any Event of Default shall occur in relation to any Series of Notes, any Noteholder of the relevant Series may, by written notice to the Issuer, effective when deemed validly given and received in accordance with Condition 14.3 (*Notices – To the Issuer*) (the "**Notification Date**"), declare that such Note and (if the Note is interest bearing) all interest then accrued on such Note shall be forthwith due and payable, whereupon the same shall become immediately due and payable at its Early Redemption Amount, together with all interest (if any) accrued thereon without presentment, demand, protest or other notice of any kind, all of which the Issuer will expressly waive, anything contained in such Notes to the contrary notwithstanding, unless, prior to such Notification Date, all Events of Default in respect of the Notes of the relevant Series shall have been cured, **provided that** repayment of Subordinated Notes that qualify as Tier 2 Notes under this Condition 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.

6. **TAXATION**

All amounts payable (whether in respect of principal, redemption amount, interest or otherwise) in respect of the Notes will be made free and clear of and without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by or on behalf of The Netherlands or any political subdivision thereof or any authority or agency therein or thereof having power to tax, unless the withholding or deduction of such taxes or duties is required by law or by the administration or official interpretation thereof at the initiative of the relevant tax authority of the Issuer. In that event, the Issuer will, depending on which provision is specified in the applicable Final Terms, either:

(a) make the required withholding or deduction of such taxes or duties for the account of the holders of the Notes or Coupons, as the case may be, and shall not pay any additional amounts to the holders of the Notes or Coupons; or

(b) pay such additional amounts as may be necessary in order that the net amounts receivable by any Noteholder or Couponholder after such withholding or deduction shall equal the respective amounts which would have been receivable by such Noteholder in the absence of such withholding or deduction; except that no such additional amounts shall be payable in respect of payment in respect of any Note or Coupon presented for payment:

(i) in the case of Subordinated Notes only, of any amount of principal; or

(ii) by, or by a third party on behalf of, a holder of a Bearer Note who is liable to such taxes or duties in respect of such Note or Coupon by reason of his having some connection with The Netherlands other than the mere holding of such Bearer Note or Coupon; or

(iii) more than 30 days after the Relevant Date, except to the extent that the relevant holder would have been entitled to such additional amounts on presenting the same for payment on the expiry of such period of 30 days; or

(iv) where such withholding or deduction is imposed pursuant to FATCA.

In addition no such additional amounts shall be payable in respect of payment in respect of any Registered Note, the holder of which is liable to such taxes or duties by reason of his having some connection with The Netherlands other than the mere holding of such Registered Note or who is able to avoid such withholding or deduction by making a declaration of non residence or other similar claim for exemption to the relevant tax authority.

For the purposes of these Conditions, the "**Relevant Date**" means, in respect of any payment, the date on which such payment first becomes due and payable, but if the full amount of the moneys payable has not been received by the Fiscal Agent or, as the case may be, the Registrar on or prior to such due date, it means the first date on which, the full amount of such moneys have been so received and are available for payment to Noteholders and Couponholders, in which case notice to that effect shall have been duly given to the Noteholders of the relevant Series in accordance with Condition 14 (*Notices*).

If the Issuer is or becomes subject at any time to any taxing jurisdiction (including, for the avoidance of doubt, in respect of tax on its net income) other than or in addition to The Netherlands, references herein to "**The Netherlands**" shall be read and construed as references to The Netherlands and/or to such other jurisdiction.

Any reference in these Conditions to principal, redemption amount and/or interest in respect of the Notes shall be deemed also to refer to any additional amounts which may be payable under this Condition 6 (*Taxation*).

7. PAYMENTS

7.1 Payments on Bearer Notes

This Condition 7.1 (*Payments on Bearer Notes*) is applicable in relation to Notes in bearer form.

Payment of amounts (whether principal, redemption amount or otherwise and including accrued interest other than interest due against surrender of matured Coupons) due in respect of Bearer Notes will be made against presentation and (save in the case of a partial redemption) surrender of the relevant Bearer Notes at the specified office of any of the Paying Agents.

Subject as provided above, payment of amounts due in respect of interest on Bearer Notes will be made:

(a) in the case of a Temporary Global Note or Permanent Global Note, against presentation of the relevant Temporary Global Note or Permanent Global Note at the specified office of any of the Paying Agents outside the United States and, in the case of a Temporary Global Note, upon due certification as required therein;

(b) in the case of Definitive Notes without Coupons attached thereto at the time of their initial delivery, against presentation of the relevant Definitive Notes at the specified office of any of the Paying Agents outside the United States; and

(c) in the case of Definitive Notes delivered with Coupons attached thereto at the time of their initial delivery, against surrender of the relevant Coupons at the specified office of any of the Paying Agents outside the United States.

Payments of amounts due in respect of interest on the Notes will not be made at the specified office of any Paying Agent in the United States (as defined in the United States Internal Revenue Code of 1986 and Regulations thereunder) unless (a) payment in full of amounts due in respect of interest on such Notes when due at all the specified offices of the Paying Agents outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions, and (b) such payment is permitted by applicable United States law. If payment of interest is so illegal or precluded, the Issuer shall forthwith appoint a further Paying Agent with a specified office in New York City.

If the due date for payment of any amount due (whether in respect of principal, redemption amount, interest or otherwise) in respect of any Bearer Note is not a Payment Business Day in the place of presenting, the holder thereof will not be entitled to payment in such place of the amount due until the next succeeding Payment Business Day in such place and no further payment shall be due in respect of such delay save in the event that there is a subsequent failure to pay in accordance with these Conditions.

Each Definitive Note initially delivered with Coupons attached thereto should be presented and, save in the case of partial payment, surrendered for final redemption together with all unmatured Coupons appertaining thereto, failing which:

(i) in the case of Definitive Notes which bear interest at a fixed rate or rates, the amount of any missing unmatured Coupons (or, in the case of a payment not being made in full, that portion of the amount of such missing Coupon which the redemption amount paid bears to the total redemption amount due) (excluding, for this purpose, Talons) will be deducted from the amount otherwise payable on such final redemption, the amount so deducted being payable against surrender of the relevant Coupon at the specified office of any of the Paying Agents at any time prior to the tenth anniversary of the due date of such final redemption or, if later, the fifth anniversary of the date of maturity of such Coupon;

(ii) in the case of Definitive Notes which bear interest at, or at a margin above or below, a floating rate, all unmatured Coupons (excluding, for the purpose, Talons) relating to such Definitive Notes (whether or not surrendered therewith) shall become void and no payment shall be made thereafter in respect of them; and

(iii) in the case of Definitive Notes initially delivered with Talons attached thereto, all unmatured Talons shall become void and no exchange for Coupons shall be made thereafter in respect of them.

The provisions of paragraph (i) of this Condition 7.1 (*Payments on Bearer Notes*) notwithstanding, if any Definitive Notes which bear interest at a fixed rate or rates should be issued with a maturity date and a fixed rate or fixed rates such that, on the presentation for payment of any such Definitive Note without any unmatured Coupons attached thereto or surrendered therewith, the amount required by paragraph (i) to be deducted would be greater than the amount otherwise due for payment, then, upon the due date for redemption of any such Definitive Note, such unmatured Coupons (whether or not attached) shall become void (and no payment shall be made in respect thereof) as shall be required so that, upon application of the provisions of paragraph (i) in respect of such Coupons as have not so become void, the amount required by paragraph (i) to be deducted would not be greater than the amount otherwise due for payment. Where the application of the foregoing sentence requires some but not all of the unmatured Coupons relating to a Definitive Note to become void, the relevant Paying Agent shall determine which unmatured Coupons are to become void, and shall select for such purpose Coupons maturing on later dates in preference to Coupons maturing on earlier dates.

In relation to Definitive Notes initially delivered with Talons attached thereto, on or after the due date for the payment of interest on which the final Coupon comprised in any Coupon sheet matures, the Talon comprised in the Coupon sheet may be surrendered at the specified office of any Paying Agent in exchange for a further Coupon sheet (including any appropriate further Talon), subject to the provisions of Condition 7.3 (*General provisions applicable to payments*) below. Each Talon shall, for the purposes of these Conditions, be deemed to mature on the due date for the payment of interest on which the final Coupon comprised in the relative Coupon sheet matures.

7.2 **Payments on Registered Notes**

This Condition 7.2 (*Payments on Registered Notes*) is applicable in relation to Notes in registered form.

Payment of amounts (whether principal, redemption amount, interest or otherwise and including accrued interest) due in respect of Registered Notes on the final redemption of Registered Notes will be made against presentation and, save in the case of a partial payment of the amount due upon final redemption by reason of insufficiency of funds, surrender of the relevant Registered Notes at the specified office of the Registrar. If the due date for payment of the final redemption amount of Registered Notes is not a Payment Business Day in the place of presenting, the holder thereof will not be entitled to payment in such place of the amount due until the next succeeding Payment Business Day in such place and no further payment shall be due in respect of such delay save in the event that there is a subsequent failure to pay in accordance with these Conditions.

Payment of amounts (whether principal, redemption amount, interest or otherwise) due (other than in respect of the final redemption of Registered Notes) in respect of Registered Notes will be paid to the holders thereof (or, in the case of joint holders, the first named) as appearing in the Register kept by the Registrar as at opening of business in the Registrar City on the fifteenth Registrar Business Day before the due date for such payment (the date of such determination being the "**Record Date**"). The Registrar shall notify the Fiscal Agent of the identity of the holders of the relevant Registered Notes, as determined in accordance with this paragraph, as soon as possible following such determination and in any event, at least 10 Registrar Business Days prior to the relevant payment date and the Fiscal Agent shall as soon as possible inform the Issuer and such other parties as appropriate. For the purposes of this Condition 7.2 (*Payments on Registered Notes*), "**Registrar City**" shall mean the city in which the Registrar is located for the purposes of the relevant Series of Notes and "**Registrar Business Day**" will mean a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in the Registrar City.

Notwithstanding the provisions of Condition 7.3 (*General provisions applicable to payments*), payment of amounts (whether principal, redemption amount, interest or otherwise) due (other

than in respect of a final redemption of Registered Notes) in respect of Registered Notes will be made by cheque and posted to the address (as recorded in the Register held by the Registrar) of the holder thereof (or, in the case of joint holders, the first named) on the London, Amsterdam or, as the case may be, New York Business Day immediately preceding the relevant date for payment unless prior to the relevant Record Date the holder thereof (or, in the case of joint holders, the first named) has applied to the Registrar and the Registrar has acknowledged such application for payment to be made to a designated account in the relevant currency.

7.3 **General provisions applicable to payments**

Save as otherwise specified herein, this Condition 7.3 (*General provisions applicable to payments*) is applicable in relation to Notes whether in bearer or in registered form.

Save as provided in Condition 6 (*Taxation*), payments will be subject in all cases to any other applicable fiscal or other laws and regulations in the place of payment or other laws and regulations to which the Issuer or its Agents agree to be subject and the Issuer will not be liable for any taxes or duties of whatever nature imposed or levied by such laws, regulations or agreements, including any withholding or deduction required pursuant to FATCA.

Payments of amounts due (whether principal, redemption amount, interest or otherwise) in respect of Notes will be made by (a) transfer to an account in the relevant currency specified by the payee or (b) cheque. Payments will, without prejudice to the provisions of Condition 8 (*General Conditions Related to Redemption and Purchase*), be subject in all cases to any applicable fiscal or other laws and regulations.

All payments in respect of a Global Note or Global Registered Note which, according to these Conditions, require presentation and/or surrender of a Note, Individual Note Certificate or Coupon will be made against presentation and (in the case of payment of principal in full with all interest accrued thereon) surrender of the Global Note or Global Registered Note to or to the order of any Paying Agent and will be effective to satisfy and discharge the corresponding liabilities of the Issuer in respect of the Notes. On each occasion on which a payment of principal or interest is made in respect of the Global Note, the Issuer shall procure that the payment is noted in a schedule thereto or, in respect of an NGN, that the payment is entered *pro rata* in the records of Euroclear and/or Clearstream, Luxembourg.

In the case of a Global Note, the place of presentation of the relevant Note or, as the case may be, Coupon shall be disregarded in the definition of "Local Banking Day" in Condition 7.2 (*Payments on Registered Notes*).

In the case of a Global Registered Note:

(a) the relevant Registrar City shall be disregarded from the definition of "Registrar Business Day" in Condition 7.2 (*Payments on Registered Notes*); and

(b) the definition of "Record Date" in Condition 7.2 (*Payments on Registered Notes*) shall be disregarded and replaced with "as at the close of business (in the relevant clearing system) on the Clearing System Business Day before the due date for payment (where "**Clearing System Business Day**" means a day on which each clearing system for which the Global Registered Note is being held is open for business).

7.4 **Interpretation of principal and interest**

Any reference in these Conditions to principal in respect of the Notes shall be deemed to include, as applicable:

(a) any additional amounts which may be payable with respect to principal under Condition 6 (*Taxation*);

(b) the Final Redemption Amount of the Notes;

(c) the Early Redemption Amount of the Notes;

(d) the Optional Redemption Amount(s) (if any) of the Notes;

(e) in relation to Zero Coupon Notes, the amortised face amount; and

(f) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Notes,

and shall be deemed to exclude any amount of written down or converted (if any) pursuant to Condition 8.12 (*Statutory Loss Absorption of Subordinated Notes*).

Any reference in these Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 6 (*Taxation*).

8. GENERAL CONDITIONS RELATED TO REDEMPTION AND PURCHASE

8.1 Redemption at Maturity

Unless previously redeemed, written down, converted or purchased and cancelled, Notes shall be redeemed at their nominal amount (or at such other redemption amount as may be specified in or determined in accordance with the relevant Final Terms (such amount the "**Final Redemption Amount**") on the date or dates (or, in the case of Notes which bear interest at a floating rate of interest, on the date or dates upon which interest is payable) specified in the relevant Final Terms.

8.2 Index Linked Redemption

(a) If the applicable Final Terms specify "**Index Linked Redemption**" as being "Applicable", this Condition 8.2 (*Index Linked Redemption*) will apply to the Notes and **provided that** the Notes have not been previously redeemed or purchased and cancelled under the Conditions, each Note will be redeemed by the Issuer on the Maturity Date in the relevant Specified Currency at the Final Redemption Amount, which shall where this Condition 8.2 (*Index Linked Redemption*) applies be an amount equal to the:

(i) if at the Scheduled Closing Time on the Final Valuation Date the Final Reference Level is equal to or higher than the Strike Level:

lowest of:

(A) Minimum Redemption Amount + [Specified Denomination × Gearing x $\frac{Final\ Referene\ Level - Strike\ Level}{Initial\ Reference\ Level}$]; and

(B) Maximum Redemption Amount (where Maximum Redemption Amount is specified as "Applicable" in the applicable Final Terms);

provided that, if Maximum Redemption Amount is specified in the applicable Final Terms as "Not Applicable", the Final Redemption Amount shall be equal to (A) above; or

(ii) if at the Scheduled Closing Time on the Final Valuation Date the Final Reference Level is **lower than** the Strike Level:

the Minimum Redemption Amount specified in the applicable Final Terms.

(b) For the purposes of this Condition 8.2 (*Index Linked Redemption*), the determination of (i) whether or not the Final Reference Level is either (a) equal to or higher than the Strike Level or (b) lower than the Strike Level and (ii) the calculation of the Final Redemption Amount due under this Condition 8.2 (*Index Linked Redemption*), shall be made by the Calculation Agent on the basis of the formula stated in this Condition 8.2 (*Index Linked Redemption*) on the first Business Day following:

(i) the Final Valuation Date in respect of the determination of whether the Final Reference Level is either (a) equal to or higher than or (b) lower than, the Strike Level;

(ii) the Final Valuation Date in respect of the calculation of the Final Redemption Amount if "**Asian-Out**" is not specified as being "Applicable" in the applicable Final Terms or, if "Asian-Out" is so specified as being "Applicable" and the last Asian-Out Observation Date occurs prior to, or on the Final Valuation Date, the Final Valuation Date; and

(iii) the last Asian-Out Observation Date in respect of the calculation of the Final Redemption Amount if "Asian-Out" is specified as being "Applicable" in the applicable Final Terms and such Asian-Out Observation Date occurs after the Final Valuation Date.

8.3 **Early Redemption for Taxation Reasons (Tax Call)**

Unless "Tax Call" is specified in the relevant Final Terms as "Not Applicable", if, in relation to any Series of Notes, on the occasion of the next payment due in respect of such Notes (i) as a result of any change in the laws or regulations of The Netherlands or of any political subdivision thereof or any authority or agency therein or thereof having power to tax or in the interpretation or administration of any such laws or regulations which becomes effective on or after the date of issue of such Notes or any earlier date specified in the relevant Final Terms, the Issuer would be required to pay additional amounts as provided in Condition 6 (*Taxation*) and (ii) such circumstances are evidenced by the delivery by the Issuer to the Fiscal Agent of a certificate signed by two directors of the Issuer stating that the said circumstances prevail and describing the facts leading thereto and an opinion of independent legal advisers of recognised standing to the effect that such circumstances prevail, the Issuer may, at its option having given no less than thirty nor more than sixty days' notice (ending, in the case of Notes which bear interest at a floating rate, on a day upon which interest is payable) to the Noteholders in accordance with Condition 14 (*Notices*) (which notice shall be irrevocable), redeem all (but not some only) of the outstanding Notes comprising the relevant Series at their nominal amount (or at such other redemption amount as may be specified in or determined in accordance with the relevant Final Terms), together with accrued interest (if any) thereon **provided**, **however**, (and except in the case of Notes which bear interest at a floating rate) **that** no such notice of redemption may 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 Notes then due.

With respect to Subordinated Notes which 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 CRR and (ii) have demonstrated to the satisfaction of the Competent Authority that it meets the conditions in Article 78 CRR, 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 8.3, 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.

8.4 **Optional Early Redemption (Issuer Call)**

If this Condition is specified in the relevant Final Terms as being "Applicable", then the Issuer may, on any Optional Redemption Date, (as may be specified in the applicable Final Terms) and having given no less than five Business Days notice, or such other period(s) as may be specified in the relevant Final Terms, redeem all (but not, unless and to the extent that the relevant Final Terms specify otherwise, some only), of the Notes of the relevant Series at their nominal amount (or such other redemption amount as may be specified in or determined in accordance with the relevant Final Terms), together with accrued interest (if any) thereon (the "**Optional Redemption Amount**").

If the Subordinated Notes qualify as Tier 2 Notes, the Issuer must (i) obtain prior written permission of the Competent Authority **provided that** at the relevant time such permission is required to be given pursuant to Article 77 CRR and (ii) have demonstrated to the satisfaction of the Competent Authority that it meets the conditions in Article 78 CRR, 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 appropriate notice is a notice given by the Issuer to the Fiscal Agent and communicated by the Fiscal Agent to the Registrar (in the case of Registered Notes) and the Noteholders of the relevant Series, which notice shall be signed by two authorised signatories of the Issuer and shall specify:

(a) the Series of Notes subject to redemption;

(b) whether such Series is to be redeemed in whole or in part only and, if in part only, the aggregate nominal amount of the Notes of the relevant Series which are to be redeemed;

(c) the due date for such redemption, as determined in accordance with the terms of the applicable Final Terms; and

(d) the Optional Redemption Amount.

Any such notice shall be irrevocable, and the delivery thereof shall oblige the Issuer to make the redemption therein specified.

8.5 **Partial Redemption**

If the Notes of a Series are to be redeemed in part only on any date in accordance with Condition 8.4 (*Optional Early Redemption (Issuer Call)*):

(a) in the case of Bearer Notes, the Notes to be redeemed ("**Redeemed Notes**") will be drawn individually by lot in such European city as the Fiscal Agent may specify, in the case of Redeemed Notes represented by definitive Notes, and in accordance with the rules 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) in the case of Redeemed Notes represented by a Global Note, or, in either case identified in such other manner or in such other place as the Fiscal Agent may approve and deem appropriate and fair, subject always to compliance with all applicable laws and the requirements of each listing authority, stock exchange and/or quotation system (if any) by which the Notes have then been admitted to listing, trading and/or quotation, and the notice to the Noteholders referred to in Condition 8.4 (*Optional Early Redemption (Issuer Call*)) shall specify the serial numbers of the Notes so to be redeemed; and

(b) in the case of Registered Notes, the Notes shall be redeemed (so far as may be practicable) *pro rata* to their nominal amounts or, in the case of a Global Registered Note, in accordance with the rules of Euroclear and/or Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion, subject always as aforesaid and **provided always that** the amount redeemed in respect of each Note shall be equal to the minimum denomination thereof or an integral multiple thereof.

8.6 **Optional Early Redemption (Investor Put)**

If this Condition is specified in the relevant Final Terms as being "Applicable", then the Issuer shall, and having given no less than five Business Days notice, or such other period(s) as may be specified in the relevant Final Terms, redeem such Note on the Optional Redemption Date specified in the notice by any Noteholder of the relevant Series at its nominal amount (or such other redemption amount as may be specified in or determined in accordance with the relevant Final Terms), together with accrued interest (if any) thereon (the "**Optional Redemption Amount**"). It may be that before an Investor Put can be exercised, certain conditions and/or circumstances will need to be satisfied. Where relevant, the provisions will be set out in the applicable Final Terms.

In order to exercise such option, the Noteholder must, not less than 45 days before the date so specified (or such other period as may be specified in the relevant Final Terms), deposit the relevant Note (together, in the case of an interest bearing Definitive Note, with any unmatured Coupons appertaining thereto) with, in the case of a Bearer Note, any Paying Agent or, in the case of a Registered Note, the Registrar and must deposit a duly completed redemption notice in the form which is available from the specified office of any of the Paying Agents or, as the case may be, the Registrar within the applicable Notice Period (as specified in the relevant Final Terms).

Where Notes are represented by a Permanent Global Note or Global Registered Note, in order to exercise the option contained in this Condition 8.6 (*Optional Early Redemption (Investor Put)*) the bearer of the Permanent Global Note or the holder of a Global Registered Note must within the period specified above for the deposit of the relevant Note and redemption notice, give written notice of such exercise to the Fiscal Agent specifying the principal amount of the Notes in respect of which such option is being exercised. Any such notice is irrevocable and may not be withdrawn.

8.7 **Redemption for Illegality (Illegality Call)**

Unless "Illegality Call" is specified in the relevant Final Terms as "Not Applicable", in the event that the Calculation Agent determines in good faith that the performance of the Issuer's obligations under the Notes (other than Subordinated Notes which qualify as Tier 2 Notes) or that any arrangements made to hedge the Issuer's obligations under the Notes has or will become unlawful, illegal or otherwise prohibited in whole or in part as a result of compliance with any applicable present or future law, rule, regulation, judgment, order or directive of any governmental, administrative, legislative or judicial authority or power, or in the interpretation thereof, the Issuer having given not less than 10 nor more than 30 days' notice to Noteholders in accordance with Condition 14 (*Notices*) (which notice shall be irrevocable), may, on expiry of such notice redeem all, but not some only, of the Notes, each Note being redeemed at the Early Redemption Amount together (if appropriate) with interest accrued to (but excluding) the date of redemption.

8.8 **Redemption, substitution and variation for regulatory purposes of Subordinated Notes**

If "Regulatory Call" is specified in the applicable Final Terms, the Issuer may upon the occurrence of a Capital Event (as defined below) redeem the Subordinated Notes, in whole but not in part, at any time, on giving not less than 30 nor more than 60 days' irrevocable notice to the Subordinated Noteholders, or such other period of notice as is specified in the applicable Final Terms, in accordance with Condition 14 (*Notices*). Additionally, redemption of the Subordinated Notes is subject to (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 CRR and (ii) the Issuer demonstrating to the satisfaction of the Competent Authority that it meets the conditions in Article 78 CRR, which may include requiring 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 Issuer will redeem the Subordinated Notes in accordance with the Terms and Conditions at the Early Redemption Amount together (if appropriate) with interest accrued to (but excluding) the date of redemption.

If "Substitution or Variation" is specified in the applicable Final Terms and if a Capital Event or a CRD IV Capital Event (as defined below) 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 on giving not less than 30 nor more than 60 days' irrevocable notice in accordance with Condition 14 (*Notices*) 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 IV 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 8.8 as the case may be, **provided that** such substitution or variation shall not result in terms that are materially less favourable to the Subordinated

Noteholders. For the avoidance of doubt, the Competent Authority has discretion as to whether or not it will permit 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 credit ratings as were assigned to the Subordinated Notes immediately prior to such variation or substitution and (6) be listed on a recognised stock exchange if the Subordinated Notes were listed immediately prior to such variation or substitution.

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 CRR) 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) was not reasonably foreseeable at the time of their issuance as demonstrated by the Issuer to the satisfaction of the Competent Authority as required by Article 78(4) CRR.

A "**CRD IV 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 (within the meaning of the CRR) of the Issuer by reason of their non-compliance with CRD IV or such other regulatory capital rules applicable to the Issuer at the relevant time.

8.9 **Early Redemption Amounts**

Subject in the case of Subordinated Notes to Condition 8.12 (*Statutory Loss Absorption of Subordinated Notes*) for the purposes of Condition 5 (*Events of Default*), Condition 8.3 (*Early Redemption for Taxation Reasons (Tax Call)*), Condition 8.7 (*Redemption for Illegality (Illegality Call)*) or Condition 8.8 (*Redemption, substitution and variation for regulatory purposes of Subordinated Notes*) each Note will be redeemed at its Early Redemption Amount calculated as follows:

(a) in the case of a Note with a Final Redemption Amount equal to the Issue Price, at the Final Redemption Amount thereof;

(b) in the case of a Note (other than a Zero Coupon Note or an Index Linked Redemption Note) with a Final Redemption Amount which is or may be less or greater than the Issue Price or which is payable in a Specified Currency other than that in which the Note is denominated, 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 applicable Final Terms, at its nominal amount;

(c) in the case of an Index Linked Redemption Note, an amount equal to the market value of each Note on the date of redemption, adjusted, if so specified in the applicable Final Terms, to account for Early Redemption Unwind Costs, where:

"**Early Redemption Unwind Costs**" mean the amount specified as such in the applicable Final Terms or, if the Standard Early Redemption Unwind Costs are specified to apply in the applicable Final Terms, an amount determined by the Calculation Agent equal to (without duplication) the sum of all costs, expenses (including loss of funding), tax and duties incurred by the Issuer and/or its Affiliates, in connection with the redemption of the Notes and the related termination, settlement or re-establishment of any hedge or related trading position, such amount to be apportioned *pro rata* amongst each nominal amount of the Notes in the Specified Denomination.

(d) in the case of a Zero Coupon Note, at an amount (the "**Amortised Face Amount**") calculated in accordance with the following formula:

Early Redemption Amount = RP x $(1 + AY)^y$

where:

"**RP**" means the Reference Price; and

"**AY**" means the Accrual Yield expressed as a decimal; and

"**y**" is a fraction the numerator of which is equal to the number of days (calculated on the basis of a 360 day year consisting of 12 months of 30 days each) from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator of which is 360; or

(e) in the case of any other type of Note as may be issued under this Programme, as determined by reference to the provisions in the applicable Final Terms;

or on such other calculation basis as may be specified in the applicable Final Terms.

8.10 **Purchase of Notes**

The Issuer or any of its consolidated subsidiaries may at any time purchase Notes in the open market or otherwise and at any price **provided that**, in the case of interest bearing Definitive Notes, any unmatured Coupons appertaining thereto are purchased therewith. Notes purchased in accordance with this Condition 8.10 (*Purchase of Notes*) may be held, re-issued, resold or, at the option of the Issuer, surrendered to any Paying Agent or, in the case of Registered Notes, the Registrar for cancellation (**provided that**, in the case of interest bearing Notes, all unmatured Coupons appertaining thereto are attached or surrendered therewith).

The purchase by the Issuer or any of its subsidiaries of Subordinated Notes qualifying as Tier 2 Notes shall be subject to 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 CRR, and may not take place within five years after the Issue Date unless permitted under applicable laws and regulations (including CRD IV as then in effect).

8.11 **Cancellation of Redeemed Notes**

All unmatured Notes redeemed in accordance with this Condition 8 (*General Conditions related to redemption and purchase*) (**provided**, in the case of interest bearing Notes, **that** all unmatured Coupons appertaining thereto are attached or surrendered therewith) will be cancelled and may not be reissued or resold.

8.12 **Statutory Loss Absorption of Subordinated Notes**

Subordinated Notes may become subject to the determination by the Relevant Resolution Authority or the Issuer (following instructions from the Relevant Resolution Authority) that all or part of the nominal amount of the Subordinated Notes, including accrued but unpaid interest in respect thereof, must be written down or converted into Common Equity Tier 1 instruments or otherwise be applied to absorb losses, all as prescribed by the Applicable Resolution Framework ("**Statutory Loss Absorption**"). Upon any such determination, (i) the relevant proportion of the outstanding nominal amount of the Subordinated Notes subject to Statutory Loss Absorption shall be written down or converted into Common Equity Tier 1 instruments or otherwise be applied to absorb losses, as prescribed by the Applicable Resolution Framework, (ii) such Statutory Loss Absorption shall not constitute an Event of Default and (iii) Subordinated Noteholders will have no further claims in respect of the amount so written down or the amount subject to conversion or otherwise as a result of such Statutory Loss Absorption.

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 Relevant Resolution Authority and without the consent of the 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 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 Noteholders shall be as prescribed by the Applicable Resolution Framework, which may include the concept that, upon such determination, no 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.

9. ADJUSTMENTS, DISRUPTION DAYS AND DATE EXTENSION

9.1 Adjustments

In the case of Index Linked Notes and in respect of any Index, if the Calculation Agent determines that, in respect of such Index, any Additional Disruption Event, Index Modification, Index Cancellation and/or Index Disruption and/or any other event or events occur which the Calculation Agent determines necessitate(s) an adjustment or adjustments to any one or more Product Parameter and/or any other relevant term of the Notes (including, the amount of interest payable, if any) (each such other event, a "**Relevant Event**"), the Issuer, at its discretion, may make any adjustment or adjustments to any one or more Product Parameters and/or any one or more other terms and/or conditions of the Notes (including the amount of interest payable, if any) as it deems necessary with the aim of neutralising the distorting effects of such events.

(a) ***Change of Exchange***

If the Exchange is changed, the Issuer may make such consequential modifications to any one or more Product Parameters and/or any one or more other terms and/or conditions of the Notes (including the amount of interest payable, if any) as it deems necessary with the aim of neutralising the distorting effects of such event.

(b) ***Level correction***

In the event that any level or price published by any relevant Index Sponsor and which is utilised for any calculation or determination made under the Notes is subsequently corrected and the correction is published by the relevant Index Sponsor within three Business Days (or such other Index Correction Period specified in the Final Terms) after the original publication, the Calculation Agent will determine the amount (if any) that is payable following that correction, and, to the extent necessary, the Issuer will adjust the terms and conditions of the Notes to account for such correction.

9.2 Disrupted Days

(i) Where the Scheduled Reference Date is a Scheduled Reference Date other than an Asian-Out Observation Date; and

(A) Where "**Single Reference Asset Level**" is specified as the applicable Reference Level in the applicable Final Terms, if the Calculation Agent determines that any Scheduled Reference Date is a Disrupted Day, then the Reference Date shall be the earlier of (i) the first Scheduled Trading Day following the Scheduled Reference Date that is not a Disrupted Day and (ii) the Reference Cut-Off Date (which may be a Disrupted Day).

(B) Where "Average Basket Level" or "Worst Performer of Basket" is specified as the applicable Reference Level in the applicable Final Terms, if the Calculation Agent determines that any Scheduled Reference Date is a Disrupted Day, then:

(1) the Reference Date for each Basket Component in respect of which the Scheduled Reference Date is not a Disrupted Day shall be the Scheduled Reference Date for such Basket Component; and

(2) the Reference Date for each Basket Component in respect of which the Scheduled Reference Date is a Disrupted Day (each an "**Affected Basket Component**") shall be the earlier of (A) the first Scheduled Trading Day following the relevant Scheduled Reference Date that is not a Disrupted Day in respect of such Affected Basket Component and (B) the Reference Cut-Off Date (which may be a Disrupted Day) for such Affected Basket Component.

(C) Where "Average Basket Level" or "Worst Performer of Basket" is specified as the applicable Reference Level in the applicable Final Terms and "Common Scheduled Trading Days" and "Common Disrupted Days" are both specified as "Applicable" in the applicable Final Terms, if the Calculation Agent determines that any Scheduled Reference Date is a Disrupted Day, then the Reference Date for each Basket Component shall be the earlier of (i) the first Common Scheduled Trading Day following the Scheduled Reference Date that is not a Disrupted Day for any Basket Component and (ii) the Reference Cut-Off Date (which may be a Disrupted Day).

(ii) Where the Scheduled Reference Date is an Asian-Out Observation Date; and

(A) Where "Single Reference Asset Level" is specified as "Applicable" in the applicable Final Terms, if the Calculation Agent determines that any Scheduled Asian-Out Observation Date is a Disrupted Day, then:

(1) if "Omission" is specified as "Applicable" in the applicable Final Terms, such date shall be deemed not to be an Asian-Out Observation Date, **provided that**, if through the operation of this provision there would not be any Asian-Out Observation Date in respect of such Reference Date, then the sole Asian-Out Observation Date shall be the earlier of (A) the first Scheduled Trading Day following the Scheduled Asian-Out Observation Date that is not a Disrupted Day and (B) the Reference Cut-Off Date (which may be a Disrupted Day);

(2) if "Postponement" is specified in the applicable Final Terms, the Asian-Out Observation Date shall be the earlier of (A) the first Scheduled Trading Day following the Scheduled Asian-Out Observation Date that is not a Disrupted Day and (B) the Reference Cut-Off Date (which may be a Disrupted Day). Any day (including, for the avoidance of doubt, the Reference Cut- Off Date) determined to be an Asian-Out Observation Date as a result of the operation of this Condition 9.2(ii)(A)(2) shall be an Asian-Out Observation Date, irrespective of whether it falls on a day that already is or is deemed to be an Asian-Out Observation Date; or

(3) if "Modified Postponement" is specified in the applicable Final Terms, the Asian-Out Observation Date shall be the earlier of (A) the first Valid Date following the Scheduled Asian-Out Observation Date and (B) the Reference Cut-Off Date (which may be a Disrupted Day), irrespective of whether the Reference Cut-Off Date falls on a day that already is or is deemed to be an Asian-Out Observation Date.

(B) Where "Average Basket Level" or "Worst Performer of Basket" is specified as "Applicable" in the applicable Final Terms, if the Calculation Agent determines

that any Scheduled Asian-Out Observation Date in respect of a Reference Date is a Disrupted Day in respect of any Basket Component, then:

(1) if "Omission" is specified as "Applicable" in the applicable Final Terms, such date shall be deemed not to be an Asian-Out Observation Date in respect of any Basket Component in respect of such Reference Date, **provided that**, if through the operation of this provision there would not be any Asian-Out Observation Date in respect of such Reference Date, then (A) the sole Asian-Out Observation Date for each Basket Component in respect of which the final Scheduled Asian-Out Observation Date is not a Disrupted Day shall be the final Scheduled Asian-Out Observation Date; and (B) the sole Asian-Out Observation Date for each Basket Component in respect of which the final Scheduled Asian-Out Observation Date is a Disrupted Day (each such Basket Component an "**Affected Basket Component**") shall be the earlier of (I) the first Scheduled Trading Day following the final Scheduled Asian-Out Observation Date that is not a Disrupted Day in respect of such Affected Basket Component and (II) the Reference Cut-Off Date (which may be a Disrupted Day) for such Affected Basket Component;

(2) if "Postponement" is specified in the applicable Final Terms, then, (A) the Asian-Out Observation Date for each Basket Component in respect of which the Scheduled Asian-Out Observation Date is not a Disrupted Day shall be the Scheduled Asian-Out Observation Date; and (B) the Asian-Out Observation Date for each Basket Component in respect of which the Scheduled Asian-Out Observation Date is a Disrupted Day (each such Basket Component, an "**Affected Basket Component**") shall be the earlier of (I) the first Scheduled Trading Day following the Scheduled Asian-Out Observation Date that is not a Disrupted Day in respect of such Affected Basket Component and (II) the Reference Cut-Off Date (which may be a Disrupted Day) for such Affected Basket Component. Any day (including, for the avoidance of doubt, the Reference Cut-Off Date) determined to be an Asian-Out Observation Date as a result of the operation of this Condition 9.2(ii)(B)(2) shall be an Asian-Out Observation Date, irrespective of whether it falls on a day that already is or is deemed to be an Asian-Out Observation Date; or

(3) if "Modified Postponement" is specified in the applicable Final Terms, then, (A) the Asian-Out Observation Date for each Basket Component in respect of which the Scheduled Asian-Out Observation Date is not a Disrupted Day shall be the Scheduled Asian-Out Observation Date; and (B) the Asian-Out Observation Date for each Basket Component in respect of which the Scheduled Asian-Out Observation Date is a Disrupted Day (each such Basket Component an "**Affected Basket Component**") shall be the earlier of (I) the first Valid Date following the Scheduled Asian-Out Observation Date in respect of such Affected Basket Component and (II) the Reference Cut-Off Date (which may be a Disrupted Day) for such Affected Basket Component, irrespective of whether the Reference Cut-Off Date falls on a day that is already deemed to be an Asian-Out Observation Date.

(C) Where "Average Basket Level" or "Worst Performer of Basket" is specified as "Applicable" in the applicable Final Terms and "Common Scheduled Trading Days" and "Common Disrupted Days" are both specified as "Applicable" in the applicable Final Terms, if the Calculation Agent determines that any Scheduled Asian-Out Observation Date in respect of a Reference Date is a Disrupted Day in respect of any Basket Component, then:

(1) if "Omission" is specified in the applicable Final Terms, such date shall be deemed not to be an Asian-Out Observation Date in respect of any

Basket Component in respect of such Reference Date, **provided that**, if through the operation of this provision there would be no Asian-Out Observation Date in respect of such Reference Date, then the sole Asian-Out Observation Date for each Basket Component shall be the earlier of (A) the first Common Scheduled Trading Day following the final Scheduled Asian-Out Observation Date that is not a Disrupted Day for any Basket Component and (B) the Reference Cut-Off Date (which may be a Disrupted Day);

(2) if "Postponement" is specified in the applicable Final Terms, then the Asian-Out Observation Date shall be the earlier of (A) the first Common Scheduled Trading Day following the Scheduled Asian-Out Observation Date that is not a Disrupted Day in respect of any Basket Component and (B) the Reference Cut-Off Date (which may be a Disrupted Day). Any day (including, for the avoidance of doubt, the Reference Cut-Off Date) determined to be an Asian-Out Observation Date as a result of the operation of this Condition 9.2(ii)(D)(2) shall be an Asian-Out Observation Date, irrespective of whether it falls on a day that already is or is deemed to be an Asian-Out Observation Date; or

(3) if "Modified Postponement" is specified in the applicable Final Terms, then the Asian-Out Observation Date for each Basket Component shall be the earlier of (A) the first Common Valid Date following the Scheduled Asian-Out Observation Date and (B) the Reference Cut-Off Date (which may be a Disrupted Day), irrespective of whether the Reference Cut-Off Date falls on a day that already is or is deemed to be an Asian-Out Observation Date.

(iii) If, in respect of an Index, a Reference Date falls on the relevant Reference Cut-Off Date pursuant to (i) or (ii) above:

(A) if such Reference Cut-Off Date is not a Disrupted Day for such Index, the Calculation Agent shall determine the Index Level of such Index as at the Valuation Time on such Reference Cut-Off Date; and/or

(B) if such Reference Cut-Off Date is a Disrupted Day for such Index, the Calculation Agent shall determine the Index Level of such Index or Affected Basket Component, as the case may be, as at the Valuation Time on the Reference Cut-Off Date in accordance with the formula for the method of calculating the Index Level of such Index or Affected Basket Component, as the case may be, last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted values as at the Valuation Time on the Reference Cut-Off Date of each security comprised in such Index, or Affected Basket Component, as the case may be (or if the Calculation Agent determines that an event giving rise to a Disrupted Day has occurred in respect of the relevant security on the Reference Cut-Off Date, its good faith estimate of the value of the relevant security as of the Valuation Time on the Reference Cut-Off Date); and/or

(C) the Issuer may make any adjustment or adjustments to the Product Parameters and/or any other relevant term of the Notes (including the amount of interest payable, if any) as it deems necessary.

(D) If the Issuer is not the Calculation Agent, the Calculation Agent shall give notice as soon as practicable to the Issuer of the occurrence of a Disrupted Day on any day that, but for the occurrence of a Disrupted Day, would have been a Reference Date and the Issuer shall give such notice as soon as practicable to the Noteholders in accordance with Condition 14 (*Notices*) and otherwise, if the Issuer is the Calculation Agent, the Issuer shall give notice as soon as practicable to the Noteholders of the occurrence of a Disrupted Day on any day that, but for the occurrence of a Disrupted Day, would have been a Reference

Date in accordance with Condition 14 (*Notices*). Without limiting the obligation of the Calculation Agent to give notice to the Noteholders as set forth in the preceding sentence, failure by the Calculation Agent to notify the Noteholders of the occurrence of a Disrupted Day shall not affect the validity of the occurrence and effect of such Disrupted Day.

9.3 **Date Extensions**

(a) ***Maturity Date Extension***

If the applicable Final Terms specify "**Maturity Date Extension**" as "Applicable", the Maturity Date shall be (i) the date specified as the Maturity Date in the applicable Final Terms (the "**Scheduled Maturity Date**") or if later (ii) the day falling the Number of Extension Business Days after the final Reference Date in respect of which the Final Redemption Amount is determined. If any amount is payable on the redemption of a Note to which Maturity Date Extension applies, and the relevant Maturity Date is postponed pursuant to a Maturity Date Extension, such amount will be due on the relevant date as so postponed without adjustment for any interest or other sum payable as a result of the postponement of the payment of such amount.

(b) ***Interest Payment Date Extension***

If the applicable Final Terms specify "**Interest Payment Date Extension**" as "Applicable", each Interest Payment Date shall be (i) the date specified as such Interest Payment Date in the applicable Final Terms (the "**Scheduled Interest Payment Date**") or if later (ii) the day falling the **Number of Extension Business Days** after the final **Reference Date** in respect of which the Rate of Interest is determined for such Interest Payment Date. If any amount is payable on an Interest Payment Date in respect of a Note to which Interest Payment Date Extension applies, and such Interest Payment Date is postponed pursuant to an Interest Payment Date Extension, such amount will be due on the Interest Payment Date as so postponed without adjustment for any interest or other sum payable as a result of the postponement of the payment of such amount.

If in accordance with this Condition 9 (*Adjustments, Disruption Days and Date Extension*) (i) the Maturity Date shall occur after the Scheduled Maturity Date or (ii) the Interest Payment Date shall occur after the Scheduled Interest Payment Date, the Issuer shall at least five Business Days prior to the Scheduled Maturity Date or the Scheduled Interest Payment Date as applicable, give notice to the holders of the Notes, the Fiscal Agent and the Paying Agents specifying the extension of such Scheduled Maturity Date or Scheduled Interest Payment Date as the case may be in accordance with Condition 14 (*Notices*).

10. PRESCRIPTION

Notes and Coupons will become void unless presented for payment within five years after the Relevant Date (as defined in Condition 6 *(Taxation)*) for payment thereof.

In relation to Definitive Notes initially delivered with Talons attached thereto, there shall not be included in any Coupon sheet issued upon exchange of a Talon any Coupon which would be void upon issue pursuant to Condition 7.1 (*Payments on Bearer Notes*) or the due date for the payment of which would fall after the due date for the redemption of the relevant Note or which would be void pursuant to this Condition 10 (*Prescription*).

11. THE PAYING AGENTS AND THE REGISTRARS

The initial Paying Agents and Registrars and their respective initial specified offices are specified below.

The Issuer reserves the right at any time to vary or terminate the appointment of any Paying Agent (including the Fiscal Agent) or the Registrar and to appoint additional or other Paying Agents or another Registrar, **provided that** it will at all times maintain (i) a Fiscal Agent, (ii) a Registrar, (iii) a Paying Agent with a specified office in continental Europe (but outside the United Kingdom), (iv), if, and for so long as the Notes are admitted to listing, trading and/or

quotation by any listing authority, stock exchange and/or quotation system which requires the appointment of a Paying Agent and a Registrar in any particular place, a Paying Agent and a Registrar each with a specified office in the place required by such listing authority, stock exchange and/or quotation system and (v) in the circumstances described in Condition 7.1 (*Payments on Bearer Notes*), a Paying Agent with a specified office in New York City. The Paying Agents and the Registrar reserve the right at any time to change their respective specified offices to some other specified office in the same city. Notice of all changes in the identities or specified offices of the Paying Agents or the Registrar will be notified promptly to the Noteholders in accordance with Condition 14 (*Notices*).

The Paying Agents and Registrars act solely as agents of the Issuer and, save as provided in the Fiscal Agency Agreement, do not assume any obligations towards or relationship of agency or trust for any Noteholder or Couponholder and each of them shall only be responsible for the performance of the duties and obligations expressly imposed upon them in the Fiscal Agency Agreement or incidental thereto.

12. REPLACEMENT OF NOTES

If any Note, Individual Note Certificate or Coupon is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Fiscal Agent, in the case of Bearer Notes, or the Registrar, in the case of Registered Notes (and, if the Notes are then admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system which requires the appointment of a Paying Agent of a Transfer Agent in any particular place, the Paying Agent or the Transfer Agent having its specified office in the place required by such competent authority, stock exchange and/or quotation system), subject to all applicable laws and competent authority, stock exchange and/or quotation system requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may reasonably require. Mutilated or defaced Notes, Individual Note Certificates or Coupons must be surrendered before replacements will be issued.

13. MEETINGS OF NOTEHOLDERS

The Fiscal Agency Agreement contains provisions (which shall have effect as if incorporated herein) for convening meetings of the Noteholders of any Series to consider any matter affecting their interest, including (without limitation) the modification by Extraordinary Resolution (as defined in the Fiscal Agency Agreement) of these Conditions. An Extraordinary Resolution passed at any meeting of the Noteholders of any Series will be binding on all Noteholders of such Series, whether or not they are present at the meeting, and on all Couponholders (if any).

In addition, a resolution in writing signed by or on behalf of at least 90 per cent. of the Noteholders who for the time being are entitled to receive notice of a meeting of Noteholders under the Fiscal Agency Agreement will take effect as if it were an Extraordinary Resolution. 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 Noteholders.

The Fiscal Agent and the Issuer may agree, without the consent of the Noteholders, holders of Talons or Couponholders, to:

(a) any modification (except as mentioned in the paragraph above) of the Notes, the Talons, the Coupons or the Fiscal Agency Agreement which in the opinion of the Issuer is not prejudicial to the interests of the Noteholders;

(b) any modification of the Notes, the Talons, the Coupons or the Fiscal 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; or

(c) in accordance with Condition 8.8, 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 IV or such other regulatory capital rules applicable to the Issuer at the relevant time.

Any such modification shall be binding on the Noteholders, holders of Talons and Couponholders and any such modification shall be notified to the Noteholders in accordance with Condition 14 (*Notices*) as soon as practicable thereafter.

14. NOTICES

14.1 To Holders of Bearer Notes

Notices to holders of Bearer Notes will, save where another means of effective communication has been specified in the relevant Final Terms, be deemed to be validly given if published in a leading daily newspaper having general circulation in London (which is expected to be the Financial Times*)* or, if such publication is not practicable, if published in a leading English language daily newspaper having general circulation in Europe or, in the case of a Temporary Global Note or Permanent Global Note, if delivered to Euroclear and/or Clearstream, Luxembourg for communication by them to the persons shown in their respective records as having interests therein **provided that**, in the case of Notes admitted to listing and trading on Euronext in Amsterdam, the requirements of Euronext Amsterdam N.V. have been complied with. Any notice so given will be deemed to have been validly given on the date of such publication (or, if published more than once, on the date of first such publication) or, as the case may be, on the fourth Business Day after the date of such delivery to Euroclear and/or Clearstream, Luxembourg. Couponholders will be deemed for all purposes to have notice of the contents of any notice given to holders of Bearer Notes in accordance with this Condition.

14.2 To Holders of Registered Notes

Notices to holders of Registered Notes will be deemed to be validly given if (a) published in a leading daily newspaper having general circulation in London (which is expected to be the Financial Times) or, if such publication is not practicable, if published in a leading English language daily newspaper having general circulation in Europe, on the date of such publication, or (b) sent by first class mail (or equivalent) or (if posted to an overseas address) by air mail to them (or, in the case of joint holders, to the first named in the Register kept by the Registrar) at their respective addresses as recorded in the Register kept by the Registrar or, in the case of a Global Registered Note, to DTC, Euroclear and Clearstream, Luxembourg for communication by them to the persons shown in their respective records as having interests therein. Any such notice will be deemed to have been validly given on the fourth Business Day after the date of such mailing or, if posted from another country, on the fifth such Business Day.

14.3 To the Issuer

Notices to the Issuer will be deemed to be validly given and received if delivered (by courier or other form of registered mail or by hand) at Carnegieplein 4, 2517 KJ, The Hague, The Netherlands and clearly marked on their exterior "Urgent Attention: Head of Treasury Department" (or at such other principal office and for such other attention as may have been notified to the Noteholders in the applicable Final Terms or in accordance with this Condition 14 (*Notices*)) or at the specified office of the Fiscal Agent or, in the case of Registered Notes, the Registrar and will be deemed to have been validly given and received when delivered, or if delivered otherwise than during business hours or on a day on which the Issuer's principal office or, as the case may be, the specified office of the Fiscal Agent or the Registrar is not open for business, at the opening of business on the next day on which the Issuer's principal office or, as the case may be, the specified office of the Fiscal Agent or the Registrar is open for business. In the event that such notice is delivered to the Fiscal Agent or the Registrar, such party shall immediately provide a copy of such notice to the Issuer.

15. FURTHER ISSUES

The Issuer may, from time to time without the consent of the Noteholders of any Series, create and issue further Notes, bonds or debentures having the same terms and conditions as the Notes of such Series in all respects (or in all respects except for the first payment of interest, if any, on them and/or the denomination thereof) so as to form a single series with the Notes of such Series.

16. **CURRENCY INDEMNITY**

The Issuer will indemnify any Noteholder or Couponholder against any loss incurred by such Noteholder or Couponholder as a result of any judgment or order by any court for the payment of any amount due in respect of the Notes or the filing of any proof or proofs in the winding up or liquidation of the Issuer being given or made and such judgment, order or filing being expressed in a currency other than the currency in which the Notes are payable and as a result of any variation having occurred in rates of exchange between the date as of which the amount in the currency in which the Notes are payable is converted for such judgment, order or filing and the date of actual payment thereof.

This indemnity shall constitute a separate and independent obligation from the other obligations contained herein, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by any Noteholder or Couponholder from time to time and shall continue in full force and effect notwithstanding any judgment, order or filing. Any such loss as aforesaid shall be deemed to constitute a loss suffered by the relevant Noteholder or Couponholder and no proof or evidence of any actual loss shall be required by the Issuer. Nothing in this Condition shall prevent the Issuer from discharging its obligations in respect of any Note or Coupon by making payment in accordance with Condition 7 (*Payments*).

17. **WAIVER AND REMEDIES**

No failure to exercise, and no delay in exercising, on the part of any Noteholder, any right hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or future exercise thereof or the exercise of any other right. Rights hereunder shall be in addition to all other rights provided by law. No notice or demand given in any case shall constitute a waiver of rights to take other action in the same, similar or other instances without such notice or demand.

18. **EXCHANGE OF TALONS**

On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of the Fiscal Agent or any other Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Note to which it appertains) a further Talon, subject to the provisions of Condition 10 (*Prescription*).

19. **SUBSTITUTION OF THE ISSUER**

The Issuer (or any previously substituted company from time to time) shall, without the consent of the Noteholders, be entitled at any time to substitute for the Issuer any other company (the "**Substitute**") as principal debtor in respect of all obligations arising from or in connection with the Notes **provided that** (i) at the time of the substitution the Substitute would be able to fulfil all payment obligations arising from or in connection with the Notes without any taxes or duties being imposed on such payments; (ii) all action, conditions and things required to be taken, fulfilled and done (including the obtaining of any necessary consents) to ensure that the Notes represent valid, legally binding and enforceable obligations of the Substitute have been taken, fulfilled and done and are in full force and effect; (iii) the Substitute shall have assumed all obligations arising from or in connection with the Notes and shall have become a party to the Fiscal Agency Agreement, with any consequential amendments; (iv) the obligations of the Substitute in respect of the Notes shall be unconditionally and irrevocably guaranteed (the "**Guarantee**") by the Issuer; (v) each stock exchange or listing authority on which the Notes are listed shall have confirmed that following the proposed substitution by the Substitute the Notes would continue to be listed on such stock exchange; (vi) after written permission of the Competent Authority, in case of Subordinated Notes that qualify as Tier 2 Notes (**provided that**, at the relevant time, such permission is required to be given); and (v) the Issuer shall have given at least 30 days' prior notice of the date of such substitution to the Noteholders in accordance with Condition 14 (*Notices*).

In respect of any substitution pursuant to this Condition 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 to ensure that the Subordinated Notes of such Series constitute subordinated obligations of the Substitute 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 2.2.

With respect to Subordinated Notes that qualify as Tier 2 Notes, the Issuer shall be entitled, after written permission of the Competent Authority (**provided that**, at the relevant time, such permission is required to be given) by notice to the Noteholders given in accordance with Condition 14 (*Notices*), at any time either to effect a substitution which does not comply with the paragraph above **provided that** the terms of such substitution have been approved by an Extraordinary Resolution of the 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.

20. GOVERNING LAW AND JURISDICTION

The Notes, the Fiscal Agency Agreement and any non-contractual obligations arising out of or in connection with the Notes and the Fiscal Agency Agreement are governed by the laws of The Netherlands.

The Issuer irrevocably agrees for the benefit of the Noteholders that the court (*rechtbank*) in Amsterdam, The Netherlands shall have jurisdiction to hear and determine any suit, action or proceedings, and to settle any disputes, (respectively, "**Proceedings**" and "**Disputes**") arising out of or in connection with the Notes (including Proceedings and Disputes relating to the existence, validity or termination of the Notes or any non-contractual obligation arising out of or in connection with the Notes) or the consequences of their nullity and, for such purposes, irrevocably submits to the jurisdiction of such courts. The Issuer irrevocably waives any objection which it might now or hereafter have to the courts of Amsterdam, The Netherlands being nominated as the forum to hear and determine any Proceedings and to settle any Disputes and agrees not to claim that any such court is not a convenient or appropriate forum.

APPLICABLE FINAL TERMS TO THE NOTES

Final Terms dated [•]

NIBC BANK N.V.
(Incorporated with limited liability under the laws of The Netherlands and having its corporate seat in The Hague)

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]
under the Euro 20,000,000,000 Programme for the Issuance of Debt Instruments

[**PROHIBITION OF SALES TO RETAIL INVESTORS** - The Notes are not intended, from 1 January 2018, to be offered, sold or otherwise made available to and, with effect from such date, should not be offered, sold or otherwise made available to any retail investor in the EEA. 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 ("**MiFID II**"); (ii) a customer within the meaning of Directive 2002/92/EC ("**IMD**"), 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 Prospectus Directive. Consequently no key information document required by Regulation (EU) No 1286/2014 (the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]

PART A - CONTRACTUAL TERMS

[Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions (hereinafter referred to as the "**Conditions**") set forth in the offering circular dated 21 June 2017 (including any supplement thereto, the "**Offering Circular**") which constitutes a base prospectus for the purposes of the Prospectus Directive. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Offering Circular [as so supplemented]. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Offering Circular [as so supplemented]. The Offering Circular [and the supplement to the Offering Circular] [is/are] available on the Issuer's website (www.nibc.com) and for viewing during normal business hours at the registered office of the Issuer at Carnegieplein 4, 2517 KJ, The Hague, The Netherlands and the specified office of the Fiscal Agent at 13th Floor, Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB, United Kingdom and copies may be obtained from the same.]

[Terms used herein shall be deemed to be defined as such for the purposes of the [*date*] Conditions (hereinafter referred to as the "**Conditions**") set forth in the offering circular dated [*original date*] [and the supplement(s) to it dated [•]] which are incorporated by reference in the Offering Circular dated 21 June 2017. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Offering Circular dated 21 June 2017 [and the supplement(s) to it dated [•]], which together constitute a base prospectus for the purposes of the Prospectus Directive (the "**Offering Circular**"), save in respect of the Conditions. Full information on the Issuer and the offer of the Notes is only available on the basis of a combination of these Final Terms, the Offering Circular [and the supplement(s) dated [•]]. The Offering Circular has been published on the Issuer's website (www.nibc.com) and is available for viewing during normal business hours at the registered office of the Issuer at Carnegieplein 4, 2517 KJ, The Hague, The Netherlands and the specified office of the Fiscal Agent at 13th Floor, Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB, United Kingdom and copies may be obtained from the same.]

The expression "**Prospectus Directive**" means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU), and includes any relevant implementing measure in the relevant Member State.

1.	Issuer:		NIBC Bank N.V.
2.	(i)	Series Number:	[•]
	(ii)	Tranche Number:	[•]

	(iii)	Date of which Notes will be consolidated and form a single series:	The Notes will be consolidated and form a single Series with [•] on the Issue Date / exchange of the Temporary Global Notes for interests in the Permanent Global Note, as referred to in Paragraph 29 below, which is expected to occur on or about [•] / [Not Applicable]
3.	Specified Currency or Currencies:		[•]
4.	Aggregate Nominal Amount:		
	(i)	Series:	[•]
	(ii)	Tranche:	[•]
5.	Issue Price [of Tranche]:		[•] per cent. of the Aggregate Nominal Amount [plus accrued interest from [•]].
6.	(i)	Specified Denominations:	[•]
	(ii)	Calculation Amount:	[•]
7.	(i)	Issue Date:	[•]
	(ii)	Interest Commencement Date (if different from the Issue Date):	[[•]/Issue Date/Not Applicable]
8.	Maturity Date:		[•] [(the "**Scheduled Maturity Date**")]
9.	Interest Basis:		[[•] per cent. Fixed Rate] [Floating Rate] [Specify reference rate — e.g. EUR-LIBOR-BBA etc +/- [•] per cent.] [CMS-Linked Interest Notes] [Zero Coupon] (further particulars specified below)
10.	Minimum Interest Amount:		[•]/[Not Applicable]
	Maximum Interest Amount:		[•]/[Not Applicable]
11.	Redemption/Payment Basis:		[Redemption at par] [Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on their Maturity Date at [•] per cent. of their principal amount]
12.	Change of Interest Basis		[•]/Not Applicable
13.	Put/Call Options:		[Investor Put] [Issuer Call] [Illegality Call] [Tax Call] [Regulatory Call]

14.	Business Centre:		[•] / [Not Applicable]
15.	Status of the Notes:		[Senior Notes/Subordinated Notes/Tier 2 Notes]
16.	Date Board approval for issuance of Notes obtained:		[•]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

17.	Fixed Rate Interest Note Provisions:		[Applicable/Not Applicable]
	(i)	Rate(s) of Interest:	[•] per cent. per annum [payable [annually/semi-annually/quarterly/[•]] in arrear] [From (and including) [•] up to (but excluding) [•]] [[•] per cent. per annum] [the aggregate of [spread of issuance of [•]] per cent. and the Mid Swap Rate [per annum] [determined by the Agent]] [payable [annually/semi-annually/quarterly/monthly/other (specify)] in arrear on each Interest Payment Date [from (and including) [•] up to (but excluding) [•]].]] ["**Mid Swap Rate**" means the annual mid swap rate for [Euro] [US dollar] swap transactions with a maturity of [•] years, expressed as a percentage, displayed on Reuters screen page [•] (or such other page as may replace that page on Reuters, or such other service as may be designated by the [Manager(s)/Dealer(s)] in consultation with the Issuer)] at [•] [a.m./p.m.] ([•] time) on the [second] Business Day prior to [•].]
	(ii)	Interest Calculation Amount:	[Aggregate Nominal Amount/[•]]
	(iii)	Interest Payment Date(s):	[•] in each year up to and including the Maturity Date]/ [•][, subject to the Business Day Convention] [There will be a [short/long] [first/last] coupon)]
	(iv)	Period End Dates:	[•] in each year [as adjusted] in accordance with the Business Day Convention [unadjusted]
	(v)	Business Day Convention:	[Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/Not Applicable]
	(vi)	Fixed Coupon Amount(s):	[[•] per Calculation Amount, payable on each Interest Payment Date/Not Applicable]
	(vii)	Broken Amount(s): (*Applicable to Notes in definitive form.*)	[[•] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [•]/Not Applicable]
	(viii)	Day Count Fraction:	[Actual/Actual (ICMA)] [Actual/Actual (ISDA)] [Actual/365 (Fixed)] [Actual/365 (Sterling)] [Actual/360]

			[30/360] [30E/360/Eurobond Basis] [30E/360 (ISDA)]
	(ix)	[Determination Date(s):	[•] in each year
18.	Floating Rate Interest/CMS-Linked Interest Note Provisions:		[Applicable/Not Applicable]
	(i)	Interest Calculation Amount:	[Aggregate Nominal Amount/[•]]
	(ii)	Interest Payment Dates:	[•] in each year up to and including the Maturity Date]/ [•][, subject to the Business Day Convention]
	(iii)	First Interest Payment Date:	[•]
	(iv)	Period End Dates:	[•] in each year [as adjusted] in accordance with the Business day Convention [unadjusted].
	(v)	Business Day Convention:	[Floating Rate Note Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention]
	(vi)	Additional Business Centre(s):	[Not Applicable/[•]]
	(vii)	Manner in which the Rate of Interest (the "**Reference Item**") is to be determined:	[Screen Rate Determination] [ISDA Determination] [CMS-Linked Interest Notes provisions in paragraph (xi) below apply]
	(viii)	Party responsible for calculating the Rate of Interest and Interest Amount (if not the Calculation Agent):	[[•]/Not Applicable]
	(ix)	Screen Rate Determination:	[Applicable/Not Applicable]
		Rate Determination Date(s):	[•]
		Relevant Screen Page:	[•]
		Margin	[+/-] [•] per cent. per annum
	(x)	ISDA Determination:	[Applicable/Not Applicable]
		Floating Rate Option:	[•]
		Designated Maturity:	[•]
		Reset Date:	[•]
		Margin:	[+/-] [•] per cent. per annum
	(xi)	Linear Interpolation:	[Not Applicable/Applicable - the Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation]

		Reference Rate:	[•]
	(xii)	CMS-Linked Interest Notes:	[Applicable/Not Applicable]
		Reference Rate:	[CMS Reference Rate] / [CMS Steepener Rate] / [Leveraged CMS Reference Rate] / [CMS Reference Rate Spread] / [Leveraged CMS Reference Rate Spread] applies
		Designated Maturity:	[•][For [CMS Rate 1: [•] and for CMS Rate 2 [•]]
		Reference Currency:	[•][For [CMS Rate 1: [•] and for CMS Rate 2 [•]]
		Relevant Screen Page:	ISDAFIX[•][For [CMS Rate 1: ISDAFIX[•] and for CMS Rate 2 ISDAFIX[•]]
		Interest Determination Date(s):	[•][For [CMS Rate 1: [•] and for CMS Rate 2 [•]]
		Specified Time:	[•][For [CMS Rate 1: [•] and for CMS Rate 2 [•]]
		Margin:	[+/-] [•] per cent. per annum
		Leverage 1:	[•]
		Leverage 2:	[•]
		Reference Currency Mid-market Swap Rate	[•]
	(xiii)	Minimum Rate of Interest:	[Not Applicable]/[[•] per cent. per annum]
	(xiv)	Maximum Rate of Interest:	[Not Applicable]/ [[•] per cent. per annum]
	(xv)	Day Count Fraction:	[Actual/Actual (ICMA)] [Actual/Actual (ISDA)] [Actual/365 (Fixed)] [Actual/365 (Sterling)] [Actual/360] [30/360] [30E/360/Eurobond Basis] [30E/360 (ISDA)]
19.		Index Linked Interest Provisions:	[Applicable/Not Applicable]
	(i)	Coupon Barrier:	[•]
	(ii)	Memory:	[Applicable/Not Applicable]
	(iii)	Reference Level:	[Single Reference Asset Level/Average Basket Level/ Worst Performer of Basket]
	(iv)	Reference Asset:	[*specify index/indices*]
	(v)	Singe Index:	[•]/[Not Applicable]

	(vi)	Basket Components:	[•]/[Not Applicable]
		Weighting:	[•]
	(vii)	Initial Reference Level(s):	[*specify level*]/[Determined by the Calculation Agent on the Valuation Time on the Initial Valuation Date]
	(viii)	Condition Coupon Observation Date(s):	
		Specified Date(s):	[Applicable/Not Applicable]
		Date(s):	[•]
	(ix)	Conditional Coupon Observation Period(s):	
		Specified Period(s):	[Applicable/Not Applicable]
		Period(s):	[•]
	(x)	Common Scheduled Trading Days:	[Applicable/Not Applicable]
	(xi)	End of Day:	[Applicable/Not Applicable]
	(xii)	Intra-Day:	[Applicable/Not Applicable]
	(xiii)	Intra-Day observation times:	[Applicable/Not Applicable] [*specify times*]
	(xiv)	Index Sponsor:	[•]
	(xv)	Index Correction Period:	[Applicable/Not Applicable][*specify number of business days*]
	(xvi)	Exchange:	[•]/[Not Applicable]
20.	Zero Coupon Note Provisions:		[Applicable/Not Applicable]
	(i)	Accrual Yield:	[•] per cent. per annum
	(ii)	Reference Price:	[•]
	(iii)	Day Count Fraction in relation to Early Redemption Amounts and late payment:	[Actual/Actual (ICMA)] [Actual/Actual (ISDA)] [Actual/365 (Fixed)] [Actual/365 (Sterling)] [Actual/360] [30/360] [30E/360/Eurobond Basis] [30E/360 (ISDA)]
21.	Range Accrual Note Provisions:		[Applicable][Not Applicable]

(i)	Range Accrual Notes:	[Standard Range Accrual Note][Inverse Range Accrual Note]
(ii)	Range Accrual Reference Rate 1:	[Applicable][Not Applicable]
(iii)	Range Accrual Reference Rate 2:	[Applicable][Not Applicable]
(iv)	Barriers:	Upper Barrier 1: [[•]%] [Not Applicable] Upper Barrier 2: [[•]%] [Not Applicable] Lower Barrier 1: [[•]%] [Not Applicable] Lower Barrier 2: [[•]%] [Not Applicable]
(ii)	Range Accrual Observation Period(s):	[•]
(vi)	Range Accrual Observation Date(s):	Specified Period: [Applicable: [*If Applicable specify period*]][Not Applicable] Specified Dates: [Applicable: [*If Applicable specify dates*]][Not Applicable]
(vii)	Underlying Margin:	[•]%
(viii)	Interest Commencement Date:	[•]
(ix)	Interest Payment Dates:	[•]
(x)	Interest Period(s):	[Each Range Accrual Observation Period][•]
(xi)	Maximum Rate of Interest:	[Not Applicable][[•]%]
(xii)	Minimum Rate of Interest:	[Not Applicable][[•]%]
(xiii)	Range Items:	
	• Range Item$_A$:	[Index][Specified Range Accrual CMS Rate][Range Accrual Calculation Reference Rate]

[Insert the following provisions if Range Item$_A$ is an Index]

-	Name of Index:	[•]
-	Index Sponsor:	[•]
-	Exchange:	[•]
-	Related Exchange:	[•]
-	End of Day:	[Applicable][Not Applicable]
-	Intra Day:	[Applicable][Not Applicable]
-	Intra Day observation times:	[Applicable][Not Applicable][*Specify times*]

[*Insert the following provisions if Range Item$_A$ is a Specified Range Accrual CMS Rate*]

-	Specified Range Accrual CMS Rate:	[Range Accrual CMS Rate][Range Accrual CMS Rate 1][Range Accrual CMS Rate 2]
-	Range Accrual Reference Currency:	[●]
-	Designated Maturity:	[●]
-	Relevant Range Item Screen Page:	[●]
-	Specified Time:	[●]
-	Range Accrual Reference Currency Mid-market Swap Rate:	[●]
-	Relevant Financial Centre:	[●]

[Insert the following provisions if Range Item$_A$ is a Range Accrual Calculation Reference Rate]

-	Range Accrual Calculation Reference Rate:	[LIBOR][EURIBOR][●]
-	Underlying Screen Rate:	[Applicable][Not Applicable] [*Insert the following if Applicable*] Relevant Range Item Screen Page: [•]
-	Underlying ISDA Rate:	[Applicable][Not Applicable] [*Insert the following if Applicable*] Floating Rate Option: [•] Designated Maturity: [●] Underlying Rate Reset Date: [●]
•	Range Item$_B$:	[Index][Specified Range Accrual CMS Rate][Range Accrual Calculation Reference Rate]

[Insert the following provisions if Range Item$_B$ is an Index]

-	Name of Index:	[●]
-	Index Sponsor:	[●]
-	Exchange:	[●]
-	Related Exchange:	[●]
-	End of Day:	[Applicable][Not Applicable]
-	Intra Day:	[Applicable][Not Applicable]

-	Intra Day observation times:	[Applicable][Not Applicable][*Specify times*]

[Insert the following provisions if Range Item$_B$ is a Specified Range Accrual CMS Rate]

-	Specified Range Accrual CMS Rate:	[Range Accrual CMS Rate][Range Accrual CMS Rate 1][Range Accrual CMS Rate 2]
-	Range Accrual Reference Currency:	[●]
-	Designated Maturity:	[●]
-	Relevant Range Item Screen Page:	[●]
-	Specified Time:	[●]
-	Range Accrual Reference Currency Mid-market Swap Rate:	[●]
-	Relevant Financial Centre:	[●]

[Insert the following provisions if Range Item$_B$ is a Range Accrual Calculation Reference Rate]

-	Range Accrual Calculation Reference Rate:	[LIBOR][EURIBOR][●]
-	Underlying Screen Rate:	[Applicable][Not Applicable] [*Insert the following if Applicable*] Relevant Range Item Screen Page: [•]
-	Underlying ISDA Rate:	[Applicable][Not Applicable] [*Insert the following if Applicable*] Floating Rate Option: [•] Designated Maturity: [●] Underlying Rate Reset Date: [●]

[*Insert the provisions for Range Item$_C$ and Range Item$_D$ if Range Accrual Reference Rate 1 is Applicable*]

•	Range Item$_C$:	[Index][Specified Range Accrual CMS Rate][Range Accrual Calculation Reference Rate]

[Insert the following provisions if Range Item$_C$ is an Index]

-	Name of Index:	[●]
-	Index Sponsor:	[●]

- Exchange: [●]
- Related Exchange: [●]
- End of Day: [Applicable][Not Applicable]
- Intra Day: [Applicable][Not Applicable]
- Intra Day observation times: [Applicable][Not Applicable][*Specify times*]

[Insert the following provisions if Range Item$_C$ is a Specified Range Accrual CMS Rate]

- Specified Range Accrual CMS Rate: [Range Accrual CMS Rate][Range Accrual CMS Rate 1][Range Accrual CMS Rate 2]
- Range Accrual Reference Currency: [●]
- Designated Maturity: [●]
- Relevant Range Item Screen Page: [●]
- Specified Time: [●]
- Range Accrual Reference Currency Mid-market Swap Rate: [●]
- Relevant Financial Centre: [●]

[Insert the following provisions if Range Item$_C$ is a Range Accrual Calculation Reference Rate]

- Range Accrual Calculation Reference Rate: [LIBOR][EURIBOR][●]
- Underlying Screen Rate: [Applicable][Not Applicable]

  [*Insert the following if Applicable*]

  Relevant Range Item Screen Page: [•]
- Underlying ISDA Rate: [Applicable][Not Applicable]

  [*Insert the following if Applicable*]

  Floating Rate Option: [•]

  Designated Maturity: [●]

  Underlying Rate Reset Date: [●]

• Range Item$_D$: [Index][Specified Range Accrual CMS Rate][Range Accrual Calculation Reference Rate]

[Insert the following provisions if Range Item$_D$ is an Index]

- Name of Index: [●]
- Index Sponsor: [●]
- Exchange: [●]
- Related Exchange: [●]
- End of Day: [Applicable][Not Applicable]
- Intra Day: [Applicable][Not Applicable]
- Intra Day observation times: [Applicable][Not Applicable][*Specify times*]

[Insert the following provisions if Range Item$_D$ is a Specified Range Accrual CMS Rate]

- Specified Range Accrual CMS Rate: [Range Accrual CMS Rate][Range Accrual CMS Rate 1][Range Accrual CMS Rate 2]
- Range Accrual Reference Currency: [●]
- Designated Maturity: [●]
- Relevant Range Item Screen Page: [●]
- Specified Time: [●]
- Range Accrual Reference Currency Mid-market Swap Rate: [●]
- Relevant Financial Centre: [●]

[Insert the following provisions if Range Item$_D$ is a Range Accrual Calculation Reference Rate]

- Range Accrual Calculation Reference Rate: [LIBOR][EURIBOR][●]
- Underlying Screen Rate: [Applicable][Not Applicable]

  [*Insert the following if Applicable*]

  Relevant Range Item Screen Page: [•]
- Underlying ISDA Rate: [Applicable][Not Applicable]

  [*Insert the following if Applicable*]

  Floating Rate Option: [•]

  Designated Maturity: [●]

  Underlying Rate Reset Date: [●]

[*Insert the provisions for Range Item$_E$ and Range Item$_F$ if Range Accrual Reference Rate 2 is Applicable*]

- Range Item$_E$: [Index][Specified Range Accrual CMS Rate][Range

Accrual Calculation Reference Rate]

[Insert the following provisions if Range Item$_E$ is an Index]

- Name of Index: [●]
- Index Sponsor: [●]
- Exchange: [●]
- Related Exchange: [●]
- End of Day: [Applicable][Not Applicable]
- Intra Day: [Applicable][Not Applicable]
- Intra Day observation times: [Applicable][Not Applicable][*Specify times*]

[Insert the following provisions if Range Item$_E$ is a Specified Range Accrual CMS Rate]

- Specified Range Accrual CMS Rate: [Range Accrual CMS Rate][Range Accrual CMS Rate 1][Range Accrual CMS Rate 2]
- Range Accrual Reference Currency: [●]
- Designated Maturity: [●]
- Relevant Range Item Screen Page: [●]
- Specified Time: [●]
- Range Accrual Reference Currency Mid-market Swap Rate: [●]
- Relevant Financial Centre: [●]

[Insert the following provisions if Range Item$_E$ is a Range Accrual Calculation Reference Rate]

- Range Accrual Calculation Reference Rate: [LIBOR][EURIBOR][●]
- Underlying Screen Rate: [Applicable][Not Applicable]

  [*Insert the following if Applicable*]

  Relevant Range Item Screen Page: [•]
- Underlying ISDA Rate: [Applicable][Not Applicable]

  [*Insert the following if Applicable*]

  Floating Rate Option: [•]

Designated Maturity: [●]

Underlying Rate Reset Date: [●]

- Range Item$_F$: [Index][Specified Range Accrual CMS Rate][Range Accrual Calculation Reference Rate]

[Insert the following provisions if Range Item$_F$ is an Index]

- Name of Index: [●]
- Index Sponsor: [●]
- Exchange: [●]
- Related Exchange: [●]
- End of Day: [Applicable][Not Applicable]
- Intra Day: [Applicable][Not Applicable]
- Intra Day observation times: [Applicable][Not Applicable][*Specify times*]

[Insert the following provisions if Range Item$_F$ is a Specified Range Accrual CMS Rate]

- Specified Range Accrual CMS Rate: [Range Accrual CMS Rate][Range Accrual CMS Rate 1][Range Accrual CMS Rate 2]
- Range Accrual Reference Currency: [●]
- Designated Maturity: [●]
- Relevant Range Item Screen Page: [●]
- Specified Time: [●]
- Range Accrual Reference Currency Mid-market Swap Rate: [●]
- Relevant Financial Centre: [●]

[Insert the following provisions if Range Item$_F$ is a Range Accrual Calculation Reference Rate]

- Range Accrual Calculation Reference Rate: [LIBOR][EURIBOR][●]
- Underlying Screen Rate: [Applicable][Not Applicable]

  [*Insert the following if Applicable*]

  Relevant Range Item Screen Page: [•]
- Underlying ISDA Rate: [Applicable][Not Applicable]

			[*Insert the following if Applicable*] Floating Rate Option: [•] Designated Maturity: [●] Underlying Rate Reset Date: [●]
	(xiv)	Multipliers:	$Multiplier_A$: [●] $Multiplier_B$: [●] *[Insert the following if Range Accrual Reference Rate 1 is Applicable]* $Multiplier_C$: [●] $Multiplier_D$: [●] *[Insert the following if Range Accrual Reference Rate 2 is Applicable]* $Multiplier_E$: [●] $Multipler_F$: [●]

PROVISIONS RELATING TO REDEMPTION

22.	Index Linked Redemption:		[Applicable/Not Applicable]
	(i)	Gearing:	[•]
	(ii)	Minimum Redemption Amount:	[•] per Specified Denomination
	(iii)	Maximum Redemption Amount:	[Applicable/Not Applicable][•]
	(iv)	Strike Level:	[•]
	(v)	Reference Level:	[Single Reference Asset Level/Average Basket Level/Worst Performer of Basket]
	(vi)	Reference Asset:	Index
	(vii)	Single Index:	[•]
	(viii)	Basket Components:	[•]/Not Applicable
	(ix)	Weighting:	[•]
	(x)	Initial Reference Level(s):	[*specify level*]/[Determined by the Calculation Agent on the Valuation Time on the Initial Valuation Date]
	(xi)	Initial Valuation Date:	[*specify date*]
	(xii)	Final Valuation Date:	[•]
	(xiii)	Common Scheduled Trading Days:	[Applicable/Not Applicable]
	(xiv)	Asian-Out:	[Applicable/Not Applicable]

	(xv)	Asian-Out Observation Dates:	[•]
	(xvi)	Index Sponsor(s):	[•]
	(xvii)	Index Correction Period:	[Applicable/Not Applicable][specify number of business days]
	(xviii)	Exchange:	[•]/[Not Applicable]
23.	Issuer Call:		[Applicable/Not Applicable]
	(i)	Optional Redemption: Date(s):	[•]
	(ii)	Optional Redemption Amount of each Note:	[•] per Calculation Amount
	(iii)	If redeemable in part:	
		(a) Minimum Redemption Amount per Specified Denomination	[•]
		(b) Maximum Redemption Amount per Specified Denomination:	[•]
	(iv)	Notice period:	As set out in Condition 8.4/[[•] days prior to the Optional Redemption Date(s)]
24.	Regulatory Call:		[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i)	Early Redemption Amount(s):	[•] per Calculation Amount
	(ii)	Notice Period (if other than as set out in the Conditions):	[•] days.
25.	Illegality Call:		[Applicable/Not Applicable]
26.	Tax Call:		[Applicable/Not Applicable]
27.	Investor Put (as per Condition 8.6 (*Optional Early Redemption (Investor Put)*)):		[Applicable/Not Applicable] (If not applicable, delete the remaining *sub-paragraphs of this paragraph*)
	(i)	Optional Redemption Date(s):	[•]
	(ii)	Optional Redemption Amount of each Note and method, if any, of calculation of such amount(s):	[•]
	(iii)	Notice Period (if other than as set out in the Conditions):	As set out in Condition 8.6/[[•] days prior to the Optional Redemption Date(s)]
28.	Final Redemption Amount of each Note		[[•] per Calculation Amount/[•]]

29.	Early Redemption Amount of each Note payable on redemption for taxation reasons, redemption for illegality or on event of default (if different from that set out the Conditions):	[[•] per Calculation Amount/market value [as adjusted for Standard Early Redemption Unwind Costs] [•]]
30.	Substitution or Variation:	[Applicable/Not Applicable]

PROVISIONS RELATING TO ADJUSTMENTS, DISRUPTED DAYS AND DATE EXTENSIONS

31.	Disruption Event:		
	(i)	Change of Law:	[Applicable/Not Applicable]
	(ii)	Hedging Disruption:	[Applicable/Not Applicable]
32.	Disrupted Days:		
	(i)	Common Disrupted Days:	[Applicable/Not Applicable]
	(ii)	Alternative Reference Cut-Off Date:	[•]
	(iii)	Omission:	[Applicable/Not Applicable]
	(iv)	Postponement:	[Applicable/Not Applicable]
	(v)	Modified Postponement:	[Applicable/Not Applicable]
33.	Date Extensions:		[Applicable/Not Applicable]
	(i)	Interest Payment Date Extension:	[Applicable/Not Applicable]
	(ii)	Maturity Date Extension:	[Applicable/Not Applicable]
	(iii)	Number of Extension Business Days:	[•]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

34.	Form of Notes:		
	(i)	Form:[1]	[Bearer Notes: [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes [on [•] days' notice/at any time/in the limited circumstances specified in the Permanent Global Note]] [Temporary Global Note exchangeable for Definitive Notes] [Permanent Global Note exchangeable for Definitive Notes [on [•] days' notice/at any time/in

[1] The exchange upon notice or at any time options should NOT be selected if the Specified Denomination of the Notes includes language substantially to the following effect: "[EUR] 100,000 and integral multiples of [EUR] 1,000 in excess thereof up to and including [EUR] 199,000". Furthermore, such Specified Denomination construction is not permitted in relation to any issuance of Notes which is to be represented on issue by a Temporary Global Note or Permanent Global Note exchangeable for Definitive Notes.

		the limited circumstances specified in the Permanent Global Note]] [Registered Notes: [Global Registered Note exchangeable for Individual Note Certificates [on [•] days' notice/at any time/in the limited circumstances described in the Global Registered Note] [Individual Note Certificate]]
	(ii) New Global Note:	[Applicable/Not Applicable]
	(iii) New Safekeeping Structure:	[Applicable/Not Applicable]
35.	Additional Financial Centre(s) or other special provisions relating to payment dates:	[Not Applicable/[•]]
36.	Talons for future Coupons to be attached to Definitive Notes:	[Yes/No]
37.	Calculation Agent:	[•]
38.	Redenomination applicable:	Redenomination [not] applicable
39.	Whether Condition 6(a) of the Notes applies (in which case Condition 8.3 (*Early Redemption for Taxation Reasons (Tax Call)*) of the Notes will not apply) or whether Condition 6(b) and Condition 8.3 (*Early Redemption for Taxation Reasons (Tax Call)*) of the Notes apply:	[Condition 6(a) applies and Condition 8.3 (*Early Redemption for Taxation Reasons (Tax Call)*) does not apply/Condition 6(b) and Condition 8.3 (*Early Redemption for Taxation Reasons (Tax Call)*) apply]

SIGNATURE

Signed on behalf of the Issuer:

By: .....

Duly authorised

PART B - OTHER INFORMATION

1. **LISTING**

(i)	Admission to trading:	[Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [●] with effect from [●].] [Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [●] with effect from [●].] [Not Applicable.] [The Notes will be consolidated and form a single Series with the [*Existing Notes*] which are admitted to trading on [Euronext Amsterdam/other]]
(ii)	Estimate of total expenses related to admission to trading:	[•]

2. **RATINGS**

The Notes to be issued [are/have been/are expected to be] rated by [•]. [•] is established in the European Union and is registered under Regulation (EU) No 1060/2009, as amended. As such, [•] is included in the list of credit rating agencies published by the European and Markets Authority on its website in accordance with such regulation.

3. **INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE**

Save as discussed in "*Subscription and Sale*" in the Offering Circular, so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. The [Managers/Dealers] and their affiliates have engaged, and may 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.

4. **YIELD** *(Fixed Rate Notes only)*

Indication of yield:	[Not Applicable] [[•] Calculated as [•] on the Issue Date. Yield is not an indication of future price.]

5. [**PERFORMANCE OF REFERENCE ASSET[S] AND OTHER INFORMATION CONCERNING THE REFERENCE ASSET[S]**] (*Index Linked Notes only*)

Details of the past and future performance of the Reference Asset(s) can be found at: [•]/[Bloomberg Screen Page:[•]]

Index Disclaimer: [•]]

6. **OPERATIONAL INFORMATION**

(i)	ISIN Code:	[•]
(ii)	Common Code:	[•]
(iii)	Other Relevant Code:	[Not Applicable/give *number*]
(iv)	Name(s) and address(es) of any clearing system(s) other than Euroclear Bank S.A./N.V. and	[Not Applicable/[•]]

	Clearstream Banking, S.A. and the relevant identification number(s):	
(v)	Delivery:	Delivery [against/free of] payment
(vi)	Names and addresses of initial Paying Agent(s):	[Citibank, N.A., London Branch 13th Floor, Citigroup Centre Canada Square Canary Wharf London E14 5LB United Kingdom]
(vii)	Names and addresses of additional Paying Agent(s) (if any):	[•]
(viii)	Intended to be held in a manner which would allow central banking system for the euro (the "**Eurosystem**") eligibility:	[Not Applicable] [Yes. Note that the designation "yes" simply means that the 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,][*include this text for registered notes*] and 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 the European Central Bank being satisfied that Eurosystem eligibility criteria have been met.] / [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 Notes are capable of meeting them the 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 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 European Central Bank being satisfied that Eurosystem eligibility criteria have been met.]]

7. **DISTRIBUTION**

(i)	Method of distribution:	[Syndicated/Non-syndicated]
(ii)	If syndicated, names of Managers:	[Not Applicable/give names]
(iii)	Stabilising Manager(s) (if any):	[Not Applicable/give name(s)]
(iv)	If non-syndicated, name of Dealer:	[Not Applicable/give name]
(v)	U.S. Selling Restrictions:	[Reg. S Compliance Category 2; TEFRA D/TEFRA C/TEFRA not applicable]

8. **THIRD PARTY INFORMATION**

[[•] has been extracted from [•]. 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 [•], no facts have been admitted which would render the reproduced information inaccurate or misleading.]]

FORM OF PRICING SUPPLEMENT

Pricing Supplement dated [●]

NO BASE PROSPECTUS IS REQUIRED TO BE PRODUCED IN ACCORDANCE WITH DIRECTIVE 2003/71/EC, AS AMENDED (INCLUDING BY DIRECTIVE 2010/73/EU), OR INCLUDE ANY RELEVANT IMPLEMENTING MEASURE IN THE RELEVANT MEMBER STATE) FOR THIS ISSUE OF NOTES. THE NETHERLANDS *AUTORITEIT FINANCIËLE MARKTEN* HAS NEITHER APPROVED NOR REVIEWED THE INFORMATION CONTAINED IN THE PRICING SUPPLEMENT.

NIBC BANK N.V.

(Incorporated with limited liability under the laws of The Netherlands and having its corporate seat in The Hague)

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]
under the Euro 20,000,000,000 Programme for the Issuance of Debt Instruments

[**PROHIBITION OF SALES TO RETAIL INVESTORS** - The Notes are not intended, from 1 January 2018, to be offered, sold or otherwise made available to and, with effect from such date, should not be offered, sold or otherwise made available to any retail investor in the EEA. 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 ("**MiFID II**"); (ii) a customer within the meaning of Directive 2002/92/EC ("**IMD**"), 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 Prospectus Directive. Consequently no key information document required by Regulation (EU) No 1286/2014 (the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]

PART A - CONTRACTUAL TERMS

This document constitutes the Pricing Supplement relating to the issue of Notes described therein. [Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions (hereinafter referred to as the "**Conditions**") set forth in the offering circular dated 21 June 2017 (including any supplement thereto, the "**Offering Circular**").] This Pricing Supplement contains the final terms of the Notes and must be read in conjunction with the Offering Circular [as so supplemented]. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of this Pricing Supplement and the Offering Circular [as so supplemented]. The Offering Circular [and the supplement to the Offering Circular] [is/are] available on the Issuer's website (www.nibc.com) and for viewing during normal business hours at the address of the relevant Dealer and copies may be obtained from the same.

[Terms used herein shall be deemed to be defined as such for the purposes of the [*date*] Conditions (hereinafter referred to as the "**Conditions**") set forth in the offering circular dated [*original date*] [and the supplement dated [●]] which are incorporated by reference in the offering circular dated 21 June 2017 (including any supplement thereto, the "**Offering Circular**").]*

* *Only include this language where it is a fungible issue and the original Tranche was issued under an Offering Circular with a different date.*

1.	Issuer:		NIBC Bank N.V.
2.	(i)	Series Number:	[•]
	(ii)	Tranche Number:	[•]
3.	Specified Currency or Currencies:		[•]
4.	Aggregate Nominal Amount:		

	(i)	Series:	[•]
	(ii)	Tranche:	[•]
	(iii)	Date on which the Notes will be consolidated and form a single series:	The Notes will be consolidated and form a single Series with [•] on [the Issue Date / exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph 29 below, which is expected to occur on or about [•] / [Not Applicable]
5.	(i)	Issue Price [of Tranche]:	[•] per cent. of the Aggregate Nominal Amount [plus accrued interest from [•]].
	(ii)	Net Proceeds:	[•]
6.	(i)	Specified Denominations:	[•]
	(ii)	Calculation Amount:	[•]
7.	(i)	Issue Date:	[•]
	(ii)	Interest Commencement Date (if different from the Issue Date):	[[•]/Issue Date/Not Applicable]
8.		Maturity Date:	[•] [(the "**Scheduled Maturity Date**")]
9.		Interest Basis:	[[•] per cent. Fixed Rate] [Floating Rate] [Specify reference rate — e.g. EUR-LIBOR-BBA etc +/- [•] per cent.] [CMS-Linked Interest Rate Note] [Zero Coupon] (further particulars specified below)
10.		Minimum Interest Amount:	[•]/[Not Applicable]
		Maximum Interest Amount:	[•]/[Not Applicable]
11.		Redemption/Payment Basis:	[Redemption at par] [Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on their Maturity Date at [•] per cent. of their principal amount]
12.		Change of Interest Basis	[•]/Not Applicable
13.		Put/Call Options:	[Investor Put] [Issuer Call] [Illegality Call] [Tax Call] [Regulatory Call]
14.		Business Centre:	[•] / [Not Applicable]
15.		Status of the Notes:	[Senior Notes/Subordinated Notes/Tier 2 Notes]

16.	Date Board approval for issuance of Notes obtained:	[•]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

17.	Fixed Rate Interest Note Provisions:	[Applicable/Not Applicable]
	(i) Rate(s) of Interest:	[•] per cent. per annum [payable [annually/semi-annually/quarterly/[•]] in arrear] [From (and including) [•] up to (but excluding) [•]] [[•] per cent. per annum] [the aggregate of [spread of issuance of [•]] per cent. and the Mid Swap Rate [per annum] [determined by the Agent]] [payable [annually/semi-annually/quarterly/monthly/other (specify)] in arrear on each Interest Payment Date [from (and including) [•] up to (but excluding) [•]].]] ["**Mid Swap Rate**" means the annual mid swap rate for [Euro] [US dollar] swap transactions with a maturity of [•] years, expressed as a percentage, displayed on Reuters screen page [•] (or such other page as may replace that page on Reuters, or such other service as may be designated by the [Manager(s)/Dealer(s)] in consultation with the Issuer)] at [•] [a.m./p.m.] ([•] time) on the [second] Business Day prior to [•].]
	(ii) Interest Calculation Amount:	[Aggregate Nominal Amount/[•]]
	(iii) Interest Payment Date(s):	[•] in each year up to and including the Maturity Date]/ [•][, subject to the Business Day Convention] [There will be a [short/long] [first/last] coupon)]
	(iv) Period End Dates:	[•] in each year [as adjusted] in accordance with the Business Day Convention [unadjusted].
	(v) Business Day Convention:	[Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/Not Applicable]
	(vi) Additional Business Centre(s):	[Not Applicable/[•]]
	(vii) Fixed Coupon Amount(s):	[[•] per Calculation Amount, payable on each Interest Payment Date/Not Applicable]
	(viii) Broken Amount(s): (*Applicable to Notes in definitive form*.)	[[•] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [•J/Not Applicable]
	(ix) Day Count Fraction:	[Actual/Actual (ICMA)] [Actual/Actual (ISDA)] [Actual/365 (Fixed)] [Actual/365 (Sterling)] [Actual/360]

			[30/360]
			[30E/360/Eurobond Basis]
			[30E/360 (ISDA)]
	(x)	[Determination Date(s):	[•] in each year]
18.	Floating Rate Interest / CMS-Linked Interest Note Provisions:		[Applicable/Not Applicable]
	(i)	Interest Calculation Amount:	[Aggregate Nominal Amount/[•]]
	(ii)	Interest Payment Dates:	[•] in each year up to and including the Maturity Date]/ [•][, subject to the Business Day Convention]
	(iii)	First Interest Payment Date	[•]
	(iv)	Period End Dates:	[•] in each year [as adjusted] in accordance with the Business day Convention [unadjusted].
	(v)	Business Day Convention:	[Floating Rate Note Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention]
	(vi)	Manner in which the Rate of Interest (the "**Reference Item**") is to be determined:	[Screen Rate Determination]
			[CMS-Linked Interest Notes provisions in paragraph (xi) below apply]
			[ISDA Determination]
	(vii)	Party responsible for calculating the Rate of Interest and Interest Amount (if not the Calculation Agent):	[[•]/Not Applicable]
	(viii)	Screen Rate Determination:	[Applicable/Not Applicable]
		Rate Determination Date(s):	[•]
		Relevant Screen Page:	[•]
		Margin	[+/-] [•] per cent. per annum
	(ix)	ISDA Determination:	[Applicable/Not Applicable]
		Floating Rate Option:	[•]
		Designated Maturity:	[•]
		Reset Date:	[•]
		Margin	[+/-] [•] per cent. per annum
	(x)	Linear Interpolation	[Not Applicable/Applicable - the Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation]

		Reference Rate:	[•]
	(xi)	CMS-Linked Interest Notes:	[Applicable/Not Applicable]
		Reference Rate:	[CMS Reference Rate] / [CMS Steepener Rate] / [Leveraged CMS Reference Rate] / [CMS Reference Rate Spread] / [Leveraged CMS Reference Rate Spread] applies
		Designated Maturity:	[•][For [CMS Rate 1: [•] and for CMS Rate 2 [•]]
		Reference Currency:	[•][For [CMS Rate 1: [•] and for CMS Rate 2 [•]]
		Relevant Screen Page:	ISDAFIX[•][For [CMS Rate 1: ISDAFIX[•] and for CMS Rate 2 ISDAFIX[•]]
		Interest Determination Date	[•][For [CMS Rate 1: [•] and for CMS Rate 2 [•]]
		Specified Time	[•][For [CMS Rate 1: [•] and for CMS Rate 2 [•]]
		Margin:	[+/-] [•] per cent. per annum
		Leverage 1:	[•]
		Leverage 2:	[•]
		Reference Currency Mid-market Swap Rate	[•]
	(xii)	Minimum Rate of Interest:	[Not Applicable]/ [[•] per cent. per annum]
	(xiii)	Maximum Rate of Interest:	[Not Applicable]/ [[•] per cent. per annum]
	(xiv)	Day Count Fraction:	[Actual/Actual (ICMA)] [Actual/Actual (ISDA)] [Actual/365 (Fixed)] [Actual/365 (Sterling)] [Actual/360] [30/360] [30E/360/Eurobond Basis] [30E/360 (ISDA)]
19.	Index Linked Interest Provisions		[Applicable/Not Applicable]
	(i)	Coupon Barrier:	[•]
	(ii)	Memory:	[Applicable/Not Applicable]
	(iii)	Reference Level:	[Single Reference Asset Level/Average Basket Level/ Worst Performer of Basket]
	(iv)	Reference Asset:	[*specify index/indices*]
	(v)	Singe Index:	[•]/[Not Applicable]
	(vi)	Basket Components:	[•]/[Not Applicable]

		Weighting:	[•]
	(vii)	Initial Reference Level(s):	[*specify level*]/[Determined by the Calculation Agent on the Valuation Time on the Initial Valuation Date]
	(viii)	Condition Coupon Observation Date(s):	
		Specified Date(s):	[Applicable/Not Applicable]
		Date(s):	[•]
	(ix)	Conditional Coupon Observation Period(s):	
		Specified Period(s):	[Applicable/Not Applicable]
		Period(s):	[•]
	(x)	Common Scheduled Trading Days:	[Applicable/Not Applicable]
	(xi)	End of Day:	[Applicable/Not Applicable]
	(xii)	Intra-Day:	[Applicable/Not Applicable]
	(xiii)	Intra-Day observation times:	[Applicable/Not Applicable] [*specify times*]
	(xiv)	Index Sponsor:	[•]
	(xv)	Index Correction Period:	[Applicable/Not Applicable][*specify number of business days*]
	(xvi)	Exchange:	[•]/[Not Applicable]
20.	Zero Coupon Note Provisions:		[Applicable/Not Applicable]
	(i)	Accrual Yield:	[•] per cent. per annum
	(ii)	Reference Price:	[•]
	(iii)	Day Count Fraction in relation to Early Redemption Amounts and late payment:	[Actual/Actual (ICMA)] [Actual/Actual (ISDA)] [Actual/365 (Fixed)] [Actual/365 (Sterling)] [Actual/360] [30/360] [30E/360/Eurobond Basis] [30E/360 (ISDA)]
21.	[Range Accrual Note Provisions:		[Applicable][Not Applicable]
	(i)	Range Accrual Notes:	[Standard Range Accrual Note][Inverse Range Accrual Note]
	(ii)	Range Accrual Reference Rate 1:	[Applicable][Not Applicable]
	(i)	Range Accrual Reference Rate 2:	[Applicable][Not Applicable]
	(iv)	Barriers:	Upper Barrier 1: [[•]%] [Not Applicable]

		Upper Barrier 2: [[●]%] [Not Applicable]
		Lower Barrier 1: [[●]%] [Not Applicable]
		Lower Barrier 2: [[●]%] [Not Applicable]
(iii)	Range Accrual Observation Period(s):	[●]
(vi)	Range Accrual Observation Date(s):	Specified Period: [Applicable: [*If Applicable specify period*]][Not Applicable]
		Specified Dates: [Applicable: [*If Applicable specify dates*]][Not Applicable]
(vii)	Underlying Margin:	[●]%
(viii)	Interest Commencement Date:	[●]
(ix)	Interest Payment Dates:	[●]
(x)	Interest Period(s):	[Each Range Accrual Observation Period][●]
(xi)	Maximum Rate of Interest:	[Not Applicable][[●]%]
(xii)	Minimum Rate of Interest:	[Not Applicable][[●]%]
(xiii)	Range Items:	
	• Range Item$_A$:	[Index][Specified Range Accrual CMS Rate][Range Accrual Calculation Reference Rate]

[Insert the following provisions if Range Item$_A$ is an Index]

	- Name of Index:	[●]
	- Index Sponsor:	[●]
	- Exchange:	[●]
	- Related Exchange:	[●]
	- End of Day:	[Applicable][Not Applicable]
	- Intra Day:	[Applicable][Not Applicable]
	- Intra Day observation times:	[Applicable][Not Applicable][*Specify times*]

[Insert the following provisions if Range Item$_A$ is a Specified Range Accrual CMS Rate]

	- Specified Range Accrual CMS Rate:	[Range Accrual CMS Rate][Range Accrual CMS Rate 1][Range Accrual CMS Rate 2]
	- Range Accrual Reference Currency:	[●]
	- Designated Maturity:	[●]
	- Relevant Range Item Screen Page:	[●]

- Specified Time: [●]

- Range Accrual Reference Currency Mid-market Swap Rate: [●]

- Relevant Financial Centre: [●]

[Insert the following provisions if Range Item$_A$ is a Range Accrual Calculation Reference Rate]

- Range Accrual Calculation Reference Rate: [LIBOR][EURIBOR][●]

- Underlying Screen Rate: [Applicable][Not Applicable]

  [*Insert the following if Applicable*]

  Relevant Range Item Screen Page: [•]

- Underlying ISDA Rate: [Applicable][Not Applicable]

  [*Insert the following if Applicable*]

  Floating Rate Option: [•]

  Designated Maturity: [●]

  Underlying Rate Reset Date: [●]

• Range Item$_B$: [Index][Specified Range Accrual CMS Rate][Range Accrual Calculation Reference Rate]

[Insert the following provisions if Range Item$_B$ is an Index]

- Name of Index: [●]

- Index Sponsor: [●]

- Exchange: [●]

- Related Exchange: [●]

- End of Day: [Applicable][Not Applicable]

- Intra Day: [Applicable][Not Applicable]

- Intra Day observation times: [Applicable][Not Applicable][*Specify times*]

[Insert the following provisions if Range Item$_B$ is a Specified Range Accrual CMS Rate]

- Specified Range Accrual CMS Rate: [Range Accrual CMS Rate][Range Accrual CMS Rate 1][Range Accrual CMS Rate 2]

- Range Accrual Reference Currency: [●]

- Designated Maturity: [●]

- Relevant Range Item Screen Page: [●]
- Specified Time: [●]
- Range Accrual Reference Currency Mid-market Swap Rate: [●]
- Relevant Financial Centre: [●]

[Insert the following provisions if Range Item$_B$ is a Range Accrual Calculation Reference Rate]

- Range Accrual Calculation Reference Rate: [LIBOR][EURIBOR][●]
- Underlying Screen Rate: [Applicable][Not Applicable]

  [*Insert the following if Applicable*]

  Relevant Range Item Screen Page: [•]
- Underlying ISDA Rate: [Applicable][Not Applicable]

  [*Insert the following if Applicable*]

  Floating Rate Option: [•]

  Designated Maturity: [●]

  Underlying Rate Reset Date: [●]

[*Insert the provisions for Range Item$_C$ and Range Item$_D$ if Range Accrual Reference Rate 1 is Applicable*]

- Range Item$_C$: [Index][Specified Range Accrual CMS Rate][Range Accrual Calculation Reference Rate]

  [Insert the following provisions if Range Item$_C$ is an Index]

  - Name of Index: [●]
  - Index Sponsor: [●]
  - Exchange: [●]
  - Related Exchange: [●]
  - End of Day: [Applicable][Not Applicable]
  - Intra Day: [Applicable][Not Applicable]
  - Intra Day observation times: [Applicable][Not Applicable][*Specify times*]

  [Insert the following provisions if Range Item$_C$ is a Specified Range Accrual CMS Rate]

  - Specified Range [Range Accrual CMS Rate][Range Accrual CMS Rate

Accrual CMS Rate: 1][Range Accrual CMS Rate 2]

- Range Accrual Reference Currency: [●]
- Designated Maturity: [●]
- Relevant Range Item Screen Page: [●]
- Specified Time: [●]
- Range Accrual Reference Currency Mid-market Swap Rate: [●]
- Relevant Financial Centre: [●]

[Insert the following provisions if Range Item$_C$ is a Range Accrual Calculation Reference Rate]

- Range Accrual Calculation Reference Rate: [LIBOR][EURIBOR][●]
- Underlying Screen Rate: [Applicable][Not Applicable]

  [*Insert the following if Applicable*]

  Relevant Range Item Screen Page: [•]
- Underlying ISDA Rate: [Applicable][Not Applicable]

  [*Insert the following if Applicable*]

  Floating Rate Option: [•]

  Designated Maturity: [●]

  Underlying Rate Reset Date: [●]

• Range Item$_D$: [Index][Specified Range Accrual CMS Rate][Range Accrual Calculation Reference Rate]

[Insert the following provisions if Range Item$_D$ is an Index]

- Name of Index: [●]
- Index Sponsor: [●]
- Exchange: [●]
- Related Exchange: [●]
- End of Day: [Applicable][Not Applicable]
- Intra Day: [Applicable][Not Applicable]
- Intra Day observation times: [Applicable][Not Applicable][*Specify times*]

[Insert the following provisions if Range Item$_D$ is a Specified Range Accrual CMS Rate]

- Specified Range Accrual CMS Rate: [Range Accrual CMS Rate][Range Accrual CMS Rate 1][Range Accrual CMS Rate 2]
- Range Accrual Reference Currency: [●]
- Designated Maturity: [●]
- Relevant Range Item Screen Page: [●]
- Specified Time: [●]
- Range Accrual Reference Currency Mid-market Swap Rate: [●]
- Relevant Financial Centre: [●]

[Insert the following provisions if Range Item$_D$ is a Range Accrual Calculation Reference Rate]

- Range Accrual Calculation Reference Rate: [LIBOR][EURIBOR][●]
- Underlying Screen Rate: [Applicable][Not Applicable]

  [*Insert the following if Applicable*]

  Relevant Range Item Screen Page: [•]
- Underlying ISDA Rate: [Applicable][Not Applicable]

  [*Insert the following if Applicable*]

  Floating Rate Option: [•]

  Designated Maturity: [●]

  Underlying Rate Reset Date: [●]

[*Insert the provisions for Range Item$_E$ and Range Item$_F$ if Range Accrual Reference Rate 2 is Applicable*]

- Range Item$_E$: [Index][Specified Range Accrual CMS Rate][Range Accrual Calculation Reference Rate]

[Insert the following provisions if Range Item$_E$ is an Index]

- Name of Index: [●]
- Index Sponsor: [●]
- Exchange: [●]
- Related Exchange: [●]

- End of Day: [Applicable][Not Applicable]

- Intra Day: [Applicable][Not Applicable]

- Intra Day observation times: [Applicable][Not Applicable][*Specify times*]

[Insert the following provisions if Range Item$_E$ is a Specified Range Accrual CMS Rate]

- Specified Range Accrual CMS Rate: [Range Accrual CMS Rate][Range Accrual CMS Rate 1][Range Accrual CMS Rate 2]

- Range Accrual Reference Currency: [●]

- Designated Maturity: [●]

- Relevant Range Item Screen Page: [●]

- Specified Time: [●]

- Range Accrual Reference Currency Mid-market Swap Rate: [●]

- Relevant Financial Centre: [●]

[Insert the following provisions if Range Item$_E$ is a Range Accrual Calculation Reference Rate]

- Range Accrual Calculation Reference Rate: [LIBOR][EURIBOR][●]

- Underlying Screen Rate: [Applicable][Not Applicable]

  [*Insert the following if Applicable*]

  Relevant Range Item Screen Page: [•]

- Underlying ISDA Rate: [Applicable][Not Applicable]

  [*Insert the following if Applicable*]

  Floating Rate Option: [•]

  Designated Maturity: [●]

  Underlying Rate Reset Date: [●]

• Range Item$_F$: [Index][Specified Range Accrual CMS Rate][Range Accrual Calculation Reference Rate]

[Insert the following provisions if Range Item$_F$ is an Index]

- Name of Index: [●]

- Index Sponsor: [●]

- Exchange: [●]
- Related Exchange: [●]
- End of Day: [Applicable][Not Applicable]
- Intra Day: [Applicable][Not Applicable]
- Intra Day observation times: [Applicable][Not Applicable][*Specify times*]

[Insert the following provisions if Range Item$_F$ is a Specified Range Accrual CMS Rate]

- Specified Range Accrual CMS Rate: [Range Accrual CMS Rate][Range Accrual CMS Rate 1][Range Accrual CMS Rate 2]
- Range Accrual Reference Currency: [●]
- Designated Maturity: [●]
- Relevant Range Item Screen Page: [●]
- Specified Time: [●]
- Range Accrual Reference Currency Mid-market Swap Rate: [●]
- Relevant Financial Centre: [●]

[Insert the following provisions if Range Item$_F$ is a Range Accrual Calculation Reference Rate]

- Range Accrual Calculation Reference Rate: [LIBOR][EURIBOR][•]
- Underlying Screen Rate: [Applicable][Not Applicable]

  [*Insert the following if Applicable*]

  Relevant Range Item Screen Page: [•]
- Underlying ISDA Rate: [Applicable][Not Applicable]

  [*Insert the following if Applicable*]

  Floating Rate Option: [•]

  Designated Maturity: [●]

  Underlying Rate Reset Date: [●]

(xiv) Multipliers: Multiplier$_A$: [●]

Multiplier$_B$: [●]

[Insert the following if Range Accrual Reference Rate 1 is

Applicable]

Multiplier$_C$: [•]

Multiplier $_D$: [•]

[Insert the following if Range Accrual Reference Rate 2 is Applicable]

Multiplier$_E$: [•]

Multipler$_F$: [•]

PROVISIONS RELATING TO REDEMPTION

22.	Index Linked Redemption:		[Applicable/Not Applicable]
	(i)	Gearing:	[•]
	(ii)	Minimum Redemption Amount:	[•] per Specified Denomination
	(iii)	Maximum Redemption Amount:	[Applicable/Not Applicable][•]
	(iv)	Strike Level:	[•]
	(v)	Reference Level:	[Single Reference Asset Level/Average Basket Level/Worst Performer of Basket]
	(vi)	Reference Asset:	Index
	(vii)	Single Index:	[•]
	(viii)	Basket Components:	[•]/Not Applicable
	(ix)	Weighting:	[•]
	(x)	Initial Reference Level(s):	[*specify level*]/[Determined by the Calculation Agent on the Valuation Time on the Initial Valuation Date]
	(xi)	Initial Valuation Date:	[*specify date*]
	(xii)	Final Valuation Date:	[•]
	(xiii)	Common Scheduled Trading Days:	[Applicable/Not Applicable]
	(xiv)	Asian-Out:	[Applicable/Not Applicable]
	(xv)	Asian-Out Observation Dates:	[•]
	(xvi)	Index Sponsor(s):	[•]
	(xvii)	Index Correction Period:	[Applicable/Not Applicable][specify number of business days]
	(xviii)	Exchange:	[•]/[Not Applicable]
23.	Issuer Call:		[Applicable/Not Applicable]
	(i)	Optional Redemption:	[•]

	Date(s):		
	(ii)	Optional Redemption Amount of each Note:	[•] per Calculation Amount
	(iii)	If redeemable in part:	
		(a) Minimum Redemption Amount per Specified Denomination:	[•]
		(b) Maximum Redemption Amount per Specified Denomination:	[•]
	(iv)	Notice Period:	As set out in Condition 8.4/[[•] days prior to the Optional Redemption Date(s)]
24.	Regulatory Call:		[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i)	Early Redemption Amount(s):	[•] per Calculation Amount
	(ii)	Notice Period (if other than as set out in the Conditions):	[•] days
25.	Illegality Call:		[Applicable/Not Applicable]
26.	Tax Call:		[Applicable/Not Applicable]
27.	Investor Put (as per Condition 8.6) (*Optional Early Redemption (Investor Put)*):		[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*)
	(i)	Optional Redemption Date(s):	[•]
	(ii)	Optional Redemption Amount of each Note and method, if any, of calculation of such amount(s):	[•]
	(iii)	Notice Period (if other than as set out in the Conditions):	As set out in Condition 8.6/[[•] days prior to the Optional Redemption Date(s)]
28.	Final Redemption Amount of each Note:		[[•] per Calculation Amount/[•]]
29.	Early Redemption Amount of each Note payable on redemption for taxation reasons, redemption for illegality or on event of default (if		[[•] per Calculation Amount/[market value [as adjusted for Standard Early Redemption Unwind Costs] [•]]

different from that set out the Conditions):

30. Substitution or Variation: [Applicable / Not Applicable]

PROVISIONS RELATING TO ADJUSTMENTS, DISRUPTED DAYS AND DATE EXTENSIONS

31. Disruption Event:

(i) Change of Law: [Applicable/Not Applicable]

(ii) Hedging Disruption: [Applicable/Not Applicable]

32. Disrupted Days:

(i) Common Disrupted Days: [Applicable/Not Applicable]

(ii) Alternative Reference Cut-Off Date: [•]

Omission: [Applicable/Not Applicable]
Postponement: [Applicable/Not Applicable]
Modified Postponement: [Applicable/Not Applicable]

33. Date Extensions:

(i) Interest Payment Date Extension: [Applicable/Not Applicable]

(ii) Maturity Date Extension: [Applicable/Not Applicable]

(iii) Number of Extension Business Days: [•]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

34. Form of Notes:

(i) Form:[2] [Bearer Notes:

[Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes [on [•] days' notice/at any time/in the limited circumstances specified in the Permanent Global Note]]

[Temporary Global Note exchangeable for Definitive Notes]

[Permanent Global Note exchangeable for Definitive Notes [on [•] days' notice/at any time/in the limited circumstances specified in the Permanent Global Note]]

[Registered Notes:

[Global Registered Note exchangeable for Individual Note Certificates [on [•] days' notice/at any time/in the limited circumstances described in the Global Registered Note]

[2] The exchange upon notice or at any time options should NOT be selected if the Specified Denomination of the Notes includes language substantially to the following effect: "[EUR] 100,000 and integral multiples of [EUR] 1,000 in excess thereof up to and including [EUR] 199,000". Furthermore, such Specified Denomination construction is not permitted in relation to any issuance of Notes which is to be represented on issue by a Temporary Global Note or Permanent Global Note exchangeable for Definitive Notes.

			[Individual Note Certificate]]
	(ii)	New Global Note:	[Applicable/Not Applicable]
	(iii)	New Safekeeping Structure:	[Applicable/Not Applicable]
35.	Additional Financial Centre(s) or other special provisions relating to payment dates:		[Not Applicable/[•]]
36.	Talons for future Coupons to be attached to Definitive Notes:		[Yes/No]
37.	Calculation Agent:		[•]
38.	Redenomination applicable:		Redenomination [not] applicable
39.	Whether Condition 6(a) of the Notes applies (in which case Condition 8.3 (*Early Redemption for Taxation Reasons (Tax Call)*) of the Notes will not apply) or whether Condition 6(b) and Condition 8.3 (*Early Redemption for Taxation Reasons (Tax Call)*) of the Notes apply:		[Condition 6(a) applies and Condition 8.3 (*Early Redemption for Taxation Reasons (Tax Call)*) does not apply/Condition 6(b) and Condition 8.3 (*Early Redemption for Taxation Reasons (Tax Call)*) apply]

SIGNATURE

Signed on behalf of the Issuer:

By: .....

Duly authorised

PART B - OTHER INFORMATION

1. **LISTING**

(i)	Admission to trading:	[Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [•] with effect from [•].] [Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [•] with effect from [•].] [Not Applicable.] [The Notes will be consolidated and form a single Series with the [Existing Notes] which are admitted to trading on [Euronext Amsterdam/other]]
(ii)	Estimate of total expenses related to admission to trading:	[•]

2. **RATINGS**

The Notes to be issued [are/have been/are expected to be] rated by [•]. [•] is established in the European Union and is registered under Regulation (EU) No 1060/2009, as amended. As such, [•] is included in the list of credit rating agencies published by the European and Markets Authority on its website in accordance with such regulation.

3. **INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE**

Save as discussed in "*Subscription and Sale*" in the Offering Circular, so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. The [Managers/Dealers] and their affiliates have engaged, and may 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.

4. **USE OF PROCEEDS**

[The net proceeds of the issue of the Notes will be applied by the Issuer for its general corporate purposes]/[•]/[The Issuer will apply the net proceeds from the issue of Notes, which will be designated as green bonds or sustainability notes, for projects that promote climate and other environmental purposes.]

5. **YIELD** (*Fixed Rate Notes only*)

Indication of yield:	[Not Applicable] [[•] Calculated as [•] on the Issue Date. Yield is not an indication of future price.]

6. **[PERFORMANCE OF REFERENCE ASSET[S] AND OTHER INFORMATION CONCERNING THE REFERENCE ASSET[S]] (*Index Linked Notes only*)**

Details of the past and future performance of the Reference Asset(s) can be found at: [•]/[Bloomberg Screen Page:[•]]

Index Disclaimer: [•]]

7. **OPERATIONAL INFORMATION**

(i)	ISIN Code:	[•]

(ii)	Common Code:	[•]
(iii)	Other Relevant Code:	[Not Applicable/give *number*]
(iv)	Name(s) and address(es) of any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, S.A. and the relevant identification number(s):	[Not Applicable/[•]]
(v)	Delivery:	Delivery [against/free of] payment
(vi)	Names and addresses of initial Paying Agent(s):	[Citibank, N.A., London Branch 13th Floor, Citigroup Centre Canada Square Canary Wharf London E14 5LB United Kingdom] [•]
(vii)	Names and addresses of additional Paying Agent(s) (if any):	[•]
(viii)	Intended to be held in a manner which would allow central banking system for the euro (the "**Eurosystem**") eligibility:	[Yes. Note that the designation "yes" simply means that the 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,] [*include this text for registered notes*] and does not necessarily mean that the Notes will be recognized 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 European Central Bank being satisfied that Eurosystem eligibility criteria have been met.] / [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 Notes are capable of meeting them the 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 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 European Central Bank being satisfied that Eurosystem eligibility criteria have been met]]

8. **DISTRIBUTION**

(i)	Method of distribution:	[Syndicated/Non-syndicated]
(ii)	If syndicated, names of Managers:	[Not Applicable/give names]

(iii)	Stabilising Manager(s) (if any):	[Not Applicable/give name(s)]
(iv)	If non-syndicated, name of Dealer:	[Not Applicable/give names]
(v)	U.S. Selling Restrictions:	[Reg. S Compliance Category 2; TEFRA D/TEFRA C/TEFRA not applicable]

9. **THIRD PARTY INFORMATION**

[[•] has been extracted from [•]. 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 [•], no facts have been admitted which would render the reproduced information inaccurate or misleading.]]

USE OF PROCEEDS

The net proceeds from each issue of Notes will be applied by the Issuer for its general corporate purposes. If, in respect of any particular issue, there is a particular identified use of proceeds, this will be specified in the applicable Final Terms. In particular, if so specified in the applicable Final Terms, the Issuer will apply the net proceeds from an offer of Notes specifically for projects that promote climate and other environmental purposes. Such Notes may also be referred to as sustainability notes or "Green Bonds". If such sustainability notes or Green Bonds will be issued, the applicable Final Terms will specify for which category of green projects the proceeds of the sustainability notes or Green Bonds will be used.

BUSINESS DESCRIPTION OF NIBC BANK N.V.

1. PERSONS RESPONSIBLE

The Issuer accepts responsibility for the information contained in this Offering Circular (including all documents incorporated by reference herein) and any Final Terms. To the best of the knowledge and belief of the Issuer (which has taken all reasonable care to ensure that this is the case) the information in this Offering Circular is in accordance with the facts and does not omit anything likely to affect the import of such information.

2. RISK FACTORS

Set forth in this Offering Circular in the section headed "*Risk Factors*" are certain risk factors that could adversely affect the Issuer's future business, operating results or financial condition. These risks should be carefully considered before making investment decisions involving the Notes. Additional risks not currently known to the Issuer or that the Issuer now deems immaterial may also harm the Issuer and affect an investment in the Notes.

3. INFORMATION ABOUT THE ISSUER

3.1 Profile

The Issuer is a Dutch bank with Corporate Banking activities and Retail Banking activities. In Corporate Banking it offers advice and debt, mezzanine and equity financing solutions to entrepreneurs across select sectors and sub-sectors in which we have strong expertise and market positions among mid-sized businesses, predominantly in The Netherlands, Germany and the United Kingdom. In Retail Banking it offers residential mortgages, online savings and investment brokerage products, via NIBC Direct in The Netherlands, Germany and Belgium.

3.2 General

The Issuer is a 100 per cent. subsidiary of NIBC Holding N.V., which in turn is owned by a consortium of international financial institutions and investors organised by J.C. Flowers and Co. The Issuer has various subsidiaries for investment or structured finance purposes, none of which individually entail substantial economic activities of the Issuer. The Issuer is not dependent on any other entities in the group.

The issued share capital of the Issuer is legally and beneficially owned and controlled directly by NIBC Holding N.V., a public limited liability company incorporated in The Netherlands with registered number 27282935. The rights of NIBC Holding N.V. as a shareholder in the Issuer are contained in the Articles of Association of the Issuer and the Issuer will be managed by its Directors in accordance with those Articles of Association and with the provisions of the laws of The Netherlands.

The Issuer has not been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) over the previous 12 months that may have or have had a significant effect on its financial position or profitability.

3.3 History and Development of the Issuer

The Issuer was established on 31 October 1945 as Maatschappij tot Financiering van Nationaal Herstel by the Dutch government along with a number of commercial banks and institutional investors to provide financing for the post-World War II economic recovery of The Netherlands. This entity was renamed *De Nationale Investeringsbank* ("**DNIB**") in 1971 and was listed on the Dutch stock exchange, now Euronext Amsterdam, from 1986 to 1999. During this time DNIB focused on providing and participating in long-term loans and private equity investments.

In 1999, two of Europe's largest pension funds, *Algemeen Burgerlijk Pensioenfonds* ("**ABP**") and *Stichting Pensioenfonds voor de Gezondheid, Geestelijke en Maatschappelijke Belangen* ("**PGGM**"), made a public offer for the shares of DNIB through a new joint venture, named NIB Capital N.V. ("**NIB Capital**"). They acquired an 85 per cent. stake, leaving the Dutch

government with a minority interest of approximately 15 per cent. NIB Capital acquired these remaining shares from the Dutch state in May 2004. The acquisition and change of name to NIB Capital in 1999 marked the beginning of the Issuer's evolution from what was essentially a long-term lending bank to an enterprising bank providing advisory, financing and investment services.

In December 2005, a consortium of international financial institutions and investors organised by J.C. Flowers & Co. and ultimately controlled by New NIB Ltd., a company incorporated under the laws of Ireland ("**New NIB Ltd**") (collectively, the "**Consortium**") purchased all of the outstanding equity interests of NIB Capital.

In connection with this acquisition, NIBC Holding N. V. was formed and NIB Capital became its wholly-owned subsidiary and changed its name from "NIB Capital N.V." to "NIBC N.V.". NIBC N.V. subsequently merged (as the disappearing entity) into NIBC Holding N.V. As a result, NIBC N.V.'s subsidiary, NIB Capital Bank N.V. (the "**Issuer**") became a direct subsidiary of NIBC Holding N.V. The Issuer subsequently changed its name from "NIB Capital Bank N.V. to NIBC Bank N.V.

The Issuer is a Dutch public limited liability company incorporated on 31 October 1945, with corporate seat in The Hague, The Netherlands and is registered at the Dutch Chamber of Commerce under number 27032036. The Issuer is in compliance with the applicable corporate governance regulations of The Netherlands.

3.4 **Issuer's Authorised and Issued Share Capital**

As at the date of this Offering Circular, the Issuer's authorised share capital is EUR 214,900,000 and the Issuer's issued share capital is EUR 80,111,096 (fully paid up).

3.5 **Ratings**

The current ratings of the Issuer are as follows:

Fitch Ratings Limited

Instruments issued under the Programme			
Long-term	**Subordinated long-term**	**Short-term**	**Outlook/Watch**
BBB-	N/A	F-3	Positive

Standard & Poor's Credit Market Services Europe Limited

Instruments issued under the Programme			
Long-term	**Subordinated long-term**	**Short-term**	**Outlook/Watch**
BBB-	BB	A-3	Positive

Standard and Poor's and Fitch are established in the European Union and are included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with the CRA Regulation.

3.6 **Business Overview**

The Issuer is organised around two main activities: *Corporate Banking and Consumer Banking.* Indispensable to these activities are *Treasury, Risk Management* and *Corporate Center.*

Corporate Banking activities cover advice, financing and co-investment provided primarily to medium-sized companies and, via NIBC Markets, capital market solutions, equity and fixed income brokerage, research and execution services for independent asset managers. Corporate Banking activities predominantly focus on the Benelux, Germany and the United Kingdom.

Consumer Banking activities include activities relating to residential mortgages and online savings products via NIBC Direct in The Netherlands, Germany and Belgium.

Treasury is responsible for adequately funding the Issuer's assets and managing the interest, currency and liquidity position of the Issuer.

Risk Management is responsible for the identifying, measuring, managing and reporting of financial, legal, compliance and operational risk on a bank-wide basis.

Corporate Center provides essential support in areas such as Finance & Tax, Internal Audit, ICT & Operations, Human Resources and Corporate Communications.

3.7 **Subsidiaries**

The Issuer operates globally through a number of wholly and partly owned subsidiaries. The principal subsidiaries are the following:

Parnib Holding N.V., The Netherlands; Counting House B.V., The Netherlands; B.V. NIBC Mortgage Backed Assets, The Netherlands; NIBC Principal Investments B.V., The Netherlands; NIBC Financing N.V., The Netherlands; NIBC Markets N.V., The Netherlands and NIBC-Bank Deutschland AG, Germany.

3.8 **Funding**

The activities of the Issuer are principally funded by the Issuer itself, via its retail savings programme in both the domestic and international markets. The Issuer is a long time frequent borrower on the international capital markets. One of the Issuer's primary sources of funding is the issuance of debt securities under this euro medium term note programme, both through private placements and public offerings. The debt securities issued are placed predominantly with investors in the Benelux countries, Germany, the United Kingdom, and other European countries, although substantial amounts are also placed outside those countries.

One of the cornerstones of the Issuer's liquidity risk management framework is to maintain a comfortable liquidity position at all times. This means that the Issuer should have the ability to meet its financial obligations even if the Issuer is not able to raise any new funding over a longer period. The Issuer aims to maintain its sound liquidity position by having a prudent and conservative liquidity and funding policy, as well as by diversifying its funding sources. In order to realise diversification of funding sources the Issuer started with an internet based retail savings programme (www.nibcdirect.com) in September 2008. In addition, the Issuer established a new covered bond programme (backed by Dutch residential mortgages) in 2013 and has several other secured funding initiatives. The Issuer is also a frequent issuer of Residential Mortgage Backed Securities ("**RMBS**") via its Dutch Mortgage-Backed Security ("**DMBS**"), Essence and Sound programmes. In July 2014 the Issuer set up a new Euro Commercial paper Programme.

3.9 **Risk Management**

The Risk management, Legal, Compliance & Corporate Social Responsibility ("**RLCC**") strategic business unit, headed by the Chief Risk Officer ("**CRO**"), includes all second line of defence functions and consists of around 60 people. Formal authority and decision-making is delegated by the Managing Board to the Risk Management Committee ("**RMC**"), the Transaction Committee ("**TC**"), the Asset & Liability Committee ("**ALCO**"), the Investment Committee ("**IC**") and the Engagement Committee ("**EC**"). These committees ensure that assessment and acceptance of risks and exposures is made independently of the business originators within the operating segments. The members of these committees are representatives from risk management and from the business.

The RMC monitors the overall risk appetite and risk profile at a strategic level, evaluates new activities and products on client suitability and the bank's operational and risk management capabilities and reviews risks at portfolio level, sets country risk and sector limits, approves acceptance policies and guidelines and new products and manuals. The RMC monitors all risk types at bank-wide level and sets the relevant policies. Furthermore, the RMC approves the Corporate Social Responsibility (CSR) policy of NIBC.

The ALCO oversees the development of NIBC's balance sheet and market risk profile. It monitors market risks, exposure to interest rate- and currency risk, the capital structure and the liquidity position. The ALCO also approves large funding transactions such as securitisations and sets overall limits on market risk exposures.

The TC, NIBC's credit committee, decides on individual senior debt transactions, including terms and conditions for lending and the acceptance of derivative counterparty exposures and underwriting opportunities. It also assesses opportunities for potential subsequent distribution of the assets. The TC sets counterparty exposure limits, monitors exposure and decides on impairments.

The IC is responsible for investment risk decisions. The IC approves transactions with respect to equity, investment loans and subordinated debt exposures, as well as impairments and (r)evaluations for these assets. Investment decisions of the Funds are made by the Investment Committees of the various Funds.

The EC's main focus is to prevent potential commercial conflicts of interest and compliance issues by evaluating potential assignments for clients.

Overlap of committee membership among Managing Board members contributes to consistency in communication and decision-making.

The risk committees are supported by a robust risk management organisation, which focuses on the daily monitoring and management of the risks NIBC is exposed to. These departments are Credit Risk Management, Restructuring & Distressed Assets, Market Risk Management, Risk Analytics & Model Validation, Financial Markets Credit Risk, Credit Modelling & Portfolio Management and Operational Risk Management.

3.10 Members of the Managing Board

As at the date of this Offering Circular, the Members of the Managing Board of the Issuer are the following persons:

P.A.M. de Wilt, Chairman, Chief Executive Officer
H.H.J. Dijkhuizen, Vice-chairman, Chief Financial Officer
R.D.J. van Riel, Chief Risk Officer

The members of the Managing Board may be contacted at the registered address of the Issuer, at Carnegieplein 4 2517 KJ The Hague, The Netherlands, telephone number +31 (0) 70 342 5425.

There are no potential conflicts of interests between any duties to the Issuer of any Managing Board members and their private interests and/or other duties.

3.11 Supervisory Board

Members of the Supervisory Board are the following persons:

W.M. van den Goorbergh (Chairman)
M.J. Christner (member)
J.C. Flowers (member)
A. de Jong (member)
A.H.A. Veenhof (member)
K.M.C.Z. Steel (member)
D.M. Sluimers (member)

The members of the Supervisory Board may be contacted at the registered address of the Issuer, at Carnegieplein 4, 2517 KJ The Hague, The Netherlands, telephone number +31 (0) 70 342 5425.

There are no potential conflicts of interests between any duties to the Issuer of any Supervisory Board members and their private interests and/or other duties.

SUPERVISION AND REGULATION

General

NIBC Bank N.V. is a bank organised under the laws of The Netherlands. The objectives of NIBC Bank N.V. are general banking and financing activities (see for a detailed description article 2 of the Articles of Association). The business of NIBC Bank N.V. is highly regulated and supervised by several Dutch regulatory authorities, such as DNB, the AFM and indirectly supervised by the ECB. Under the Dutch Act on Financial Supervision (the Wft) NIBC Bank N.V. is required to hold licenses for its activities.

Reporting and Investigation

A bank is required to file with DNB its annual financial statements in a form approved by DNB, which includes a balance sheet and a profit and loss statement that have been certified by a qualified auditor in The Netherlands or an equally qualified foreign auditor who is licensed in The Netherlands. In addition, a bank is required to file with DNB quarterly (and some monthly) statements, on a basis established by DNB, which also has the option to demand more frequent reports (including reports certified by a qualified auditor in The Netherlands or an equally qualified foreign auditor who is licensed in The Netherlands). A bank's reports to DNB are required to be truthful and not misleading.

As of 1 January 2005, the consolidated financial statements of NIBC Bank N.V. have been prepared in accordance with IFRS-EU and with Title 9 of Book 2 of the Dutch Civil Code.

Supervision

DNB exercises monetary supervision, supervision with respect to the solvency and liquidity of banks, supervision of the administrative organisation of banks and structure supervision relating to banks. Under Regulation 1024/2013 for the setting up of the single supervisory mechanism ("**SSM**"), which entered into force on 4 November 2013, the ECB will directly supervise significant credit institutions. The ECB will work closely with the national competent authorities, including DNB, to supervise all other credit institutions under the overall oversight of the ECB, such as NIBC Bank N.V. The ECB may decide at any time to take responsibility for a less-significant credit institution directly. NIBC Bank N.V. is under supervision of DNB and is subject to the following general guidelines.

Solvency Supervision

The Regulation of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms (the "**CRR**") and the Directive of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms (the "**CRD IV Directive**", and together with the CRR, "**CRD IV**") were adopted in June 2013. The CRR entered into force on 1 January 2014. The CRD IV Directive was implemented in the Wft as of 1 August 2014. CRD IV requires that a bank maintains own funds instruments in an amount equal to at least eight per cent of its risk weighted assets. CRD IV provides rules on the types of instruments that count towards such eight per cent and the breakdown thereof. In addition, as of 1 January 2016 three additional capital buffers were introduced: a capital conservation buffer, a countercyclical capital buffer and a systemic buffer. CRD IV also imposes limitations on the aggregate amount of claims (including granting credit) a bank may have against one debtor or a group of related debtors.

In addition, under CRD IV competent supervisory authorities, as a result of the supervisory review and evaluation process ("**SREP**"), may require additional capital to be maintained by banks relating to elements of risks which are not fully covered by the minimum capital requirements described above or which address macro prudential requirements.

Liquidity Supervision

CRD IV, includes a liquidity framework consisting of the liquidity coverage ratio ("**LCR**") and the net stable funding ratio ("**NSFR**"). The LCR requires that sufficient high quality liquid assets are maintained to meet short-term liquidity needs under gravely stressed conditions for a period of thirty days. The NSFR requires that banks have a stable funding profile in relation to the composition of their assets and off-balance sheet activities. The LCR entered into force on 1 October 2015, whereas the NSFR will fully apply from 2018 onwards.

Structure Supervision

The Wft provides that a bank must obtain a declaration of no objection from DNB before, among other things: (i) acquiring or increasing a qualified holding in a bank, investment firm or insurer with its corporate seat in a state which is not part of the European Economic Area, or in a financial institution which has not been granted a supervisory status certificate if the balance sheet total of that bank, investment firm, insurer, or financial institution at the time of the acquisition or increase amounts to more than 1 per cent. of the bank's consolidated balance sheet total, (ii) acquiring or increasing a qualified holding in an enterprise, not being a bank, investment firm or insurer with its corporate seat in The Netherlands or in a state which is part of the European Economic Area or in a state which is not part of the European Economic Area, if the amount paid for the acquisition or increase, together with the amounts paid for a previous acquisition or increase of a holding in such enterprise, amounts to more than 1 per cent. of the consolidated own funds of the bank, (iii) taking over all or a major part of the assets and liabilities of another enterprise or institution, directly or indirectly, if the total amount of the assets or the liabilities to be taken over amounts to more than 1 per cent. of the bank's consolidated balance sheet total, (iv) merging with another enterprise or institution if the balance sheet total thereof amounts to more than 1 per cent. of the bank's consolidated balance sheet total or (v) proceeding with a financial or corporate reorganisation. For purposes of the Wft, *qualified holding* is defined to mean the holding, directly or indirectly, of an interest of more than 10 per cent. of the issued share capital or voting rights in an enterprise or institution, or a similar form of control. In addition, a bank shall require the prior permission of DNB to do either or both of the following: (a) reduce, redeem or repurchase Common Equity Tier 1 instruments issued by the institution in a manner that is permitted under applicable national law; (b) effect the call, redemption, repayment or repurchase of Additional Tier 1 instruments or Tier 2 instruments as applicable, prior to the date of their contractual maturity.

Any person is permitted to hold, acquire or increase a qualified holding in a bank, or to exercise any voting power in connection with such holding, only after such declaration of no objection has been obtained.

Administrative supervision

DNB also supervises the administrative organisation of the individual banks, their financial accounting system and internal controls. The administrative organisation must be such as to ensure that a bank has at all times a reliable and up-to-date overview of its rights and obligations. Furthermore, the electronic data processing systems, which form the core of the accounting system, must be secured in such a way as to ensure optimum continuity, reliability and security against fraud. As part of the supervision of the administrative organisation, DNB has also stipulated that this system must be able to prevent conflicts of interests, including the abuse of inside information.

Emergencies

The Wft contains an emergency regulation (*noodregeling*) which can be declared in respect of a bank by a Dutch court at the request of DNB if such bank is in a position which requires special measures for the protection of its creditors. As of the date of the emergency, only the court appointed administrators have the authority to exercise the powers of the representatives of the bank. Furthermore, the emergency regulation provides for special measures for the protection of the interests of the creditors of the bank. A bank can also be declared in a state of bankruptcy by the court.

Dutch Intervention Act

On 13 June 2012, the Dutch Intervention Act (*Wet bijzondere maatregelen financiële ondernemingen*) entered into force. Under this Act, the Dutch Minister of Finance is granted substantial powers to deal with ailing Dutch banks, insurance companies and special purpose vehicles for risk acceptance (each a "**relevant entity**") and financial enterprises (*financiële onderneming*) (which in addition to relevant entities includes collective investment schemes, investment firms and custodians of pension funds) respectively.

The powers of the Dutch Minister of Finance include taking measures intended to safeguard the stability of the financial system as a whole. The Dutch Minister of Finance may with immediate effect take these measures if in the Minister's opinion the stability of the financial system is in serious and immediate danger as a result of the situation in which a financial enterprise finds itself. Possible measures include an

expropriation of assets or securities issued by or with the consent of the financial enterprise or its parent, in each case if it has its corporate seat in The Netherlands. The Minister may also suspend voting rights or board members. In taking these measures, provisions in Dutch statute and articles of association may be set aside.

The measures that can be taken by the Minister of Finance are intended to form the last resort and may therefore only be used if other measures would not work, would no longer work, or would be insufficient. In addition, to ensure the measures are not taken lightly, the Minister of Finance must consult with DNB in advance of taking a measure and the Dutch Prime Minister must agree with the decision to intervene. The Minister of Finance must further inform the AFM of his intentions, whereupon the AFM must give an instruction to Euronext Amsterdam N.V. to stop the trading in any securities that are expropriated. In the case of expropriation, the beneficiary of the relevant asset will be compensated for the damage that is directly and necessarily resulting from the expropriation. There can be no assurance that creditors will be able to recover compensation promptly or equal to any loss actually incurred.

The exercise of acceleration, early termination and other rights (including the right to request collateral and the right to set-off or net), could impair the effectiveness of the supervisory measures introduced by the Dutch Intervention Act. Therefore, the Dutch Intervention Act provides that such rights, to the extent they are triggered by the preparation or implementation of the measures introduced by the Dutch Intervention Act (collectively, "**events**"), cannot be exercised. Exceptions are made in respect of rights resulting from the finality directive and financial collateral arrangements. These provisions apply regardless of the law governing the contractual arrangement and extend to group companies of banks and insurance companies.

BRRD and SRM

As of 1 January 2015, all EU Member States must apply a single rulebook for the resolution of banks and large investment firms, as prescribed by the Bank Recovery and Resolution Directive ("**BRRD**") and the SRM Regulation. The BRRD (including the bail-in provisions) have been implemented in the Wft with effect from 26 November 2015.

The measures set forth in the BRRD are available to regulators in cases where an institution does not meet or is likely to not meet the requirements of CRD IV. This gives regulators powers to write down debt or to convert such debt into equity and to allow institutions to continue as a going concern subject to appropriate restructuring. Directions on when and whether the intervention measures in the BRRD can be considered and applied are set forth in the Guidelines on triggers for use of early intervention measures pursuant to Article 27(4) of the BRRD (the "**Guidelines**"), published on 8 May 2015 by the European Banking Authority ("**EBA**"). It is possible that pursuant to the BRRD or other resolution or recovery rules which may in the future be applicable to the Issuer (including, but not limited to, CRD IV), new powers may be granted by way of statute to DNB and/or any other relevant authority which could be used in such a way as to result in debt, including the Notes, absorbing losses.

Closely coupled with the BRRD is the European single resolution mechanism (the "**SRM**") established by the SRM Regulation. The SRM applies as of 1 January 2015 to all banks that are subject to the SSM, and the SSM applies to all banks in the Eurozone and in certain other participating member states and establishes the ECB as the single bank supervisory authority.

The powers provided to resolution authorities in the BRRD and SRM include write down and conversion powers to ensure relevant capital instruments (excluding Senior Notes and Subordinated Notes not qualifying as Tier 2 Notes, but including the Tier 2 Notes) fully absorb losses at the point of non-viability of the issuing institution, as well as a bail-in tool comprising a more general power for resolution authorities to write down the claims of unsecured creditors (including holders of senior debt instruments (such as the Senior Notes and Subordinated Notes that do not qualify as Tier 2 Notes)) of a failing institution and/or to convert unsecured debt claims to equity if the other conditions for resolution are met. The exercise of such measures shall not constitute an Event of Default under the Notes and Noteholders will have no further claims in respect of any amount so written off, converted or otherwise applied as a result thereof.

Reference is also made to "*Risk Factors – "Dutch Intervention Act", "Risk Factors - BRRD and SRM" and "Risk Factors – Basel III and related reforms"*.

1. **TREND INFORMATION**

There has been no material adverse change in the prospects of the Issuer or its subsidiaries since the date of their last published audited financial statements.

2. **ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES**

Board of Managing Directors and Board of Supervisory Directors

The Articles of Association of the Issuer provide for management to be carried out by the Board of Managing Directors under the supervision of a Board of Supervisory Directors.

The Board of Supervisory Directors (the "**Supervisory Board**") consists of at least three natural person members including a Chairman and a Vice-chairman. The Supervisory Board is responsible for supervising and assisting the Board of Managing Directors (the "**Managing Board**") in the management of the Issuer by giving advice and overseeing the general business of the Issuer. The Managing Board consults the Supervisory Board about all important matters concerning the Issuer's general policies. The Supervisory Directors are appointed on the nomination of the Supervisory Board, by the general meeting of shareholders or by the Supervisory Board pursuant to article 26.1 of the Issuer's Articles of Association. The Supervisory Board may appoint a secretary, who does not have to be a member of that Board. The members of the Supervisory Board are appointed for a maximum term of four years and may be re-appointed. The members of the Supervisory Board may be suspended or dismissed by the general meeting of shareholders. Remuneration of each Supervisory Board member is established by the general meeting of shareholders.

The Managing Board consists of at least two members including a Chairman and a Vice-chairman. The Managing Board is responsible for the day to day operations of the Issuer. The Chairman of the Managing Board and the other members of this Board are appointed, suspended or dismissed by the Supervisory Board. Members of the Managing Board are appointed for a period not exceeding four years and can be reappointed each time for a period not exceeding four years. In the event of a contemplated appointment or dismissal, the Supervisory Board shall enable the general meeting of shareholders to render advice in connection with such appointment or dismissal. Remuneration of each Managing Board member is set by the Supervisory Board with due observance of the Issuer's remuneration policy.

All members of the Supervisory Board are non-executive directors. All members of the Managing Board are executive directors and do not perform principal activities outside the Issuer that are significant with respect to the Issuer.

The business address of each of the above mentioned Directors is Carnegieplein 4, 2517 KJ The Hague, The Netherlands. The abovementioned persons are members of the Supervisory Board and Managing Board (as applicable) of both NIBC Holding N.V. and NIBC Bank N.V.

Audit Committee

The Audit Committee consists of Ms. K.M.C.Z. Steel, Mr. M. Christner, Mr. W.M. van den Goorbergh and Mr. D.M. Sluimers (Chairman). The Audit Committee assists the Supervisory Board in monitoring the Issuer's systems of financial risk management and internal control, the integrity and content of the financial reporting process. The Audit Committee also advises on corporate governance and internal governance related topics. Relevant topics in which the Audit Committee is involved include, but are not limited to: loan loss provisions, cost efficiency, the acquisition of SNS Securities (renamed NIBC Markets), IFRS9 and risk related topics.

In 2016, the Audit Committee extensively reviewed the Issuer's quarterly financial highlights, half-yearly and annual financial reports including related press releases. The Audit Committee discussed the draft reports of the external auditor, including its Board Report, before review by the Supervisory Board. The Audit Committee discussed the Issuer's financial performance in depth, the development of the Issuer's net interest income combined with low interest rates, business growth and the development of spreads and cost/income ratios. Furthermore, the Audit Committee reviewed the Issuer's liquidity and its funding profile, including senior unsecured

issuance and covered bonds issuance, and the development of related liquidity and solvency ratios.

The Audit Committee took notice of and discussed the Issuer's communication and consultation with DNB. Furthermore the Audit Committee considered the (preliminary) results of the Supervisory Review and Evaluation Process (SREP) and on-site examinations conducted by DNB, including Asset Quality Review (AQR) on the Bank's corporate loan portfolio.

The Audit Committee monitored the status quo of the Issuer's Information Technology. The Issuer's IT environment drastically changed over the past years including increased use of third party outsourcing, to further professionalize the use of Information Technology.

Internal audit:

The Audit Committee discussed the annual plan and quarterly reports of Internal Audit, and evaluated the functioning of Internal Audit. Both the internal auditor and external auditor reported on the quality and effectiveness of governance, internal control and risk management.

External audit:

For 2016, the Issuer appointed new independent external auditors, following the decision made by the Annual General Meeting of Shareholders in 2015. The Audit Committee took care of the transition work from the former to the new external auditor and conducted an exit valuation of the former external auditor. The Audit Committee also approved the annual audit plan of the newly appointed external auditor.

The external auditors were represented at all meetings of the Audit Committee in 2016. The Audit Committee met five times in 2016 in which members of the Managing Board were present at four out of five meetings.

3. MAJOR SHAREHOLDERS

See the information set out in "*Business Description of NIBC Bank N.V.*", paragraph 3.2 above.

4. FINANCIAL INFORMATION

4.1 Financial statements

As set forth under *"Documents incorporated by reference"*, the audited annual financial statements for the financial years ended 31 December 2016 and 31 December 2015 of the Issuer shall be incorporated in, and form part of, this Offering Circular.

4.2 Auditor's Report

The financial statements of NIBC Bank N.V. for the financial years ended 2016 and 2015 have been audited by Ernst & Young Accountants LLP and PricewaterhouseCoopers Accountants N.V. respectively. Ernst & Young Accountants LLP and PricewaterhouseCoopers Accountants N.V. issued unqualified auditors' reports on these consolidated financial statements on 7 March 2017 and 8 March 2016, respectively.

4.3 Financial Statements

This information is incorporated by reference.

4.4 Auditing of Historical Annual Financial Information

This information is incorporated by reference.

4.5 Age of Latest Financial Information

Audited financial information is dated as at 31 December 2016.

4.6 Interim and Other Financial Information

Not applicable.

4.7 Documents on Display

See "*General Information – Documents Available*".

TAXATION

The Netherlands

The following summary describes the principal Netherlands tax consequences of the acquisition, holding, redemption and disposal of Notes, which term, for the purpose of this summary, includes Coupons and Talons. This summary does not purport to be a comprehensive description of all Netherlands tax considerations that may be relevant to a decision to acquire, to hold, and to dispose of the Notes. Each prospective Noteholder should consult a professional adviser with respect to the tax consequences of an investment in the Notes. The discussion of certain Netherlands taxes set forth below is included for general information purposes only.

This summary is based on The Netherlands tax legislation, published case law, treaties, rules, regulations and similar documentation, in force as of the date of this Offering Circular, without prejudice to any amendments introduced at a later date and implemented with retroactive effect. Where in this summary the terms "The Netherlands" and "Dutch" are used, these terms solely refer to the part of the Kingdom of The Netherlands that is situated in Europe.

With the exception of paragraph (a), this summary does not address The Netherlands tax consequences of:

(a) *a Noteholder holding a substantial interest (aanmerkelijk belang) in the Issuer, within the meaning of Section 4.3 of the Dutch Income Tax Act 2001 (Wet inkomstenbelasting 2001). Generally speaking, a Noteholder (including both individuals and entities) holds a substantial interest in the Issuer, if such Noteholder, alone or together with his or her partner (statutory defined term) or certain other related persons, directly or indirectly, holds (i) an interest of five per cent. or more of the total issued capital of the Issuer or of five 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;*

(b) *a Noteholder qualifying as an investment institution (fiscale beleggingsinstellingen); and*

(c) *a Noteholder qualifying as a pension fund, exempt investment institution (vrijgestelde beleggingsinstellingen) or other entity that is exempt from Netherlands corporate income tax.*

*Where in this summary reference is made to a "**Noteholder**", this includes, without limitation, an individual to whom, or an entity to which, benefits derived from Notes are attributed for Dutch tax purposes.*

General

The Issuer has been advised that under the existing laws of The Netherlands:

(a) all payments by the Issuer under the Notes can 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;

(b) a Noteholder deriving income from a Note or realising a gain on the disposal or redemption of a Note will not be subject to Netherlands taxation on income or capital gains unless:

  (i) the holder is treated as resident in The Netherlands for the purpose of the relevant provisions; or

  (ii) such income or gain is attributable to an enterprise or part thereof which is carried on by or for the benefit of the Noteholder through a permanent establishment or a permanent representative in The Netherlands; or

  (iii) the holder is an individual and such income or gain qualifies as income from miscellaneous activities (*belastbaar resultaat uit overige werkzaamheden*) in The Netherlands as defined in section 3.4 of the Wet inkomstenbelasting 2001;

(c) Netherlands gift, estate 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 Noteholder, unless:

(i) the Noteholder is, or is deemed to be, a resident of The Netherlands for the purpose of The Netherlands gift and inheritance tax (*Successiewet 1956*); or

(ii) the transfer is construed as an inheritance or as a 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;

(d) there is no Netherlands registration tax, capital tax, customs duty, stamp duty or any other similar tax or duty other than court fees payable in The Netherlands in respect of or in connection with the execution, delivery and enforcement by legal proceedings (including any foreign judgment in the courts of The Netherlands) of the Notes or the performance of the Issuer's obligations under the Notes;

(e) there is no Netherlands value added tax payable in respect of payments in consideration for the issue of a Note or in respect of the payment of interest or principal under the Notes or the transfer of a Note; and

(f) a holder of a Note will not have a permanent establishment, or be deemed to have a permanent establishment, in The Netherlands by reason only of the holding of a Note or the execution, performance delivery and/or enforcement of a Note.

Luxembourg

The comments below are intended as a basic summary of certain withholding tax consequences in relation to the purchase, ownership and disposal of the Notes under Luxembourg law. Persons who are in any doubt as to their tax position should consult a professional tax adviser.

Withholding tax

All payments of interest and principal by the Issuer in the context of the holding, disposal, redemption or repurchase of the Notes, which are not profit sharing, can be made free and clear of any withholding or deduction for or on account of any taxes of whatsoever nature imposed, levied, withheld, or assessed by Luxembourg or any political subdivision or taxing authority thereof or therein, in accordance with the applicable Luxembourg law, subject however to regarding Luxembourg resident individual holders of Notes, the application of the Luxembourg law of 23 December 2005 introducing a final withholding tax on certain interest produced by savings income, as amended (the "**RELIBI Law**").

Pursuant to RELIBI Law, Luxembourg resident individuals who are the beneficial owners of interest or similar income (within the meaning of the Relibi Law) paid by a paying agent (within the meaning of the RELIBI Law) established outside Luxembourg, in a Member State of either the European Union or a State of the European Economic Area can opt to self-declare and pay a 20 per cent. tax (the "**Levy**") on such interest or similar income.

The 20 per cent. withholding tax as described above or the Levy are final when Luxembourg resident individuals are acting in the context of the management of their private wealth.

The United Kingdom

The following, which applies only to persons who are beneficial owners of the Notes, is a summary of the Issuer's understanding of current law and HM Revenue and Customs practice in the United Kingdom as at the date of this Offering Circular relating to the withholding tax treatment of interest paid on the Notes and does not deal with any other United Kingdom taxation implications of acquiring, holding or disposing of the Notes. Prospective Noteholders who may be subject to tax in a jurisdiction other than the United Kingdom should seek their own professional advice.

Interest on the Notes

Under current United Kingdom law and practice, if any interest on the Notes were to be regarded as yearly interest arising in the United Kingdom then the payer of such interest would be obliged to withhold

from any payment of such interest United Kingdom income tax at the basic rate (currently 20 per cent.), subject to any applicable exemption.

Provided: (i) such Notes are and continue to be listed on a "recognised stock exchange" within the meaning of section 1005 of the Income Tax Act 2007 (in the case of Notes to be traded on Euronext in Amsterdam, which is a recognised stock exchange, this condition will be satisfied if the Notes are (a) officially listed by a "competent authority" in The Netherlands for the purposes of Council Directive 2001/34/EC and any Dutch legislation giving effect to that Directive on Euronext in Amsterdam; and (b) admitted to trading on Euronext in Amsterdam); or (ii) such Notes are the subject of a direction by Her Majesty's Revenue & Customs under any applicable double taxation treaty; payments of interest on the Notes may be made without deduction or withholding, or (under certain double taxation treaties) at a reduced rate of withholding for or on account of United Kingdom income tax.

Provision of information

HMRC have powers to obtain information, including in relation to interest or payments treated as interest and payments derived from securities. This may include details of the beneficial owners of the Notes (or the persons for whom the Notes are held), details of the persons to whom payments derived from the Notes are or may be paid and information in connection with transactions relating to the Notes. Information obtained by HMRC may be provided to tax authorities in other countries.

Common Reporting Standard

On 1 January 2016, EU Council Directive 2014/107/EU entered into force which imposes a new automatic exchange of information regime in accordance with the global standard for automatic exchange of information published by the Organisation for Economic Cooperation and Development.

The exchange of information is expected to be governed by the broader Common Reporting Standard ("**CRS**"). Currently, 100 jurisdictions, including The Netherlands, have signed or committed themselves to sign the multilateral competent authority agreement under CRS, which is a multilateral framework agreement to automatically exchange financial and personal information, with the subsequent bilateral exchanges coming into effect between those signatories that file the subsequent notifications. More than 50 jurisdictions, including The Netherlands, have committed to a timetable leading to the first automatic exchanges in September 2017 (early adopters). Under CRS, financial institutions resident in a CRS country are required to report, according to a due diligence standard, account balance or value, income from certain insurance products, sales proceeds from financial assets and other income generated with respect to assets held in the account or payments made with respect to the account. Reportable accounts include accounts held by individuals and entities (which includes trusts and foundations) with tax residency in another CRS country. The standards includes a requirement to look through passive entities to report on the relevant controlling persons. The first CRS reporting by financial institutions in early adopter jurisdictions has taken place in March 2017.

As of 1 January 2016, CRS and EU Council Directive 2014/107/EU have been implemented in Netherlands law. As a result, the Issuer is required to comply with identification obligations as of 2016 and with reporting obligations as of 2017 on the records of 2016. Noteholders may be required to provide additional information to the Issuer to enable it to satisfy its identification obligations under the (Netherlands implementation of the) CRS.

Prospective holders of the Notes are advised to seek their own professional advice in relation to the CRS and EU Council Directive 2014/107/EU.

U.S. Foreign Account Tax Compliance Act

Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended, and regulations and other authoritative guidance thereunder ("**FATCA**") imposes a new reporting regime and potentially a 30 per cent. withholding tax with respect to (i) certain payments from sources within the United States and gross proceeds from U.S. debt and equity securities and (ii) "**foreign passthru payments**" (a term not yet defined) to (x) any non-U.S. financial institution (a "**foreign financial institution**", or "**FFI**" (as defined by FATCA)) that neither becomes a "**Participating FFI**" by entering into an agreement with the U.S. Internal Revenue Service ("**IRS**") to provide the IRS with certain information in respect of its account holders and investors nor is otherwise exempt from or in deemed compliance with FATCA; and (y) any

investor (unless otherwise exempt from FATCA) that does not provide information sufficient to determine whether the investor is a U.S. person or should otherwise be treated as holding a "United States Account" of the relevant Participating FFI (a "**Recalcitrant Holder**"). The Issuer is classified as an FFI.

The new withholding regime will be phased in beginning 1 July 2014 for payments from sources within the United States and will apply to "foreign passthru payments" by a Participating FFI no earlier than 1 January 2019 This withholding would potentially apply to payments in respect of: (i) any Notes characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are issued on or after the "grandfathering date", which is the date that is six months after the date on which final U.S. Treasury regulations defining the term foreign passthru payment are filed with the Federal Register, or which are materially modified on or after the grandfathering date; and (ii) any Notes characterised as equity or which do not have a fixed term for U.S. federal tax purposes, whenever issued. If Notes are issued before the grandfathering date, and additional Notes of the same series are issued on or after that date, the additional Notes may not be treated as grandfathered, which may have negative consequences for the existing Notes, including a negative impact on market price.

The United States and The Netherlands have entered into an Intergovernmental Agreement to facilitate the implementation of FATCA (the "**Dutch IGA**"). Pursuant to the Dutch IGA, most FFIs in The Netherlands should be treated as "Reporting FIs" that would generally not be subject to withholding under FATCA on any payments they receive. Further, an FFI in The Netherlands generally would not be required to withhold under FATCA or an IGA (or any law implementing an IGA) (any such withholding being a "**FATCA Withholding**") from payments it makes. Under the Dutch IGA, a Reporting FI would still be required to report certain information in respect of its account holders and investors to the local tax authorities.

The Bank and financial institutions through which payments on the Notes are made may be required to withhold FATCA Withholding if: (i) any FFI through or to which payment on such Notes is made is not a Participating FFI, a Reporting FI, or otherwise exempt from or in deemed compliance with FATCA; or (ii) an investor is a Recalcitrant Holder.

Whilst the Notes are in global form and held within the clearing systems, it is expected that FATCA will not affect the amount of any payments made under, or in respect of, the Notes by the Bank or any paying agent, given that each of the entities in the payment chain between the Bank and the participants in the clearing systems is a major financial institution whose business is dependent on compliance with FATCA and that any alternative approach introduced under an intergovernmental agreement will be unlikely to affect the Notes. The documentation expressly contemplates the possibility that the Notes may go into definitive form and therefore that they may be taken out of the clearing systems. If this were to happen, then a non-FATCA compliant holder could be subject to FATCA Withholding. However, definitive Notes will only be printed in remote circumstances.

FATCA is particularly complex and its application is uncertain at this time. The above description is based in part on regulations, official guidance and intergovernmental agreements, all of which are subject to change or may be implemented in a materially different form. Prospective investors should consult their tax advisers on how these rules may apply to the Bank and to payments they may receive in connection with the Notes.

TO ENSURE COMPLIANCE WITH IRS CIRCULAR 230, EACH TAXPAYER IS HEREBY NOTIFIED THAT: (A) ANY TAX DISCUSSION HEREIN IS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED BY THE TAXPAYER FOR THE PURPOSE OF AVOIDING U.S. FEDERAL INCOME TAX PENALTIES THAT MAY BE IMPOSED ON THE TAXPAYER; (B) ANY SUCH TAX DISCUSSION WAS WRITTEN TO SUPPORT THE PROMOTION OR MARKETING OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN; AND (C) THE TAXPAYER SHOULD SEEK ADVICE BASED ON THE TAXPAYER'S PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISER.

SUBSCRIPTION AND SALE

The Dealers have, in an Amended and Restated Dealership Agreement dated 21 June 2017 (the "**Dealership Agreement**") agreed with the Issuer a basis upon which it may from time to time agree to purchase Notes (**provided that** no Registered Notes may be purchased by NIBC Bank N.V. in its capacity as Dealer). Any such agreement will extend to those matters stated under *"Form of the Notes" and "Terms and Conditions of the Notes"*.

General

The Dealers have agreed and each further Dealer appointed under the Programme will be required to agree that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes this Offering Circular and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the Issuer nor any of the other Dealers shall have any responsibility therefor.

Neither the Issuer nor the Dealer represents that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

With regard to each Tranche of Unlisted Notes or Notes which are subject of a Pricing Supplement, the relevant Dealer will be required to comply with such other additional restrictions as the Issuer and the relevant Dealer shall agree and as shall be set out in the applicable Pricing Supplement.

Prohibition of Sales to EEA Retail Investors

From 1 January 2018, 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 this Offering Circular as completed by the Final Terms (or Pricing Supplement, as the case may be) in relation thereto to any retail investor in the European Economic Area. 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 2002/92/EC (as amended, the "**Insurance Mediation Directive**"), 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 Prospectus Directive; and

(b) the expression "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 for the Notes.

Prior to 1 January 2018, in relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**") it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Offering Circular as completed by the applicable Final Terms in relation thereto to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant Member State:

(a) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;

(b) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

(c) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes referred to in (b) to (c) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive, or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an "**offer of Notes to the public**" in relation to any Notes in any Relevant Member State means 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, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression "**Prospectus Directive**" means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU), and includes any relevant implementing measure in the Relevant Member State.

The Netherlands

Zero Coupon Notes (as defined below) in definitive form may only be transferred and accepted, directly or indirectly, within, from or into The Netherlands through the mediation of either the relevant Issuer or a member firm of Euronext Amsterdam N.V., admitted in a function on one or more markets or systems held or operated by Euronext Amsterdam N.V., in accordance with the Dutch Savings Certificates Act *(Wet inzake spaarbewijzen)* of 21 May 1985 (as amended).

No such mediation is required: (a) in respect of the transfer and acceptance of rights representing an interest in a Global Note; (b) in respect of the transfer and acceptance of Zero Coupon Notes in definitive form between individuals who do not act in the conduct of a business or profession; (c) to the initial issue of Zero Coupon Notes in definitive form to the first holders thereof; or (d) in respect of the transfer and acceptance of such Zero Coupon Notes within, from or into The Netherlands if all Zero Coupon Notes (either in definitive form or as rights representing an interest in a Zero Coupon Note in global form) of any particular Series/Tranche are issued outside The Netherlands and are not distributed into The Netherlands in the course of initial distribution or immediately thereafter.

In the event that the Savings Certificates Act applies, certain identification requirements in relation to the issue and transfer of, and payments on, Zero Coupon Notes have to be complied with.

As used herein "**Zero Coupon Notes**" are Notes that are in bearer form and that constitute a claim for a fixed sum against the Issuer and on which interest does not become due during their tenor or on which no interest is due whatsoever.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that unless this Offering Circular has been completed by any supplement which it so requires and the applicable Final Terms in relation to the Notes, or the relevant Final Terms specify that this provision does not apply because the standard exemption wording required by Article 5:20(5) of the Wft is not applicable, it will not make an offer of Notes to the public in The Netherlands in reliance on Article 3(2) of the Prospectus Directive (as defined above under "*Public Offer Selling Restriction under the Prospectus Directive*" above) unless (i) such offer is made exclusively to persons or entities which are qualified investors as defined in the Wft or (ii) standard exemption wording is disclosed as required by Article 5:20(5) of the Wft, **provided that** no such offer of Notes shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

United States

Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that:

(a) it is either an institutional "accredited investor" (as defined in Rule 501(a) under the United States Securities Act of 1933, as amended (the "**Securities Act**")) or a "qualified institutional buyer" as defined in Rule 144A under the Securities Act (a "**Qualified Institutional Buyer**") or

is located outside of the United States and that it or any person acting on its behalf, will offer or sell, or solicit offers for, the Notes only (i) to persons whom it reasonably believes are Qualified Institutional Buyers, or if any such person is buying for one or more institutional accounts of which such person is acting as fiduciary or agent, only when such Dealer reasonably believes that each such account is a Qualified Institutional Buyer or (ii) in offshore transactions within the meaning and meeting the requirements of Rule 903 under the Securities Act.

(b) the Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of U.S. persons (as that term is defined in Regulation S), except in accordance with Regulation S under the Securities Act or in certain transactions exempt from the registration requirements of the Securities Act;

(c) it has not and will not solicit offers for, or offer or sell, Notes by means of any general solicitation or general advertising (within the meaning of Rule 502(c) under the Securities Act) in the United States or otherwise in any manner involving a public offering within the meaning of Section 4(a)(2) of the Securities Act;

(d) neither it nor any of its affiliates (as defined in Rule 501(b)) under the Securities Act) nor any person acting on its or their behalf have engaged or will engage in any directed selling efforts (within the meaning of Regulation S) with respect to the Notes and it and they have and will comply with the offering restrictions requirement of Regulation S under the Securities Act; and

(e) except as permitted in the Dealership Agreement and as described above, it will not offer, sell or deliver Notes, (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of the Notes comprising the relevant Tranche, as certified to the Fiscal Agent or the Issuer by such Dealer (or, in the case of a sale of a Tranche of Notes to or through more than one Dealer, by each of such Dealers as to Notes of such Tranche purchased by or through it, in which case the Fiscal Agent or the Issuer shall notify each such Dealer when all such Dealers have so certified) except in accordance with Rule 903 of Regulation S under the Securities Act and that at or prior to the confirmation of the sale of Notes, it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases Notes from it during the distribution compliance period a confirmation notice to substantially the following effect:

"The Securities covered hereby have not been registered under the US Securities Act of 1933, as amended (the "**Securities Act**"), and may not be offered and sold within the United States or to, or for the account or benefit of, US persons (i) as part of their distribution at any time and (ii) otherwise until 40 days after the later of the commencement of the offering and the closing date, except in either case in accordance with Regulation S under the Securities Act. Terms used above have the meaning given to them by Regulation S under the Securities Act."

Notes in bearer form 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 U.S. persons, except in certain transactions permitted by U.S. tax regulations. Terms used in the preceding sentence have the meanings given to them by the United States Internal Revenue Code of 1986, as amended, and regulations thereunder.

Where the relevant Final Terms specify that the TEFRA D Rules are applicable, the Notes will be issued in accordance with the provisions of United States Treasury Regulation § 1.163-5(c)(2)(i)(D) (the "**TEFRA D Rules**"). Where the relevant Final Terms specify that the TEFRA C Rules are applicable, the Notes will be issued in accordance with the provisions of United States Treasury Regulation § 1.163-5(c)(2)(i)(C) (the "**TEFRA C Rules**"). Where the relevant Final Terms specify that TEFRA is not applicable, the Notes will not be issued in accordance with the provisions of either the TEFRA D Rules or the TEFRA C Rules.

The TEFRA D Rules

In addition,

(1) except to the extent permitted under the TEFRA D Rules, (a) each Dealer has not offered or sold, and during a 40-day restricted period will not offer or sell, Notes in bearer form to a person who is within the United States or its possessions or to a United States person, and (b) each Dealer has

not delivered and will not deliver within the United States or its possessions definitive Notes in bearer form that are sold during the restricted period;

(2) each Dealer has represented and agreed that it has and throughout the restricted period will have in effect procedures reasonably designed to ensure that its employees or agents who are directly engaged in selling Notes in bearer form are aware that such Notes may not be offered or sold during the restricted period to a person who is within the United States or its possessions or to a United States person, except as permitted by the TEFRA D Rules;

(3) any Dealer that is a United States person has represented that it will be acquiring the Notes in bearer form for purposes of resale in connection with their original issuance and if it will retain Notes in bearer form for its own account, it will only do so in accordance with the requirements of US Treas. Reg § 1.163-5(c)(2)(i)(D)(6); and

(4) with respect to each affiliate that acquires from each Dealer Notes in bearer form for the purpose of offering or selling such Notes during the restricted period, each Dealer has agreed that it will obtain from such affiliate for the benefit of the Issuer, the representations and agreements contained in clauses (1), (2) and (3).

Terms used in this paragraph have the meanings given to them by the US Internal Revenue Code and regulations thereunder, including the TEFRA D Rules.

The TEFRA C Rules

In addition, under the TEFRA C Rules, Notes in bearer form must be issued and delivered outside the United States and its possessions in connection with their original issuance. Each Dealer has not offered, sold or delivered, and will not offer, sell or deliver, directly or indirectly, Notes in bearer form within the United States or its possessions in connection with their original issuance. Further, in connection with the original issuance of Notes in bearer form, each Dealer has not communicated, and will not communicate, directly or indirectly, with a prospective purchaser if such purchaser or such Dealer is within the United States or its possessions or otherwise involve such Dealer's US office in the offer or sale of Notes in bearer form. Terms used in this paragraph have the meanings given to them by the US Internal Revenue Code and regulations thereunder, including the TEFRA C Rules.

Furthermore, each Series of Notes will also be subject to such further United States selling restrictions as the Issuer and the relevant Dealer or Dealers may agree and as indicated in the relevant Pricing Supplement.

Selling Restrictions Addressing Additional United Kingdom Securities Laws

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

(a) in relation to any Notes which having a maturity of less than one year:

(i) 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

(ii) it has not offered or sold and will not offer or sell any Notes other than to persons:

(A) whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses; or

(B) 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;

(b) 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 would not, if the Issuer was not an FSMA authorised person, apply to the Issuer; and

(c) 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.

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**"). Accordingly, each Dealer represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer to sell any Notes in Japan or to, or for the benefit of, a resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan) or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, any resident in Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and other relevant laws and regulations of Japan.

Belgium

Belgium has implemented the Prospectus Directive and the section headed "*Subscription and Sale – Prohibition of Sales to EEA Retail Investors*" of this Offering Circular is applicable.

This Offering Circular has not been submitted for approval to the Belgian Financial Services and Markets Authority. Accordingly, each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that Notes that have a maturity of less than 12 months and qualify as money market instruments (and that therefore fall outside the scope of the Prospectus Directive) will not be distributed in Belgium by way of a public offering, as defined for the purposes of the law of 16 June 2006 on public offerings of investment instruments and the admission of investment instruments to trading on regulated markets.

France

Each of the Dealers has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

(a) *Offer to the public in France:*

it has only made and will only make any communication by any means about the offer of Notes to any person *(offre au public)* in France in the period beginning (i) when a prospectus in relation to those Notes has been approved by the *Autorité des marchés financiers* (the "**AMF**"), on the date of such approval or, (ii) when a prospectus has been approved by the competent authority of another Member State of the European Economic Area which has implemented the EU Prospectus Directive 2003/71/EC, as amended, on the date of notification of such approval to the AMF, and ending at the latest on the date which is 12 months after the date of approval of the Offering Circular, all in accordance with articles L.412-1 and L.621-8 of the French monetary and financial code (*code monétaire et financier*) and with the *Règlement général* of the AMF; or

(b) *Private placement in France:*

it has not offered or sold and will not offer or sell, directly or indirectly, Notes to the public in France, and it has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, the Offering Circular, the relevant Final Terms or any other offering material relating to the Notes and such offers, sales and distributions have been and will be made in France only to (a) providers of investment services relating to portfolio management for the account of third parties *(personnes fournissant le service d'investissement de gestion portefeuille pour compte de tiers)*, and/or (b) qualified investors *(investisseurs qualifiés)*, other than individuals, all as defined in, and in accordance with, articles L.411 1, L.411 2 and D.411-1 of the French monetary and financial code (*Code monétaire et financier*).

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 each Dealer has 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 Notes 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 regulations.

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 Notes or distribute copies of this Offering Circular and any other document relating to the Notes in the Republic of Italy except:

(a) to "qualified investors", as referred to in Article 100 of Legislative Decree No. 58 of 24 February 1998, as amended ("**Decree No. 58**") and as defined in Article 34-ter, paragraph 1, let. b) of CONSOB Regulation No. 11971 of 14 May 1999, as amended ("**Regulation No. 11971**"); or

(b) 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 Directive, as implemented in Italy under Decree 58 and Regulation No. 11971, and ending on the date which is 12 months after the date of approval of such prospectus; or

(c) in any other circumstances where an express exemption from compliance with the offer restrictions applies, as provided under Decree No. 58 or Regulation No. 11971.

Any such offer, sale or delivery of the Notes or distribution of copies of this Offering Circular or any other document relating to the Notes in the Republic of Italy must be:

(i) 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. 385**"), Decree No. 58, CONSOB Regulation No. 16190 of 29 October 2007, as amended and any other applicable laws and regulations; and

(ii) 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, Article 100-bis of Decree No. 58 may require compliance with the law relating to public offers of securities. Furthermore, 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 Decree No. 58 applies.

Switzerland

The Notes may not be publicly offered, sold or advertised, directly or indirectly, in or from Switzerland and will not be listed on the SIX Swiss Exchange Ltd (the "**SIX Swiss Exchange**") or on any other exchange or regulated trading facility in Switzerland. Neither this Offering Circular nor any other offering or marketing material relating to the Notes constitutes a prospectus as such term is understood pursuant to Article 652a or Article 1156 of the Swiss Federal Code of Obligations (the "**CO**"), a simplified prospectus as such term is understood pursuant to article 5 of the Swiss Federal Act on Collective Investment Schemes (the "**CISA**") or a listing prospectus within the meaning of the listing rules of the SIX Swiss Exchange, and neither this Offering Circular nor any other offering or marketing material relating to the Notes may be publicly distributed or otherwise made publicly available in Switzerland.

In addition, the Notes do not constitute participations in a collective investment scheme within the meaning of the CISA. Therefore, the Notes are not subject to the approval of, or supervision by, the Swiss Financial Markets Supervisory Authority FINMA ("**FINMA**"), and investors in the Notes will not benefit from protection under the CISA or supervision by FINMA.

Hong Kong

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that (i) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes other than (a) to "*professional investors*" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong ("**SFO**") and any rules made under that Ordinance; or (b) in other circumstances which do not result in the document being a "*prospectus*" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and (ii) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under that Ordinance.

Singapore

Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Offering Circular has not been and will not be registered as a prospectus with the Monetary Authority of Singapore under the Securities and Futures Act, Chapter 289 of Singapore (the "**SFA**"). Accordingly, 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 or sold any Notes or caused any Notes to be made the subject of an invitation for subscription or purchase nor will it offer or sell Notes or cause any Notes to be made the subject of an invitation for subscription or purchase, nor has it circulated or distributed nor will it circulate or distribute this Offering Circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of any Notes, whether directly or indirectly, to persons in Singapore other than (a) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA, (b) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to an offer referred to in Section 275(1) of the SFA, or any person pursuant to an offer referred to in Section 275(1A) of the SFA, and in accordance with the applicable conditions specified in Section 275 of the SFA or (c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA, except:

(i) to an institutional investor under Section 274 of the SFA or to a relevant person (as defined in Section 275(2) of the SFA), or any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;

(ii) where no consideration is or will be given for the transfer;

(iii) where the transfer is by operation of law;

(iv) as specified in Section 276(7) of the SFA; or

(v) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

South Korea

The Notes have not been and will not be registered under the Financial Investment Services and Capital Markets Act of Korea (the "**FSCMA**"). Accordingly, each Dealer severally but not jointly has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that the Notes have not been and will not be offered or sold, directly or indirectly, in Korea or to or for the account or benefit of any Korean resident (as such term is defined in the Foreign Exchange Transaction Law of Korea and its Enforcement Decree) except as otherwise permitted under applicable Korean laws and regulations. Furthermore, a holder of the Notes will be prohibited from offering or selling any Notes, directly or indirectly, in Korea or to any Korean resident for a period of one year from the date of issuance of the Notes except as otherwise permitted under applicable Korean laws and regulations. Each Dealer severally but not jointly undertakes, and each further Dealer appointed under the Programme will be required to undertake, to use commercially reasonable best measures as a Dealer in the ordinary course of its business so that any securities dealer to which it sells the Notes confirms that it is purchasing such Notes as principal and agrees with such Dealer that it will comply with the restrictions described above.

Taiwan

The Notes, if listed on the Taipei Exchange for sale to professional or general investors in Taiwan and to the extent permitted by the relevant Taiwan laws and regulations, may be sold in Taiwan to all professional or general investors, as applicable, or, if not listed in Taiwan, may be made available, (i) to Taiwan resident investors outside Taiwan for purchase by such investors outside Taiwan; (ii) to the Offshore Banking Units of Taiwan banks, the Offshore Securities Units of Taiwan securities firms or the Offshore Insurance Units of Taiwan insurance companies purchasing the Notes either for their proprietary account or for the accounts of their non-Taiwan clients; and/or (iii) to investors in Taiwan through licensed financial institutions to the extent permitted under relevant Taiwan laws and regulations, but may not, otherwise be offered, sold or resold in Taiwan.

TRANSFER RESTRICTIONS

144A Notes

The Dealership Agreement provides that the Dealers may directly or through their respective U.S. broker-dealer affiliates arrange for the offer and resale of Notes within the United States only to QIBs pursuant to Rule 144A.

Each purchaser of Rule 144A Notes, by accepting delivery of this Prospectus, will be deemed to have represented, agreed and acknowledged that:

(1) It is (a) a QIB within the meaning of Rule 144A, (b) acquiring such Notes for its own account or for the account of a QIB and (c) aware, and each beneficial owner of such Notes has been advised, that the sale of such Notes to it may be made in reliance upon the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A.

(2) It understands that such Notes have not been and will not be registered under the Securities Act and may not be offered, sold, pledged or otherwise transferred except (a) in accordance with Rule 144A to a person that it and any person acting on its behalf reasonably believe is a QIB purchasing for its own account or for the account of a QIB, (b) in an offshore transaction in accordance with Regulation S or (c) pursuant to an exemption from registration under the Securities Act provided by Rule 144A thereunder (if available), in each case in accordance with any applicable securities laws of any State of the United States.

(3) It understands that such Notes, unless otherwise set forth in the applicable Final Terms or determined by the Issuer in accordance with applicable law, will bear a legend substantially to the following effect:

THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933 (THE "**SECURITIES ACT**") OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT AS SET FORTH IN THE FOLLOWING SENTENCE. BY ITS ACQUISITION HEREOF, THE HOLDER (A) REPRESENTS THAT IT IS A "**QUALIFIED INSTITUTIONAL BUYER**" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ONE OR MORE QUALIFIED INSTITUTIONAL BUYERS; (B) AGREES THAT IT WILL NOT RESELL OR OTHERWISE TRANSFER THIS NOTE PRIOR TO THE DATE WHICH IS ONE YEAR (OR SUCH SHORTER PERIOD OF TIME AS PERMITTED BY RULE 144(B) UNDER THE SECURITIES ACT) AFTER THE LATER OF THE LAST ISSUE DATE FOR THE SERIES AND THE LAST DATE ON WHICH THE ISSUER OR AN AFFILIATE OF THE ISSUER WAS THE BENEFICIAL OWNER OF SUCH SECURITIES, OTHER THAN (1) IN ACCORDANCE WITH RULE 144A UNDER THE SECURITIES ACT TO A PERSON THAT THE HOLDER AND ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVE IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER, (2) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT OR (3) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER (IF AVAILABLE), IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF THE EXEMPTION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT FOR RESALES OF THIS NOTE.

(4) It understands that the Rule 144A Notes will be represented by one or more Restricted Global Registered Notes. Before any interest in a Restricted Global Registered Note may be offered, sold, pledged or otherwise transferred to a person who takes delivery in the form of an interest in an Unrestricted Global Registered Note, it will be required to provide the Transfer Agent with a written certification as to compliance with applicable securities laws.

(5) Each purchaser of Notes, and each subsequent transferee of Notes, the assets of which purchaser or transferee constitute the assets of one or more Plans and each fiduciary that directs such purchaser or transferee with respect to the purchase or holding of such Notes, will be deemed to represent that the purchase and holding of such Notes does not constitute a prohibited transaction under Section 406 the U.S. Employee Retirement Income Security Act of 1974, as amended ("**ERISA**"), or Section 4975 of the Code for which an exemption is not available.

(6) The Issuer, the Fiscal Agent, the Dealers and their affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgments, representations and agreements and it agrees that, if any of the acknowledgments, representations or warranties deemed to have been made by it in connection with its purchase of Notes are no longer accurate, it shall promptly notify the Issuer and, if applicable, any Agent through which it purchased any Notes. If it is acquiring any Notes for the account of one or more qualified institutional buyers it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgments, representations and agreements on behalf of each such account.

Prospective purchasers are hereby notified that sellers of the Notes may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A.

Regulation S Notes

Each purchaser of Registered Notes outside the United States pursuant to Regulation S and each subsequent purchaser of such Notes in resales prior to the expiration of the Distribution Compliance Period, by accepting delivery of this Offering Circular and the Notes, will be deemed to have represented, agreed and acknowledged that:

(1) It is, or at the time Notes are purchased will be, the beneficial owner of such Notes and (a) it is not a U.S. person and it is located outside the United States (within the meaning of Regulation S), (b) it is not acquiring such Notes for the account or benefit of a U.S. person and (c) it is not an affiliate of the Issuer or a person acting on behalf of such an affiliate.

(2) It understands that such Notes have not been and will not be registered under the Securities Act and that, prior to the expiration of the Distribution Compliance Period, it will not offer, sell, pledge or otherwise transfer such Notes except in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S or in accordance with Rule 144A under the Securities Act to a person that it, and any person acting on its behalf, reasonably believe is a QIB purchasing for its own account or the account of a QIB, in each case in accordance with any applicable securities laws of any state of the United States.

(3) It understands that such Notes, unless otherwise determined by the Issuer in accordance with applicable law, will bear a legend to the following:

THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933 (THE "**SECURITIES ACT**") OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OT OTHERWISE TRANSFERRED WITHIN THE UNITED STATES EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS UNDER THE SECURITIES ACT.

(4) The Issuer, the Fiscal Agent, the Dealers and their affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgments, representations and agreements and it agrees that, if any of the acknowledgments, representations or warranties deemed to have been made by it in connection with its purchase of Notes are no longer accurate, it shall promptly notify the Issuer and, if applicable, any Agent through which it purchased any Notes. If it is acquiring any Notes for the account of one or more qualified institutional buyers it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgments, representations and agreements on behalf of each such account.

(5) It understands that the Notes offered in reliance on Regulation S will be represented by one or more Unrestricted Global Registered Notes. Prior to the expiration of the Distribution

Compliance Period, before any interest in an Unrestricted Global Registered Note may be offered, sold, pledged or otherwise transferred to a person who takes delivery in the form of an interest in a Restricted Global Registered Note, it will be required to provide the Transfer Agent with a written certification as to compliance with applicable securities laws.

Section 4975 of the Code prohibits the borrowing of money, the sale of property and certain other transactions involving the assets of plans that are tax-qualified under the Code ("**Qualified Plans**") or individual retirement accounts ("**IRAs**") and persons who have certain specified relationships to them. Section 406 of ERISA, prohibits similar transactions involving the assets of employee benefit plans that are subject to ERISA ("**ERISA Plans**"). Qualified Plans, IRAs and ERISA Plans and entities treated for purposes of ERISA and the Code as holding assets thereof are collectively referred to as "**Plans**". Persons who have such specified relationships are referred to as "parties in interest" under ERISA and as "disqualified persons" under the Code. An Issuer may be considered a "party in interest" or "disqualified person" with respect to a Plan. The purchase and/or holding of securities by a Plan with respect to which any Issuer and/or certain of its affiliates is a fiduciary, service provider and/or sponsor (or otherwise is a "party in interest" or "disqualified person" due to being affiliated with any such person or otherwise) could constitute or result in a prohibited transaction under Section 406 of ERISA and/or Section 4975 of the Code, unless such securities are acquired or held under, and in accordance with, a statutory or administrative exemption. Moreover, in accordance with ERISA's general fiduciary requirement, a fiduciary with respect to any ERISA Plan who is considering the purchase of securities on behalf of such plan should determine whether such purchase is permitted under the governing plan document and is prudent and appropriate for the ERISA Plan in view of its overall investment policy and the composition and diversification of its portfolio. Plans established with, or for which services are provided by, an Issuer and/or certain of its affiliates should consult with counsel before making any acquisition. Each purchaser of Notes, and each subsequent transferee of Notes, the assets of which purchaser or transferee constitute the assets of one or more Plans and each fiduciary that directs such purchaser or transferee with respect to the purchase or holding of such Notes, will be deemed to represent that the purchase and holding of such Notes does not constitute a prohibited transaction under Section 406 of ERISA or Section 4975 of the Code for which an exemption is not available.

GENERAL INFORMATION

Authorisation

The update of the Programme and the issue of Notes under the Programme have been duly authorised by resolutions of the Managing Board of the Issuer dated 21 April 2017, and further authorised by an authorisation under the funding plan by a member of the Managing Board and a proxy holder of the Issuer dated 12 June 2017. All consents, approvals, authorisations or other orders of all regulatory authorities required by the Issuer under the laws of The Netherlands have been given for the issue of Notes and for the Issuer to undertake and perform its obligations under the Fiscal Agency Agreement and the Notes.

Listing

Application has been made to Euronext Amsterdam N.V. for Notes issued under the Programme up to the expiry of 12 months from the date of this Offering Circular to be admitted to listing and trading on Euronext in Amsterdam, the regulated market of Euronext Amsterdam N.V. The admission of Notes to Euronext in Amsterdam will be expressed as a percentage of their nominal amount (excluding accrued interest). It is expected that each Tranche of Notes which is to be admitted to listing and trading on trading on Euronext in Amsterdam will be admitted separately as and when issued, subject only to the issue of a Global Note or Notes initially representing the Notes of such Tranche. Notes may be issued pursuant to the Programme which will not be admitted to listing, trading and/or quotation by Euronext in Amsterdam or any other listing authority, stock exchange and/or quotation system or which will be admitted to listing, trading and/or quotation by such listing authority, stock exchange and/or quotation system as the Issuer and the relevant Dealers may agree, subject to the terms of the Dealership Agreement.

Auditors

Pursuant to an auditor rotation requirement under Dutch law, Ernst & Young Accountants LLP was appointed as the Issuer's new independent auditor effective 1 January 2016, succeeding PricewaterhouseCoopers Accountants N.V..

The auditors of the Issuer are Ernst & Young Accountants LLP ("**EY**") for the financial year ended 31 December 2016 and PricewaterhouseCoopers Accountants N.V. ("**PwC**") for the financial year ended 31 December 2015, who have audited the Issuer's accounts, without qualification, in accordance with the laws of The Netherlands, including Dutch Standards on Auditing, for each of the two financial years ended on 31 December 2016 and 31 December 2015. The individual auditors of EY and PwC are members of the Dutch Professional Association of Accountants (*Nederlandse Beroepsorganisatie van Accountants*).

Documents Available

For the period of 12 months following the date of this Offering Circular, copies of the following documents will, when published, be available during normal business hours from the registered office of the Issuer and from the specified office of the Fiscal Agent:

(i) an English translation of the most recent Articles of Association of the Issuer;

(ii) the publicly available annual reports (non consolidated and consolidated) of the Issuer for the two most recent financial years, and the most recently available published unaudited consolidated interim (semi annual) financial statements of the Issuer (in English);

(iii) the Fiscal Agency Agreement;

(iv) a copy of this Offering Circular;

(v) any future offering circulars, prospectuses, information memoranda and supplements including Final Terms (save that Final Terms relating to a Note which is neither admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Directive will only be available for inspection by a holder of such Note and such holder must produce evidence

satisfactory to the Issuer and the Fiscal Agent as to its holding of the Notes and identity) to this Offering Circular and any Supplementary Offering Circular and any other documents incorporated herein or therein by reference;

(vi) Pricing Supplements (in the case of Unlisted Notes) (save that a Pricing Supplement will only be available for inspection by a holder of such Note and such holder must produce evidence satisfactory to the Issuer and the Paying Agent as to its holding of Notes and identity) for each Tranche of Notes; and

(vii) the Issuer ICSDs Agreement.

Significant or Material Change

There has been no significant change in the financial or trading position of the Issuer and its subsidiaries taken as a whole which has occurred since 31 December 2016, and there has been no material adverse change in the prospects of the Issuer and its subsidiaries taken as a whole since 31 December 2016.

Conditions for determining price

The price and amount of Notes to be issued under the Programme will be determined by the Issuer and the relevant Dealer at the time of issue in accordance with prevailing market conditions.

Litigation

Neither the Issuer nor any of its subsidiaries is, or has been, in the 12 months preceding the date of this document, involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) which may have or have had in the recent past significant effects on the financial position or profitability of the Issuer and its subsidiaries taken as a whole.

Clearing and Settlement Systems

The Notes will be accepted for clearance through Euroclear, Clearstream, Luxembourg and Euroclear Netherlands. The relevant Final Terms shall specify any other clearing system as shall have accepted the relevant Notes for clearance. The appropriate common code and the International Securities Identification Number in relation to the Notes of each Series will be specified in the Final Terms relating thereto.

The address of Euroclear is Euroclear Bank S.A./N.V., 1 Boulevard du Roi Albert II, B 1210 Brussels, Belgium; the address of Clearstream, Luxembourg is Clearstream Banking SA, 42 Avenue JF Kennedy, L- 1855 Luxembourg, Luxembourg; and the address of Euroclear Netherlands *(Euroclear Nederland)* is Herengracht, 459-469, 1017 BS Amsterdam, The Netherlands.

Post-issuance information

The Issuer does not intend to provide any post-issuance information in relation to any issues of Notes.

Certain of the Dealers transacting with the Issuer or its affiliates

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 for, the Issuer and its affiliates in the ordinary course of business. 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 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.

Passporting

The Issuer may, on or after the date of this Offering Circular, make applications for one or more certificates of approval under Article 18 of the Prospectus Directive to be issued by the AFM to the competent authority in any Member State.

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