Prospectus dated 27 May 2019

LEASEPLAN CORPORATION N.V.

(incorporated with limited liability in The Netherlands with its statutory seat in Amsterdam and registered in the Commercial Register of the Chamber of Commerce under number 39037076)

€500,000,000 Undated Deeply Subordinated Additional Tier 1 Fixed Rate Resettable Callable Capital Securities

Issue Price 100 per cent.

€500,000,000 Undated Deeply Subordinated Additional Tier 1 Fixed Rate Resettable Callable Capital Securities (the "**Capital Securities**") will be issued by LeasePlan Corporation N.V. (the "**Issuer**"). The issue price of the Capital Securities is 100 per cent. of their Original Principal Amount (as defined in Condition 19 (*Definitions*) in "*Terms and Conditions of the Capital Securities*" below). The Capital Securities will constitute unsecured and deeply subordinated obligations of the Issuer, ranking *pari passu* without any preference among themselves, as described in Condition 2 (*Status of the Capital Securities*) in "*Terms and Conditions of the Capital Securities*" below.

The Capital Securities will bear interest on their Prevailing Principal Amount (as defined in Condition 19 (*Definitions*) in "*Terms and Conditions of the Capital Securities*" below), payable (subject to cancellation as described below) semi-annually in arrear on 29 May and 29 November in each year (each an "**Interest Payment Date**"), from (and including) 29 May 2019 (the "**Issue Date**") to (but excluding) 29 May 2024 (the "**First Call Date**") at the fixed rate of 7.375 per cent. per annum. The rate of interest will reset on the First Call Date and on each fifth anniversary thereafter (each a "**Reset Date**"). The Issuer may, in its sole discretion, elect to cancel the payment of interest on the Capital Securities (in whole or in part), and it will be required to cancel the payment of interest on the Capital Securities to the extent that the Distributable Items are, or the Maximum Distributable Amount is, insufficient or at the order of the Competent Authority. As a result, holders of Capital Securities ("**Holders**") may not receive interest on any Interest Payment Date. Interest that is cancelled will not be due on any subsequent date, and the non-payment will not constitute a default by the Issuer. See Condition 3 (*Interest and interest cancellation*) in "*Terms and Conditions of the Capital Securities*" below.

The Prevailing Principal Amount of the Capital Securities will be written down if, at any time (i) the Issuer solo-consolidated CET1 Ratio falls or remains below 5.125 per cent., (ii) the Issuer sub-consolidated CET1 Ratio falls or remains below 5.125 per cent. and/or (iii) the Group CET1 Ratio falls or remains below 5.125 per cent. (all as defined in Condition 19 (*Definitions*) in "*Terms and Conditions of the Capital Securities*" below). Holders may lose some or substantially all of their investment in the Capital Securities as a result of such a write-down. Following such reduction, the Prevailing Principal Amount may, at the Issuer's discretion, be written-up to the Original Principal Amount if certain conditions are met. See Condition 7 (*Principal Write-down and Principal Write-up*) in "*Terms and Conditions of the Capital Securities*" below. In addition, the relevant Resolution Authority may be entitled to write down or convert the Capital Securities in accordance with its statutory powers (see Condition 8 (*Statutory Loss Absorption*) in "*Terms and Conditions of the Capital Securities*" below).

The Capital Securities have no fixed maturity and Holders do not have the right to call for their redemption. As a result, the Issuer is not required to make any payment of the principal amount of the Capital Securities at any time prior to its winding-up or insolvency. The Issuer may, at its option, redeem all, but not some only, of the Capital Securities on the First Call Date or each Reset Date thereafter at their Prevailing Principal Amount plus accrued and unpaid interest (see Condition 5 (*Redemption and Purchase*) in "*Terms and Conditions of the Capital Securities*" below). The Issuer may also, at its option, redeem all, but not some only, of the Capital Securities at any time at their Prevailing Principal Amount plus accrued and unpaid interest (if any) upon the occurrence of a Tax Event or a Capital Event (each as defined in Condition 19 (*Definitions*) in "*Terms and Conditions of the Capital Securities*" below). Any optional redemption of Capital Securities by the Issuer will be subject to the general conditions to redemption as set out in Condition 5.6 (*Conditions for Redemption and Purchase*) in "*Terms and Conditions of the Capital Securities*" below. If a Tax Event or a Capital Event has occurred and is continuing, the Issuer may substitute all of the Capital Securities or vary the terms of all of the Capital Securities, without the consent or approval of Holders, provided that they become or remain compliant with Applicable Banking Regulations (as defined in Condition 19 (*Definitions*) in "*Terms and Conditions of the Capital Securities*" below).

An investment in Capital Securities involves certain risks. Investors should ensure that they understand the nature of the Capital Securities and the extent of their exposure to risks and they should review and consider these risks carefully before purchasing any Capital Securities. In particular, investors should review and consider the risk factors relating to a Principal Write-down and interest cancellation and the impact this may have on their investment. For a discussion of these risks see "Risk Factors" beginning on page 1.

This Prospectus has been approved by The Netherlands Authority for the Financial Markets (the "**AFM**") in its capacity as competent authority under the Dutch Financial Supervision Act (*Wet op het financieel toezicht*, the "**Wft**") for the purposes of Directive 2003/71/EC (as amended, the "**Prospectus Directive**"). Application has been made to Euronext Amsterdam N.V. for the Capital Securities to be listed on Euronext Amsterdam ("**Euronext Amsterdam**"). References in this Prospectus to the Capital Securities being "listed" (and all related references) shall mean that the Capital Securities have been listed and admitted to trading on Euronext Amsterdam. Euronext Amsterdam is a regulated market for the purposes of the Markets in Financial Instruments Directive (recast) (Directive 2014/65/EU).

The Capital Securities will be in bearer form and in denominations of € 200,000 and integral multiples of €1,000 in excess thereof up to (and including) €399,000. The Capital Securities will initially be represented by a temporary global capital security (the "**Temporary Global Capital Security**"), which will be deposited with a common safekeeper for Clearstream Banking, S.A. ("**Clearstream, Luxembourg**") and Euroclear Bank S.A./N.V. ("**Euroclear**") on the Issue Date. The Temporary Global Capital Security will be exchangeable for interests in a permanent global capital security (the "**Permanent Global Capital Security**", together with the Temporary Global Capital Security, the "**Global Capital Securities**") not earlier than 40 days after the Issue Date, upon certification as to non-U.S. beneficial ownership. The Permanent Global Capital Security will be exchangeable for Capital Securities in definitive form (the "**Definitive Capital Securities**") in the limited circumstances set out therein, see "*Form of the Capital Securities*" below.

The Capital Securities are expected to be rated Ba3 by Moody's France SAS ("**Moody's**") and B+ by S&P Global Ratings Europe Limited, France Branch ("**S&P**"). Moody's and S&P are established in the European Union and are registered under the Regulation (EC) No. 1060/2009 (as amended) (the "**CRA Regulation**"). A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

The Capital Securities have not been registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"). Subject to certain exceptions, the Capital Securities may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act ("**Regulation S**"). See "*Subscription and Sale*" below).

The Capital Securities are not intended to be sold and should not be sold to retail clients in the European Economic Area ("EEA"), as defined in the Regulations (as defined below) other than in circumstances that do not and will not give rise to a contravention of those rules by any person. Prospective investors are referred to the section headed "*Restrictions on marketing and sales to retail investors*" on page iv of this Prospectus for further information.

Structuring Adviser

DEUTSCHE BANK

Joint Bookrunners

CITIGROUP DEUTSCHE BANK HSBC J.P. MORGAN SOCIÉTÉ GÉNÉRALE CORPORATE & INVESTMENT BANKING

The contents of this Prospectus are not intended to contain and should not be regarded as containing advice relating to legal, taxation, investment or any other matters and prospective investors are recommended to consult their own professional advisers for any advice concerning the acquisition, holding or disposal of any Capital Securities.

Before making an investment decision with respect to any Capital Securities, prospective investors should carefully consider all of the information set out in this Prospectus and any accompanying documents, as well as their own personal circumstances. Prospective investors should have regard to, among other matters, the considerations described under the section headed "Risk Factors" in this Prospectus. This Prospectus does not describe all of the risks of an investment in the Capital Securities.

An investment in the Capital Securities is only suitable for investors who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom.

The Issuer accepts responsibility for the information contained in this Prospectus. To the best of the knowledge of the Issuer (which has taken all reasonable care to ensure that such is the case) the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

This Prospectus is to be read in conjunction with all the documents which are incorporated herein by reference (see "*Documents Incorporated by Reference"* below) and shall be read and construed on the basis that such documents are incorporated in and form part of this Prospectus.

This Prospectus comprises a prospectus for the purposes of article 5.3 of the Prospectus Directive and has been approved for the purpose of listing the Capital Securities on Euronext Amsterdam. This Prospectus does not constitute an offer of, or an invitation by or on behalf of the Issuer or the Joint Bookrunners (as defined in "*Subscription and Sale*" below) to subscribe or purchase, any of the Capital Securities. The distribution of this Prospectus and the offering of the Capital Securities in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus or any Capital Securities come are required by the Issuer and the Joint Bookrunners to inform themselves about and to observe any such restrictions.

Neither the Issuer nor any of the Joint Bookrunners represent that this Prospectus may be lawfully distributed, or that any Capital Securities 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 of the Joint Bookrunners which is intended to permit a public offering of any Capital Securities or distribution of this Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Capital Securities may be offered or sold, directly or indirectly, and neither this Prospectus 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.

For a description of further restrictions on offers and sales of Capital Securities and distribution of this Prospectus, see "*Subscription and Sale*" below. In particular, the Capital Securities have not been, and will not be, registered under the Securities Act and are subject to United States tax law requirements. The Capital Securities are being offered outside the United States by the Joint Bookrunners in accordance with Regulation S, and may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

No person has been authorised to give any information or to make any representation not contained in or not consistent with this Prospectus or any document incorporated by reference herein, or any other information supplied in connection with the Capital Securities and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or any Joint Bookrunner.

Neither this Prospectus nor any other information supplied in connection with the Capital Securities (i) is intended to provide the basis of any credit or other valuation or (ii) should be considered as a recommendation or a statement of opinion by the Issuer or any Joint Bookrunner that any recipient of this

Prospectus or any other information supplied in connection with the Capital Securities should purchase any Capital Securities. Accordingly, no representation, warranty or undertaking, express or implied, is made by any Joint Bookrunner in its capacity as such. Each investor contemplating purchasing any Capital Securities should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer.

Neither the Joint Bookrunners nor any of their respective affiliates have authorised the whole or any part of this Prospectus or have independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Joint Bookrunners or any of their respective affiliates as to the accuracy or completeness of the information contained or incorporated in this Prospectus or any other information provided by the Issuer in connection with the offering of the Capital Securities. No Joint Bookrunner or any of their respective affiliates accepts any liability in relation to the information contained or incorporated by reference in this Prospectus or any other information provided by the Issuer in connection with the offering of the Capital Securities or their distribution.

ABN AMRO Bank N.V. is acting solely in its capacity as Listing Agent for the Issuer in connection with the Capital Securities and is not itself seeking admission of these Capital Securities to Euronext Amsterdam or to trading on its regulated market for the purposes of the Prospectus Directive. ABN AMRO Bank N.V. in its capacity as Listing Agent is acting for the Issuer only and will not regard any other person as its client in relation to the offering of the Capital Securities. Neither ABN AMRO Bank N.V. nor any of its directors, officers, agents or employees makes any representation or warranty express or implied, or accepts any responsibility with respect to the accuracy, completeness or fairness of any of the information or opinions described or incorporated by reference in this Prospectus, or for any other statements made or purported to be made either by itself or on its behalf in connection with the Issuer or the offering or the Capital Securities. Accordingly, ABN AMRO Bank N.V. disclaims all and any liability, whether arising in tort or contract or otherwise in respect of this Prospectus and or any such other statements.

Neither the delivery of this Prospectus nor the offering, sale or delivery of any Capital Securities 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 Capital Securities is correct as of any time subsequent to the date indicated in the document containing the same.

References to "**euro**", "**EUR**" and "**€**" refer to the lawful currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community as amended by the Treaty on European Union.

Words and expressions defined in Condition 19 (*Definitions*) of the Terms and Conditions of the Capital Securities shall have the same meanings ascribed to them in Condition 19 (*Definitions*) when used in other parts of this Prospectus.

In connection with the issue of the Capital Securities, Deutsche Bank Aktiengesellschaft (the "**Stabilising Manager**") (or any person acting on behalf of any Stabilising Manager) may over-allot Capital Securities or effect transactions with a view to supporting the market price of the Capital Securities at a level higher than that which might otherwise prevail. However, stabilisation may not occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Capital Securities 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 Capital Securities and 60 days after the date of the allotment of the Capital Securities. Any stabilisation action or over-allotment must be conducted by the Stabilising Manager (or any person acting on behalf of the Stabilising Manager) in accordance with all applicable laws and rules.

Restrictions on marketing and sales to retail investors

The Capital Securities discussed in this Prospectus are complex financial instruments and are not a suitable or appropriate investment for all investors. In some jurisdictions, regulatory authorities have adopted or published laws, regulations or guidance with respect to the offer or sale of securities such as the Capital Securities to retail investors.

In particular, in June 2015, the U.K. Financial Conduct Authority (the "**FCA**") published the Product Intervention (Contingent Convertible Instruments and Mutual Society Shares) Instrument 2015 (as amended or replaced from time to time, the "**PI Instrument**"), which took effect from 1 October 2015.

In addition, (i) on 1 January 2018, the provisions of Regulation (EU) No. 1286/2014 on key information documents for packaged and retail and insurance-based investment products (the "**PRIIPs Regulation**") became directly applicable in all EEA member states and (ii) the Markets in Financial Instruments Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EC (as amended) ("**MiFID II**") was required to be implemented in EEA member states by 3 January 2018. Together, the PI Instrument, the PRIIPs Regulation and MiFID II are referred to as the "**Regulations**".

The Regulations set out various obligations in relation to (i) the manufacturing and distribution of financial instruments and (ii) the offering, sale and distribution of packaged retail and insurance-based investment products and certain contingent write down or convertible securities, such as the Capital Securities.

The Joint Bookrunners (and/or their respective affiliates) are required to comply with some or all of the Regulations. By purchasing, or making or accepting an offer to purchase, any Capital Securities (or a beneficial interest in such Capital Securities) from the Issuer and/or the Joint Bookrunners, each prospective investor will thereby be deemed to represent, warrant, agree with and undertake to the Issuer and each of the Joint Bookrunners that:

(a) it is not a retail client (as defined in MiFID II);

(b) whether or not it is subject to the Regulations, it will not:

  (i) sell or offer the Capital Securities (or any beneficial interest therein) to retail clients (as defined in MiFID II); or

  (ii) communicate (including the distribution of the Prospectus) or approve an invitation or inducement to participate in, acquire or underwrite the Capital Securities (or any beneficial interests therein) where that invitation or inducement is addressed to, or disseminated in such a way that it is likely to be received by, a retail client (as defined in MiFID II). In selling or offering Capital Securities or making or approving communications relating to the Capital Securities, it may not rely on the limited exemptions set out in the PI Instrument;

(c) if it is a person in Hong Kong, it is a "professional investor" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the "**SFO**") and any rules made under the SFO; and

(d) it will at all times comply with all applicable laws, regulations and regulatory guidance (whether inside or outside the EEA) relating to the promotion, offering, distribution and/or sale of the Capital Securities (or any beneficial interests therein), including (without limitation) MiFID II and any other applicable laws, regulations and regulatory guidance relating to determining the appropriateness and/or suitability of an investment in the Capital Securities (or any beneficial interests therein) by investors in any relevant jurisdiction.

Potential investors should inform themselves of, and comply with, any applicable laws, regulations or regulatory guidance with respect to any resale of the Capital Securities (or any beneficial interests therein), including the Regulations.

Singapore Securities and Futures Act Product Classification – Solely for the purposes of its obligations pursuant to sections 309B(1)(a) and 309B(1)(c) of the Securities and Futures Act (Chapter 289 of Singapore) (the "**SFA**"), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A of the SFA) that the Capital Securities are capital markets products other than "prescribed capital markets products" (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and Specified Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

Where acting as agent on behalf of a disclosed or undisclosed client when purchasing, or making or accepting an offer to purchase, any Capital Securities (or any beneficial interest in such securities) from the Issuer and/or the Joint Bookrunners, the foregoing representations, warranties, agreements and undertakings will be given by and be binding upon both the agent and its underlying client.

Prohibition of sales to EEA retail investors – The Capital Securities are not intended to be offered, sold or otherwise made available to, and should not be offered, sold or otherwise made available to, any retail investor in the EEA. 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 MiFID II; or (ii) a customer within the meaning of Directive 2002/92/EC (as amended or superseded, 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. Consequently, no key information document required by the PRIIPs Regulation for offering or selling the Capital Securities or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Securities or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPS Regulation.

Professional investors and ECPs only target market – Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Capital Securities has led to the conclusion that: (i) the target market for the Capital Securities is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Capital Securities to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Capital Securities (a "**distributor**") should take into consideration the manufacturers' target market assessment. However, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Capital Securities (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

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RISK FACTORS

The Issuer believes that the following factors may affect its ability to fulfil its obligations under the Capital Securities. All of 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 the Issuer believes may be material for the purpose of assessing the market risks associated with the Capital Securities are also described below.

The Issuer believes that the factors described below represent the principal risks inherent in investing in Capital Securities, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with the Capital Securities may occur for other reasons and the Issuer does not represent that the statements below regarding the risks of holding the Capital Securities are exhaustive. Additional risks not currently known to the Issuer or that the Issuer now views as immaterial may also have a material adverse effect on the Issuer's future business, operating results, financial condition and affect an investment in Capital Securities. Prospective investors should also read the detailed information set out elsewhere in this Prospectus and reach their own views prior to making any investment decision.

Before making an investment decision with respect to the Capital Securities, prospective investors should form their own opinions, consult their own stockbroker, bank manager, lawyer, accountant or other financial, legal and tax advisers and carefully review the risks entailed by an investment in the Capital Securities and consider such an investment decision in the light of the prospective investor's personal circumstances.

Words and expressions defined in the sections headed "Terms and Conditions of the Capital Securities" below shall have the same meaning in this section. References to "the Issuer" in this section are used as a reference to LeasePlan Corporation N.V. and its consolidated subsidiaries and the other group companies.

Risks relating to the Issuer's business and industry

Throughout this section "LeasePlan", "LeasePlan Group" or "Group" is used as reference to the group of companies which is headed by the Issuer as common shareholder, and which has common business characteristics.

LeasePlan's activities are subject to the normal risks associated with every business such as, and not limited to, credit risks, operational risks, compliance risks, insurance risks and treasury risks. However, additionally and particularly they are related to movements in the residual values of cars.

A decrease in the residual values (or the sales proceeds) of the Issuer's leased vehicles could have a material adverse effect on the Issuer's business, financial condition and results of operations

The proceeds invoiced upon the sale of a used vehicle ("**Vehicle Sales**") and the risk of such Vehicle Sales proceeds being less than the contract end book value (i.e., the book value of a vehicle at the contractual end date as determined at the inception of a lease contract (the "**Initial Contract-End Book Value**"), modified for any adjustments with respect to contract duration and mileage requested by a customer, including informal lease extensions and early termination fees ("**Interim Contract Adjustments**") between the start and the end of the contract) (the "**Actual Contracted-End Book Value**"), is mainly affected by external factors, including, among others and not limited to, changes in economic conditions, consumer confidence, consumer preferences, exchange rates, emissions regulations and other government policies, new vehicle pricing, new vehicle sales, new vehicle brand images or marketing programs, the actual or perceived quality, safety or reliability of vehicles, the mix of used vehicle supply, the liquidation of car manufacturers, the levels of current used vehicle values, emission values and fuel prices. For example, the global economic crisis in 2008 caused a significant decrease in Vehicle Sales proceeds and, as a result, the Issuer recognised impairment charges in 2008. After 2008, price levels gradually improved, although they only fully recovered to pre-crisis levels by 2016.

The Issuer is exposed to potential loss from Vehicle Sales declining below the Actual Contracted-End Book Value and has a number of off-balance sheet residual value commitments, which are related to contracts with customers that own the vehicles themselves but outsource the market price risk to the Issuer. However, the Issuer does not retain residual value risk for all of its funded vehicles. The Issuer does not run residual value risk on vehicles that are classified as finance leases in the annual accounts. The Issuer depreciates the

leased vehicles during the life of the lease on a straight line basis based on its estimates at lease inception of the resale value of the leased vehicle at lease termination. However, the Issuer reassesses its depreciation costs on leased vehicles throughout the life of the lease to reflect any changes to the estimated residual values of the leased vehicles. As a result, reductions in today's Vehicle Sales proceeds not only cause losses for vehicles terminated now, but also increase the risk of having to take additional (prospective) depreciation charges into the current accounting period. Further, even if the Issuer is able to successfully pass the increased depreciation costs on to customers in a timely manner, these additional costs could make its services less attractive to customers, which could have a material adverse effect on the Issuer's business, financial condition and results of operations. In addition, there can be no assurance that the adjustments the Issuer makes to the Issuer's depreciation costs during the life of the lease contract reflect the full decline of the residual value of the leased vehicle based on the vehicle sales proceeds from such vehicle.

Since January 2014, the strong recovery of the second-hand car market has led the Issuer to increase residual values it set at contract inception, which could increase its exposure to the risks described above. To the extent that market prices of second-hand vehicles fail to develop as anticipated over the life of these contracts, the Issuer's results of vehicles sold could be negatively affected and the Issuer could suffer losses from increased (prospective) depreciation expenses or on the resale of these vehicles at lease termination.

The Issuer's ability to efficiently process and effectively market off-lease vehicles affects the disposal costs and proceeds realized from vehicle sales. Any of the factors that reduce the vehicle sales proceeds of leased vehicles could force the Issuer to reduce concurrently the estimated residual values of the leased vehicles in its fleet and cause a loss from increased prospective depreciation expenses or cause a loss on the sale of the vehicle on lease termination, which could have a material adverse effect on its business, financial condition and results of operations.

The Issuer's business requires substantial funding and liquidity, and disruption in the Issuer's funding sources or access to the capital markets could have a material adverse effect on its business, liquidity, cash flows, financial condition and results of operations

The Issuer's continued operations and expansion require access to significant amounts of funding. The Issuer wants to strengthen its presence in current markets. The Issuer intends to meet a substantial portion of its funding needs with debt. Historically, the Issuer has satisfied its funding requirements principally through the issuance of long and short-term debt securities, bank loans, operating cash flows and the securitisation of lease receivables including residual values and it is therefore dependent on continued access to these funding sources. The Issuer has also been able to rely on retail deposits to meet part of its funding needs since 2010. However, this diversification may be limited in the future by potential market or regulatory changes in the banking sector in The Netherlands, in particular developments with respect to capital and liquidity requirements (including net stable funding ratio ("**NSFR**")). Due to the Issuer's ongoing funding needs, it is exposed to liquidity risk in the event of prolonged closure of debt or credit markets or limited credit availability. Liquidity risk is the risk that the Issuer will have insufficient liquidity to finance new vehicle purchases for lease contracts and meet its obligations as they fall due. If the Issuer cannot access existing or new sources of funds on favourable terms, insufficient liquidity would have a material adverse effect on its business, liquidity, cash flows, financial condition and results of operations.

In addition, the Issuer is significantly affected by the policies of national governments and EU institutions, such as the European Central Bank, which regulates the money and credit supply in the Eurozone. For example, during the global economic crisis the Issuer used securitisations of its lease receivables as collateral for loans from the European Central Bank and LeasePlan was able to access the 2008 Credit Guarantee Scheme of the State of The Netherlands for the issuance of medium term debt. These funding options may or may not be available in the event of any similarly adverse economic conditions in the future. Changes in such policies, including as to the types of collateral available for European Central Bank funding or special legislation by national governments, are beyond the Issuer's control, may be difficult to predict and could adversely affect its liquidity, financial condition and results of operations.

A credit rating deterioration could reduce public confidence in the Issuer and its operating subsidiaries and thereby (a) make it more difficult and/or more costly to access additional debt and equity capital, including hybrid capital and the Group’s securitisation programme, or to redeem and replace such capital, (b) increase collateral requirements, give rise to additional payments, or afford termination rights, to counterparties under derivative contracts or other agreements, and (c) impair, or cause the termination of, the Issuer's relationships with creditors, distributors, trading counterparties.

There can be no assurance that the Issuer's current financing arrangements will provide it with sufficient liquidity under various market and economic scenarios. Retail deposits are subject to fluctuation due to certain factors, such as a loss of confidence, increasing competitive pressures or the encouraged or mandated repatriation of deposits, which could result in a significant outflow of deposits within a short period of time. Similarly, on 23 June 2016 the United Kingdom voted to leave the European Union in a referendum (the "**Brexit**"). The consequences of the Brexit are uncertain. The Brexit may lead to volatility in financial markets and may lead to liquidity disruptions or market dislocations. Even if the Issuer's assets and available funding arrangements provide the Issuer with sufficient liquidity, its costs of funding could increase, including as a result of utilisation of such funding arrangements. The Issuer has historically benefited from an investment grade credit rating and any negative change in its current rating could reduce its access to and increase the cost of future funding from its funding arrangements. Additionally, any changes to its credit rating or the credit ratings of its significant corporate customers, the lease receivables which it has used and may use to fund its securitisation program, could affect its securitisation program's rating and the costs of any new issuances. To the extent that the Issuer is unable to pass on any increased borrowing costs to customers, its financial condition, results of operations and potentially the Issuer's ability to raise funds, could be materially adversely affected.

The Issuer is exposed to the risk that its customers may default on leasing and/or fleet management contracts or that the credit quality of its customers may deteriorate

Credit risk is the risk that the Issuer's customers or contractual counterparties will be unable to fulfil financial obligations under the terms of a contract with the Issuer, when due. This includes the risk of a default on lease payments and other accounts receivable due to the Issuer.

The Issuer's credit risk is heavily dependent upon its client concentration, the geographic and industry segmentation of its credit exposures, the nature of its credit exposures, as well as economic factors that may influence the ability of customers to make scheduled payments, including business failures, corporate debt levels and debt service burdens and demand for the products and services of its customers. As a result of negative effects on some of these factors since the onset of the global economic crisis, the Issuer has experienced higher default rates with the Issuer's corporate and small and medium sized enterprises, especially in 2008 and 2009. In addition, many governments are experiencing budgetary constraints as a result of the global economic crisis.

The Issuer’s credit risk also depends on used vehicle prices, overall demand for new and used vehicles and the quality of its portfolio of used vehicles. While the Issuer generally has the ability to recover and resell the leased vehicle(s) following a customer default, the resale value of the recovered vehicle(s) may not be adequate to cover its loss as a result of a default. Although the Issuer estimates impairment charges in its audited consolidated annual financial statements for possible losses on its existing debtors based on its past experience and general economic conditions, there can be no assurance that its impairment charges will be sufficient to cover actual losses resulting from customer defaults, particularly if the rate of customer default increases significantly.

For the Issuer’s corporate counterparties, the Issuer assesses and monitors the probability of default of individual counterparties using data from external sources (e.g., rating agencies) and determines an internal rating based on customer data, external data and statistical models. The internal rating is used to support the (manual) decision making process and for managing portfolio risk. Although the Issuer's local credit acceptance policies, which are reviewed on a regular basis, take into account market conditions, an increase in credit risk could increase the Issuer's provisions for credit losses. There can be no assurance that the Issuer's origination procedures, monitoring of credit risk, payment servicing activities, maintenance of customer account records or repossession policies are or will be sufficient to prevent a material adverse effect on its reputation, business, liquidity, financial condition and results of operations.

The Issuer is exposed to credit risk from its counterparties on financial instruments and reinsurance contracts

The Issuer manages its interest rate risk, its currency risk and its balance sheet as a whole by entering into derivative transactions with financial institutions and through short-term placements of cash and current account balances with financial institutions. The Issuer also enters into reinsurance agreements with various reinsurers with respect to third-party liability and catastrophic events. Its ability to engage in derivatives transactions could be adversely affected by the actions and commercial soundness of financial institutions who are its hedge counterparties. The Issuer's derivative contracts, reinsurance agreements and deposit

arrangements expose LeasePlan to credit risk in the event of a default by its counterparty. It is possible that the Issuer could suffer losses as a result of its counterparty exposures and such losses could have a material adverse effect on its financial condition and results of operations.

Changes in interest rates may have a material adverse effect on the Issuer's financial condition and results of operations

The Issuer accepts and offers lease contracts to clients at both fixed and floating interest rates, for various periods and in various currencies. It is the Issuer's policy to seek to match the interest rate risk profile of its contract portfolio of leases with a corresponding interest rate funding profile to seek to minimize its interest rate risks at the Group level. This matching principle is monitored through interest rate gap reports. The Issuer has interest bearing assets (mainly lease contracts) which are funded through interest bearing liabilities (mainly debt securities issued, funds entrusted and borrowings from financial institutions) and non-interest bearing liabilities (net working capital and equity). However, any mismatch between these interest rates could expose the Issuer to losses or reduced earnings or income.

The Issuer enters into derivatives to mitigate interest rate risk or reduce interest rate exposure and not for trading purposes. Nevertheless, the Issuer remains exposed to unhedged interest rate exposure. Due to the accounting treatment of derivative financial instruments, the Issuer is exposed to volatility in its income statement caused by interest rate fluctuations.

Interest rates are highly sensitive to many factors beyond the Issuer's control, including monetary policies, and domestic and international economic and political conditions. Changes in market interest rates could affect the Issuer's net interest income, which is a significant source of its profits.

Changes in foreign currency exchange rates may adversely affect the Issuer's financial condition and results of operations

The Issuer's functional currency and its reporting currency for its consolidated financial statements is the euro. However, because of the Issuer's presence in more than 30 countries some of which are outside the Eurozone, the Issuer has substantial assets, liabilities, revenues and costs denominated in currencies other than the euro. The global nature of the Issuer's operations therefore exposes it to exchange rate volatility as a result of potential mismatches between the currencies in which assets and liabilities are denominated and as a result of the translation effect on the Issuer's reported earnings, cash flow and financial condition.

The Issuer is exposed to transactional foreign exchange rate risk when a subsidiary enters into a transaction in a currency other than the subsidiary’s functional currency. The Turkish lira is an example of a currency where the Issuer currently bears an increased transactional foreign exchange rate risk due to the weakened correlation between the euro and Turkish lira from late 2017 onwards, which has been driven by the exceptional period of volatility and overall depreciation in the Turkish lira resulting from political and economic uncertainty. The Issuer seeks to manage its transactional foreign exchange rate risk by attempting to limit the exposure to the effects of fluctuations in currencies on its financial condition and cash flows through funding its debt directly or through derivatives in the currency in which assets are originated and allocating the Issuer's capital in the currencies in which assets are denominated. There can be no assurance that the Issuer’s efforts to mitigate the effects of currency exchange rate fluctuations will be successful, and its failure to do so could have a material adverse effect on its business, financial condition and results of operations.

In addition, the Issuer has in the past, and plans to continue to, access the international capital markets by borrowing in a variety of available currencies, which subjects the Issuer to risks inherent in borrowing funds in other currencies and using such funds to transact business predominantly in euro. Although the Issuer seeks to minimize such risks by entering into hedging arrangements, there is no guarantee that these measures will be effectively implemented or that they will be available on favourable terms or at all. In which case fluctuations in exchange rates could have a material adverse effect on the Issuer’s business, financial condition and results of operations.

The Issuer is also subject to translation risk, which is the risk associated with consolidating the financial statements of subsidiaries that conduct business in currencies other than the euro or have a functional currency other than the euro. As the Issuer does not hedge its equity positions, fluctuations in the value of the euro relative to currencies in which the Issuer conducts operations will affect the Issuer's consolidated financial statements as a result of translation exposure and may adversely affect the Issuer's financial

condition and results of operations. Fluctuations in exchange rates could also significantly affect the comparability of the Issuer's results of operations between periods.

The Issuer is subject to changes in financial reporting standards, such as IFRS 9, IFRS 16 Leases, IFRS 17 Insurance contracts, or policies, including as a result of choices made by the Issuer, which could materially adversely affect Issuer's reported results of operations and financial condition and may have a corresponding material adverse impact on capital ratios

The Issuer's consolidated financial statements are prepared in accordance with IFRS as adopted by the European Union. Accordingly, from time to time the Issuer is required to adopt new or revised IFRS issued by the International Accounting Standards Board ("**IASB**") and adopted by the European Union.

The Issuer implemented IFRS 9 Financial Instruments in 2018. The main impact of implementation, less than euro 5 million in equity, has been disclosed in the annual report 2018 of the Issuer.

The Issuer has adopted IFRS 16 (as issued by the IASB and subsequently endorsed by the European Union in October 2017) by the required effective date of 1 January 2019. IFRS 16 introduces a new approach to lessee accounting, requiring they recognize assets and liabilities for the rights and obligations created by all types of leases (previously only finance leases). Lease assets will then be depreciated over the term of the lease, while liabilities will be cash settled against, and accreted upwards to future value. The approach in IFRS 16 for lessor accounting remains substantially unchanged compared to IAS 17. Lessors continue to classify leases as operating or finance leases. The Issuer has implemented the new standard applying the modified retrospective approach. The impact on shareholder’s equity or comprehensive income of adopting this standard is not significant.

The Issuer will adopt IFRS 17 (as issued by the IASB in May 2017) by the required effective date of 1 January 2022. IFRS 17 includes a current measurement model where estimates are re-measured each reporting period. The standard is expected to impact the damage risk retention provision. The measurement of the insurance liabilities present value of future cash flows, incorporating an explicit risk adjustment, remeasured every reporting period (the fulfilment cash flows). A contractual service margin defers any day one gain. The standard allows a choice between recognizing changes in discount rates either in the income statement or directly in other comprehensive income. A simplified premium allocation approach may be applied for contracts that meet specific conditions which might apply to most of Issuers contracts. This approach is quite similar to current accounting under IFRS 4.The Group is currently assessing the impact of IFRS 17, and as such is not able to quantify its impact.

These and further changes in financial reporting standards or policies, including as a result of choices made by the Issuer, could have a material adverse effect on the Issuer's reported results of operations and financial condition and may have a corresponding material adverse effect on capital ratios.

The Issuer is subject to a bank supervisory regime in The Netherlands and other regulatory regimes and regulatory actions in the jurisdictions in which it operates, including The Netherlands, and changes in these regulatory regimes could adversely affect its business, financial condition, results of operations and liquidity

The Group has a number of licensed and regulated entities, of which the Issuer as a bank and LeasePlan Insurance as an insurance company are highly regulated. The Group also has a number of subsidiaries which are regulated because of the provision of financial services in direct connection with the leasing business (such as insurances intermediaries and offerors of credit).

Laws, regulations and policies affecting the Group and specific interpretations thereof by supervisory authorities, may continue to change in ways which may have a material adverse effect on the Group’s reputation, business, revenues, results of operations, financial condition and prospects. Also the consequences of non-compliance, and the amounts of penalties and possibility of publication of administrative sanctions, may change over time. New laws, regulations, policies or interpretations of supervisory authorities may be introduced, the effect of which on the Group is unknown. No predictions can be made in this respect. However, any such changes could materially impact the profitability of the Issuer's businesses, the value of its assets or the collateral available for its loans, require changes to business practices or force the Issuer to discontinue businesses and expose the Issuer to additional costs, taxes, liabilities, enforcement actions and reputational risk and are likely to have a material impact on the Issuer.

Non-compliance with applicable regulations could subject the Group to administrative penalties, criminal penalties and other enforcement measures imposed by a particular governmental or self-regulatory authority, and could lead to unanticipated costs associated with remedying such failures and adverse publicity. It could also harm the Group's reputation and the relationships with supervisory authorities, cause temporary interruption of operations, and could cause revocation or temporary suspension of licences. In addition, the non-compliance with laws and regulations may give rise to litigation. Each of these risks, should they materialise, could have a material adverse effect on the Group's reputation, business, financial condition and results of operations.

The Issuer as a bank, must contribute to the deposit guarantee scheme ("**DGS**"), a resolution fund for failing banks and in the near future also to the guarantee scheme with respect to insurances. These contributions or premiums are costly and the costs may be increased over time. Increases in these contributions or premiums could have a material adverse effect on the Issuer's financial condition and results of operations.

The banking sector is subject to periodic stress testing and other regulatory enquiries in respect of the resilience of banks to adverse market developments. Such stress tests are initiated and coordinated by the European Banking Authority ("**EBA**"). Stress tests and the announcements of their results by supervisory authorities can destabilise the banking or financial services sector and lead to a loss of trust with regard to individual banks or the financial services sector as a whole. The outcome of stress tests could divulge certain information that would not otherwise have surfaced or which until then, the Group had not considered to be material and worth taking remedial action on, and/or materially and adversely affect the Group's reputation, financing costs and trigger enforcement action by supervisory authorities. The outcome of stress tests could also result in the Group having to meet higher capital and liquidity requirements, which could have a material adverse effect on the Group's reputation, business, financial condition and results of operations.

CRD IV / CRR

The Issuer is required by regulators in The Netherlands and in other jurisdictions in which it undertakes regulated activities, to maintain adequate capital resources. The maintenance of adequate capital is also necessary for the Issuer's financial flexibility in the face of continuing turbulence and uncertainty in the global economy. New regulatory capital requirements proposed by the Basel Committee on Banking Supervision (the "**Basel Committee**") as set out in its paper released on 16 December 2010 (revised in June 2011) and press release of 13 January 2011 (the "**Basel III Final Recommendations**") which are being implemented in the European Union through the Capital Requirements Directive (2013/36/EU) known as "**CRD IV**" and Capital Requirements Regulation ((EU) No 575/2013) known as "**CRR**". CRD IV and CRR increased the quality and quantity of capital to be held against risk weighted assets, increased capital to be held against derivative positions, introduced a combined buffer requirement consisting of a capital conservation buffer and, as applicable, a counter-cyclical buffer, systemic risk buffer and global or other systemically important institutions buffer, as well as a new leverage ratio and liquidity framework, including a liquidity coverage ratio ("**LCR**") and NSFR. These requirements could also affect the scope, coverage, or calculation of capital, all of which could require the Issuer to reduce business levels or restrict certain activities or to raise additional capital, including in ways that may adversely impact the Issuer's creditors.

CRD IV was implemented in Dutch law as per 1 August 2014 and replaced its predecessor capital requirements directives (CRD I, II and III). 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. CRD IV has resulted in an increase of the minimum Common Equity Tier1 requirement from 2 per cent. (before the application of regulatory adjustments which was gradually phased in from 1 January 2014 until 1 January 2017) to 4.5 per cent. (after the application of stricter regulatory adjustments). The total Tier 1 capital requirement increased from 4 per cent. to 6 per cent. while the minimum total capital requirement remained at 8 per cent. In addition, banks are required to maintain, in the form of Common Equity Tier1, a capital conservation buffer of 2.5 per cent. to withstand future periods of stress, bringing the total Common Equity Tier1 requirements to 7 per cent. In addition, if there is excess credit growth in any given country resulting in a system-wide build up of risk, a countercyclical buffer within a range of 0 per cent. to, in principle, 2.5 per cent. of Common Equity Tier1 (or other fully loss absorbing capital) is to be applied as an extension of the conservation buffer. Furthermore, systemically important banks should have loss absorbing capacity beyond these standards.

It is possible that DNB would require the Issuer to hold more capital than would be required under the minimum requirements in CRD IV and CRR. The Issuer evaluates the adequacy of its capital and its liquidity under both forecast and stress conditions as part of the Internal Capital Adequacy Assessment Process ("**ICAAP**") and the Internal Liquidity Adequacy Assessment Process ("**ILAAP**"), in which it may conclude that additional capital or liquidity would be required over the minimum requirements set out above. It is possible that DNB would require the Issuer in its Supervisory Review and Evaluation Process ("**SREP**"), amongst others, to hold more capital because of a perceived inappropriate risk management framework, risk culture and governance. DNB may also demand the Issuer to take other measures, for example requiring improvement of systems or reduction of risks. Any such measures may materially and adversely affect the Issuer's business and may force the Issuer to make substantial investments to meet the requirements.

If the Issuer's capital position were to deteriorate or its minimum capital requirements were to increase, it could be required to raise additional regulatory capital, or become subject to supervisory interventions, limitations or a prohibition to pay dividends and variable remuneration, the occurrence of any of which could have a material adverse effect on the Issuer's business, financial condition and results of operations.

On 7 December 2017, the Basel Committee published its final standards. These standards are informally known as Basel IV and will be implemented in CRD IV Directive and CRR. Basel IV introduced the capital floors based on standardised approaches and revisions to the standardised approaches for credit risk, operational risk, market risk, revision of the credit valuation adjustment framework for treatment of counterparty credit risk. The capital floors and other standards are expected to become applicable as of 2022 and a transitional regime may apply. Of these standards, the introduction of the standardised credit risk weighted asset ("**RWA**") floor would have the most significant impact on the Issuer. The standards for the new standardised credit risk RWA calculation rules include (i) introduction of new risk drivers; (ii) introduction of higher risk weights; and (iii) a less mechanical reliance on external ratings. In addition, the revisions 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. The implementation of the standardised RWA floors would have a significant impact on the calculation of the Issuer's risk weighted assets. The new market risk framework, adopted by the Basel Committee in January 2016 may similarly have a significant impact on the calculation of the Issuer's risk weighted assets, although its exact implementation through European Union regulation and impact remains subject to uncertainty. See also below in the risk factor "*The Issuer solo-consolidated CET1 Ratio, the Issuer sub-consolidated CET1 Ratio and the Group CET1 Ratio will be affected by a number of factors, any of which may be outside the Issuer's control, as well as by its business decisions and, in making such decisions, the Issuer's interests may not be aligned with those of the investors*".

On 23 November 2016, the European Commission published legislative proposals to amend and supplement certain provisions of, *inter alia*, CRD IV, CRR, the Bank Recovery and Resolution Directive (2014/59/EU, the "**BRRD**") and the Single Resolution Mechanism Regulation (Regulation 806/2014, the "**SRM**") (the "**EU Banking Reform Proposals**"), including measures to further strengthen the resilience of EU banks. The EU Banking Reform Proposals are wide-ranging and cover multiple areas, including revisions in the Pillar 2 framework, a binding 3 per cent. leverage ratio, the introduction of a binding detailed NSFR, permission for reducing own funds and eligible liabilities, macroprudential tools, a new category of "non-preferred" senior debt, revisions in the minimum amount of own funds and eligible liabilities ("**MREL**") framework, the integration of the total loss-absorbing capacity ("**TLAC**") standard into EU legislation and the transposition of the fundamental review of the trading book (FRTB) conclusions into EU legislation. As such, the EU Banking Reform Proposals may have significant effects on the Issuer. The EU Banking Reform Proposals also contemplate that member states adopt legislation to create a new class of so-called non-preferred senior debt. Such debt would be bail-inable during resolution only after capital instruments but before other senior liabilities. A bill implementing the requirement for senior non-preferred debt in The Netherlands came into force in December 2018.

On 4 December 2018, the EU Council endorsed the agreement achieved between the EU Council Presidency and the EU Parliament on various elements of the EU Banking Reform Proposals. The agreed measures deliver on three of the key objectives set out by the EU Council roadmap on completing the banking union agreed in 2016: (i) enhancing the framework for bank resolution, in particular the necessary level and quality of the subordination of liabilities (MREL) to ensure an effective and orderly "bail-in" process, (ii) introducing the possibility for the resolution authority to suspend a bank's payments and/or contractual obligations when it is under resolution (the so-called "moratorium tool"), so as to help stabilise the bank's situation and (iii) strengthening bank capital requirements to reduce incentives for excessive risk

taking, by including a binding leverage ratio, a binding net stable funding ratio and setting risk sensitive rules for trading in securities and derivatives. However, the EU Council noted that work on remaining outstanding issues will continue both at technical and political level, in view of finalising negotiations on the banking package. On 16 April 2019, the EU Parliament has endorsed the proposed regulation and on 14 May 2019 it has been formally approved by the EU Council. The text relating to the EU Banking Reform Proposals is expected to be published in the Official Journal of the European Union in June 2019 and will enter into force 20 days thereafter. The majority of the rules are expected to apply from 18 months after that date. However, the principal rules brought into force by the amended CRR shall apply from two years after that date.

The Issuer currently exceeds its regulatory capital requirements. However, no assurances can be given that the Issuer will be able to maintain these ratios or that the minimum requirements will not increase. Based on the Issuer's preliminary assessment, the impact of future changes in regulatory capital and liquidity requirements as a result of the implementations in the EU Banking Reform Proposals and the implementations in the EU of the Basel III reforms as published on 7 December 2017 could be substantial. The Issuer is currently reviewing the exact impact on its regulatory capital position and as such is not in a position to quantify such impact.

Furthermore, the Issuer is dependent on the views and interpretations of DNB and other supervisory authorities which may change over time. For example, DNB may be influenced by the supervision of the European Central Bank on significant banks which could have an impact on the interpretation of requirements with respect to capital, liquidity, governance, and risk management of the Issuer.

As at 31 December 2018, the Issuer's LCR (reported at the consolidated level) calculated under CRD IV as at that date would be above the prescribed minimum. The NSFR (reported at the consolidated level) calculated under CRD IV as at that date (following the standard on the NSFR as published in October 2014) would be slightly above the prescribed minimum thresholds. Continued compliance with those ratio requirements may have an adverse effect on, among other things, the composition of the assets the Issuer holds for liquidity purposes. Depending on the final form of the binding detailed NSFR currently included in the EU Banking Reform Proposals, the application of the NSFR requirements might lead to a change in the Issuer's funding strategy and could have an adverse effect on its risk profile.

These and other future changes to capital adequacy and liquidity requirements in the jurisdictions in which the Issuer operates may require it to raise additional Tier 1, Common Equity Tier 1 and/or Tier 2 capital. If the Issuer is unable to raise the requisite Tier 1 and Tier 2 capital, it may be required to reduce the amount of its RWAs and engage in the disposition of businesses or assets, which may not occur on a timely basis or achieve prices which would otherwise be attractive to the Issuer. Any change that limits the Issuer's ability to manage effectively its balance sheet and capital resources going forward (including, for example, reductions in profits and retained earnings as a result of write-downs or otherwise, increases in risk-weighted assets, delays in the disposal of certain assets, a growth in unfunded pension exposures or otherwise) or to access funding sources, may have a material adverse effect on its business, financial condition, regulatory capital position and liquidity.

BRRD / SRM

The BRRD sets out a common European recovery and resolution framework which is composed of three pillars: preparation (by requiring banks to draw up recovery plans and the resolution authority to draw up resolution plans), early intervention powers and resolution powers. The stated aim of the BRRD is to provide relevant authorities with common tools and powers to address banking crises pre-emptively in order to safeguard financial stability and minimize taxpayers' exposure to losses. The BRRD is complemented by SRM. The primary geographic scope of the SRM is the euro area and SRM applies to the Issuer as a primary recovery and resolution code. (See also the risk factor entitled "*A Holder may lose all of its investment in the Capital Securities, including the principal amount plus any accrued but unpaid interest, in the event that Statutory Loss Absorption occurs*").

In accordance with the BRRD, the Issuer is required to draw up and maintain a recovery plan. This plan must provide for a wide range of measures that could be taken by the Issuer for restoring its financial position in case it significantly deteriorated. The Issuer must submit the plan to the competent resolution authority for review and update the plan annually or after changes in the legal or organisational structure, business or financial situation that could have a material effect on the recovery plan. Keeping the recovery plan up to date will require monetary and management resources.

The resolution authority responsible for a resolution in relation to the Issuer (DNB and/or any other resolution authority, such as the European Single Resolution Board, the "**Resolution Authority**") may draw up the Issuer's resolution plan providing for resolution actions it may take if the Issuer would fail or would be likely to fail. In drawing up the Issuer's resolution plan, the Resolution Authority would identify any material impediments to the Issuer's resolvability. Where necessary, the Resolution Authority may require the Issuer to remove such impediments. This could lead to mandatory legal restructuring of the Issuer, which could lead to high transaction costs, or could cause the Issuer's business operations or its funding mix to become less optimally composed or more expensive. Although the Issuer currently is not subject to any MREL requirements, the Resolution Authority may in the future determine, after consultation with competent authorities, a minimum requirement for MREL, calculated as a percentage of total liabilities and own funds and taking into account the resolvability, risk profile, systemic importance and other characteristics of the bank, which the Issuer would be required to meet. Any such future MREL requirement may result in higher capital and funding costs for the Issuer, and as a result adversely affect the Issuer's profit.

If the Issuer does not comply with or, due to a rapidly deteriorating financial position, would be likely not to comply with capital or liquidity requirements in the near future, the supervisory authorities will have the power to impose early intervention measures. A rapidly deteriorating financial position could, for example, occur in the case of a deterioration of the Issuer's liquidity situation, increasing level of leverage and non-performing loans. Intervention measures include the power to require changes to the legal or operational structure of the Issuer, the power to make changes to the Issuer's business strategy, and the power to require the Issuer's managing board to convene a general meeting of shareholders, set the agenda and require certain decisions to be considered for adoption by the general meeting. Furthermore, if these early intervention measures are not considered sufficient, DNB may replace management or install a temporary administrator. A special manager may also be appointed who will be granted management authority over the bank instead of its existing board members, in order to implement the measures decided on by DNB.

If the Issuer or the group were to reach a point of non-viability, the Resolution Authority could take pre-resolution measures before the conditions for resolution are met. These measures include the write down and cancelation of shares, and the write down and conversion of capital instruments into shares (such as the Capital Securities) (the "**Write Down and Conversion Power**"). A suggestion of or actual write down or conversion of capital instruments into shares could adversely affect the rights and effective remedies of Holders and the market value of their Capital Securities could be negatively affected.

Furthermore, should the Resolution Authority prepare a resolution plan in relation to the Issuer, the BRRD and the SRM provide resolution authority with broader powers to implement resolution measures with respect to banks which meet the conditions for resolution, which may include (without limitation) the sale of the bank's business to a third party or a bridge institution, the separation of assets, the power to ensure that capital instruments (such as the Capital Securities) and certain eligible liabilities absorb losses when the Issuer meets the conditions for resolution, through the write-down or conversion to equity of such instruments (the "**Bail-In Tool**"), the replacement or substitution of the bank as obligor in respect of debt instruments, modifications to the terms of debt instruments and discontinuing the listing and admission to trading of financial instruments. The Bail-In Tool comprises a more general power for resolution authority to write down the claims of unsecured creditors of a failing bank and to convert unsecured debt claims into equity. These powers and tools are designed to be used prior to the point at which any insolvency proceedings with respect to the Issuer could have been initiated. Holders may not be able to anticipate the exercise of any resolution power by the Resolution Authority. Although the applicable legislation provides for conditions to the exercise of any resolution powers and EBA guidelines set out the objective elements for determining whether an institution is failing or likely to fail, it is uncertain how the Resolution Authority would assess such conditions in any particular pre-insolvency scenario affecting the Issuer and in deciding whether to exercise a resolution power. The Resolution Authority is also not required to provide any advance notice to the Holders of its decision to exercise any resolution power. Therefore, the Holders may not be able to anticipate a potential exercise of any such powers nor the potential effect of any exercise of such powers on the Issuer or the Holders' rights under the Capital Securities.

Subject to certain exceptions, as soon as any of these proposed proceedings have been initiated by the relevant Resolution Authority, as applicable, the relevant counterparties of such bank would not be entitled to invoke events of default or set off their claims against the bank for this purpose. The application of resolution measures may lead to additional measures. For example, in connection with the nationalisation of SNS Reaal N.V. pursuant to the Dutch Intervention Act, a one-off resolution levy for all banks was proposed by the Dutch Minister of Finance.

When applying the resolution tools and exercising the resolution powers, including the preparation and implementation thereof, the Resolution Authority are not subject to (i) requirements to obtain approval or consent from any person either public or private, including but not limited to the holders of shares or debt instruments, or from any other creditors, and (ii) procedural requirements to notify any person including any requirement to publish any notice or prospectus or to file or register any document with any other authority, that would otherwise apply by virtue of applicable law, contract, or otherwise. In particular, the Resolution Authority can exercise their powers irrespective of any restriction on, or requirement for consent for, transfer of the financial instruments, rights, assets or liabilities in question that might otherwise apply.

Due to the size of the banking business of the Issuer and the assessment of the risks posed by its operations to the entire financial system, it is possible that the Issuer will not meet the conditions for a resolution under the SRM and BRRD should it reach a point of non-viability. This means the Issuer will be subject to national insolvency proceedings or could be subjected to special measures (*bijzondere maatregelen*) within the meaning of Chapter 6 FMSA. Pursuant to Chapter 6 FMSA, substantial powers were granted to the Dutch Minister of Finance enabling the Dutch Minister of Finance to deal with, *inter alia*, ailing Dutch banks prior to insolvency. These powers (including the expropriation of liabilities of, or claims against, a bank), if exercised with respect to the Issuer, may impact the Capital Securities and will, subject to certain exceptions, lead to counterparties of the Issuer (including Holders) not being entitled to invoke events of default or set off their claims and risking to lose all or a substantial part of their investments in the Capital Securities. All of the foregoing (or a suggestion thereof) may have a significant adverse effect on the Holders' interests.

On 23 November 2016, the European Commission announced a further package of reforms to the BRRD and the SRM, including measures to increase the resilience of EU institutions and enhance financial stability as part of the EU Banking Reform Proposals. The EU Parliament has adopted the EU Banking Reform Proposals on 16 April 2019 and on 14 May 2019 it has been formally approvaed by the EU Council. The text relating to the EU Banking Reform Proposals is expected to be published in the Official Journal of the European Union in June 2019 and will enter into force 20 days thereafter. The majority of the rules are expected to apply from 18 months after that date. However, the principal rules brought into force by the amended CRR shall apply from two years after that date. The EU Banking Reform 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 resolution fund that will be financed by banking groups included in the SRM. The Issuer will only be eligible for contribution by the single resolution fund after a resolution action is taken if shareholders, the holders of relevant capital instruments and other eligible liabilities have made a contribution (by means of a write-down, conversion or otherwise) to loss absorption and recapitalization equal to an amount not less than 8 per cent. of total liabilities and own funds and measured at the time of the resolution action. This means that the Issuer could be required to retain sufficient own funds and liabilities eligible for write down and conversion in order to have access to the single resolution fund in case of a resolution. This may have an impact on the Issuer's capital and funding costs.

State Aid

On 10 July 2013, the European Commission announced the adoption of its temporary state aid rules for assessing public support to financial institutions during the crisis (the "**Revised State Aid Guidelines**"). The Revised State Aid Guidelines impose stricter burden-sharing requirements, which require banks with capital needs to obtain additional contributions from equity holders and capital instrument holders before resorting to public recapitalizations or asset protection measures. The European Commission has applied the principles set out in the Revised State Aid Guidelines from 1 August 2013. The European Commission has made it clear that any burden sharing imposed on subordinated debt holders will be made in line with principles and rules set out in the BRRD.

The BRRD, SRM, the EU Banking Reform Proposals and the Revised State Aid Guidelines may increase the Issuer's cost of funding and thereby have an adverse impact on the Issuer's funding ability, financial position and results of operations. In case of a capital shortfall, the Issuer would first be required to carry out all possible capital raising measures by private means, including the conversion of junior debt into equity, before one is eligible for any kind of restructuring State aid.

The Issuer faces risks related to its motor insurance business and local risk retention schemes

The Issuer is exposed to claims for third-party liability (which includes personal injury, death and property damage), motor material damage, passenger indemnity and legal assistance. These claims are retained by the Issuer's wholly owned specialist motor insurance company, Euro Insurances Ltd. ("**Euro Insurances**"), or, for motor material damages, locally by Group companies under local risk retention schemes. Euro Insurances is active in 23 countries and it provides insurance coverage Group companies and their customers in most of these markets. Euro Insurances is based in Dublin, Ireland and is regulated by the Central Bank of Ireland. Euro Insurances provides insurance to customers for third-party liability, passenger indemnity and legal assistance risks, among others, in relation to vehicle leasing and fleet management. However, the Group is still exposed to these risks as Euro Insurances is a consolidated subsidiary of the Group. Although the Issuer purchases external reinsurance cover on an excess loss basis for two principal risks, motor third-party liability and catastrophic events, to seek to minimize the financial impact of a single large accident or event, it remains exposed to significant claims, insufficient premiums to cover its risk exposure, ineffective (re)insurance coverage for its insurance business, delays in the recovery of funds owed under reinsurance policies and regulatory sanctions (including loss of its insurance, insurance mediation and/or claim handling licenses).

The Issuer may have difficulty reinsuring its motor third-party liability exposure, or may be able to reinsure such exposure only on less favourable terms. With respect to catastrophic events, there can be no assurance that liabilities in respect of existing or future claims will not exceed the limits of the insurance or reinsurance policies the Issuer has taken out.

Some of the Issuer’s subsidiaries provide a service to their customers to repair and pay for the damages that occur to the leased vehicles during the lease contract. The customers pay a fee for this service as part of the leasing product. This is known as a local risk retention scheme. Under a risk retention scheme, damage risk, which is the risk that the cost of vehicle repair exceeds the fee paid by the customer, is borne by the Issuer and is not transferred to an internal or external insurer. Local pricing managers set the price for local risk retention schemes based on strict procedures and based on a risk and return analysis that is required to comply with the Issuer’s risk appetite. However, the Issuer is exposed to the risk under the local risk retention schemes of the damages to the leased vehicles being higher than the service fees received, resulting in losses.

In relation to damage insurance underwritten by Euro Insurances and local risk retention schemes, the Issuer has chosen not to purchase external insurance coverage against these risks based on its risk assessment and risk appetite. However, there can be no assurance that the Issuer will not be exposed to uninsured liability for fleet damage or theft at levels in excess of historical or expected levels.

The occurrence of any of the foregoing events could materially adversely affect the Issuer’s business, financial condition, results of operations and prospects.

The Issuer is exposed to operational risks in connection with its activities, including (simplifying its) information technology systems, information technology security and cybercrime, data protection and outsourcing risks

After leasing a vehicle to a customer the Issuer services the lease receivables. Any disruption of its servicing activity, due to inability to access or accurately maintain the Issuer's customer account records or otherwise, could have a material adverse effect on the Issuer's ability to collect on those receivables and/or satisfy its customers.

The Issuer relies on internal and external information and technological systems to manage its operations and is exposed to risk of loss resulting from breaches of security, system or control failures, inadequate or failed processes, human error, business interruptions and external events. In addition, the Issuer is subject to the risk of cybercrime by employees or third parties. Any of these events could have a material adverse effect on its ability to conduct its business operations, increase its risk of loss resulting from disruptions of normal operating procedures, cause the Issuer to incur considerable information retrieval and verification costs, and potentially result in financial losses or other damage to the Issuer, including damage to its reputation.

The Group is currently implementing a set of new information technology ("**IT**") systems covering all relevant processes in the Group's value chain, of which the most important is the Group's core leasing and

insurance system ("**CLS**"), based on standard SAP technology. This system was successfully implemented by LeasePlan Australia and is gradually being rolled out in the various countries in which the Group operates, with initial emphasis on the top 15 European countries and the US. Although the new CLS is expected to yield significant benefits for the Group, including simplification of the core leasing process and a substantial consolidation of existing applications which the Group uses to operate its business in the various countries, we have experienced delays in rolling out CLS and management is currently reconsidering the scope and timetable for implementation of this new system, this might delay, reduce or eliminate its expected benefits. As the Group is modernising its IT landscape, including implementing the Group's CLS, it is exposed to the risk of operational instability, system outages, and information security threats.

The Group is subject to complex, evolving and stringent Dutch, European and other jurisdictions' laws and regulations regarding the processing (including the collection, access, use, handling, retention, sharing and protection) of personal data which the Group receives from, and which concern, customers, as well as its personnel and third parties it deals with. Any failure to comply with data protection laws may lead to high fines and may undermine the Group's reputation and may have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

In addition, the Group has outsourcing arrangements with a number of third parties and to a number of countries, including for a large part to India, notably in respect of IT and back office activities. Other services for which the Group uses outsourcing include parts of its primary business operations (including repair, maintenance and tyres, "**RMT**"), insurance activities (including brokerage and claim handling) and banking services of the Issuer.

Any failure of counterparties to deliver the contracted services or to deliver these services in compliance with applicable laws and regulations and at an adequate and acceptable level could all result in reputational damage, claims, losses and damages and could have a material adverse effect on the Group's business, financial condition and results of operations.

The Issuer could be adversely affected by reputational risk

Various issues may give rise to reputational risk and cause harm to the Issuer. These issues include non-compliance by the Issuer or any of its key partners with legal and regulatory requirements, antitrust and competition law issues, ethical issues, money laundering and anti-bribery laws, data protection laws, information security policies, problems with vehicles the Issuer leases or services provided by the Issuer or by third parties on its behalf, and vehicle recalls. Failure to address these issues appropriately could also give rise to additional legal risk, which could adversely affect existing litigation claims against LeasePlan and the amount of damages asserted against the Issuer or subject it to additional litigation claims or regulatory sanctions. The imposition of regulatory sanctions could affect the Issuer's ability to do business in the relevant jurisdictions and relationships with competent authorities. In addition, clients are entitled to withdraw their flexible savings deposits and any material adverse effect on the Issuer's reputation could cause withdrawals to accelerate over a short period of time.

The Group's risk management policies and procedures may be ineffective, may fail or may not be complied with

The Group's business activities expose it to a wide variety of risks, including asset risk (including market price risk on used vehicles owned by the Group), credit risk, capital adequacy risk, liquidity and funding risk, interest rate risk, currency risk, motor insurance risk, operational risk, reputational risk, legal, privacy and compliance risk, among others. For many of these risks, the Group has established risk management policies, some of which are set by regulatory bodies.

Although the Group is currently not aware of any material deficiency in the Group's risk management or internal control policies or procedures, any such material deficiency, including the measures, instruments or strategies the Group uses to assess, hedge and mitigate risk, could have a material adverse effect on its reputation, business, financial condition, results of operations and prospects.

The Issuer is subject to risks arising from legal disputes and may become the subject of governmental or regulatory investigations or proceedings (including in connection with its trademarks and intellectual property rights)

As the Group currently operates in more than 30 countries, it is subject to risks associated with doing business internationally in more than 30 different jurisdictions. In connection with its general business activities, the Issuer is currently the subject of legal disputes, government investigations and actual and potential claims in a number of the countries in which it operates, and may continue to be so in the future. In connection with these matters, the entities concerned may be required to pay fines or penalties, take certain actions or refrain from taking other actions. Administrative sanctions imposed by regulatory or supervisory authorities in relation to non-compliance with (financial) regulations may or must be published by such authorities and they may also issue public warnings for consumers which could have an adverse effect on the Issuer's reputation. Complaints brought by or against suppliers, customers or other third parties (such as legal and regulatory authorities, contractors, competitors and current and/or former employees) may result in significant costs, risks or damages. It is also possible that there may be investigations by governmental or regulatory authorities into matters of which the Issuer is currently not aware, or which have already arisen or will arise in the future including, among others, possible financial regulatory, data protection, consumer protection, money-laundering, anti-bribery, anti-trust and competition law or state aid issues.

In particular, as the Issuer increasingly offers its products and services to private individuals, the risk of complaints by private individuals (e.g., in case the Issuer's products sold or services provided do not conform to their governing contracts) may significantly increase over time for example because private individuals state that fiduciary duty of care or consumer protection requirements are breached. Persons who have taken the so-called bankers' oath with respect to the banking business of the Issuer may be involved in disciplinary proceedings.

The Group depends on its brands and relies primarily on trademarks and similar intellectual property rights to protect them. The success of the Group's business depends on its continued ability to use its existing trademarks and domain names to increase brand awareness and further develop its business. The failure by the Group to adequately protect the intellectual property crucial to it could lead to a loss of customers to competitors and a corresponding loss in revenue. At the same time, there is a risk that third parties may assert claims against the Group based on their trademarks and other intellectual property rights.

In certain cases, the Issuer has purchased insurance coverage to protect against these risks or have made provisions in respect of specific matters. However, as a number of risks cannot be estimated or can be estimated only with difficulty, the Issuer cannot rule out that damages will nevertheless occur that are not covered by the insured amounts or amounts set aside as provisions. The Issuer has made provisions to cover legal, regulatory and administrative claims and proceedings, including those that arise in the ordinary course of business. However, adverse developments in connection with legal disputes or governmental or regulatory investigations or proceedings could have a material adverse effect on the Issuer's business, reputation, financial condition and results of operations.

Changes in (the interpretation of) tax registration, treaties or other arrangements may affect the Issuer's business

The Group is subject to tax laws and regulations in the countries in which it operates as well as to treaties or other arrangements between or among such countries and other jurisdictions. Tax laws, regulations, treaties and other arrangements are subject to change and may be subject to different interpretations. The Group cannot guarantee that its interpretations of such laws will be accepted by the relevant authorities. Any failure to comply with the tax laws or regulations applicable to the Group may result in reassessments, late payment interest, fines and penalties and have a material adverse effect on the Group's reputation, business, results of operations, financial condition and prospects. Also, a material change in applicable laws and regulations, or in their interpretation or enforcement, could force the Group to alter its business strategy, leading to additional costs or loss of revenue, which could materially and adversely affect the Group's business, results of operations and financial condition. If, as a result of a particular tax risk materialising, the tax costs associated with particular transactions are greater than anticipated, it could affect the profitability of those transactions, which could have a material adverse effect on the Group's business, financial condition and results of operations.

The Issuer may have difficulty in executing its strategy

An important element of the Issuer's historical growth in both mature and developing vehicle fleet markets has been expanding its client base. The Issuer intends to further develop its business through selective expansion into new markets, an increased focus on its small fleet business and attracting international fleet

customers that operate in multiple jurisdictions, including as a result of the anticipated expansion of its CarNext.com business. However, any future recession could have a material adverse effect on the execution of the Issuer's growth strategy. In addition, if the Issuer is unable to develop into new markets, if its current customers are not willing or able to expand their business with the Issuer internationally or if the Issuer experiences problems in the expansion of its international business (including the increased focus on small fleet business and mobility provider customers not yielding the expected results), this could have a material adverse effect on its business, financial condition and results of operations.

The Issuer is currently reviewing various strategic alternatives with respect to CarNext. While the Issuer intends to develop comprehensive plans to manage any operational and financial risks arising from CarNext ceasing to be part of the Group, it cannot guarantee that such separation would not have a material adverse effect on its business, financial condition and results of operations.

A failure to effectively address risks which may arise out of the potential separation of CarNext may result in a decrease in the Issuer's profitability. In the event of a separation of CarNext from the Group, sales of the Issuer’s fleet through the CarNext B2B and B2C platforms are likely to be subject to a commission-based fee. As a result, the Issuer could experience a decline in profitability, driven by either a decrease in its revenues or through a net increase in its costs following the separation.

A separation of CarNext may also result in a loss of assets, key talent, access to vehicle pricing data and expertise, which the Issuer may not be able to sufficiently replace, if at all, which could have a material adverse effect on its remaining operations. A separation of CarNext may also involve significant management time and cost. Since the Issuer's review is at a preliminary stage, any risk analysis and planning remains subject to change and as such, the impacts are also subject to change. The strategy the Issuer ultimately implements may result in other operational or financial risks yet to be identified.

The expansion of the Issuer's business into new areas or with new categories of customers may also place disproportionate demands on the Issuer's management and on the Issuer's operational and financial personnel and systems. If the Issuer is unable to effectively and successfully execute its growth strategy as a result of this or any other reason, the Issuer's business, financial condition and results of operations could be materially adversely affected. Also, the Issuer's business, future growth and success depend to a significant extent on the experience, knowledge and business relationships of members of its senior management who could be difficult to replace. In particular, the Issuer believes that the implementation and execution of its strategy depends on the continued availability of its senior management and other key personnel.

In 2016, the Issuer launched its "The Power of One LeasePlan" programme to optimise its internal operations, to leverage its scale and implement best practices across countries, including its transition from a multi-local organisation to a fully integrated matrix organisation. In 2017, the Issuer launched its "The Digital Power of One LeasePlan" programme which aims to move the Issuer towards a data driven company delivering digital car services at digital cost levels steered by the latest digital technology of data analytics, artificial intelligence and algorithms. The Group expects "The Power of One LeasePlan", which is now largely imbedded in the organisation, and "The Digital Power of One LeasePlan" to bring substantial operational improvements and increase the Issuer's financial results. If the Issuer is unable to successfully implement these programmes or if they do not yield the expected results, this could have a material adverse effect on its reputation, business, financial condition, revenues and results of operations.

The Group may suffer from adverse developments in the automotive industry, including regarding diesel vehicles, and the other markets directly related to its business. Technology changes and mobility trends could have a material adverse effect on the Group's business, financial condition and results of operations

General developments in the automotive industry are important for the Group, due to their effects on the terms and conditions (including price levels) for purchasing, servicing and eventually reselling its vehicles, which in turn could impact the demand for, and pricing of, the Group's services.

The Group is dependent on developments in automotive trends and technology changes, which are subject to a variety of factors that it cannot influence. These include, for example, the evolution of oil prices and renewable energy prices and infrastructure, the expansion of public transport infrastructure, availability of popular electric vehicle models, new technologies such as autonomous driving software, urban policies adversely affecting personal car use, changes in government policies affecting diesel vehicles in Europe or

other markets in which the Group operates, the imposition of carbon taxes and other regulatory measures to address climate change, pollution or other negative impacts of mass transport. A negative development of these factors may affect the use of vehicles in general and therefore the business of the Group.

In addition, the Group is dependent on being able to purchase popular vehicle models on competitive terms. The factors mentioned above also influence both the purchase prices of vehicles and the resale prices of used vehicles. Market consolidation or down-sizing or liquidations of individual car manufacturers could also materially affect the availability of certain vehicles and the bargaining power of the Group when negotiating competitive prices for the vehicles it purchases to satisfy the Group's customer needs.

The Group operates in a highly competitive environment characterised by a process of consolidation in a number of its core markets, particularly in the more mature European and North American markets. This reflects the relatively limited opportunities for further penetration in the corporate customer segment and the increasing importance of scale for Car-as-a-Service ("**CaaS**") providers such as the Group.

In recent years, some car manufacturers have been accused of manipulating emission levels. Such scandals may induce stricter regulations, influence customer purchasing decisions and the market prices of certain affected vehicle models. Although the Group has a relatively short cycle of refreshing its entire fleet every three to four years, emission scandals in the past or future could potentially negatively affect the market prices of certain of its used vehicles (including diesel powered vehicles) and have other adverse effects on the business of the Group. The Issuer has observed a mild deterioration in the market price of used diesel vehicles in certain countries, notably in Germany.

Finally, prices for petroleum-based products, which include petrol, diesel and tyres, have experienced volatility in recent years. If oil prices were to recover and return to higher levels, automotive travel patterns might be adversely affected in many ways.

The materialisation of any of the risks described above could have a material adverse effect on the Group's business, financial condition and results of operations.

Risks related to the Capital Securities

The Capital Securities are complex instruments that may not be suitable for all investors

The Capital Securities may not be suitable for all investors. Each potential investor in the Capital Securities must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor, either on its own or with the help of its financial and other professional advisers, should:

(i) have sufficient knowledge and experience to make a meaningful evaluation of the Issuer and the Capital Securities, the merits and risks of investing in the Capital Securities and the information contained or incorporated by reference in this Prospectus;

(ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Capital Securities and the impact such investment will have on its overall investment portfolio;

(iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Capital Securities, including where the currency for payments in respect of the Capital Securities is different from the potential investor's currency and including the possibility that the entire principal amount of the Capital Securities could be lost;

(iv) understand thoroughly the terms of the Capital Securities, including the provisions relating to the payment and cancellation of interest and any write-down of the Capital Securities, and be familiar with the behaviour of any relevant indices and the financial markets in which they participate; and

(v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

The Capital Securities are complex financial instruments making it difficult to compare them with other similar financial instruments due to a lack of fully harmonised structures, trigger points and loss absorption.

A potential investor should not invest in the Capital Securities unless it has the expertise (either alone or with a financial adviser) to evaluate how the Capital Securities will perform under changing conditions, the likelihood of a Principal Write-down, reaching the point of non-viability or cancellation of coupons (as discussed below in the risk factors *"A Holder may lose all of its investment in the Capital Securities, including the principal amount plus any accrued but unpaid interest, in the event that Statutory Loss Absorption occurs", "The principal amount of the Capital Securities may be reduced (Written Down) to absorb losses"* and "*In certain circumstances, the Issuer may decide not to pay interest on the Capital Securities or be required not to pay such interest*"), the resulting effects on the value of the Capital Securities, and the impact of this investment on the potential investor's overall investment portfolio. These risks may be difficult to evaluate given their discretionary or unknown nature.

The Capital Securities constitute deeply subordinated obligations

The Capital Securities constitute unsecured and deeply subordinated obligations of the Issuer and will rank, subject to any rights or claims which are mandatorily preferred by law, (i) *pari passu* without any preference among themselves and with all other present and future Parity Obligations of the Issuer (including any other series of Additional Tier 1 instruments) and (ii) junior to the rights and claims of creditors in respect of all present and future Senior Obligations. As a result, in the event of liquidation or bankruptcy of the Issuer (as defined in Condition 2 (*Status of the Capital Securities*)) with respect to the Issuer, any claims of the Holders against the Issuer will be subordinated to (a) the claims of depositors (other than in respect of those whose deposits are expressed by their terms to rank equally to or lower than the Capital Securities), (b) all unsubordinated rights and claims with respect to the repayment of borrowed money, (c) any other unsubordinated rights and claims and (d) all subordinated rights and claims (including with respect to any Tier 2 instruments) other than (i) Parity Obligations and (ii) Junior Obligations.

Before the occurrence of any event referred to above, Holders of the Capital Securities may already have lost the whole or part of their investment in the Capital Securities as a result of a write-down of the principal amount of the Capital Securities following a Trigger Event and/or a write-down or conversion of the principal amount of the Capital Securities following Statutory Loss Absorption (see the risk factors "*The principal amount of the Capital Securities may be reduced (Written Down) to absorb losses*" and "*A Holder may lose all of its investment in the Capital Securities, including the principal amount plus any accrued but unpaid interest, in the event that Statutory Loss Absorption occurs*" below). In the event of liquidation or bankruptcy the Issuer, payment of any remaining principal amount not so written down to a Holder will, by virtue of such subordination, only be made after all obligations of the Issuer resulting from higher-ranking deposits, unsubordinated claims with respect to the repayment of borrowed money, other unsubordinated rights and claims and higher ranking subordinated claims have been satisfied in full. If any such event occurs, the Issuer may not have enough assets remaining after these payments to pay amounts due and payable under the Capital Securities. Furthermore, any right of set off of any Holder at any time in respect of any amount owed to it by the Issuer arising under or in connection with the Capital Securities shall be excluded. A Holder may therefore recover less than the holders of deposit liabilities or the holders of unsubordinated liabilities or prior ranking subordinated liabilities of the Issuer.

Although the Capital Securities may pay a higher rate of interest than securities which are not, or not as deeply, subordinated, there is a real risk that an investor in deeply subordinated securities such as the Capital Securities will lose all or some of its investment should the Issuer become insolvent.

The Issuer is not prohibited from issuing further debt, which may rank pari passu with or senior to the Capital Securities

The Terms and Conditions of the Capital Securities do not limit the amount of liabilities ranking senior or *pari passu* in priority of payment to the Capital Securities which may be incurred or assumed by the Issuer from time to time, whether before or after the issue date of the Capital Securities nor do they restrict the Issuer in issuing Additional Tier 1 instruments with other write-down mechanisms or trigger levels or that convert into shares upon a trigger event. The Issuer may be able to incur significant additional secured or unsecured unsubordinated indebtedness and/or prior-ranking subordinated indebtedness. If the Issuer becomes insolvent or is liquidated, or if payment under any secured or unsecured unsubordinated and/or prior-ranking subordinated debt obligations is accelerated, the Issuer's secured or unsecured unsubordinated or, as the case may be, prior-ranking subordinated lenders would be entitled to exercise the remedies available to a secured or unsecured unsubordinated and/or prior-ranking subordinated lender before the Holders.

Unsubordinated liabilities of the Issuer may also arise from events that are not reflected on the balance sheet of the Issuer, including, without limitation, insurance or reinsurance contracts, derivative contracts, the issuance of guarantees or the incurrence of other contingent liabilities on an unsubordinated basis. Claims made under such guarantees or such other contingent liabilities will become unsubordinated liabilities of the Issuer that in a winding-up or insolvency proceeding of the Issuer will need to be paid in full before the obligations under the Capital Securities may be satisfied.

As a result, the Capital Securities are subordinated to any secured or unsecured unsubordinated indebtedness and/or prior-ranking subordinated indebtedness that the Issuer may incur in the future. If any event referred to in the risk factor "*The Capital Securities constitute deeply subordinated obligations*" above were to occur, the Issuer may not have enough assets remaining after these payments to pay amounts due and payable under the Capital Securities and the Holders may therefore recover rateably less (if anything) than the lenders of the Issuer's secured or unsecured unsubordinated debt and/or prior-ranking subordinated debt in the event of the Issuer's bankruptcy or liquidation. Even if the claims of senior ranking creditors would be satisfied in full, Holders may still not be able to recover the full amount due because the proceeds of the remaining assets must be shared *pro rata* among all other creditors holding claims ranking *pari passu* with the claims of the Holders in respect of the Capital Securities.

Also, the incurrence of additional capital instruments with interest cancellation provisions similar to the Capital Securities may increase the likelihood of (partial) interest payment cancellations under the Capital Securities if the Issuer is not able to generate sufficient Distributable Items or to maintain adequate capital buffers to make interest payments falling due on all outstanding capital instruments of the Issuer in full. See the risk factor "*In certain circumstances, the Issuer may decide not to pay interest on the Capital Securities or be required not to pay such interest*" below.

If the Issuer's financial condition were to deteriorate, investors could suffer direct and materially adverse consequences, including suspension of interest and reduction of interest and principal and, if the Issuer were liquidated (whether voluntarily or involuntarily), investors could suffer loss of their entire investment.

In certain circumstances, the Issuer may decide not to pay interest on the Capital Securities or be required not to pay such interest

The Issuer may at any time elect, in its sole and absolute discretion, to cancel the payment of any interest in whole or in part at any time that it deems necessary or desirable and for any reason and without any restriction on the Issuer thereafter. The Issuer will be required to cancel the payment of all or some of the interest payments otherwise falling due on the Capital Securities in circumstances where the relevant interest payment would either cause the Distributable Items or, if certain capital buffers are not maintained and when aggregated together with other distributions of the kind referred to in article 3:62b Wft implementing article 141(2) of 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 (the "**CRD IV Directive**"), the relevant Maximum Distributable Amount (if any) then applicable to the Issuer or the Group (as the case may be) to be exceeded, as described in Condition 3.2(b) (*Mandatory cancellation of interest*). Also the Competent Authority may order the Issuer to cancel interest payments and any accrued but unpaid interest will be cancelled following the occurrence of a Trigger Event. As a result, a Holder may as long as the Capital Securities are outstanding, which due to absence of a fixed maturity date be until perpetuity, not at any time receive any payments of interest or principal on the Capital Securities.

It is the Issuer's current intention that, whenever exercising its discretion to propose any dividend or distributions in respect of the ordinary shares of the Issuer, or its discretion to cancel any payment of interest on the Capital Securities, it will take into account the relative ranking of these instruments in its capital structure. However, the Issuer may at any time depart from this intention at its sole discretion, and as further set out in this risk factor, in accordance with the Applicable Banking Regulations and the Conditions, it may in its discretion elect to cancel any payment of interest on the Capital Securities or any distributions in respect of the ordinary shares at any time and for any reason.

Distributable Items relate to the Issuer's profits and distributable reserves determined on the basis of the Issuer's non-consolidated accounts as further described in Condition 3.2(b) (*Mandatory cancellation of interest*). The amount of Distributable Items available to pay interest on the Capital Securities may be affected, *inter alia*, by other discretionary interest payments on other (existing or future) capital instruments, including Common Equity Tier 1 ("**CET1**") distributions and any write-up of principal

amounts of Discretionary Temporary Write-down Instruments (if any). As at 31 December 2018, the Issuer's Distributable Items were approximately €2,322.2 million.

The Maximum Distributable Amount is a concept which will apply in circumstances where the Issuer does not meet certain combined capital buffer requirements (see also below and in the risk factor "*CRD IV includes capital requirements that are in addition to the minimum regulatory Common Equity Tier 1 capital requirement. These additional capital requirements will restrict the Issuer from making interest payments on the Capital Securities in certain circumstances, in which case the Issuer will automatically cancel such interest* payments").

Under article 141(2) (*Restrictions on distributions*) CRD IV Directive, member states of the European Union must require that institutions that fail to meet the combined buffer requirement (broadly, the combination of the capital conservation buffer, the institution-specific countercyclical capital buffer and the higher of (depending on the institution), the systemic risk buffer, the global systemically important institutions buffer and the other systemically important institutions buffer, in each case as applicable to the institution) will be subject to restricted discretionary payments (which are defined broadly by CRD IV as distributions in connection with CET1 capital, payments on Additional Tier 1 Capital instruments (including interest amounts on the Capital Securities and any write-ups of principal amounts (if applicable), and payments of discretionary staff remuneration)).

In the event of a breach of the combined buffer requirement, the restrictions under article 141(2) CRD IV Directive will be scaled according to the extent of the breach of the combined buffer requirement and calculated as a percentage of the institution's profits. Such calculation will result in a Maximum Distributable Amount ("**MDA**") in each relevant period.

MDA restrictions would need to be calculated for each separate level of supervision. It follows that MDA restrictions should be calculated at Group consolidated, Issuer sub-consolidated and Issuer solo-consolidated level. For each such level of supervision, the level of restriction under article 141(2) CRD IV Directive will be scaled according to the extent of the breach of the combined buffer requirement applicable at such level and calculated as a percentage of the respective profits calculated at such level. The MDA would thus be assessed separately for each level of supervision based on this calculation and distributions would be restricted by the lowest amount.

Such calculation will result in a MDA in each relevant period. As an example, the scaling is such that in the bottom quartile of the combined buffer requirement, no discretionary distributions will be permitted to be paid. As a consequence, in the event of breach of the combined buffer requirement it may be necessary to reduce payments that would, but for the breach of the combined buffer requirement, be discretionary, including potentially exercising the Issuer's discretion to cancel (in whole or in part) interest payments in respect of the Capital Securities. In such circumstances, the aggregate amount of distributions which the Issuer can make on account of dividends, interest payments, write-up amounts and redemption amounts on its Tier 1 instruments (including the Capital Securities) and certain bonuses will be limited.

The amount of CET1 capital required to meet the combined buffer requirements will be relevant to assess the risk of interest payments being cancelled. See also below in the risk factor "*CRD IV includes capital requirements that are in addition to the minimum regulatory Common Equity Tier 1 capital requirement. These additional capital requirements will restrict the Issuer from making interest payments on the Capital Securities in certain circumstances, in which case the Issuer will automatically cancel such interest payments*". The market price of the Capital Securities is likely to be affected by any fluctuations in the Issuer solo-consolidated CET1 Ratio and/or the Issuer sub-consolidated CET1 Ratio and/or the Group CET1 Ratio and any additional uncertainties resulting from differences in the factors affecting these three CET1 ratios. Any indication or perceived indication that these ratios are tending towards the MDA trigger level may have an adverse impact on the market price of the Capital Securities.

The Issuer's capital requirements are, by their nature, calculated by reference to a number of factors any one of which or combination of which may not be easily observable or capable of calculation by investors. See also below in the risk factor "*The Issuer solo-consolidated CET1 Ratio, the Issuer sub-consolidated CET1 Ratio and the Group CET1 Ratio will be affected by a number of factors, any of which may be outside the Issuer's control, as well as by its business decisions and, in making such decisions, the Issuer's interests may not be aligned with those of the investors*".

Holders of the Capital Securities may not be able to predict accurately the proximity of the risk of discretionary payments (of interest and principal) on the Capital Securities being prohibited from time to time as a result of the operation of article 141 CRD IV Directive and analogous restrictions arising from the requirement to meet capital buffers under the Applicable Banking Regulations. In any event, the Issuer will have discretion as to how the MDA will be applied if insufficient to meet all expected distributions and is not obliged to take the interest of investors in the Capital Securities into account.

Payment of interest may also be affected by any application of the legislation in The Netherlands implementing the BRRD. See also below in the risk factor "*A Holder may lose all of its investment in the Capital Securities, including the principal amount plus any accrued but unpaid interest, in the event that Statutory Loss Absorption occurs*". Furthermore, as outlined in the risk factor "*The Issuer is subject to a bank supervisory regime in The Netherlands and other regulatory regimes and regulatory actions in the jurisdictions in which it operates, including The Netherlands, and changes in these regulatory regimes could adversely affect its business, financial condition, results of operations and liquidity*", the developing regulatory TLAC/MREL framework, if adopted and once implemented may impose further restrictions on the Issuer's ability to pay interest on the Capital Securities (should the Resolution Authority impose MREL requirements on the Issuer).

Among other things, the EU Banking Reform Proposals implement the TLAC standards for global systemically important banks ("**G-SIBs**") in the EU. The EU Banking Reform Proposals are fomally approved by the European Parliament and the Council of the European Union. As a result, the text relating to the EU Banking Reform Proposals is expected to be published in the Official Journal of the European Union in June 2019 and will enter into force 20 days thereafter. The majority of the rules are expected to apply from 18 months after that date. The EU Banking Reform Proposals apply a harmonised minimum TLAC level to EU G-SIBs while introducing a firm-specific MREL for G-SIBs, domestic systemically important banks ("**D-SIBs**") and smaller institutions and facilitate the issuance of a new liability class of "non-preferred senior" by requiring member states to introduce such layer in their local insolvency laws. Further amendments include changes to the calculation of MREL - which should be expressed as a percentage of the total risk exposure amount and of the leverage ratio exposure measure of the relevant institution - and MREL eligibility criteria, which could affect the level of future MREL as well as the level of reported MREL capacity. The EU Banking Reform Proposals determine that the MREL requirements should be determined by the Resolution Authority at an amount to allow banks to absorb losses expected in resolution and recapitalise the bank post-resolution. In addition, the Resolution Authority may require institutions to meet higher levels of MREL in order to cover losses in resolution above the level of the existing own funds requirements and to ensure a sufficient market confidence in the entity post-resolution (i.e. on top of the required recapitalisation amount). For banks which are not G-SIBs (such as the Issuer), liabilities that satisfy the requisite conditions and do not qualify as Common Equity Tier 1, Additional Tier 1 and Tier 2 items under the CRR, shall qualify as eligible liabilities for the purpose of MREL, unless they fall into any of the categories of excluded liabilities. At the date of this Prospectus, the Resolution Authority has not determined any minimum MREL for the Issuer.

Furthermore, the EU Banking Reform Proposals introduce consequences of breaching MREL requirements relating to the combined buffer requirement and MDA breach. A failure by the Issuer to comply with MREL requirements means the Issuer could become subject to the MDA restrictions on certain discretionary payments, including payments on Additional Tier 1 instruments such as the Capital Securities (subject to a potential nine-month grace period in case specific conditions are met), as the required amount 'sits below' the combined buffer requirements. In particular, a new article 16a is proposed to be included in BRRD to better clarify, for the purposes of restrictions on distributions, the relation between the additional own funds requirements, the minimum own funds requirements the MREL requirement and the combined buffer requirement (the so called "stacking order"), with article 141 to be amended to reflect the stacking order in the calculation of the MDA. Under the new article 16a of BRRD, an institution such as the Issuer shall be considered as failing to meet the combined buffer requirement for the purposes of article 141 CRD IV Directive where it does not have MREL in an amount and of the quality needed to meet at the same time the requirement defined in article 128(6) of the CRD IV Directive (i.e. the combined buffer requirement) as well as each of the minimum own funds requirements, the additional own funds requirements and the MREL requirement. The proposal recognises that breaches of the combined buffer requirement (while still complying with Pillar 1 and Pillar 2 capital requirements) may be due to a temporary inability to issue new eligible debt for MREL. For these situations, the proposal envisages a nine month grace period before restrictions under article 141 will apply. During the grace period, authorities will be able to exercise other powers available to them that are appropriate in view of the financial situation of the institution. Although

at the date of this Prospectus the Resolution Authority has not imposed an MREL requirement upon the Issuer, no assurance can be given that the Resolution Authority will not do so in the future.

In addition, CRD IV includes a requirement for credit institutions to calculate, report, monitor and publish their leverage ratios, defined as their Tier 1 capital as a percentage of their total exposure measure. As part of the EU Banking Reform Proposals, a binding leverage ratio of 3 per cent. is being introduced. Also, international discussions regarding a possible leverage ratio surcharge (compared to the 3 per cent. introduced in the EU Bank reforms) for global systemically important institutions ("**G-SIIs**") have resulted in the Basel III Reforms introducing such surcharge. A potential similar surcharge for nationally systematically important banks is being investigated. At 31 December 2018, the Issuer had a fully-loaded leverage ratio of 10.3 per cent. The Issuer does not currently qualify as a G-SII or a D-SIB.

There can be no assurance, however, that the leverage ratio specified above, or any of the minimum own funds requirements, additional own funds requirements, buffer capital requirements or any MREL requirements applicable to the Issuer will not be amended in the future to include new and more onerous capital requirements, which in turn may affect the Issuer's capacity to make payments of interest on the Capital Securities.

Furthermore, articles 102 et seq. CRD IV Directive give the competent authority certain supervisory measures and powers which would apply if the Issuer fails (or is likely to fail) to comply with applicable regulations. There are no ex-ante limitations on the discretion to use this power. In such circumstances, the competent authority could require the Issuer to suspend payments of interest on Additional Tier 1 instruments (including the Capital Securities). Furthermore, the CRD IV Directive provides the competent authority coupon cancellation powers in the context of the regular supervisory review and evaluation process of the Issuer which may force the Issuer to cancel interest payments to holders of the Capital Securities.

It follows from the above that there can be no assurance that an investor will receive payments of interest in respect of the Capital Securities, and the Issuer's ability to make interest payments on the Capital Securities will depend on a combination of factors including (i) the level of distributable reserves and the profits the Issuer has accumulated in the financial year preceding any interest payment date, (ii) the amount of outstanding capital instruments with interest cancellation provisions similar to the Capital Securities, (iii) the combined capital buffer of the Issuer and any other capital requirement applicable to the Issuer as applicable at each solvency level from time to time and (iv) the application of certain discretionary powers of the competent authority in respect of the Issuer. Furthermore, even if there were to be sufficient funds to make interest payments on the Capital Securities, the Issuer may still elect to cancel such interest payment for any reason and for any length of time. Furthermore, no interest will be paid on any principal amount that has been written down following a Trigger Event and/or Statutory Loss Absorption and interest on any remaining principal amount following such write-down is subject to the Issuer having sufficient Distributable Items and, if applicable, sufficient Net Profit and the MDA not being exceeded (see the risk factors "*The principal amount of the Capital Securities may be reduced (Written Down) to absorb losses*" and "*A Holder may lose all of its investment in the Capital Securities, including the principal amount plus any accrued but unpaid interest, in the event that Statutory Loss Absorption occurs*" and "*CRD IV includes capital requirements that are in addition to the minimum regulatory Common Equity Tier 1 capital requirement. These additional capital requirements will restrict the Issuer from making interest payments on the Capital Securities in certain circumstances, in which case the Issuer will automatically cancel such interest payments*" below).

Any interest not paid shall be deemed cancelled and shall not accumulate or be payable at any time thereafter. Cancellation of interest shall not constitute a default under the Capital Securities for any purpose. Investors shall have no further rights in respect of any interest not paid and shall not be entitled to any compensation or to take any action to cause the bankruptcy, liquidation, dissolution or winding up of the Issuer. Furthermore, cancellation of interest payments shall not in any way impose restrictions on the Issuer, including restricting the Issuer from making distributions or equivalent payments in connection with junior ranking (including ordinary shares) or *pari passu* ranking instruments.

Any actual or anticipated cancellation of interest on the Capital Securities will likely have an adverse effect on the market price of the Capital Securities. In addition, as a result of the interest cancellation provisions of the Capital Securities, the market price of the Capital Securities may be more volatile than the market prices of other debt securities on which interest accrues which is not subject to such cancellation and may be more sensitive generally to adverse changes in the Issuer's financial condition. Any perceived or actual

indication that the Issuer solo-consolidated CET1 Ratio, the Issuer sub-consolidated CET1 Ratio and/or the Group CET1 Ratio is trending towards the minimum applicable combined capital buffer may have an adverse effect on the market price of the Capital Securities.

The principal amount of the Capital Securities may be reduced (Written Down) to absorb losses

The Capital Securities are being issued for capital adequacy regulatory purposes with the intention and purpose of being eligible as Additional Tier 1 Capital of the Issuer. Such eligibility depends upon a number of conditions being satisfied. One of these relates to the ability of the Capital Securities and the proceeds of their issue to be available to absorb any losses of the Issuer. Accordingly, if the Issuer solo-consolidated CET1 Ratio and/or the Issuer sub-consolidated CET1 Ratio and/or the Group CET1 Ratio falls below 5.125 per cent. as determined by the Issuer, the Competent Authority or any agent appointed for such purpose by the Competent Authority (a "**Trigger Event**"), the Prevailing Principal Amount of the Capital Securities will be reduced with an amount at least sufficient to immediately cure the Trigger Event, and any accrued but unpaid interest will be cancelled. A Principal Write-down may occur at any time on one or more occasions (provided, however, that the principal amount of a Capital Security shall never be reduced to below one cent). Any Principal Write-down of the Capital Securities shall not constitute a default of the Issuer. Investors shall not be entitled to any compensation or to take any action to cause the bankruptcy, liquidation, dissolution or winding up of the Issuer (without prejudice to any principal amount subsequently written-up at the discretion of the Issuer in accordance with the Principal Write-up mechanism as set out in Condition 7.2 (*Principal Write-up*)).

A Principal Write-down is expected to occur simultaneously with the concurrent *pro rata* write-down or conversion into equity of the prevailing principal amount of any Loss Absorbing Instruments to be written-down and/or converted concurrently (or substantially concurrently) with the Capital Securities. However, this will not necessarily be the case. In particular, investors must note that to the extent such write-down or conversion into equity of any Loss Absorbing Instruments is not effective for any reason (i) the ineffectiveness of any such write-down or conversion into equity shall not prejudice the requirement to effect a Principal Write-down of the Capital Securities and (ii) the write-down or conversion into equity of any other Loss Absorbing Instruments which is not effective shall not be taken into account in determining the Write-down Amount of the Capital Securities. Therefore, the write-down or conversion into equity of other Loss Absorbing Instruments is not a condition for a Principal Write-down of the Capital Securities and, as a result of failure to write down or convert into equity such other Loss Absorbing Instruments, the Write-down Amount of the Capital Securities may be higher. Holders may lose all or some of their investment as a result of such a Principal Write-down of the Prevailing Principal Amount of the Capital Securities. In particular, the Issuer may be required to write down the Prevailing Principal Amount of the Capital Securities following the occurrence of a Trigger Event such that the CET1 ratios are restored to a level higher than 5.125 per cent. in the case of the Issuer solo-consolidated CET1 Ratio, the Issuer sub-consolidated CET1 Ratio and the Group CET1 Ratio. No assurance can be given that a Principal Write-down will be applied towards not only curing the Trigger Event but also towards restoring the Issuer solo-consolidated CET1 Ratio, the Issuer sub-consolidated CET1 Ratio and/or the Group CET1 Ratio to a level above the Trigger Event. In such an event, the Write-down Amount will be greater than the amount by which the then Prevailing Principal Amount would have been written down if the Issuer had been required to write down the principal amount of the Capital Securities to the extent necessary thereby to restore the Issuer solo-consolidated CET1 Ratio, the Issuer sub-consolidated CET1 Ratio and the Group CET1 Ratio to 5.125 per cent. (as applicable).

Furthermore, it is possible that, following a material decrease in the Issuer solo-consolidated CET1 Ratio, the Issuer sub-consolidated CET1 Ratio and/or Group CET1 Ratio, a Trigger Event in relation to the Capital Securities occurs simultaneously with a trigger event in relation to other Loss Absorbing Instruments having a higher trigger level. If this were to occur, the Prevailing Principal Amount of the Capital Securities will be reduced *pro rata* with such Loss Absorbing Instruments having a higher trigger level up to an amount sufficient to restore the Issuer solo-consolidated CET1 Ratio, the Issuer sub-consolidated CET1 Ratio and the Group CET1 Ratio to not less than 5.125 per cent. provided that, with respect to each other Loss Absorbing Instrument (if any), such *pro rata* write-down and/or conversion shall only be taken into account to the extent required to restore the Issuer solo-consolidated CET1 Ratio, the Issuer sub-consolidated CET1 Ratio and/or the Group CET1 Ratio (as the case may be) contemplated above to the lower of (x) such other Loss Absorbing Instrument's trigger level and (y) the trigger level in respect of which the relevant Trigger Event under the Capital Securities has occurred, in each case, in accordance with the terms of the relevant instruments and the Applicable Banking Regulations.

The Issuer's current and future outstanding junior and *pari passu* ranking securities might not include write-down or similar features with triggers comparable to those of the Capital Securities. As a result, it is possible that the Capital Securities will be subject to a Principal Write-down, while junior and *pari passu* ranking securities remain outstanding and continue to receive payments. Also, the Terms and Conditions of the Capital Securities do not in any way impose restrictions on the Issuer following a Principal Write-down, including restrictions on making any distribution or equivalent payment in connection with (i) any Junior Obligations (including, without limitation, any common shares of the Issuer) or (ii) in respect of any Parity Obligations.

Investors may lose all or some of their investment as a result of a Principal Write-down or of reaching the point of non-viability (see also below in the risk factor *"A Holder may lose all of its investment in the Capital Securities, including the principal amount plus any accrued but unpaid interest, in the event that Statutory Loss Absorption occurs"*). Although (in case of a Principal Write-down following a Trigger Event only) the Conditions allow for the principal amount to be written-up again, due to the limited circumstances in which a Principal Write-up may be undertaken, any reinstatement of the Prevailing Principal Amount of the Capital Securities and recovery of such investment may take place over an extended period of time or not at all. In addition, if any of the events listed in Condition 11 (*Limited Remedies in case of Non Payment*) occurs prior to the Capital Securities being written-up in full pursuant to Condition 7.2 (*Principal Write-up*), Holders' claims for principal in liquidation or bankruptcy will be based on the reduced principal amount (if any) of the Capital Securities. Further, during the period of any Principal Write-down pursuant to Condition 7.1 (*Principal Write-down*), interest will accrue on the reduced principal amount of the Capital Securities and is subject to the Issuer having sufficient Distributable Items and, if applicable, sufficient Net Profit and the MDA not being exceeded. Also, any redemption at the option of the Issuer during such period will take place at the reduced principal amount of the Capital Securities.

The written down principal amount will not be automatically reinstated if the Issuer solo-consolidated CET1 Ratio, the Issuer sub-consolidated CET1 Ratio and/or the Group CET1 Ratio are restored above a certain level. It is the extent to which the Issuer and the Group make a profit from their operations (if any) that will affect whether the principal amount of the Capital Securities may be reinstated to its Original Principal Amount. The Issuer's ability to write-up the principal amount of the Capital Securities will depend on certain conditions, such as there being sufficient Net Profit, up to the Maximum Write-Up amount and, if applicable, the MDA not being exceeded. No assurance can be given that these conditions will ever be met. Moreover, even if met, the Issuer will not in any circumstances be obliged to write-up the principal amount of the Capital Securities. Also the competent authority has the power to prohibit a write-up in the context of the regular supervisory review and evaluation process or if the Issuer fails (or is likely to fail) to comply with applicable regulations. However, if any write-up were to occur, it will have to be undertaken on a *pro rata* basis with any other instruments qualifying as Additional Tier 1 Capital providing for a reinstatement of principal amount in similar circumstances that have been subject to a write-down (see Condition 7.2(a) (*Principal Write-up*)).

The market price of the Capital Securities is expected to be affected by any actual or anticipated write-down of the principal amount of the Capital Securities as well as by the Issuer's actual or anticipated ability to write-up the reduced principal amount to its original principal amount.

The Issuer solo-consolidated CET1 Ratio, the Issuer sub-consolidated CET1 Ratio and the Group CET1 Ratio will be affected by a number of factors, any of which may be outside the Issuer's control, as well as by its business decisions and, in making such decisions, the Issuer's interests may not be aligned with those of the investors

The market price of the Capital Securities is expected to be affected by fluctuations in the Issuer solo-consolidated CET1 Ratio, the Issuer sub-consolidated CET1 Ratio and/or the Group CET1 Ratio. Any indication or perceived indication that the Issuer solo-consolidated CET1 Ratio, the Issuer sub-consolidated CET1 Ratio and/or the Group CET1 Ratio is trending towards the write-down trigger of 5.125 per cent., may have an adverse effect on the market price of the Capital Securities. The level of the Issuer solo-consolidated CET1 Ratio, the Issuer sub-consolidated CET1 Ratio and/or the Group CET1 Ratio may significantly affect the trading price of the Capital Securities.

The occurrence of a Trigger Event is inherently unpredictable and depends on a number of factors, any of which may be outside the Issuer's control. Because the Issuer solo-consolidated CET1 Ratio, the Issuer sub-consolidated CET1 Ratio and the Group CET1 Ratio may be calculated as at any date, a Trigger Event could occur at any time. The calculation of the Issuer solo-consolidated CET1 Ratio, the Issuer sub-

consolidated CET1 Ratio and/or the Group CET1 Ratio could be affected by one or more factors, including, among other things, changes in the mix of the Issuer's business, major events affecting its earnings, dividend payments by the Issuer, accounting changes, regulatory changes (including the imposition of additional minimum capital or capital buffer requirements or changes to definitions and calculations of regulatory capital ratios and their components or the changes to the interpretation thereof by the relevant authorities or case law) and the Issuer's ability to manage risk-weighted assets in both its ongoing businesses and those which it may seek to exit or enter.

As an example of potential regulatory changes which may impact the Issuer solo-consolidated CET1 Ratio, the Issuer sub-consolidated CET1 Ratio and/or the Group CET1 Ratio, the Basel Committee of Banking Supervision ("**BCBS**") published consultation proposals in 2014, 2015, and 2016 for the introduction of capital floors and on revised standardised RWA calculations. On 7 December 2017, the BCBS published its final standards, which will become effective as of 2022. These standards are informally known as Basel IV and will be implemented in CRD IV. Basel IV introduced the capital floors based on standardised approaches and revisions to the standardised approaches for credit risk, operational risk, market risk, revision of the credit valuation adjustment framework for treatment of counterparty credit risk. The capital floors and other standards will become applicable as of 2022 and a transitional regime may apply.

These and other future changes to capital adequacy and liquidity requirements may require the Issuer to raise additional CET1, Additional Tier 1 and Tier 2 capital. Based on the Issuer's assessment in May 2018, the impact of future changes in capital adequacy and liquidity requirements as a result of the implementations in the EU of Basel IV, could be substantial. In March 2018, the European Commission launched a targeted exploratory consultation on Basel IV, but the implementation date is currently unclear. With the assumption that all proposals would be implemented following their publication at that time, the Issuer estimated in May 2018 that the Issuer's total risk exposure amount as calculated in accordance with article 92 CRR ("**TREA**") would increase by between €1,884 million and €2,140 million, causing a decrease of 1.96% to 2.19% in its CET1 ratio, in each case compared to 31 December 2017.

In addition to the future changes as a result of the implementation of Basel IV, the EBA published in September 2016 additional guidelines to harmonize the definition of default across the EU and in February 2018 technical standards to harmonize the materiality threshold of past due credit obligations were published. These additional guidelines and technical standards introduce a much stricter and more mechanical default recognition, which means that the identification of past dues should be performed at both the customer and invoice levels and expert judgment for identification will become more limited. This would mean that in case both the absolute and relative materiality thresholds are breached for more than 90 consecutive days and at least one invoice is more than 90 days past due, the customer would be considered to be in default. While the estimated impact for the Issuer does not necessarily reflect the true credit risk within the portfolio, as these new standards may require the Issuer to recognise defaults for late customer payments, even though these customers are often investment grade companies that have a strong track record of ultimately paying all outstanding amounts owed. These effects are amplified by Basel IV due to the introduction of a floor for the Issuer's loss given default ("**LGD**") (which represents the Issuer's expectation of the extent of the loss on a defaulted exposure), for the Issuer's Internal Ratings Based portfolio, where the proposed floor is significantly higher than the LGD it experiences. While the Issuer has certain management options available to mitigate the impact such as, among others, an improvement of the collection process, improvement of the operational processes to avoid unnecessary payment disputes and/or make collections a more prominent component of the account and sale process, it is not certain that the Issuer will be successful in doing so. Absent the value of any such mitigating actions, the Issuer has estimated that the implementation of these guidelines and technical standards could potentially increase its TREA and consequently decrease its CET1 ratio by approximately 1% by 2021 (reflecting the impact of the implementation of the EBA guidelines on the definition of default) and up to an additional 4.66% to the extent these proposals are implemented in full by 2022 (reflecting the incremental impact of the implementation of Basel IV), in each case, compared to 31 December 2017. While the Issuer would expect its required regulatory capital ratios to fall as a result of the implementation of these guidelines and technical standards, the net effect of these changes may result in a material increase in the absolute amount of capital the Issuer is required to hold. Discussions between the (financial services) industry and regulatory authorities with respect to the effects of the proposed implementation of Basel IV in conjunction with the new guidelines and technical standards on the definition of default are still ongoing.

In respect of operational risk, the Issuer has used the Advanced Measurement Approach ("**AMA**") since 2008. As a result of a recent decision by DNB, the Issuer is currently reconsidering its AMA status. In 2019, the Issuer will decide whether to redevelop the AMA model or move to the standardized approach.

This decision will take into account that for all financial institutions with a banking license AMA will in the near future be replaced with a new standardized approach. In the SREP Requirement, the DNB has based the total required amount of own funds on the "Basic Indicator Approach," which assumes a shift from the AMA model to the standardized approach. As a result, the Issuer expects that the impact on its capital requirements of replacing AMA will be limited. However, the Issuer estimates an increase of approximately €1.1 billion in its TREA compared to 31 December 2017 as a result of a shift from the AMA model to the standardized approach, which could potentially reduce the Issuer's CET1 ratio.

The Issuer's assessment of regulatory capital requirements is also partly based on internally developed models. These models have been designed based on, among others, historic information, fleet book values and assumptions by management regarding future developments and credit assessments. If the models used or proposed by the Issuer are, or are determined by the regulator to be, inadequate or if the Issuer is unable to obtain approval for perceived improvements to its models or if its underlying assumptions are to be proven incorrect, this could lead to materially increased capital requirements. The Issuer's asset risk model takes a conservative approach linked to the historic fleet book value, historic fleet composition and historic contractual terms. This could, in the short term, lead to an increase of its regulatory capital requirements, potentially by up to 3%-points. Should such an increase be required, there are several management initiatives which could be taken in order to minimise it or manage the resulting increase in capital, although there can be no assurance that this will be the case.

The Issuer solo-consolidated CET1 Ratio, the Issuer sub-consolidated CET1 Ratio and the Group CET1 Ratio will also depend on the Issuer's decisions relating to its businesses and operations, as well as the management of its capital position, and may be affected by changes in applicable accounting rules (including, but not limited to, the introduction of IFRS 9, see above) or by changes to regulatory adjustments which modify the regulatory capital impact of accounting rules. For example, the Issuer may decide not to, or not be able to, raise capital at a time when it is feasible to do so, even if that would result in the occurrence of a Trigger Event. Moreover, the Issuer solo-consolidated CET1 Ratio, the Issuer sub-consolidated CET1 Ratio, the Group CET1 Ratio, Distributable Items and any MDA will depend in part on decisions made by the Issuer relating to its businesses and operations, as well as the management of its capital position. See also the risk factors relating to the Issuer for further developments, circumstances and events which may impact the Issuer solo-consolidated CET1 Ratio, the Issuer sub-consolidated CET1 Ratio and the Group CET1 Ratio.

Investors will not be able to monitor movements in the Issuer solo-consolidated CET1 Ratio and/or the Issuer sub-consolidated CET1 Ratio and/or the Group CET1 Ratio or any MDA on a continuous basis and it may therefore not be foreseeable when a Trigger Event may occur or whether interest payments must be cancelled. The Issuer will have no obligation to consider the interests of investors in connection with its strategic decisions, including in respect of its capital management. Investors will not have any claim against the Issuer relating to decisions that affect the business and operations of the Issuer, including its capital position, regardless of whether they result in the occurrence of a Trigger Event. Such decisions could cause investors to lose all or part of the value of their investment in the Capital Securities.

The usual reporting cycle of the Issuer is for the Issuer solo-consolidated CET1 Ratio, the Issuer sub-consolidated CET1 Ratio and the Group CET1 Ratio to be reported on a quarterly basis in conjunction with the Issuer's quarterly financial reporting, which may mean investors are given limited warning of any deterioration in the Issuer solo-consolidated CET1 Ratio and/or the Issuer sub-consolidated CET1 Ratio and/or the Group CET1 Ratio. Investors should also be aware that the Issuer solo-consolidated CET1 Ratio, the Issuer sub-consolidated CET1 Ratio and the Group CET1 Ratio may be calculated as at any date and, as a result thereof, a Trigger Event may occur as at any date.

The factors that influence the Issuer solo-consolidated CET1 Ratio and the Issuer sub-consolidated CET1 Ratio may not be the same as the factors that influence the Group CET1 Ratio. At the date of this Prospectus, the capital instruments eligible as own funds of the Issuer are the same as the capital instruments eligible as own funds of Group, although a minority interest at the Group level, in line with CRR may be applied, but the risk-weighted assets and deductions of the own funds of the Issuer differ from the risk-weighted assets and deductions of the own funds of Group.

Since a Trigger Event will occur if any one of the CET1 ratio thresholds is breached, the additional uncertainties resulting from differences in the factors affecting the three CET1 ratios as well as any consequential MDA restrictions may have an adverse impact on the market price or the liquidity of the Capital Securities.

Due to the uncertainty regarding whether a Trigger Event will occur, it will be difficult to predict when, if at all, the Prevailing Principal Amount of the Capital Securities may be written down. Accordingly, the trading behaviour of the Capital Securities may not necessarily follow the trading behaviour of other types of subordinated securities. Any indication or perceived indication that the Issuer solo-consolidated CET1 Ratio, the Issuer sub-consolidated CET1 Ratio and/or the Group CET1 Ratio is trending towards the minimum applicable combined capital buffer may have an adverse effect on the market price of the Capital Securities. Under such circumstances, investors may not be able to sell their Capital Securities easily or at prices that will provide them with a yield comparable to more conventional investments.

CRD IV includes capital requirements that are in addition to the minimum regulatory Common Equity Tier 1 capital requirement. These additional capital requirements will restrict the Issuer from making interest payments on the Capital Securities in certain circumstances, in which case the Issuer will automatically cancel such interest payments

A minimum combined buffer requirement is imposed on top of the minimum regulatory CET1 capital requirement of 4.5 per cent. of the Issuer's TREA and any Pillar 2 requirements applicable to the Issuer. The Dutch legislator has implemented the combined buffer requirement in the Wft and the implementing Decree on prudential rules Wft (*Besluit prudentiële regels Wft*, the "**Decree on Prudential Rules Wft**") which entered into force on 1 August 2014.

The combined buffer requirement consists of the following elements:

- **Capital conservation buffer (*kapitaalconserveringsbuffer*)**: set at 2.5 per cent. of TREA;

- **Institution-specific countercyclical capital buffer (*contracyclische kapitaalbuffer*)**: the institution-specific countercyclical capital buffer rate shall consist of the weighted average of the countercyclical capital buffer rates that apply in the jurisdictions where the relevant credit exposures are located; this rate will be between 0 per cent. and 2.5 per cent. of TREA (but may be set higher than 2.5 per cent. where DNB considers that the conditions justify this). The designated authority in each member state must set the countercyclical capital buffer rate for exposures in its jurisdiction on a quarterly basis;

- **Systemic relevance buffer (*systeemrelevantiebuffer*)**: the systemic relevance buffer consists of a buffer for G-SIIs and for other systemically important institutions ("**O-SIIs**"), to be determined by DNB. The buffer rate for O-SIIs can be up to 2.0 per cent. of TREA and may increase to 3% under the EU Banking Reform Proposals. The buffer rate for G-SII can be between 1 per cent. and 3.5 per cent. of TREA. DNB periodically reviews the identification of G-SIIs and O-SIIs as well as the applicable buffer rate; and

- **Systemic risk buffer (*systeemrisicobuffer*)**: set as an additional loss absorbency buffer to prevent and mitigate long term non-cyclical systemic or macro prudential risks not covered in CRD IV, with a minimum of 1 per cent. of TREA. The buffer rate will be reviewed annually by DNB.

At the date of this Prospectus, the Issuer is not subject to any of the capital buffers described above except for the capital conservation buffer and the countercyclical capital buffer.

When an institution is subject to a systemic relevance buffer and a systemic risk buffer, either (i) the higher of these buffers applies or (ii) these buffers are cumulative, depending on the location of the exposures which the systemic risk buffer addresses.

It follows from the above that, as at the date of this Prospectus, the Issuer's combined buffer requirement is set at 2.8 per cent. of CET1 Capital above the minimum regulatory CET1 requirement of 4.5 per cent. (or 7.3 per cent. in aggregate) on a fully loaded basis. However, in the future the Issuer may need to comply with a higher combined buffer requirement.

In addition to the "Pillar 1" capital requirements described above, CRD IV contemplates that competent authorities may require whether on a solo-consolidated, sub-consolidated basis or consolidated level additional "Pillar 2" capital to be maintained by an institution relating to elements of risks which are not fully covered by the minimum own funds requirements ("**additional own funds requirements**") or to address macro-prudential requirements.

EBA published guidelines on 19 December 2014 addressed to national supervisors on common procedures and methodologies for the SREP and supervisory stress testing which contained guidelines proposing a common approach to determining the amount and composition of additional own funds requirements and which was implemented as per 1 January 2016. These guidelines contemplate that national supervisors should set by 1 January 2019 a requirement to cover certain risks with additional own funds which is composed of at least 56 per cent. CET1 capital and at least 75 per cent. Tier 1 capital and the remainder in Tier 2 capital. The guidelines also contemplate that national supervisors should not set additional own funds requirements in respect of risks which are already covered by capital buffer requirements and/or additional macro-prudential requirements. Accordingly, the combined buffer requirement (as referred to above) applies in addition to the minimum own funds requirement and to the additional own funds requirement.

In July 2016, the ECB confirmed that SREP will for the first time comprise two elements: Pillar 2 requirements (which are binding and breach of which can have direct legal consequences for banks, including the triggering of the capital conservation measures of article 141 CRD IV Directive) and Pillar 2 guidance (with which banks are expected to comply but breach of which does not automatically trigger the capital conservation measures of article 141 CRD IV Directive). Accordingly, in the capital stack of a bank, the Pillar 2 guidance is in addition to (and "sits above") that bank's Pillar 1 capital requirements, its Pillar 2 requirements and its combined buffer requirement. If a bank does not meet its Pillar 2 guidance, the mandatory restrictions on discretionary payments (including payments on its CET1 and additional tier 1 instruments such as the Capital Securities) based on its MDA will not automatically apply. Instead, the competent authority will carefully consider the reasons and circumstances and may impose individually tailored supervisory measures. However, only if a bank fails to maintain its combined buffer requirement, e.g. because of a breach of Pillar 2 capital requirements, the mandatory restrictions on discretionary payments (including payments on its CET1 and additional tier 1 instruments such as the Capital Securities) based on its MDA will apply. These changes are also reflected in the EU Banking Reform Proposals. However, there can be no assurance as to the relationship between the "Pillar 2" additional own funds requirements and the restrictions on discretionary payments (including distributions on the Capital Securities) and as to how and when effect will be given to the EBA's guidelines and/or the EU Banking Reform Proposals in The Netherlands, including as to the consequences for a bank of its capital levels falling below the minimum own funds requirements, additional own funds requirements and/or combined buffer requirement referred to above.

The Issuer's capital ratios are above the regulatory minimum requirements. At 31 March 2019 the Issuer had a fully loaded CET1 capital ratio of 17.9 per cent., which is well above the most recent SREP requirement as issued in January 2019 (the "**SREP Requirement**"). Pursuant to this SREP Requirement, the Issuer is required to hold on a consolidated basis a minimum CET1 capital ratio of 10 per cent., which is composed of 4.5 per cent. Pillar 1 minimum capital requirement and 5.5 per cent. Pillar 2 additional capital requirement. The MDA trigger level for automatic restrictions on payment of interest as per the SREP Requirement was 16.3[1] per cent. CET1 consisting of the 4.5 per cent. Pillar 1 minimum capital requirement, the 5.5 per cent. Pillar 2 requirement, the 2.5 per cent. capital conservation buffer, the 0.3 per cent. countercyclical capital buffer (as reported per 31 March 2019) and increased with an AT1 shortfall of 1.5 per cent. and a Tier 2 shortfall of 2 per cent. It excludes possible implications and consequences of revisions to the calculation of risk-weighted assets (Basel IV).

As outlined in the risk factor "*In certain circumstances, the Issuer may decide not to pay interest on the Capital Securities or be required not to pay such interest*" and in the paragraph headed "*RTS on the minimum requirement for own funds and eligible liabilities under BRRD*" above, a failure by the Issuer and/or the Group to comply with any future TLAC/MREL Requirements pursuant to the EU Banking Reform Proposals may result in the Issuer becoming subject to the restrictions on payments on Additional Tier 1 instruments, including the Capital Securities (subject to a potential nine-month grace period in case specific conditions are met).

Many aspects of the manner in which CRD IV will be interpreted remain uncertain and may be subject to change

Many of the defined terms in the Terms and Conditions of the Capital Securities depend on the final interpretation and implementation of CRD IV. CRD IV is a recently-adopted set of rules and regulations that imposes a series of new requirements, many of which will be phased in over a number of years.

[1] Set at Issuer consolidated level and sub-consolidated level. For a more detailed view please refer to the paragraph *Regulatory capital position and requirements* on page 90 and further.

Although the CRD IV Directive has been implemented into Dutch law as per 1 August 2014 and CRR is directly applicable in each Member State, a number of important interpretational issues remain to be resolved through binding technical and implementing standards and guidelines and recommendations by the EBA that will be adopted in the future, and leaves certain other matters to the discretion of the competent authority. Certain amendments have been made by the European Commission to CRD IV by means of the EU Banking Reform Proposals, partly drawing from the Basel Committee further banking reform proposals.

Furthermore, any change in the laws or regulations of The Netherlands (including tax laws applicable to the Capital Securities), Applicable Banking Regulations or any change in the application or official interpretation thereof may in certain circumstances result in the Issuer having the option to redeem the Capital Securities in whole but not in part (see the risk factor "*The Capital Securities are subject to optional early redemption at the fifth anniversary of the Issue Date, each Reset Date thereafter or at any time upon the occurrence of a Tax Event or a Capital Event, subject to certain conditions*" below). If so redeemed, the Capital Securities would cease to be outstanding, which could materially and adversely affect investors and frustrate their investment strategies and goals.

Such legislative and regulatory uncertainty could affect an investor's ability to value the Capital Securities accurately and therefore affect the market price of the Capital Securities given the extent and impact on the Capital Securities of one or more regulatory or legislative changes.

A Holder may lose all of its investment in the Capital Securities, including the principal amount plus any accrued but unpaid interest, in the event that Statutory Loss Absorption occurs

In addition to being subject to a possible write-down as a result of the occurrence of a Trigger Event in accordance with the Terms and Conditions of the Capital Securities, the Capital Securities may also be subject to (i) the Write Down and Conversion Power (in circumstances where the Resolution Authority would, in its discretion, determine that the Issuer and/or the Group has reached the point of non-viability), (ii) the Bail-In Tool (in case the Issuer would meet the conditions for resolution) or (iii) subject to Chapter 6 FMSA (see the risk factor "*The Issuer is subject to changes in financial reporting standards, such as IFRS 9, IFRS 16 Leases, IFRS 17 Insurance contracts, or policies, including as a result of choices made by the Issuer, which could materially adversely affect Issuer's reported results of operations and financial condition and may have a corresponding material adverse impact on capital ratios*")**.**

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

(a) the Issuer is failing or likely to fail, which means (i) the Issuer has incurred/is likely to incur in the near future losses depleting all or substantially all its own funds, and/or (ii) the assets are/will be in the near future less than its liabilities, and/or (iii) the Issuer is/will be in the near future unable to pay its debts as they fall due, and/or (iv) the Issuer requires public financial support (except in limited circumstances);

(b) there is no reasonable prospect that a private action or supervisory action would prevent the failure; and

(c) a resolution action is necessary in the public interest.

Once it is determined that the Issuer meets the conditions for resolution, the Resolution Authority may apply the Bail-In Tool. When applying the Bail-In Tool, the Resolution Authority must apply the following order of priority:

1. CET1 capital instruments;

2. Additional Tier 1 capital instruments (such as Capital Securities qualifying as Additional Tier 1 instruments);

3. Tier 2 capital instruments;

4. eligible liabilities in the form of unsubordinated and unsecured debt that has a lower ranking within the meaning of article 212rb of the Dutch Bankruptcy Act

(*Faillissementswet*) (or any other provision implementing article 108 of Directive 2014/59/EU, as amended by the Article 108 Amending Directive, in The Netherlands) (Senior Non-Preferred);

5. eligible liabilities in the form of subordinated debt that is not Additional Tier 1 capital or Tier 2 capital in accordance with the hierarchy of claims in normal insolvency proceedings;

6. the rest of eligible liabilities (such as senior debt instruments) in accordance with the hierarchy of claims in normal insolvency proceedings.

Instruments of the same ranking are generally written down or converted to equity on a pro rata basis subject to certain exceptional circumstances set out in the BRRD.

Although the write-down or conversion into shares of the Capital Securities may be part of the Bail-In Tool, such write-down or conversion would in any event occur prior to bail in of Tier 2 capital instruments and senior debt instruments or other eligible liabilities.

It is possible that pursuant to the Dutch Intervention Act, BRRD, the SRM, the Revised State Aid Guidelines 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 Capital Securities, absorbing losses or otherwise affecting the rights and effective remedies of Holders in the course of any resolution of the Issuer. The Issuer is unable to predict what effects, if any, existing or future powers 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.

Exercise of the foregoing powers could involve taking various actions in relation to the Issuer or any securities issued by the Issuer (including the Capital Securities) without the consent of the Holders in the context of which any termination or acceleration rights or events of default may be disregarded. In addition, Holders will have no further claims in respect of any amount 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 Holders, the price or value of their investment in the Capital Securities and/or the ability of the Issuer to satisfy its obligations under the Capital Securities.

Holders may have only very limited rights to challenge and/or seek a suspension of any decision of the relevant Resolution Authority to exercise its (pre-)resolution powers or to have that decision reviewed by a judicial or administrative process or otherwise. Application of any of the measures, as described above, shall not constitute an event of default under the Capital Securities and Holders will have no further claims in respect of the amount so written down or subject to conversion or otherwise as a result of the application of such measures. Accordingly, if the Bail-In Tool or the Write Down and Conversion Power is applied, this may result in claims of Holders being written down or converted into equity. In addition, even in circumstances where a claim for compensation is established under the 'no creditor worse off' safeguard in accordance with a valuation performed after the resolution action has been taken, it is unlikely that such compensation would be equivalent to the full losses incurred by the Holders in the resolution of the Issuer and there can be no assurance that Holders would recover such compensation promptly.

The Dutch Intervention Act, the BRRD, the SRM and the Revised State Aid Guidelines could negatively affect the position of Holders and the credit rating attached to the Capital Securities, in particular if and when any of the above proceedings would be commenced against the Issuer, since the application of any such legislation may affect the rights and effective remedies of the Holders as well as the market value of the Capital Securities.

Statutory Loss Absorption

With a view to the developments described above, the Terms and Conditions of the Capital Securities stipulate that the Capital Securities 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 principal amount of the Capital Securities, including accrued but unpaid interest in respect thereof, must be written off or converted into CET1 instruments or otherwise be applied to absorb losses, all as prescribed

by the Applicable Resolution Framework ("**Statutory Loss Absorption**"). See Condition 8 (*Statutory Loss Absorption*).

Upon any such determination, (i) the relevant proportion of the outstanding nominal amount of the Capital Securities subject to Statutory Loss Absorption shall be written off or converted into CET1 instruments or otherwise be applied to absorb losses, as prescribed by the Applicable Resolution Framework, (ii) investors will have no further rights or claims in respect of the amount so written off or subject to conversion or otherwise as a result of such Statutory Loss Absorption and (iii) such Statutory Loss Absorption shall not constitute a default nor entitle investors to take any action to cause the bankruptcy, liquidation, dissolution or winding up of the Issuer.

Any written off amount as a result of Statutory Loss Absorption shall be irrevocably lost and investors will cease to have any claims for any principal amount and accrued but unpaid interest which has been subject to Statutory Loss Absorption.

In addition, the Terms and Conditions of the Capital Securities stipulate that, subject to the determination by the relevant Resolution Authority and without the consent of the investors, the Capital Securities may be subject to other resolution measures as envisaged under by the Applicable Resolution Framework; that such determination, the implementation thereof and the rights of investors shall be as prescribed by the Applicable Resolution Framework, which may, *inter alia*, include the concept that, upon such determination no investor shall be entitled to claim any indemnification arising from any such event and that any such event shall not constitute an event of default or entitle the Holders to take any action to cause the bankruptcy, liquidation, dissolution or winding up of the Issuer.

The determination that all or part of the nominal amount of the Capital Securities will be subject to Statutory Loss Absorption may be inherently unpredictable and may depend on a number of factors which may be outside of the Issuer's control. Accordingly, trading behaviour in respect of Capital Securities which are subject to Statutory Loss Absorption is not necessarily expected to follow trading behaviour associated with other types of securities. Any indication or actual or perceived increase in the likelihood that Capital Securities will become subject to Statutory Loss Absorption could have an adverse effect on the market price of the relevant Capital Securities. Potential investors should consider the risk that they may lose all of their investment in such Capital Securities, including the principal amount plus any accrued but unpaid interest, in the event that Statutory Loss Absorption occurs.

No scheduled redemption

The Capital Securities are undated securities in respect of which there is no fixed redemption or maturity date. The Issuer is under no obligation to redeem the Capital Securities at any time (see Condition 5 (*Redemption and Purchase*)); although the Terms and Conditions of the Capital Securities include several options for the Issuer to redeem the Capital Securities, there is no contractual incentive for the Issuer to exercise any of these call options and the Issuer has full discretion under the Terms and Conditions of the Capital Securities not to do so for any reason. There will be no redemption at the option of Holders.

This means that Holders of Capital Securities have no ability to cash in their investment, except:

(a) if the Issuer exercises its rights to redeem or purchase the Capital Securities;

(b) by selling their Capital Securities; or

(c) by claiming for any principal amounts due and not paid in any bankruptcy or dissolution or winding-up (*ontbinding en vereffening*) of the Issuer.

Accordingly there is uncertainty as to when (if ever) an investor in the Capital Securities will receive repayment of the Prevailing Principal Amount of the Capital Securities or a portion thereof.

The Capital Securities are subject to optional early redemption at the First Call Date, each Reset Date thereafter or at any time upon the occurrence of a Tax Event or a Capital Event, subject to certain conditions

The Issuer may, at its option, redeem all, but not some only, of the Capital Securities on the First Call Date or on each Reset Date thereafter (the "**Issuer Call Option**"), or at any time upon the occurrence of a Tax Event or a Capital Event, in each case at their Prevailing Principal Amount plus accrued and unpaid interest

(if any). Any such redemption shall be subject to Condition 5.6 (*Conditions for Redemption and Purchase*) which provides, among other things, that (i) the Competent Authority must give its prior written permission and (ii) the Issuer must demonstrate to the satisfaction of the Competent Authority that the Issuer complies with article 78 CRR (or any equivalent or substitute provision under Applicable Banking Regulations), which may include (a) the replacement of the Capital Securities with own funds instruments of equal or higher quality at terms that are sustainable for the income capacity of the Issuer or (b) that the own funds of the Issuer would, following such redemption or purchase, exceed its minimum own funds requirements (including any capital buffer requirements) by a margin (calculated in accordance with article 104(3) CRD IV Directive) that the Competent Authority considers necessary at such time. Also, the Issuer shall have the right to redeem the Capital Securities following a Principal Write Down before the Prevailing Principal Amount has been restored to the Original Principal Amount. Accordingly, Holders risk only receiving the amount of principal so reduced by the Principal Write Down.

An optional redemption feature is likely to limit the market value of the Capital Securities. During any period when the Issuer may elect, or in case of an actual or perceived increased likelihood that the Issuer may elect, to redeem the Capital Securities, the market value of the Capital Securities generally will not rise substantially above the price at which they can be redeemed. This may also be true prior to any redemption period. In addition, investors will not receive a make-whole amount or any other compensation in the event of any early redemption of Capital Securities.

It is not possible to predict whether any of the circumstances mentioned above will occur and so lead to the circumstances in which the Issuer is able to elect to redeem the Capital Securities, and if so, whether or not the Issuer will elect to exercise such option to redeem the Capital Securities.

If the Issuer redeems the Capital Securities in any of the circumstances mentioned above, there is a risk that the Capital Securities may be redeemed at times when the redemption proceeds are less than the current market value or the Original Principal Amount of the Capital Securities or when prevailing interest rates may be relatively low, in which latter case investors may only be able to reinvest the redemption proceeds in securities with a lower yield. Potential investors should consider reinvestment risk in light of other investments available at that time.

There is variation or substitution risk in respect of the Capital Securities

The Issuer may if a Tax Event or a Capital Event has occurred and is continuing, subject to compliance with any conditions prescribed under Applicable Banking Regulations, including the prior permission of the Competent Authority if required at the relevant time, but without any requirement for the consent or approval of the Holders, substitute the Capital Securities or vary the terms of the Capital Securities provided that they remain or, as appropriate, become compliant with Applicable Banking Regulations with respect to Additional Tier 1 Capital and that such substitution or variation shall not result in terms that are materially less favourable to the Holders (as reasonably determined by the Issuer). Following such variation or substitution the resulting securities must have, *inter alia*, at least the same ranking and interest rate and the same interest payment dates, redemption rights, existing rights to accrued interest which has not been paid and assigned the same ratings as the Capital Securities. Nonetheless, no assurance can be given as to whether any of these changes will negatively affect any particular investor. In addition, the tax and stamp duty consequences of holding such varied or substituted Capital Securities could be different for some categories of investors from the tax and stamp duty consequences of their holding the Capital Securities prior to such variation or substitution. See Condition 6 (*Substitution and Variation*) of the Terms and Conditions of the Capital Securities.

The Competent Authority has discretion as to whether or not it will approve any substitution or variation of the Capital Securities, if such permission is prescribed under the then Applicable Banking Regulations. 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 Capital Securities, as so substituted or varied, must be eligible as Additional Tier 1 Capital in accordance with the then prevailing Applicable Banking Regulations, which may include a requirement that (save in certain prescribed circumstances) the Capital Securities may not be redeemed or repurchased prior to five years after the effective date of such substitution or variation.

The Capital Securities are subject to modification, waivers and substitution

The Terms and Conditions of the Capital Securities contain provisions for convening meetings of Holders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Holders including Holders who did not attend and vote at the relevant meeting and Holders who voted in a manner contrary to the majority.

The Terms and Conditions of the Capital Securities also provide that the Issuer and the Agent may, without the consent of Holders, agree to (i) any modification (not being a modification requiring the approval of a meeting of Holders) of the Agency Agreement which is not materially prejudicial to the interests of Holders or (ii) any modification of the Capital Securities or the Agency Agreement which is of a formal, minor or technical nature or is made to correct a manifest or proven error or to comply with mandatory provisions of law or as a result of the operation of a benchmark replacement in accordance with Condition 3.1(d).

It is possible that any modified or substitution Capital Securities will contain Conditions that are contrary to the investment criteria of certain investors. Any resulting sale of the Capital Securities, or of the modified or substitution securities, may be adversely affected by market perception of and price movements in the terms of the modified or substitution securities.

The Terms and Conditions of the Capital Securities do not provide for events of default allowing acceleration of the Capital Securities

The Terms and Conditions of the Capital Securities do not provide for events of default allowing acceleration of the Capital Securities if certain events occur, for example if the Issuer fails to pay any amount of interest or principal when due. Also, the Capital Securities cannot cross default based on non-payment on other securities, except where such non-payment on other securities itself results in the winding-up of the Issuer. Accordingly, if the Issuer fails to meet any obligation under the Capital Securities, including the payment of interest or the Prevailing Principal Amount of the Capital Securities following the exercise of a right to redeem the Capital Securities as referred in Condition 5 (*Redemption and Purchase*), such failure will not give the Holder any right to accelerate the Capital Securities. Accrued but unpaid interest will be deemed cancelled (see the risk factor "*In certain circumstances, the Issuer may decide not to pay interest on the Capital Securities or may be required by the Terms and Conditions of the Capital Securities not to pay such interest*"). The sole remedy available to the Holder for recovery of amounts owing in respect of due but unpaid Prevailing Principal Amount will be to demand payment of its claim in the winding-up or liquidation of the Issuer. Liquidation or winding-up of the Issuer may take place if any of the events specified in the risk factor "*The Capital Securities constitute deeply subordinated obligations*" above were to occur. See Condition 11 (*Limited Remedies in case of Non-Payment*). Holders have limited power to invoke the liquidation of the Issuer and will be responsible for taking all steps necessary for submitting claims in any bankruptcy proceedings or voluntary liquidation in relation to any claims they may have against the Issuer.

Any right of set-off of any Holder at any time in respect of any amount owed to it by the Issuer arising under or in connection with the Capital Securities shall be excluded.

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

The Rate of Interest of the Capital Securities will be reset as from the First Call Date and as from each date which falls five, or an integral multiple of five, years after the First Call Date. Such Rate of Interest will be determined two Business Days prior to the relevant reset date and as such is not pre-defined at the date of issue of the Capital Securities; it may be lower than the Initial Rate of Interest and may adversely affect the yield or market value of the Capital Securities. See also the risk factor below "*The regulation and reform of "benchmarks" may adversely affect the value of Capital Securities*".

The regulation and reform of "benchmarks" may adversely affect the value of Capital Securities

The Euro Interbank Offered Rate ("**EURIBOR**") and other indices which are deemed to be "benchmarks" are the subject of recent national, international and other regulatory guidance and proposals for reform. Some of these reforms, such as the introduction of the Benchmarks Regulation (as defined below) are already effective while others are still to be implemented.

These reforms may cause such benchmarks to perform differently than in the past (as a result of a change in methodology or otherwise), to disappear entirely, create disincentives for market participants to continue to administer or participate in certain benchmarks or have other consequences which cannot be predicted.

Regulation (EU) 2016/1011 (the "**Benchmarks Regulation**") was published in the Official Journal of the EU on 29 June 2016 and applies from 1 January 2018. The Benchmarks Regulation applies to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark, within the EU. In particular, among other things, it (i) requires benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and (ii) prevents certain uses by EU supervised entities (such as the Issuer) of benchmarks of administrators that are not authorised or registered (or, if non-EU based, not deemed equivalent or recognised or endorsed).

Additionally, in March 2017, the European Money Markets Institute (the "**EMMI**") published a position paper referring to certain proposed reforms to EURIBOR, which reforms aim to clarify the EURIBOR specification, to develop a transaction-based methodology for EURIBOR and to align the relevant methodology with the Benchmarks Regulation, the IOSCO Principles for Financial Benchmarks and other regulatory recommendations. The EMMI has since indicated that there has been a "change in market activity as a result of the current regulatory requirements and a negative interest rate environment" and "under the current market conditions it will not be feasible to evolve the current EURIBOR methodology to a fully transaction-based methodology following a seamless transition path". It is the current intention of the EMMI to develop a hybrid methodology for EURIBOR.

The Benchmarks Regulation could have a material impact on the Capital Securities, as the Reset Rate of Interest is based on the 5-year Mid-Swap Rate Quotations which includes a floating leg based on six-month EURIBOR and which is deemed to be a "benchmark", in particular, if the methodology or other terms of the "benchmark" are changed in order to comply with the requirements of the Benchmarks Regulation. Pursuant to the fall-back provisions applicable to Capital Securities, the Issuer shall use reasonable endeavours to appoint an Independent Adviser, to determine a Successor Benchmark Rate or, failing which, an Alternative Benchmark Rate which shall be such rate, as the Independent Adviser determines has replaced the 5-year Mid-Swap Rate. If the Issuer is unable to appoint an Independent Adviser, or the Independent Adviser appointed by it fails to determine a Successor Benchmark Rate or an Alternative Benchmark Rate then the Issuer (in consultation with the Agent) may determine a Successor Benchmark Rate or if the Issuer fails to determine a Successor Benchmark Rate, an Alternative Benchmark Rate. If the Issuer is unable or unwilling to determine a Successor Benchmark Rate or an Alternative Benchmark Rate, the 5-year Mid-Swap Rate applicable to such Reset Period shall be equal to the 5-year Mid-Swap Rate that appeared on the most recent Screen Page that was available (which may be, for as long as no Successor Benchmark Rate or Alternative Benchmark Rate has been determined, each subsequent Reset Period). This may lead to a conflict between the interests of the Issuer and the Holders. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility or the level of the published rate or level of the "benchmark".

Furthermore, if a Successor Benchmark Rate or failing which an Alternative Benchmark Rate is determined by the Issuer or the Independent Adviser, the Issuer or the Independent Advisor (as the case may be) vary the Conditions, as necessary to ensure the proper operation of such Successor Benchmark Rate or Alternative Benchmark Rate, without any requirement for consent or approval of the holders of the Capital Securities.

If a Successor Benchmark Rate or an Alternative Benchmark Rate is determined by the Issuer, the Conditions also provide that an adjustment factor may be determined by the Issuer to be applied to such Successor Benchmark Rate or Alternative Benchmark Rate. The aim of such adjustment factor is to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit to Holders as a result of the 5-year Mid-Swap Rate being replaced with the Successor Benchmark Rate or with the Alternative Benchmark Rate.

Notwithstanding the above, no Successor Benchmark Rate or Alternative Benchmark Rate will be adopted, and no other amendments to the terms of the Capital Securities will be made pursuant to the fall-back provisions applicable to Capital Securities, if and to the extent that, in the determination of the Issuer, it could reasonably be expected to impact the eligibility of the Capital Securities as Additional Tier 1 Capital or result in the Competent Authority considering such adoption and/or amendment(s) as a new issuance of Capital Securities.

Under the Benchmarks Regulation, each of the Issuer and the Independent Adviser may be considered an 'administrator'. This is the case if it is considered to be in control over the provision of the Alternative Benchmark Rate and any adjustments made thereto and/or otherwise in determining the Reset Rate of Interest in the context of a fall-back scenario. This would mean that the Issuer and the Independent Adviser

has control over the (i) administration of the arrangements for determining such rate, (ii) collection, analysis or processes of input data for the purposes of determining such rate and (iii) determination of such rate through the application of a method of calculation or by an assessment of input data for that purpose. Furthermore, for the Issuer and the Independent Adviser to be considered an 'administrator' under the Benchmarks Regulation, the Alternative Benchmark Rate and any adjustments made thereto and/or otherwise in determining the Reset Rate of Interest in the context of a fall-back scenario may be a benchmark (index) within the meaning of the Benchmarks Regulation. This may be the case if the Alternative Benchmark Rate and any adjustments made thereto and/or otherwise in determining the Reset Rate of Interest in the context of a fall-back scenario, is published or made available to the public and regularly determined by the application of a method of calculation or by an assessment, and on the basis of certain values or surveys.

The Benchmarks Regulation stipulates that each administrator of a benchmark regulated thereunder or the benchmark itself must be registered, authorised, recognised or endorsed, as applicable, in accordance with the Benchmarks Regulation. There is a risk that administrators (which may include the Issuer and the Independent Adviser in the circumstances as described above) of certain benchmarks will fail to obtain such registration, authorisation, recognition or endorsement, preventing them from continuing to provide such benchmarks, or may otherwise choose to discontinue or no longer provide such benchmark. As a result, a fixed rate based on the rate which applied in the previous period when EURIBOR was available, may apply to the Capital Securities until the time that registration, authorised registration or endorsement of the relevant administrator has been completed or as substitute or successor rate for EURIBOR is available.

More broadly, any of the international, national or other proposals for reform, or the general increased regulatory scrutiny of "benchmarks", could increase the costs and risks of administering or otherwise participating in the setting of a "benchmark" and complying with any such regulations or requirements.

Such factors may have the following effects on certain "benchmarks": (i) discourage market participants from continuing to administer or contribute to such "benchmark"; (ii) trigger changes in the rules or methodologies used in the "benchmarks" or (iii) lead to the disappearance of the "benchmark" without being replaced by a successor benchmark. Any of the above changes or any other consequential changes as a result of international, national or other proposals for reform or other initiatives or investigations, could have a material adverse effect on the value of and return on the Capital Securities.

Potential investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the Benchmarks Regulation and benchmark reforms, investigations and licensing issues in making any investment decision with respect to the Capital Securities.

Change of law and jurisdiction may impact the Capital Securities

Change of law

No assurance can be given as to the impact of any possible judicial decision or change to Dutch, European or any applicable laws, regulations or administrative practices after the date of this Prospectus. Such changes in law may (including tax laws) include, but are not limited to, the introduction of, or amendments to, a variety of statutory resolution and loss absorption tools and regulatory and resolution capital requirements (including the EU Banking Reform Proposals) which may affect the rights of Holders or the risks attached to an investment in the Capital Securities.

Jurisdiction

Prospective investors should note that the courts of The Netherlands shall have jurisdiction in respect of any disputes involving the Capital Securities. Holders may take any suit, action or proceedings arising out of or in connection with the Capital Securities against the Issuer in any court of competent jurisdiction. The laws of The Netherlands may be materially different from the equivalent law in the home state jurisdiction of prospective investors in its application to the Capital Securities.

Because the Global Capital Security is held on behalf of Euroclear and Clearstream, Luxembourg, investors will have to rely on the procedures for transfer, payment and communication with the Issuer

of Euroclear and Clearstream, Luxembourg and any nominee service providers used by such investors to hold their investment in the Capital Securities

The Capital Securities will be represented by the Temporary Global Security which is exchangeable for the Permanent Global Security. The Global Capital Securities will be held by a common safekeeper for Euroclear and Clearstream, Luxembourg. Holders will not be entitled to receive Definitive Capital Securities, except in certain limited circumstances, as more fully described in the section headed "*Form of the Capital Securities*" below. For as long as the Capital Securities are represented by a Global Capital Security held by a common safekeeper for Euroclear and/or Clearstream, Luxembourg, payments of principal, interest (if any) and any other amounts on the Global Capital Securities will be made through Euroclear and/or Clearstream, Luxembourg (as the case may be) against presentation or surrender (as the case may be) of the relevant Global Capital Security. The bearer of the relevant Global Capital Security, being the common safekeeper for Euroclear and/or Clearstream, Luxembourg, shall be treated by the Issuer, the Agent and any Paying Agent as the sole holder of the Capital Securities represented by such Global Capital Security with respect to the payment of principal, interest (if any) and any other amounts payable in respect of the Capital Securities. No person other than the holder of such Global Capital Security shall have any claim against the Issuer in respect of any payments due on that Global Capital Security. The term Holder in these risk factors and the Terms and Conditions should be construed accordingly.

Consequently, where a nominee service provider is used by an investor to hold the relevant Capital Securities or such investor holds interests in any Capital Securities through accounts with Euroclear or Clearstream, Luxembourg, such investor must look solely to Euroclear or Clearstream, Luxembourg and the relevant nominee service provider for its share of each payment made by the Issuer in respect of principal, interest, (if any) or any other amounts due, as applicable, solely on the basis of the arrangements entered into by the investor with the relevant nominee service provider and Euroclear or Clearstream, Luxembourg, as the case may be. Such investor must rely on the relevant nominee service provider or Euroclear or Clearstream, Luxembourg, as the case may be, to distribute all payments attributable to the relevant Capital Securities which are received from the Issuer. Accordingly, such an investor will be exposed to the credit risk of, and default risk in respect of, the relevant nominee service provider or clearing system, as well as the Issuer.

For the purposes of (a) distributing any notices to Holders, (b) recognizing Holders for the purposes of attending and/or voting at any meetings of holders and (c) a notice, following any of the events listed in Condition 11 (*Limited Remedies in case of Non-Payment*), by any Holder in which it is declared that the Capital Security held by a Holder is forthwith due and payable (as described in Condition 11 (*Limited Remedies in case of Non-Payment*)), the Issuer will recognise as Holders only those persons who are at any time shown as accountholders in the records of Euroclear and/or Clearstream, Luxembourg as persons holding a principal amount of Capital Securities. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Capital Securities. Accordingly, unless it is an accountholder itself, an investor cannot act directly against the Issuer and must rely upon the nominee service provider which is the accountholder with Euroclear and/or Clearstream, Luxembourg through which the investor made arrangements to invest in the Capital Securities, to forward notices received by it from Euroclear and/or Clearstream, Luxembourg, to return the investor's voting instructions or voting certificate application to Euroclear and/or Clearstream, Luxembourg or to forward the notice referred to under (c) above to the Issuer at the specified office of the Agent. Accordingly, such an investor will be exposed to the risk that the relevant nominee service provider or Euroclear and/or Clearstream, Luxembourg may fail to pass on the relevant notice to, or fail to take relevant instructions from, the investor. In addition, such a holder will only be able to trade any Capital Security held by it with the assistance of Euroclear and/or Clearstream, Luxembourg and/or the relevant nominee service provider, as the case may be.

Furthermore, should a Capital Security be accelerated in the limited circumstances described in Condition 11 (*Limited Remedies in case of Non-Payment*) (see the risk factor "*The Terms and Conditions of the Capital Securities do not provide for events of default allowing acceleration of the Capital Securities*" above) where any Capital Security is still represented by a Global Capital Security, only investors which are accountholders holding their Capital Securities so represented and credited to their account with Euroclear or Clearstream, Luxembourg, will become entitled to proceed directly against the Issuer ("direct rights"). Any other investors in the Capital Securities will have to rely upon the nominee service provider which is the accountholder with Euroclear and/or Clearstream, Luxembourg through which such investor made arrangements to invest in the Capital Securities or should require such nominee service provide to transfer such direct rights to the investor.

None of the Issuer, any Joint Bookrunner or the Agent shall be responsible for the acts or omissions of any relevant nominee service provider or Euroclear or Clearstream, Luxembourg, nor makes any representation or warranty, express or implied, as to the services provided by any relevant nominee service provider or Euroclear or Clearstream, Luxembourg.

Each investor in the Capital Securities must act independently as they do not have the benefit of a trustee

Because the Capital Securities will not be issued pursuant to an indenture or trust deed, investors in the Capital Securities will not have the benefit of a trustee to act upon their behalf and each investor will be responsible for acting independently with respect to certain matters affecting such interests in the Capital Securities, including accelerating the Capital Securities upon the occurrence of any of the events listed in Condition 11 (*Limited Remedies in case of Non Payment*), and responding to any requests for consents, waivers or amendments.

Definitive Capital Securities where denominations involve integral multiples may be subject to minimum denomination considerations

As the Capital Securities have a denomination consisting of the minimum denomination of €200,000 plus integral multiples of €1,000 in excess thereof up to (and including) €399,000, it is possible that such Capital Securities may be traded in amounts that are not integral multiples of such minimum denomination of €200,000. In such a case a holder who, as a result of trading such amounts, holds an amount which is less than the minimum denomination of €200,000 in its account with the relevant clearing system at the relevant time may not receive a Definitive Capital Security in respect of such holding (in the limited circumstances in which Definitive Capital Securities could be printed) and would need to purchase a principal amount of Capital Securities such that its holding amounts to €200,000.

If Definitive Capital Securities would ever be issued, holders should be aware that Definitive Capital Securities which have a denomination that is not an integral multiple of minimum denomination of €200,000 may be illiquid and difficult to trade.

Tax consequences of holding the Capital Securities may be complex

Potential purchasers and sellers of the Capital Securities should be aware that they may be required to pay taxes or documentary charges or duties in accordance with the laws and practices of the country where the Capital Securities are transferred or other jurisdictions. In some jurisdictions, no official statements of the tax authorities or court decisions may be available in relation to the tax treatment of financial instruments such as the Capital Securities. Potential investors are advised not to rely solely upon the tax summary contained in this Prospectus but to ask for their own tax adviser's advice on their individual taxation with respect to the acquisition, holding, sale and redemption of the Capital Securities. Only such adviser is in a position to duly consider the specific situation of the potential investor. This risk factor should be read in connection with the taxation sections of this Prospectus. See "*Taxation*" below. See also the risk factors "*Deductibility of payments on the Capital Securities*", "*Dutch withholding tax on payments in respect of the Capital Securities*", "*Dutch tax risks related to the Dutch government's coalition agreement and letter on certain policy intentions for tax reform*", "*Holders may be subject to withholding tax under FATCA*" and "*Financial Transaction Tax*" below.

Deductibility of payments on the Capital Securities

As of 1 January 2014 up to and including 31 December 2018, article 29a of the Corporate Income Tax Act 1969 (*Wet op de vennootschapsbelasting 1969, "***CITA**") was into force which article provides, among others, for debt treatment of securities that qualify as Additional Tier 1 Capital under article 52 of the CRR in respect of the determination of the profit for Dutch corporate income tax purposes. In addition, article 29a CITA determined that such securities do not qualify as a loan within the meaning of article 10, paragraph 1, under d CITA. As a result, the interest payments on Additional Tier 1 Capital were not limited in deductibility on the basis of article 10, paragraph 1 under d CITA. Provided no other specific interest deduction limitation rule of the CITA applied, the interest payments on Additional Tier 1 Capital were deductible for Dutch corporate income tax purposes pursuant to the CITA. However, as of 1 January 2019, article 29a CITA has been abolished. The assumed view of the Dutch government is that without article 29a CITA the interest due in respect of the Capital Securities will not be deductible for Dutch corporate

income tax purposes. The assumed view of the Dutch government is based on the position that the Capital Securities do not qualify as a debt instrument (*vreemd vermogen*) for Dutch civil law purposes. This position is not undebated and may be subject to legal challenge. Currently, the deductibility of the interest payments on the Capital Securities for Dutch corporate income tax purposes is therefore uncertain. Should it be determined that based on the tax legislation in force as of the date of this Prospectus that the interest payments on the Capital Securities would not be deductible for Dutch corporate income tax purposes, this will not trigger the conditions for redemption of the Capital Securities under Condition 5.3 (*Redemption for Taxation Reasons*). However, if such determination were made with respect to the Capital Securities, the non-deductibility of interest may cause the Issuer to redeem the Capital Securities at the earliest possible date.

Dutch withholding tax on payments in respect of the Capital Securities

The absence of any Dutch withholding tax on payments in respect of the Capital Securities, as referred to in the paragraph 1(a) (*Withholding Tax*) of the section "Taxation – The Netherlands", is based, amongst others, on public statements made by the Dutch Minister of Finance and the Dutch State Secretary of Finance confirming that no Dutch dividend withholding tax is payable on the coupons of Tier 1 capital instruments. If the Dutch Minister of Finance and/or the Dutch State Secretary for Finance change their position on Tier 1 capital instruments and if the interest payments by the Issuer on the Capital Securities would be subject to withholding tax imposed by The Netherlands, the Issuer could be entitled to exercise its right to redeem the Capital Securities pursuant to clause Condition 5.3 (*Redemption for Taxation Reasons*) and subject to Condition 5.6 (*Conditions for Redemption and Purchase*).

It is not certain whether the European Commission agrees with the reasoning of the Dutch government with respect to the absence of withholding tax. It is possible that the European Commission takes the position that not requiring the imposition of withholding tax on Tier 1 capital instruments is in contravention of EU state aid prohibitions.

Dutch tax risks related to the Dutch government's coalition agreement and letter on certain policy intentions for tax reform

On 10 October 2017, the Dutch government released its coalition agreement (*Regeerakkoord*) 2017-2021, which includes, among others, certain policy intentions for tax reform. On 23 February 2018, the Dutch State Secretary for Finance published a letter with an annex containing further details on the government's policy intentions against tax avoidance and tax evasion. These intentions have been included in the Tax Plan 2019 (*Pakket Belastingplan 2019*) and related legislative proposals as published by the Dutch government as part of Budget Day 2018 on 18 September 2018. Two policy intentions in particular may become relevant in the context of the Dutch tax treatment of the Issuer, the Capital Securities, and/or payments under the Capital Securities.

The first policy intention relates to the introduction of a withholding tax on interest paid to creditors in low tax jurisdictions or non-cooperative jurisdictions as of 2021. The coalition agreement and the annex to the letter on tax avoidance and tax evasion suggest that this interest withholding tax would apply to certain payments made by a Dutch entity directly or indirectly to a group or related entity in a low tax or non-cooperative jurisdiction. This intention is reconfirmed in the letter of the Dutch State Secretary for Finance of 15 October 2018. However, it cannot be ruled out that, contrary to the information publicly available to date, this will have a wider application and, as such, it could potentially be applicable to payments under the Capital Securities.

The second policy intention relates to the introduction of a thin capitalisation rule for banks and insurers as of 2020 for which a draft legislative proposal has been published subject to public consultation. Based on the draft legislative proposal, the thin capitalisation rule would limit the deduction of interest payments on debt instruments if, in broad terms, the leverage ratio of a bank, or the own funds ratio of an insurer, is less than 8%. The draft legislative proposal suggests that this thin capitalisation rule will apply solely to banks

and insurers with a license or notification of the Dutch Central Bank to operate as such in The Netherlands (including the Issuer).

Many aspects of these policy intentions remain unclear. However, if the policy intentions are implemented in Dutch law, it may have an adverse effect on the Issuer and its financial position and may give rise to an event whereby the Issuer may redeem the Capital Securities pursuant to its option under Condition 5.3 (*Redemption for Taxation Reasons*).

Holders may be subject to withholding tax under FATCA

Under sections 1471-1474 of the United States Internal Revenue Code of 1986 enacted by the United States as part of the HIRE Act in March 2010 (commonly referred to as Foreign Account Tax Compliance Act, ("**FATCA**")), payments may be subject to withholding if the payment is either US source, or a foreign pass thru payment. The Netherlands has concluded an agreement with the United States of America to Improve International Tax Compliance and to Implement FATCA, a so-called IGA. Under this agreement, parties are committed to work together, along with other jurisdictions that have concluded an IGA, to develop a practical and effective alternative approach to achieve the FATCA objectives of foreign pass thru payment and gross proceeds withholding that minimizes burden. The Issuer is established and resident in The Netherlands and therefore benefits from this IGA.

If an amount in respect of FATCA withholding tax were to be deducted or withheld from any payments on the Capital Securities, neither the Issuer nor any paying agent would be required to pay any additional amounts as a result of the deduction or withholding of such tax. As a result, investors who are non-US financial institutions ("**FFI**") that have not entered into an FFI agreement (or otherwise established an exemption from withholding under FATCA), investors that hold Capital Securities through such FFIs or investors that are not FFIs but have failed to provide required information or waivers to an FFI may be subject to withholding tax for which no additional amount will be paid by the Issuer. Holders should consult their own tax advisers on how these rules may apply to payments they receive under the Capital Securities.

Financial transaction tax

On 14 February 2013, the European Commission published a proposal (the "**Commission's Proposal**") for a Directive for a common financial transaction tax ("**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 Capital Securities (including secondary market transactions) in certain circumstances.

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 Capital Securities 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.

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

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

Legality of purchase

Neither the Issuer nor any of its affiliates has or assumes responsibility for the lawfulness of the acquisition of the Capital Securities by a prospective investor in the Capital Securities, whether under the laws of the

jurisdiction of its incorporation or the jurisdiction in which it operates (if different), or for compliance by that prospective investor with any law, regulation or regulatory policy applicable to it. The Joint Bookrunners are also required to comply with the Regulations and as a result of this compliance, prospective investors will be required to give the representations, warranties, agreements and undertakings as set out on page vi of this Prospectus.

Legal investment considerations may restrict certain investments

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

An investor's actual yield on the Capital Securities may be reduced from the stated yield by transaction costs

When Capital Securities are purchased or sold, several types of incidental costs (including transaction fees and commissions) are incurred in addition to the current price of the security. These incidental costs may significantly reduce or even exclude the profit potential of the Capital Securities. For instance, credit institutions as a rule charge their clients for own commissions which are either fixed minimum commissions or pro-rata commissions depending on the order value. To the extent that additional – domestic or foreign – parties are involved in the execution of an order, including but not limited to domestic dealers or brokers in foreign markets, investors must take into account that they may also be charged for the brokerage fees, commissions and other fees and expenses of such parties (third party costs).

In addition to such costs directly related to the purchase of securities (direct costs), investors must also take into account any follow-up costs (such as custody fees). Prospective investors should inform themselves about any additional costs incurred in connection with the purchase, custody or sale of the Capital Securities before investing in the Capital Securities.

Risks related to the market generally

Set out below is a brief description of the principal market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

A secondary market may not develop for the Capital Securities

If the Capital Securities are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the Issuer.

The Capital Securities may have no established trading market when issued, and one may never develop. If a market does develop, it may not be very liquid. Therefore, investors may not be able to sell their Capital Securities easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. Illiquidity may have a severely adverse effect on the market value of Capital Securities.

Market liquidity in hybrid financial instruments similar to the Capital Securities has historically been limited. In the event a trigger event occurs in relation to an Additional Tier 1 instrument or interest payments are suspended, potential price contagion and volatility to the entire asset class is possible. Any indication or perceived indication that the Issuer solo-consolidated CET1 Ratio, the Issuer sub-consolidated CET1 Ratio and/or the Group CET1 Ratio is trending towards the minimum applicable combined capital buffer and/or the MDA trigger level may have an adverse effect on the market price of the Capital Securities. Similarly, any indication or perceived indication that the amount of Distributable Items available to pay interest on the Capital Securities is decreasing may have an adverse effect on the market price of the Capital Securities. Moreover, the Issuer's discretion regarding the payment of interest significantly increases uncertainty in the valuation of Additional Tier 1 instruments, this uncertainty might have a negative impact on liquidity and volatility of the Capital Securities.

Moreover, although pursuant to Condition 5.5 (*Purchases*) the Issuer can purchase Capital Securities, the Issuer is not obliged to do so and any such purchase is subject to permission by the competent authority and restricted in any case in the first 5 years after the Issue Date. Purchases made by the Issuer could affect the liquidity of the secondary market of the Capital Securities and thus the price and the conditions under which investors can negotiate these Capital Securities on the secondary market. Furthermore, the Capital Securities may trade with accrued interest, which may be reflected in the trading price of the Capital Securities. However, if a payment of interest on any interest payment date is cancelled (in whole or in part) as described herein and thus is not due and payable, purchasers of such Capital Securities will not be entitled to such interest payment on the relevant interest payment date.

In addition, investors should be aware of the prevailing and widely reported global credit market conditions, whereby there is a general lack of liquidity in the secondary market which may result in investors suffering losses on the Capital Securities in secondary resales even if there is no decline in the performance of the Capital Securities or the assets of the Issuer. The Issuer cannot predict whether these circumstances will change and whether, if and when they do change, there will be a more liquid market for the Capital Securities and instruments similar to the Capital Securities at that time.

Although application has been made for the Capital Securities to be listed on Euronext Amsterdam, there is no assurance that such application will be accepted or that an active trading market will develop.

The Capital Securities are subject to exchange rate risks and exchange controls

The Issuer will pay principal and interest on the Capital Securities in Euro. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than Euro. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Euro or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Euro would decrease (i) the Investor's Currency-equivalent yield on the Capital Securities, (ii) the Investor's Currency-equivalent value of the principal payable on the Capital Securities and (iii) the Investor's Currency-equivalent market value of the Capital Securities.

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

The price of Capital Securities is affected by changes in interest rates

Investment in the Capital Securities involves the risk that subsequent changes in market interest rates may adversely affect the value of the Capital Securities.

The credit ratings of the Capital Securities or the Issuer may not reflect all risks

Moody's and S&P have assigned or are expected to assign an expected rating to the Capital Securities. In addition, each of Standard & Poor's, Moody's and Fitch has assigned credit ratings to the Issuer. These ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Capital Securities or the standing of the Issuer. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

In addition, there is no guarantee that any rating of the Capital Securities and/or the Issuer will be maintained by the Issuer following the date of this Prospectus. If any rating assigned to the Capital Securities and/or the Issuer is revised lower, suspended, withdrawn or not maintained by the Issuer, the market value of the Capital Securities may be reduced.

In addition to ratings assigned by any hired rating agencies, rating agencies not hired by the Issuer to rate the Capital Securities may assign unsolicited ratings. If any non-hired rating agency assigns an unsolicited rating to the Capital Securities, there can be no assurance that such rating will not differ from, or be lower than, the ratings provided by a hired rating agency. The decision to decline a rating assigned by a hired rating agency, the delayed publication of such rating or the assignment of a non-solicited rating by a rating agency not hired by the Issuer could adversely affect the market value and liquidity of the Capital Securities.

The Issuer, the Agent and the Joint Bookrunners may engage in transactions adversely affecting the interests of the holders of Capital Securities

The Agent, the Joint Bookrunners and their affiliates have engaged in, and may in the future engage in, investment banking and other commercial dealings in the ordinary course of business with the Issuer or its affiliates. They have received, or may in the future receive, customary fees and commissions for these transactions. In addition, in the ordinary course of their business activities, the Joint Bookrunners 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 its affiliates. The Joint Bookrunners 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. Potential investors should be aware that the interests of the Issuer may conflict with the interests of the holders of the Capital Securities. Moreover, investors should be aware that the Issuer, acting in whatever capacity, will not have any obligations vis-à-vis investors and, in particular, it will not be obliged to protect the interests of investors.

OVERVIEW

This overview must be read as an introduction to this Prospectus and any decision to invest in any Capital Securities should be based on a consideration of this Prospectus as a whole, including the documents incorporated by reference. The following overview does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Prospectus.

Words and expressions defined in "*Terms and Conditions of the Capital Securities*" and "*Form of the Capital Securities*" below, respectively, shall have the same meanings in this overview.

Issuer:	LeasePlan Corporation N.V.
Joint Bookrunners:	Citigroup Global Markets Limited, Deutsche Bank Aktiengesellschaft, HSBC Bank plc, J.P. Morgan Securities plc and Société Générale
The Capital Securities:	€500,000,000 Undated Deeply Subordinated Additional Tier 1 Fixed Rate Resettable Callable Capital Securities
Agent:	Deutsche Bank AG, London Branch
Currency:	Euro
Issue Price:	100 per cent. of the principal amount of the Capital Securities
Issue Date:	29 May 2019
Form:	The Capital Securities are in bearer new global note ("**NGN**") form and will initially be represented by a Temporary Global Capital Security which will be deposited on the Issue Date with a common safekeeper for Euroclear and/or Clearstream, Luxembourg. The Temporary Global Capital Security will be exchangeable as described therein for a Permanent Global Capital Security not earlier than 40 days after the Issue Date, upon certification as to non-U.S. beneficial ownership. The Permanent Global Capital Security will be exchangeable for definitive Capital Securities only upon the occurrence of an Exchange Event and if permitted by applicable law, all as described in "*Form of the Capital Securities*" below. Any interest in a Global Capital Security will be transferable only in accordance with the rules and procedures for the time being of Euroclear and/or Clearstream, Luxembourg.
Maturity Date:	The Capital Securities are perpetual and have no fixed maturity date.
Denominations:	€200,000 and integral multiples of €1,000 in excess thereof up to (and including) €399,000.
Status:	The Capital Securities constitute unsecured and deeply subordinated obligations of the Issuer. The rights and claims (if any) of Holders to payment of the Prevailing Principal Amount of the

Capital Securities and any other amounts in respect of the Capital Securities (including any accrued interest or damages awarded for breach of any obligations under the Conditions, if any are payable) shall in the event of the liquidation or bankruptcy of the Issuer rank, subject to any rights or claims which are mandatorily preferred by law,

(a) junior to the rights and claims of creditors in respect of Senior Obligations (including Tier 2 instruments), present and future;

(b) *pari passu* without any preference among themselves and with all rights and claims of creditors in respect of Parity Obligations, present and future; and

(c) senior only to the rights and claims of creditors in respect of Junior Obligations, present and future.

By virtue of such subordination, payments to a Holder will, in the event of the liquidation or bankruptcy of the Issuer, only be made after all Senior Obligations of the Issuer have been satisfied.

Any right of set-off of any Holder at any time in respect of any amount owed to it by the Issuer arising under or in connection with the Capital Securities or Coupons shall be excluded.

Interest:

Subject as described under "Interest Cancellation" below, interest will accrue on the outstanding Prevailing Principal Amount of the Capital Securities on a non-cumulative basis:

(a) from (and including) the Issue Date to (but excluding) the First Call Date, at a fixed rate of 7.375 per cent. per annum; and

(b) from (and including) the First Call Date and thereafter, at a fixed rate per annum reset on each Reset Date based on the prevailing 5-year Mid-Swap Rate plus 7.556 per cent., such sum converted from an annual rate to a semi-annual rate in accordance with the then prevailing market convention,

payable semi-annually in arrear in equal instalments on 29 May and 29 November of each year.

Interest Cancellation:

The Issuer may, in its sole discretion (but subject at all times to the requirements for mandatory cancellation of interest payments), elect to cancel

any interest payment (in whole or in part) which is otherwise due to be paid.

Further, the Issuer shall cancel (in whole or in part, as applicable) any interest payment, otherwise due to be paid to the extent that:

(a) the payment of such interest, when aggregated with any interest payments or distributions paid or scheduled for payment on the Capital Securities and all other own funds instruments (excluding any Tier 2 instruments) plus any principal write-ups, where applicable, would cause the amount of Distributable Items (if any) then available to the Issuer to be exceeded; or

(b) the payment of such interest would cause, when aggregated together with other distributions of the kind referred to in article 3:62b Wft (implementing article 141(2) CRD IV Directive) plus any principal write-ups, where applicable, the Maximum Distributable Amount (if any) to be exceeded; or

(c) the Competent Authority orders the Issuer to cancel the payment of such interest.

Any interest (or part thereof) not paid by reason of cancellation shall be cancelled and shall not:

(i) accumulate or be payable at any time thereafter and Holders shall have no further rights or claims in respect of any interest (or part thereof) not paid, whether in the case of bankruptcy, liquidation or the dissolution of the Issuer or otherwise;

(ii) constitute an event of default of the Issuer or a breach of the Issuer's other obligations or duties or a failure to perform by the Issuer in any manner whatsoever;

(iii) entitle the Holders to any compensation or to take any action to cause the bankruptcy, liquidation or dissolution or winding up of the Issuer; or

(iv) in any way impose restrictions on the Issuer, including (but not limited to) restricting the Issuer from making any distribution or equivalent payment in connection with Junior Obligations or Parity Obligations.

Trigger Event:

A "**Trigger Event**" will occur if, at any time (i) the Issuer solo-consolidated CET1 Ratio is less than 5.125 per cent. and/or (ii) the Issuer sub-consolidated CET1 Ratio is less than 5.125 per cent. and/or (iii) the Group CET1 Ratio is less than

5.125 per cent. as determined by the Issuer, the Competent Authority or any agent appointed for such purpose by the Competent Authority.

Principal Write-down:

On a Trigger Event Write-down Date, the Issuer shall:

(a) irrevocably cancel all interest accrued on each Capital Security up to (and including) the Trigger Event Write-down Date (whether or not the same has become due at such time); and

(b) irrevocably reduce the then Prevailing Principal Amount of each Capital Security by the relevant Write-down Amount (such reduction being referred to as a "**Principal Write-down**", and "**Written Down**" being construed accordingly) with effect from the Trigger Event Write-down Date, such Principal Write-down to be effected, save as may be otherwise required by Applicable Banking Regulations and/or the Competent Authority, subject to Condition 7.1(e) (*Other Loss Absorbing Instruments*), *pro rata* and concurrently (or substantially concurrently) with the Principal Write-down of the other Capital Securities and the write-down or conversion into equity (as the case may be) of the then prevailing principal amount of any Loss Absorbing Instruments to be written-down and/or converted concurrently (or substantially concurrently) with the Capital Securities.

"**Write-down Amount**" means, on any Trigger Event Write-down Date, the amount by which the then Prevailing Principal Amount of each outstanding Capital Security is to be Written Down and which is calculated per Calculation Amount of such Capital Security, being the minimum of:

(i) the amount per Calculation Amount (together with, subject to Condition 7.1(e) (*Other Loss Absorbing Instruments*), the concurrent (or substantially concurrent) *pro rata* Principal Write-down of the other Capital Securities and the write-down or conversion into equity of the prevailing principal amount of any Loss Absorbing Instruments to be written-down and/or converted concurrently (or substantially concurrently) with the Capital Securities) that would be sufficient to immediately restore the Issuer solo-consolidated CET1 Ratio, the Issuer sub-consolidated CET1 Ratio and the Group CET1 Ratio to not less than

5.125 per cent. (as the case may be), provided that, with respect to each Loss Absorbing Instrument (if any), such pro rata write down and/or conversion shall only be taken into account to the extent required to restore the Issuer solo-consolidated CET1 Ratio, the Issuer sub-consolidated CET1 Ratio and the Group CET1 Ratio (as the case may be) contemplated above to the lower of (x) such Loss Absorbing Instrument's trigger level and (y) the trigger level in respect of which the relevant Trigger Event under the Capital Securities has occurred, in each case, in accordance with the terms of the relevant instruments and the Applicable Banking Regulations; or

(ii) if the amount determined in accordance with (i) above would be insufficient to restore the Issuer solo-consolidated CET1 Ratio, the Issuer sub-consolidated CET1 Ratio and the Group CET1 Ratio to not less than 5.125 per cent. (as applicable) the amount necessary to reduce the Prevailing Principal Amount of the Capital Security to one cent.

A Principal Write-down may occur on one or more occasions and accordingly the Capital Securities may be Written Down on one or more occasions (provided, however, that the principal amount of a Capital Security shall never be reduced to below one cent).

Any Principal Write-down of the Capital Securities shall not:

(a) constitute an event of default of the Issuer or a breach of the Issuer's other obligations or duties or a failure to perform by the Issuer in any manner whatsoever;

(b) constitute the occurrence of any event related to the insolvency of the Issuer or entitle the Holders to any compensation or to take any action to cause the bankruptcy, liquidation, dissolution or winding up of the Issuer.

The Holders shall have no further rights or claims against the Issuer (whether in the case of bankruptcy, liquidation or the dissolution or winding up of the Issuer or otherwise) with respect to any interest cancelled and any principal Written Down (including, but not limited to, any right to receive accrued but unpaid and future interest or any right of repayment of principal, but without prejudice to their rights in respect of any reinstated

principal following a Principal Write-up as described under "Principal Write-up" below).

Principal Write-up:

Subject to compliance with the Applicable Banking Regulations, if a positive Net Profit is recorded (a "**Return to Financial Health**") at any time while the Prevailing Principal Amount is less than the Original Principal Amount, the Issuer may, at its full discretion but subject to the Maximum Distributable Amount (when aggregated together with other distributions of the Issuer of the kind referred to in article 3:62b Wft (implementing article 141(2) CRD IV Directive)) not being exceeded thereby, increase the Prevailing Principal Amount of each Capital Security (a "**Principal Write-up**") up to a maximum of its Original Principal Amount on a *pro rata* basis with the other Capital Securities and with any other Discretionary Temporary Write-down Instruments (based on the then prevailing principal amounts thereof), provided that the Maximum Write-up Amount is not exceeded.

The "**Maximum Write-up Amount**" means the lower of (i) the Solo-consolidated Maximum Write-up Amount, (ii) the Sub-consolidated Maximum Write-up Amount and (iii) the Consolidated Maximum Write-up Amount.

Statutory Loss Absorption:

The Capital Securities 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 principal amount of the Capital Securities, including accrued but unpaid interest in respect thereof, must be written off or converted into CET1 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 Capital Securities subject to Statutory Loss Absorption shall be written off or converted into CET1 instruments or otherwise be applied to absorb losses, as prescribed by the Applicable Resolution Framework (ii) Holders have no further rights or claims, whether in the case of bankruptcy, liquidation or the dissolution or winding up of the Issuer or otherwise in respect of the amount written off or subject to conversion or otherwise as a result such Statutory Loss Absorption, (iii) such Statutory Loss Absorption shall not constitute any of the events listed in Condition 11 (*Limited Remedies in case of Non Payment*) or a breach of the Issuer's other obligations or duties or a failure to perform by the Issuer in any manner whatsoever and (iv) such Statutory Loss Absorption shall not constitute the occurrence of any event related to the insolvency of the Issuer or entitle the Holders to any

compensation or to take any action to cause the bankruptcy, liquidation, dissolution or winding up of the Issuer.

Issuer Call Option on and after the First Call Date:

Subject to Condition 5.6 (*Conditions for Redemption and Purchase*), the Issuer may, at its option, redeem the Capital Securities on 29 May 2024 (the "**First Call Date**") or on each Reset Date thereafter, in whole but not in part, at their Prevailing Principal Amount, together with accrued and unpaid interest to, but excluding, the date of redemption (unless cancelled or deemed cancelled).

Tax Call Option:

Subject to Condition 5.6 (*Conditions for Redemption and Purchase*), if, on the occasion of the next payment due under the Capital Securities, a Tax Event has occurred, then the Issuer may, at its option, redeem the Capital Securities in whole (but not in part), at any time at their Prevailing Principal Amount together with accrued and unpaid interest (excluding interest which has been cancelled or deemed cancelled in accordance with these Conditions) to, but excluding, the date of redemption and any additional amounts payable in accordance with Condition 9 (*Taxation*).

The Competent Authority may only permit the Issuer to redeem the Capital Securities before the First Call Date on the occurrence of a Tax Event if, without prejudice to Condition 5.6 (*Conditions for Redemption and Purchase*), the Tax Event constitutes a change in the applicable tax treatment of the Capital Securities and the Issuer demonstrates to the satisfaction of the Competent Authority that such change is material and was not reasonably foreseeable at the time of their issuance.

"**Tax Event**" means that as a result of, or in connection with, any change in, or amendment to, or proposed amendment to, the laws or regulations of, or applicable in, The Netherlands or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation or the pronouncement by any relevant tax authority that differs from the previously generally accepted position in relation to the Capital Securities, which change or amendment becomes effective on or after the Issue Date (a) to the extent (prior to the relevant (proposed) amendment, change or pronouncement) the Issuer is entitled to claim full or substantially full relief for the purposes of Dutch corporate income tax for any interest payable under the Capital Securities, it will not obtain full or substantially full relief for the purposes of Dutch corporate income tax for any interest payable under the Capital Securities or (b) on the occasion of the next payment due under the Capital Securities, the Issuer has or will become obliged to pay additional

amounts as provided or referred to in Condition 9 (*Taxation*).

Regulatory Call Option:

Subject to Condition 5.6 (*Conditions for Redemption and Purchase*), the Issuer may at its option redeem the Capital Securities (in whole but not in part), at any time at their Prevailing Principal Amount, together with interest accrued to but excluding the date of redemption (unless cancelled or deemed cancelled) upon the occurrence of a Capital Event.

The Competent Authority may only permit the Issuer to redeem the Capital Securities before the First Call Date on the occurrence of a Capital Event if, without prejudice to Condition 5.6 (*Conditions for Redemption and Purchase*) below, the Competent Authority considers the Capital Event sufficiently certain and the Issuer demonstrates to the satisfaction of the Competent Authority that the Capital Event was not reasonably foreseeable at the time of their issuance.

A "**Capital Event**" shall occur if there is a change in the regulatory classification of the Capital Securities that has resulted or would be likely to result in the Capital Securities being excluded, in whole or in part, from the Additional Tier 1 Capital of the Issuer (on a solo-consolidated or sub-consolidated basis) and/or Group (on a consolidated basis) or reclassified as a lower quality form of own funds of the Issuer (on a solo-consolidated or sub-consolidated basis) and/or Group (on a consolidated basis), which change in regulatory classification (or reclassification) becomes effective on or after the Issue Date.

Conditions for Redemption and Purchase:

Any optional redemption of Capital Securities and any purchase of Capital Securities is, *inter alia*, subject to:

(a) the Competent Authority having given its prior written permission to such redemption or purchase; and

(b) the Issuer having demonstrated to the satisfaction of the Competent Authority that the Issuer complies with article 78 CRR (or any equivalent or substitute provision under Applicable Banking Regulations), which may include (a) the replacement of the Capital Securities with own funds instruments of equal or higher quality at terms that are sustainable for the income capacity of the Issuer or (b) that the own funds of the Issuer would, following such redemption or purchase, exceed its minimum own funds requirements (including any capital buffer requirements) by a margin that the

	Competent Authority considers necessary at such time.
Taxation:	All payments of principal and interest in respect of the Capital Securities will be made without withholding or deducting taxes of The Netherlands, unless such withholding or deduction is required by law. In that event, the Issuer will pay such additional amounts as will result in the Holders receiving such amounts of interest as they would have received in respect of the Capital Securities had no such withholding been required, subject to certain exceptions, as provided in Condition 9 (*Taxation).*
Substitution and Variation:	The Issuer may if a Capital Event or a Tax Event has occurred and is continuing, subject to compliance with any conditions prescribed under Applicable Banking Regulations, including the prior permission of the Competent Authority (if required), at its option, without any requirement for the consent or approval of the Holders, substitute all (but not some only) of the Capital Securities or vary the terms of all (but not some only) of the Capital Securities provided that they remain or, as appropriate, become compliant with Applicable Banking Regulations with respect to Additional Tier 1 Capital and that such substitution or variation shall not result in terms that are materially less favourable to the Holders (as reasonably determined by the Issuer). Following such variation or substitution the resulting securities must have at least, *inter alia*, the same ranking, interest rate, redemption rights, existing rights to accrued interest which has not been paid and assigned the same ratings as the Capital Securities.
Purchases:	The Issuer or any of its subsidiaries may at their option, subject to Condition 5.6 (*Conditions for Redemption and Purchase*) (as applicable), at any time purchase Capital Securities in the open market or otherwise and at any price, save that any such purchase may not take place within 5 years after the Issue Date unless permitted by Applicable Banking Regulations. Such Capital Securities may be held, re-issued, resold or, at the option of the Issuer, surrendered to any Paying Agent for cancellation.
Limited Remedies in case of Non-Payment:	Any failure by the Issuer to pay interest or the Prevailing Principal Amount when due in respect of the Capital Securities shall not constitute an event of default and does not give Holders any right to demand repayment of the Prevailing Principal Amount.

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

(a) the Issuer is declared bankrupt (*failliet*), or a declaration in respect of the Issuer is made under article 3:163(1)(b) 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 Capital Securities,

then any Holder may declare its Capital Securities to be forthwith due and payable whereupon the same shall become forthwith due and payable at its Prevailing Principal Amount and any accrued but unpaid interest from the previous Interest Payment Date up to (but excluding) the date of repayment (unless cancelled or deemed cancelled) provided that repayment of Capital Securities 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).

No other remedy against the Issuer shall be available to the Holders, whether for recovery of amounts owing in respect of the Capital Securities or in respect of any breach by the Issuer of any of its obligations under or in respect of the Capital Securities.

Meetings of Holders and Modification:

The Agency Agreement contains provisions for convening meetings of the Holders to consider matters relating to the Capital Securities, including the sanctioning by an Extraordinary Resolution of a modification of the Capital Securities or certain provisions of the Agency Agreement.

Subject to obtaining the permission therefore from the Competent Authority if so required, the Agent and the Issuer may agree, without the consent of the Holders, to:

(a) any modification (except as mentioned above) of the Agency Agreement which is not materially prejudicial to the interests of the Holders; or

(b) any modification of the Capital Securities or the Agency Agreement which is of a formal, minor or technical nature or is made to correct a manifest or proven error or to comply with mandatory provisions of law.

Governing Law:	The Capital Securities and the Agency Agreement will be governed by, and construed in accordance with, the laws of The Netherlands.
Ratings:	The Capital Securities are expected to be rated Ba3 by Moody's and B+ by S&P. Moody's and S&P are established in the European Union and is registered under Regulation (EC) No. 1060/2009 (as amended). A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.
Listing and Admission to Trading:	Application has been made to list the Capital Securities on Euronext Amsterdam.
Selling Restrictions:	There are selling restrictions in relation to the United Kingdom, the United States, Japan, Canada, Hong Kong, Italy, Belgium, Singapore and Switzerland, see "*Subscription and Sale*" below. The Issuer is Category 2 for the purposes of Regulation S under the U.S. Securities Act of 1933, as amended. The TEFRA D Rules shall apply.
Risk Factors:	There are certain factors that may affect the Issuer's ability to fulfil its obligations under the Capital Securities. These include risks relating to the Issuer's business, see "*Risk Factors*" above. In addition, there are factors which are material for the purpose of assessing the market risks associated with the Capital Securities. These include the fact that the Capital Securities may not be a suitable investment for all investors and certain market risks, see "*Risk Factors*" above.
Use of Proceeds:	The net proceeds of the issue of the Capital Securities will be applied by the Issuer for its general corporate purposes and to strengthen its capital base.
Clearing Systems:	Euroclear and Clearstream, Luxembourg
ISIN:	XS2003473829
Common Code:	200347382

DOCUMENTS INCORPORATED BY REFERENCE

The following documents which have previously been published or are published simultaneously with this Prospectus and have been filed with the AFM shall be deemed to be incorporated in, and to form part of, this Prospectus:

(a) the articles of association of the Issuer which can be obtained from https://www.leaseplan.com/corporate/~/media/Files/L/Leaseplan/documents/media-library/2018/articles-of-association.pdf;

(b) the publicly available audited consolidated and unconsolidated annual financial statements of the Issuer for 2018 (as set out on pages 90 through 98 and pages 99 through 189 of the 2018 annual report in respect of the Issuer, including the auditor's report thereon on pages 190 through 201); and the publicly available audited consolidated and unconsolidated annual financial statements of the Issuer for 2017 (as set out on pages 117 through 248 of the 2017 annual report in respect of the Issuer, including the auditor's report thereon on pages 252 through 257); and the unaudited reviewed condensed consolidated interim financial statements for the three month period ended 31 March 2019 and the review report of the independent auditor thereon, included in the Q1 Report 2019 set forth on pages 6 to 37, which can respectively be obtained from https://www.leaseplan.com/corporate/~/media/Files/L/Leaseplan/documents/leaseplan-corporation-annualreport-2017.pdf and from https://www.leaseplan.com/corporate/investors/annual-report-2018/pdf/LeasePlan-Anual-Report-2018.pdf; and https://www.leaseplan.com/corporate/~/media/Files/L/Leaseplan/documents/news-articles/2019/leaseplan-corporation-q1-2019-results.pdf; and

(c) the publicly available audited consolidated and unconsolidated annual financial statements of LP Group B.V. for 2018 (as set out on pages 24 through 155 of the 2018 annual report in respect of LP Group B.V., including the auditor's report thereon on pages 5 through 7); and the publicly available audited consolidated and unconsolidated annual financial statements of LP Group B.V. for 2017 (as set out on pages 9 through 111 of the 2017 annual report in respect of LP Group B.V., including the auditor's report thereon on pages 114 through 116), which can respectively be obtained from https://www.leaseplan.com/corporate/~/media/Files/L/Leaseplan/documents/lp-group-bv-annual-report-2017.pdf and https://www.leaseplan.com/corporate/~/media/Files/L/Leaseplan/documents/lp-group-bv-annual-report-2017.pdf,

save that any statement contained in a document which is incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise).

Any information contained in any of the documents specified above which is not incorporated by reference in this Prospectus is either not relevant to investors or is covered elsewhere in this Prospectus.

The Issuer will provide, without charge, to each person to whom a copy of this Prospectus has been delivered, upon the request of such person, a copy of any or all of the documents deemed to be incorporated herein by reference. Requests for such documents should be directed to the Issuer at its registered office at: Gustav Mahlerlaan 360, 1082 ME Amsterdam, The Netherlands, by telephone: +31 20 709 3000 or by e-mail: financelegal@leaseplan.com. Such documents can also be obtained in electronic form from the Issuer's website (http://www.leaseplan.com/corporate). The other information included on or linked to through this website or in any website referred to in any document incorporated by reference into this Prospectus is not a part of this Prospectus.

TERMS AND CONDITIONS OF THE CAPITAL SECURITIES

Introduction

The €500,000,000 Undated Deeply Subordinated Additional Tier 1 Fixed Rate Resettable Callable Capital Securities (the "**Capital Securities**", which expression shall in these Terms and Conditions (the "**Conditions**"), unless the context otherwise requires, include any further capital securities issued pursuant to Condition 17 (*Further Issues*) and forming a single series with the Capital Securities) of LeasePlan Corporation N.V. (the "**Issuer**", which expression shall include any substituted debtor or transferee pursuant to Condition 8 (*Statutory Loss Absorption*)) have the benefit of an agency agreement dated the Issue Date (such agreement as amended and/or supplemented and/or restated from time to time, the "**Agency Agreement**") made between the Issuer, Deutsche Bank AG, London Branch as issuing and principal paying agent and agent bank (in such capacity the "**Agent**" which expression shall include any successor Agent) and any other paying agents appointed pursuant to the Agency Agreement (together with the Agent, the "**Paying Agents**", which expression shall include any successor or additional paying agent appointed from time to time in connection with the Capital Securities).

References herein to the Capital Securities shall mean (i) in relation to any Capital Securities represented by a global Capital Security (a "**Global Capital Security**"), units of the lowest specified denomination, (ii) definitive Capital Securities issued in exchange (or part exchange) for a Global Capital Security and (iii) any Global Capital Security.

Any reference herein to Coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons. Any reference herein to "**Holders**" shall mean the holders of the Capital Securities, and shall, in relation to any Capital Securities represented by a Global Capital Security, be construed as provided below. Any reference herein to "**Couponholders**" shall mean the holders of the Coupons (as defined below), and shall, unless the context otherwise requires, include the holders of the Talons (as defined below).

Copies of the Agency Agreement are available for viewing at the Specified Offices (as defined in the Agency Agreement) during normal business hours of each of the Agent and the other Paying Agents, the original Specified Offices of which are set out below, and at the registered offices of the Issuer and of the Agent and copies may be obtained from those offices. The Holders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Agency Agreement which are binding on them.

Words and expressions defined in the Agency Agreement shall have the same meanings where used in these Conditions unless the context otherwise requires or unless otherwise stated.

1. Form, Denomination and Title

The Capital Securities are in bearer form and, in the case of definitive Capital Securities, serially numbered and with interest coupons ("**Coupons**") and talons for further Coupons ("**Talons**") attached.

Subject as set out below, title to the Capital Securities and Coupons will pass by delivery. Except as ordered by a court of competent jurisdiction or as required by law or applicable regulations, the Issuer, the Agent and the Paying Agents may deem and treat the bearer of any Capital Security or Coupon as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any Global Capital Security, without prejudice to the provisions set out in the next succeeding paragraph.

For so long as any of the Capital Securities is represented by a Global Capital Security held on behalf of Euroclear Bank SA/NV ("**Euroclear**") and/or Clearstream Banking, S.A. ("**Clearstream,**

Luxembourg" and together with Euroclear; the "**Securities Settlement System**"), each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of the Securities Settlement System as the holder of a particular nominal amount of such Capital Securities (in which regard any certificate or other document issued by the Securities Settlement System as to the nominal amount of Capital Securities standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer and the Paying Agents as the holder of such nominal amount of such Capital Securities for all purposes other than with respect to the payment of principal or interest on the Capital Securities, for which purpose the bearer of the relevant Global Capital Security shall be treated by the Issuer and the Paying Agents as the holder of such Capital Securities in accordance with and subject to the terms of the relevant Global Capital Security (and the expression "**Holder**" and related expressions shall be construed accordingly). Capital Securities which are represented by a Global Capital Security held by a common depositary or a common safekeeper for the Securities Settlement System will be transferable only in accordance with the rules and procedures for the time being of the Securities Settlement System.

The Capital Securities are issued in denominations of €200,000 and integral multiples of €1,000 in excess thereof up to (and including) €399,000 and can only be settled through the Securities Settlement System in nominal amounts equal to a whole denomination (or a whole multiple thereof).

2. Status of the Capital Securities

2.1 Status

The Capital Securities and Coupons constitute unsecured and deeply subordinated obligations of the Issuer. The rights and claims of the Holders and Couponholders are subordinated as described in Condition 2.2 (*Subordination*).

2.2 Subordination

The rights and claims (if any) of the Holders and Couponholders to payment of the Prevailing Principal Amount of the Capital Securities and any other amounts in respect of the Capital Securities (including any accrued interest or damages awarded for breach of any obligations under these Conditions, if any are payable) shall in the event of the liquidation or bankruptcy of the Issuer rank, subject to any rights or claims which are mandatorily preferred by law,

(i) junior to the rights and claims of creditors in respect of Senior Obligations, present and future;

(ii) *pari passu* without any preference among themselves and with all rights and claims of creditors in respect of Parity Obligations, present and future; and

(iii) senior only to the rights and claims of creditors in respect of Junior Obligations, present and future.

By virtue of such subordination, payments to a Holder or Couponholder will, in the event of the liquidation or bankruptcy of the Issuer, only be made after all Senior Obligations of the Issuer have been satisfied.

2.3 No set-off

Any right of set-off of any Holder or Couponholder at any time in respect of any amount owed to it by the Issuer arising under or in connection with the Capital Securities or Coupons shall be excluded.

3. Interest and interest cancellation

3.1 Interest

(a) Interest rate and Interest Payment Dates

The Capital Securities bear interest on their outstanding Prevailing Principal Amount at the applicable Rate of Interest from (and including) the Issue Date. Subject to cancellation of any interest payment (in whole or in part) pursuant to Condition 3.2 (*Interest cancellation*) or Condition 7 (*Principal Write-down and Principal Write-up*), interest shall be payable semi-annually in arrear in equal instalments on each Interest Payment Date.

The amount of interest per €1,000 in Original Principal Amount payable on the Interest Payment Date in respect of each Interest Period commencing before the First Call Date, provided there is no Principal Write-down pursuant to Condition 7 (*Principal Write-down and Principal Write-up*) and subject to any cancellation of interest (in whole or in part) pursuant to Condition 3.2 (*Interest cancellation*), will be €36.88.

The Rate of Interest for each Interest Period commencing on or after the First Call Date will be the Reset Rate of Interest applicable to the Reset Period during which such Interest Period falls plus the Margin, such sum converted from an annual rate to a semi-annual rate in accordance with the then prevailing market convention, all as determined by the Agent. The Agent will, as soon as practicable after 11:00 a.m. (Central European time) on each Reset Rate of Interest Determination Date, determine the applicable Reset Rate of Interest.

(b) Interest Accrual

Subject always to Condition 7 (*Principal Write-down and Principal Write-up*) and to cancellation of interest (in whole or in part) pursuant to Condition 3.2 (*Interest cancellation*), each Capital Security will cease to bear interest from and including its due date for redemption.

(c) Publication of Reset Rate of Interest and amount of interest

The Agent will cause each Reset Rate of Interest and the amount of interest payable per Calculation Amount for each Reset Period commencing on or after the First Call Date determined by it to be notified to each listing authority, stock exchange and/or quotation system (if any) by which the Capital Securities have then been admitted to listing, trading and/or quotation as soon as practicable after such determination but in any event not later than the relevant Reset Date. Notice thereof shall also promptly be given to the Holders in accordance with Condition 15 (*Notices*) by the Agent.

(d) Benchmark Replacement

References in this Condition 3.1(d) (and in the definitions of Adjustment Spread, Alternative Reference Rate, Benchmark Event, Relevant Nominating Body and Successor Benchmark Rate) to the 5-year Mid-Swap Rate shall be the rate described in paragraph (a) of such definition. Notwithstanding the provisions above in this Condition 3, if the Issuer determines that a Benchmark Event occurs in relation the 5-year Mid-Swap Rate, then the following provisions shall apply:

(i) the Issuer shall use reasonable endeavours to appoint an Independent Adviser to determine (A) a Successor Benchmark Rate or (B) if such Independent Adviser fails so to determine a Successor Benchmark Rate, an Alternative Benchmark Rate and in each case, an Adjustment Spread (if any), no later than three Business Days prior to the Reset Rate of Interest Determination Date relating to the next succeeding Reset Period (the "**IA Determination Cut-off Date**") for purposes of determining the 5-year Mid-Swap Rate for all future Reset Periods (subject to the subsequent operation of this Condition 3.1(d));

(ii) if the Issuer is unable to appoint an Independent Adviser, or the Independent Adviser appointed by it fails to determine a Successor Benchmark Rate or an Alternative Benchmark Rate prior to the IA Determination Cut-off Date in accordance with Condition 3.1(d)(i) above, then the Issuer (in consultation with the Agent and acting in

good faith and a commercially reasonable manner) may determine (A) a Successor Benchmark Rate or (B) if the Issuer fails so to determine a Successor Benchmark Rate, an Alternative Benchmark Rate; provided, however, that if this Condition 3.1(d)(ii) applies and the Issuer is unable or unwilling to determine a Successor Benchmark Rate or an Alternative Benchmark Rate prior to the Reset Rate of Interest Determination Date relating to the next succeeding Reset Period in accordance with this Condition 3.1(d)(iii), the 5-year Mid-Swap Rate applicable to such Reset Period shall be equal to the 5-Year Reset Rate that appeared on the most recent Screen Page that was available (which may be, for as long as no Successor Benchmark Rate or Alternative Benchmark Rate has been determined in accordance with this Condition 3.1(d), each subsequent Reset Period);

(iii) if a Successor Benchmark Rate or failing which an Alternative Benchmark Rate is determined in accordance with the preceding provisions, such Successor Benchmark or failing which Alternative Benchmark Rate, including any Adjustment Spread shall be the reference rate (5-year Mid Swap Rate) in relation to the Capital Securities for all future Reset Periods (subject to the subsequent operation of this Condition 3.1(d));

(iv) if the Independent Adviser or the Issuer determines a Successor Benchmark or an Alternative Benchmark Rate in accordance with the above provisions, and if the Independent Adviser or the Issuer (as the case may be), determines that an Adjustment Spread is required to be applied to such Successor Benchmark or Alternative Benchmark Rate and determines to the best of its knowledge and capability (acting in good faith and in a commercially reasonable manner) the quantum of, or a formula or methodology for determining such Adjustment Spread, then such Adjustment Spread shall be applied to such a Successor Benchmark or Alternative Benchmark Rate for all future Interest Periods (subject to the subsequent operation of, and adjustment as provided in, this Condition 3.1(d));

(v) if the Independent Adviser or the Issuer determines a Successor Benchmark or an Alternative Benchmark Rate in accordance with the above provisions, the Independent Adviser or the Issuer (as the case may be), may also determine in its reasonable discretion any necessary changes to the 5-year Mid-Swap Rate, the mid-swap floating leg benchmark rate, the day count fraction, the business day convention, the Business Days and/or the Reset Rate of Interest Determination Date applicable to the Capital Securities (including any necessary adjustment factor that is necessary to make the 5-year Mid-Swap Rate comparable to a 5-year mid-swap rate based on the 6-months interbank deposit rate), and the method for determining the fallback rate in relation to the Capital Securities, in order to follow market practice in relation to such Successor Benchmark Rate or Alternative Benchmark Rate, which changes shall be deemed to apply to the Capital Securities for all future Reset Periods (subject to the subsequent operation of this Condition 3.1(d)); and

(vi) the Issuer shall, promptly following the determination of any Successor Benchmark Rate or Alternative Benchmark Rate, give notice thereof and of any changes which are deemed to apply to the Capital Securities pursuant to Condition 3.1(d)(v) above in accordance with Condition 15 (*Notices*) to the Holders and to each listing authority, stock exchange and/or quotation system (if any) by which the Capital Securities have then been admitted to listing, trading and/or quotation.

Notwithstanding any other provision of this Condition 3.1(d), no Successor Benchmark Rate or Alternative Benchmark Rate will be adopted, and no other amendments to the terms of the Capital Securities will be made pursuant to this Condition 3.1(d), if and to the extent that, in the determination of the Issuer, the same could reasonably be expected to impact upon the eligibility

of the Capital Securities for eligibility as Additional Tier 1 Capital or result in the Competent Authority considering such adoption and/or amendment(s) as a new issuance of Capital Securities.

(e) Notifications etc.

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 3 (*Interest and interest cancellation*) by the Agent or, as the case may be, any Independent Adviser or the Issuer shall (in the absence of manifest error) be binding on the Issuer, the Paying Agents and the Holders and (subject as aforesaid) no liability to any such person will attach to the Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes.

(f) Calculation of interest amounts and any broken amounts

Save as provided above in respect of equal instalments, the amount of interest payable per Calculation Amount (subject to Condition 7 (*Principal Write-down and Principal Write-up*) and to cancellation in whole or in part pursuant to Condition 3.2 (*Interest cancellation*)) in respect of each Capital Security for any period (an "**Accrual Period**", being the period from and including the date from which interest begins to accrue to but excluding the date on which it falls due) shall be calculated by the Agent by:

(i) applying the applicable Rate of Interest to the Calculation Amount;

(ii) multiplying the product thereof by (a) the actual number of days in the Accrual Period divided by (b) two times the Accrual Period; and

(iii) rounding the resulting figure to the nearest cent (half a cent being rounded upwards).

If the Prevailing Principal Amount of the Capital Securities changes on one or more occasions during any Accrual Period, the Agent shall separately calculate the amount of interest (in accordance with this Condition 3.1(f)) accrued on each Capital Security for each period within such Accrual Period during which a different Prevailing Principal Amount subsists, and the aggregate of such amounts shall be the amount of interest payable (subject to Condition 7 (*Principal Write-down and Principal Write-up*) and to cancellation in whole or in part pursuant to Condition 3.2 (*Interest cancellation*)) in respect of a Capital Security for the relevant Accrual Period.

3.2 Interest cancellation

(a) Optional cancellation of interest

The Issuer may, in its sole discretion (but subject at all times to the requirements for mandatory cancellation of interest payments pursuant to Condition 3.2(b), at any time elect to cancel any interest payment (in whole or in part) which is otherwise due to be paid ("**Optional Cancellation of Interest**").

(b) Mandatory cancellation of interest

The Issuer shall cancel (in whole or in part, as applicable) any interest payment, otherwise due to be paid to the extent that:

(i) the payment of such interest when aggregated with any interest payments or distributions paid or scheduled for payment in the then current Financial Year on the Capital Securities and all other own funds instruments (excluding any Tier 2 instruments) plus any principal write-ups, where applicable, would cause the amount of Distributable Items (if any) then available to the Issuer to be exceeded; or

(ii) the payment of such interest would cause, when aggregated together with other distributions of the kind referred to in article 3:62b Wft (implementing article 141(2) CRD IV Directive)

plus any principal write-ups, where applicable, the Maximum Distributable Amount (if any) to be exceeded; or

(iii) the Competent Authority orders the Issuer to cancel the payment of such interest;

together the "**Mandatory Cancellation of Interest**".

Interest payments may also be cancelled in accordance with Condition 7 (*Principal Write-down and Principal Write-up*).

(c) Notice of cancellation of interest

Upon the Issuer electing (pursuant to Condition 3.2(a)) or determining that it shall be required (pursuant to Condition 3.2(b)) to cancel (in whole or in part) any interest payment, the Issuer shall as soon as reasonably practicable give notice to the Holders in accordance with Condition 15 (*Notices*), specifying the amount of the relevant cancellation and, accordingly, the amount (if any) of the relevant interest that will be paid on the relevant Interest Payment Date; provided, however, that any failure to provide such notice will not have any impact on the effectiveness of, or otherwise invalidate, any such cancellation or deemed cancellation of interest, or give Holders any rights as a result of such failure.

In the absence of such notice being given, if the Issuer does not make an interest payment on the relevant due date (or if the Issuer elects to make a payment of a portion, but not all, of such interest payment), such non-payment shall evidence the Issuer's exercise of its discretion or obligation to cancel such interest payment (or the portion of such interest payment not paid), and accordingly such interest (or the portion thereof not paid) shall not be due and payable.

If the Issuer provides notice to cancel a portion, but not all, of an interest payment and the Issuer subsequently does not make a payment of the remaining portion of such interest on the relevant interest payment date, such non-payment shall evidence the Issuer's exercise of its discretion to cancel such remaining portion of interest, and accordingly such remaining portion of interest shall also not be due and payable.

(d) Interest non-cumulative; no event of default

Any interest (or part thereof) not paid by reason of Optional Cancellation of Interest or Mandatory Cancellation of Interest above or pursuant to Condition 7.1(c) shall be cancelled and shall not:

(i) accumulate or be payable at any time thereafter and Holders shall have no further rights or claims in respect of any interest (or part thereof) not paid, whether in the case of bankruptcy (*faillissement*), liquidation *(liquidatie*) or the dissolution or winding up (*ontbinding en vereffening*) of the Issuer or otherwise;

(ii) constitute an event of default of the Issuer or a breach of the Issuer's other obligations or duties or a failure to perform by the Issuer in any manner whatsoever;

(iii) entitle the Holders to any compensation or to take any action to cause the bankruptcy (*faillissement*), liquidation (*liquidatie*), dissolution or winding up (*ontbinding en vereffening*) of the Issuer;

(iv) in any way impose restrictions on the Issuer, including (but not limited to) restricting the Issuer from making any distribution or equivalent payment in connection with Junior Obligations or Parity Obligations.

4. Payments

(a) Principal

Payments of principal shall be made only against presentation and (*provided that* payment is made in

full) surrender of Capital Securities at the Specified Office of any Paying Agent outside the United States by Euro cheque drawn on, or by transfer to a Euro account (or other account to which Euro may be credited or transferred) maintained by the payee with, a bank in a city in which banks have access to the TARGET System.

(b) Interest

Payments of interest shall, subject to paragraph (g) (*Payments other than in respect of matured Coupons*) below, be made only against presentation and (*provided that* payment is made in full) surrender of the appropriate Coupons at the Specified Office of any Paying Agent outside the United States in the manner described in paragraph (a) (*Principal*) above.

(c) Global Form

Payments of principal and interest (if any) in respect of Capital Securities represented by a Global Capital Security will (subject as provided below) be made in the manner specified above in relation to definitive Capital Securities and otherwise in the manner specified in the relevant Global Capital Security, where applicable, against presentation or surrender, as the case may be, of such Global Capital Security at the Specified Office of any Paying Agent outside the United States. A record of each payment made, distinguishing between any payment of principal and any payment of interest, will be made on such Global Capital Security either by such Paying Agent to which it was presented or in the records of relevant Securities Settlement System.

The holder of a Global Capital Security shall be the only person entitled to receive payments in respect of Capital Securities represented by such Global Capital Security and the Issuer will be discharged by payment to, or to the order of, the holder of such Global Capital Security in respect of each amount so paid. Each of the persons shown in the records of relevant Securities Settlement System as the beneficial holder of a particular nominal amount of Capital Securities represented by such Global Capital Security must look solely to the relevant Securities Settlement System, for his share of each payment so made by the Issuer to, or to the order of, the holder of such Global Capital Security. No person other than the holder of such Global Capital Security shall have any claim against the Issuer in respect of any payments due on that Global Capital Security.

(d) Payments subject to fiscal or other laws

All payments in respect of the Capital Securities are subject in all cases to any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 9 (*Taxation*).

(e) Deduction for unmatured Coupons

If a Capital Security is presented without all unmatured Coupons relating thereto, then:

(i) if the aggregate amount of the missing Coupons is less than or equal to the amount of principal due for payment, a sum equal to the aggregate amount of the missing Coupons will be deducted from the amount of principal due for payment; *provided, however, that* if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of such missing Coupons which the gross amount actually available for payment bears to the amount of principal due for payment;

(ii) if the aggregate amount of the missing Coupons is greater than the amount of principal due for payment:

(A) so many of such missing Coupons shall become void (in inverse order of maturity) as will result in the aggregate amount of the remainder of

such missing Coupons (the "**Relevant Coupons**") being equal to the amount of principal due for payment; *provided, however, that* where this sub-paragraph would otherwise require a fraction of a missing Coupon to become void, such missing Coupon shall become void in its entirety; and

(B) a sum equal to the aggregate amount of the Relevant Coupons (or, if less, the amount of principal due for payment) will be deducted from the amount of principal due for payment; *provided, however, that*, if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of the Relevant Coupons (or, as the case may be, the amount of principal due for payment) which the gross amount actually available for payment bears to the amount of principal due for payment.

Each sum of principal so deducted shall be paid in the manner provided in paragraph (a) (*Principal*) above against presentation and (*provided that* payment is made in full) surrender of the relevant missing Coupons at any time before the expiry of ten years after the Relevant Date (as defined in Condition 9.1 (*Payment without Withholding*)) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 10 (*Prescription*)) or, if later, five years from the date on which such Coupon would otherwise have become due. No payments will be made in respect of void Coupons.

(f) Payments on Business Days

If the due date for payment of any amount in respect of any Capital Security or Coupon is not a Business Day in the place of presentation, the holder shall not be entitled to payment in such place of the amount due until the next succeeding Business Day in such place and shall not be entitled to any further interest or other payment in respect of any such delay.

(g) Payments other than in respect of matured Coupons

Payments of interest other than in respect of matured Coupons shall be made only against presentation of the relevant Capital Securities at the Specified Office of any Paying Agent outside the United States.

(h) Partial payments

If a Paying Agent makes a partial payment in respect of any Capital Security or Coupon presented to it for payment, such Paying Agent will endorse thereon a statement indicating the amount and the date of such payment.

5. Redemption and Purchase

5.1 No fixed maturity

The Capital Securities are perpetual and have no fixed maturity date. The Capital Securities will become repayable only as provided in this Condition 5 (*Redemption and Purchase*) and in Condition 11 (*Limited Remedies in case of Non-Payment*).

5.2 Redemption at the Option of the Issuer

Subject to Condition 5.6 (*Conditions for Redemption and Purchase*), the Issuer may, at its option, having given:

(a) not less than 15 nor more than 30 days' notice to the Holders in accordance with Condition 15

(*Notices*); and

(b) notice to the Agent not less than 15 days before the giving of the notice referred to in (a),

(which notices shall, subject as provided in Condition 5.6 (*Conditions for Redemption and Purchase*), be irrevocable and shall specify the date fixed for redemption), redeem all (but not some only) of the Capital Securities on the First Call Date or on each Reset Date thereafter at their Prevailing Principal Amount, together with accrued and unpaid interest (excluding interest which has been cancelled or deemed cancelled in accordance with these Conditions) to, but excluding, the date of redemption and any additional amounts payable in accordance with Condition 9 (*Taxation*).

5.3 Redemption for Taxation Reasons

Subject to Condition 5.6 (*Conditions for Redemption and Purchase*), if, on the occasion of the next payment due under the Capital Securities, a Tax Event has occurred, then the Issuer, after having given not less than 30 nor more than 60 days' notice to the Holders in accordance with Condition 15 (*Notices*) (which notice shall, subject as provided in Condition 5.6 (*Conditions for Redemption and Purchase*), be irrevocable) may, at its option, redeem the Capital Securities in whole (but not in part), at any time at their Prevailing Principal Amount together with accrued and unpaid interest (excluding interest which has been cancelled or deemed cancelled in accordance with these Conditions) to, but excluding, the date of redemption and any additional amounts payable in accordance with Condition 9 (*Taxation*).

The Competent Authority may only permit the Issuer to redeem the Capital Securities before the First Call Date on the occurrence of a Tax Event if, without prejudice to Condition 5.6 (*Conditions for Redemption and Purchase*) below, the Tax Event constitutes a change in the applicable tax treatment of the Capital Securities and the Issuer demonstrates to the satisfaction of the Competent Authority that such change is material and was not reasonably foreseeable at the time of their issuance.

5.4 Redemption upon a Capital Event

Subject to Condition 5.6 (*Conditions for Redemption and Purchase*), upon the occurrence of a Capital Event, the Issuer may at its option, having given not less than 30 nor more than 60 days' notice to the Holders in accordance with Condition 15 (*Notices*) (which notice shall, subject as provided in Condition 5.6 (*Conditions for Redemption and Purchase*), be irrevocable), redeem the Capital Securities, in whole (but not in part), at any time at their Prevailing Principal Amount together with accrued and unpaid interest (excluding interest which has been cancelled or deemed cancelled in accordance with these Conditions) to, but excluding, the date of redemption and any additional amounts payable in accordance with Condition 9 (*Taxation*).

The Competent Authority may only permit the Issuer to redeem the Capital Securities before the First Call Date on the occurrence of a Capital Event if, without prejudice to Condition 5.6 (*Conditions for Redemption and Purchase*) below, the Competent Authority considers the Capital Event sufficiently certain and the Issuer demonstrates to the satisfaction of the Competent Authority that the Capital Event was not reasonably foreseeable at the time of their issuance.

5.5 Purchases

The Issuer or any of its subsidiaries may at their option (but subject to the provisions of Condition 5.6 (*Conditions for Redemption and Purchase*)) purchase Capital Securities (provided that, in the case of definitive Capital Securities, all unmatured Coupons and Talons appertaining thereto are purchased therewith) in the open market or otherwise and at any price, save that any such purchase may not take place within 5 years after the Issue Date unless permitted by Applicable Banking Regulations. Such Capital Securities may be held, re-issued, resold or, at the option of the Issuer, surrendered to any Paying Agent for cancellation.

However, the Issuer or any agent on its behalf shall have the right at all times to purchase the Capital Securities for market-making purposes, provided that (a) prior written approval of the Competent Authority shall be obtained where required and (b) the total principal amount of the Capital Securities so purchased does not exceed the predetermined amount permitted to be purchased for market-making purposes under Applicable Banking Regulations (such predetermined amount not to exceed the limits set forth in article 29(3)(b) of Commission Delegated Regulation (EU) 241/2014).

5.6 Conditions for Redemption and Purchase

(a) General conditions for redemption and purchase

Any optional redemption of Capital Securities pursuant to Condition 5.2 (*Redemption at the Option of the Issuer*), 5.3 (*Redemption for Taxation Reasons*) or 5.4 (*Redemption upon a Capital Event*) and any purchase of Capital Securities pursuant to Condition 5.5 (*Purchases*) are subject to the following conditions, in the case of (i), (ii) and (iii) however only if and to the extent then required by Applicable Banking Regulations.

The Capital Securities may only be redeemed or purchased (as applicable) if the following conditions are met:

(i) the Competent Authority having given its prior written permission to such redemption or purchase;

(ii) the Issuer having demonstrated to the satisfaction of the Competent Authority that the Issuer complies with article 78 CRR (or any equivalent or substitute provision under Applicable Banking Regulations), which may include (a) the replacement of the Capital Securities with own funds instruments of equal or higher quality at terms that are sustainable for the income capacity of the Issuer or (b) that the own funds of the Issuer would, following such redemption or purchase, exceed its minimum own funds requirements (including any capital buffer requirements) by a margin that the Competent Authority considers necessary at such time;

(iii) in the case of a redemption as a result of a Capital Event or a Tax Event, the Issuer having delivered a certificate signed by two duly authorised representatives to the Agent (and copies thereof being available at the Agent's Specified Office during its normal business hours) not less than 5 Business Days prior to the date set for redemption that the relevant Capital Event or Tax Event has occurred or will occur no more than 90 days following the date fixed for redemption, as the case may be;

(iv) if, in the case of a redemption as a result of a Tax Event, an opinion of a recognised law firm of international standing has been delivered to the Issuer and the Agent, to the effect that the relevant Tax Event has occurred; and

(v) notwithstanding the above conditions, if, at the time of such redemption or purchase, the prevailing Applicable Banking Regulations permit the repayment or purchase only after compliance with one or more alternative or additional pre-conditions to those set out in this Condition 5.6(a), the Issuer having complied with such other and/or (as appropriate) additional pre-condition(s).

For the avoidance of doubt, any refusal of the Competent Authority to grant permission in accordance with the Applicable Banking Regulations shall not constitute a default for any purpose.

(b) Occurrence of Trigger Event supersedes notice of redemption

If the Issuer has given a notice of redemption of the Capital Securities pursuant to Condition 5.2 (*Redemption at the Option of the Issuer*), 5.3 (*Redemption for Taxation Reasons*) or 5.4 (*Redemption upon a Capital Event*) and, after giving such notice but prior to the relevant redemption date, a Trigger Event has occurred, the relevant redemption notice shall be automatically rescinded and shall be of no

force and effect, the Capital Securities will not be redeemed on the scheduled redemption date and, instead, a Principal Write-down shall occur in respect of the Capital Securities as described under Condition 7 (*Principal Write-down and Principal Write-up*).

Following the occurrence of a Trigger Event, the Issuer shall not be entitled to give a notice of redemption of the Capital Securities pursuant to Condition 5.2 (*Redemption at the Option of the Issuer*), 5.3 (*Redemption for Taxation Reasons*) or 5.4 (*Redemption upon a Capital Event*) before the Trigger Event Write-Down Date.

5.7 Cancellations

All Capital Securities which are redeemed, and all Capital Securities which are purchased and surrendered to the Agent for cancellation, will (subject to Condition 5.6 (*Conditions for Redemption and Purchase*)) forthwith be cancelled (together, in the case of definitive Capital Securities, with all unmatured Coupons attached thereto or surrendered therewith at the time of redemption).

6. Substitution and Variation

6.1 Substitution and variation

Subject to Condition 6.2 (*Conditions to substitution and variation*) and 6.3 (*Occurrence of Trigger Event following notice of substitution or variation*), if a Capital Event or a Tax Event has occurred and is continuing, the Issuer may at its option but without any requirement for the consent or approval of the Holders, upon not less than 30 nor more than 60 days' notice to the Holders in accordance with Condition 15 (*Notices*) (which notice shall, subject as provided in Condition 6.3 (*Occurrence of Trigger Event following notice of substitution or variation*), be irrevocable), substitute all (but not some only) of the Capital Securities or vary the terms of all (but not some only) of the Capital Securities provided that they remain or, as appropriate, become compliant with Applicable Banking Regulations with respect to Additional Tier 1 Capital and that such substitution or variation shall not result in terms that are materially less favourable to the Holders (as reasonably determined by the Issuer).

Following such variation or substitution in accordance with the above, the resulting securities shall (1) have a ranking at least equal to that of the Capital Securities, (2) have at least the same interest rate as from time to time applying to the Capital Securities, (3) have the same interest payment dates as those from time to time applying to the Capital Securities, (4) have the same redemption rights as the Capital Securities, (5) preserve any existing rights under the Capital Securities 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, (6) have assigned (or maintain) the same solicited credit ratings as were assigned to the Capital Securities immediately prior to such variation or substitution and (7) be listed on a recognised stock exchange if the Capital Securities were listed immediately prior to such variation or substitution.

Such substitution or variation will be effected without any cost or charge to the Holders.

6.2 Conditions to substitution and variation

Any substitution or variation of the Capital Securities pursuant to Condition 6.1 (*Substitution and variation*) is subject to compliance with any conditions prescribed under Applicable Banking Regulations, including the prior permission of the Competent Authority (if required). For the avoidance of doubt, the Competent Authority has discretion as to whether or not it will approve any such substitution or variation of the Capital Securities.

6.3 Occurrence of Trigger Event following notice of substitution or variation

If the Issuer has given a notice of substitution or variation of the Capital Securities pursuant to Condition 6.1 (*Substitution and variation*) and, after giving such notice but prior to the date of such substitution or variation (as the case may be), a Trigger Event has occurred, the Issuer shall:

(i) only be entitled to proceed with the proposed substitution or variation (as the case may be) provided that such substitution or variation will not affect the timely operation of the Principal Write-down in accordance with Condition 7.1 (*Principal Write-down*);

(ii) as soon as reasonably practicable, give Holders notice in accordance with Condition 15 (*Notices*) specifying whether or not the proposed substitution or variation (as the case may be) will proceed and, if so, whether any amendments to the substance and/or timing of such substitution or variation (as applicable) will be made.

If the Issuer determines that the proposed substitution or variation (as the case may be) will not proceed, the notice given in accordance with Condition 6.1 (*Substitution and variation*) shall be rescinded and of no force and effect.

7. Principal Write-down and Principal Write-up

7.1 Principal Write-down

(a) Trigger Event

Upon the occurrence of a Trigger Event, a Principal Write-down will occur without delay but no later than within one month or such shorter period as may be required by the Competent Authority (such date being a "**Trigger Event Write-down Date**"), all in accordance with this Condition 7.1 (*Principal Write-down*).

(b) Trigger Event Write-down Notice

Upon the occurrence of a Trigger Event, the Issuer shall:

(i) immediately notify the Competent Authority that a Trigger Event has occurred;

(ii) determine the Write-down Amount as soon as possible and no later than the relevant Trigger Event Write-down Date;

(iii) give notice to Holders (a "**Trigger Event Write-down Notice**") in accordance with Condition 15 (*Notices*), which notice shall specify (A) that a Trigger Event has occurred, (B) the Trigger Event Write-down Date and (C) if it has then been determined, the Write-down Amount; and

(iv) no later than the giving of the Trigger Event Write-down Notice, deliver to the Agent a certificate signed by two duly authorised representatives of the Issuer stating a Trigger Event has occurred.

The determination that a Trigger Event has occurred, including the underlying calculations, the Trigger Event Write-down Notice and the Issuer's determination of the relevant Write-down Amount shall be irrevocable and be binding on the Holders.

If the Write-down Amount has not been determined at the time the Issuer gives the Trigger Event Write-down Notice, the Issuer shall, as soon as reasonably practicable following such determination having been made, give a further notice to Holders in accordance with Condition 15 (*Notices*), confirming the Write-down Amount. Failure to provide any notice referred to in this Condition will not have any impact on the effectiveness of, or otherwise invalidate, any such Principal Write-down or give Holders any rights as a result of such failure.

(c) Cancellation of interest and Principal Write-down

On a Trigger Event Write-down Date, the Issuer shall:

(i) irrevocably cancel all interest accrued on each Capital Security up to (and including) the Trigger Event Write-down Date (whether or not the same has become due at such time); and

(ii) irrevocably reduce the then Prevailing Principal Amount of each Capital Security by the relevant Write-down Amount (such reduction being referred to as a "**Principal Write-down**", and "**Written Down**" being construed accordingly) with effect from the Trigger Event Write-down Date, such Principal Write-down to be effected, save as may be otherwise required by Applicable Banking Regulations and/or the Competent Authority and subject to Condition 7.1(e) (Other Loss Absorbing Instruments), pro rata and concurrently (or substantially concurrently) with the Principal Write-down of the other Capital Securities and the write-down or conversion into equity (as the case may be) of the then prevailing principal amount of any Loss Absorbing Instruments to be written-down and/or converted concurrently (or substantially concurrently) with the Capital Securities.

Condition 3.2 (*Interest cancellation*) shall apply accordingly in respect of interest payments cancelled on a Trigger Event Write-down Date in accordance with Condition 7 (*Principal Write-down and Principal Write-up*).

(d) Write-down Amount

In these Conditions, "**Write-down Amount**" means, on any Trigger Event Write-down Date, the amount by which the then Prevailing Principal Amount of each outstanding Capital Security is to be Written Down and which is calculated per Calculation Amount of such Capital Security, being the minimum of:

(i) the amount per Calculation Amount (together with, subject to Condition 7.1(e) (*Other Loss Absorbing Instruments*), the concurrent (or substantially concurrent) *pro rata* Principal Write-down of the other Capital Securities and the write-down or conversion into equity of the prevailing principal amount of any Loss Absorbing Instruments to be written-down and/or converted concurrently (or substantially concurrently) with the Capital Securities that would be sufficient to immediately restore the Issuer solo-consolidated CET1 Ratio, the Issuer sub-consolidated CET1 Ratio and the Group CET1 Ratio to not less than 5.125 per cent. (as the case may be), provided that, with respect to each Loss Absorbing Instrument (if any), such pro rata write down and/or conversion shall only be taken into account to the extent required to restore the Issuer solo-consolidated CET1 Ratio, the Issuer sub-consolidated CET1 Ratio and the Group CET1 Ratio (as the case may be) contemplated above to the lower of (x) such Loss Absorbing Instrument's trigger level and (y) the trigger level in respect of which the relevant Trigger Event under the Capital Securities has occurred, in each case, in accordance with the terms of the relevant instruments and the Applicable Banking Regulations; or

(ii) if the amount determined in accordance with (i) above would be insufficient to restore the Issuer solo-consolidated CET1 Ratio, the Issuer sub-consolidated CET1 Ratio and the Group CET1 Ratio to not less than 5.125 per cent. (as applicable) the amount necessary to reduce the Prevailing Principal Amount of the Capital Security to one cent.

The Write-down Amount for each Capital Security will therefore be the product of the amount calculated in accordance with this Condition 7.1(d) per Calculation Amount and the Prevailing Principal Amount of each Capital Security divided by the Calculation Amount (in each case immediately prior to the relevant Trigger Event Write-down Date).

(e) Other Loss Absorbing Instruments

To the extent the write-down or conversion into equity of any Loss Absorbing Instruments is not effective for any reason (i) the ineffectiveness of any such write-down or conversion into equity shall not prejudice the requirement to effect a Principal Write-down of the Capital Securities pursuant to Condition 7.1 (*Principal Write-down*) and (ii) the write-down or conversion into equity of any Loss

Absorbing Instruments which is not effective shall not be taken into account in determining the Write-down Amount of the Capital Securities.

Any Loss Absorbing Instruments that may be written down or converted to equity in full (save for any one cent floor) but not in part only shall be treated for the purposes only of determining the relevant *pro rata* amounts in Condition 7.1(c)(ii) and 7.1(d)(i) as if their terms permitted partial write-down or conversion into equity.

(f) No default

Any Principal Write-down of the Capital Securities shall not:

(i) constitute an event of default of the Issuer or a breach of the Issuer's other obligations or duties or a failure to perform by the Issuer in any manner whatsoever;

(ii) constitute the occurrence of any event related to the insolvency of the Issuer or entitle the Holders to any compensation or to take any action to cause the bankruptcy (*faillissement*), liquidation (*liquidatie*), dissolution or winding up (*ontbinding en vereffening*) of the Issuer.

The Holders shall have no further rights or claims against the Issuer (whether in the case of bankruptcy (*faillissement*), liquidation *(liquidatie*) or the dissolution or winding up (*ontbinding en vereffening*) of the Issuer or otherwise) with respect to any interest cancelled and any principal Written Down in accordance with this condition (including, but not limited to, any right to receive accrued but unpaid and future interest or any right of repayment of principal, but without prejudice to their rights in respect of any reinstated principal following a Principal Write-up pursuant to Condition 7.2 (*Principal Write-up*)).

(g) Principal Write-down may occur on one or more occasions

A Principal Write-down may occur on one or more occasions and accordingly the Capital Securities may be Written Down on one or more occasions (provided, however, that the principal amount of a Capital Security shall never be reduced to below one cent).

7.2 Principal Write-up

(a) Principal Write-up

Subject to compliance with the Applicable Banking Regulations, if a positive Net Profit is recorded (a "**Return to Financial Health**") at any time while the Prevailing Principal Amount is less than the Original Principal Amount, the Issuer may, at its full discretion but subject to Conditions 7.2(b), 7.2(c) and 7.2(d) increase the Prevailing Principal Amount of each Capital Security (a "**Principal Write-up**") up to a maximum of its Original Principal Amount on a *pro rata* basis with the other Capital Securities and with any other Discretionary Temporary Write-down Instruments capable of being written-up in accordance with their terms at the time of the Principal Write-up (based on the then prevailing principal amounts thereof), provided that the Maximum Write-up Amount is not exceeded as determined in accordance with Condition 7.2(c) below.

Any Principal Write-up Amount will be subject to the same terms and conditions as set out in these Conditions.

(b) Maximum Distributable Amount

A Principal Write-up of the Capital Securities shall not be effected in circumstances which (when aggregated together with other distributions of the kind referred to in article 3:62b Wft (implementing article 141(2) CRD IV Directive)) would cause the Maximum Distributable Amount (if any) to be exceeded, if required to be calculated at such time.

(c) Maximum Write-up Amount

A Principal Write-up of the Capital Securities will not be effected at any time in circumstances to the extent the sum of:

(i) the aggregate amount of the relevant Principal Write-up on all the Capital Securities;

(ii) the aggregate amount of any interest on the Capital Securities that was paid or calculated (but disregarding any such calculated interest which has been cancelled) on the basis of a Prevailing Principal Amount that is lower than the Original Principal Amount at any time after the end of the then previous Financial Year;

(iii) the aggregate amount of the increase in principal amount of each Discretionary Temporary Write-down Instrument to be written-up at the time of the relevant Principal Write-up and the increase in principal amount of the Capital Securities or any Discretionary Temporary Write-down Instruments resulting from any previous write-up since the end of the then previous Financial Year; and

(iv) the aggregate amount of any interest payments on each Loss Absorbing Instrument that were paid or calculated (but disregarding any such calculated interest which has been cancelled) on the basis of a prevailing principal amount that is lower than the original principal amount at which such Loss Absorbing Instrument was issued at any time after the end of the then previous Financial Year,

would exceed the Maximum Write-up Amount.

In these Conditions, the "**Maximum Write-up Amount**" means the lower of (i) the Solo-consolidated Maximum Write-up Amount, (ii) the Sub-consolidated Maximum Write-up Amount and (iii) the Consolidated Maximum Write-up Amount.

(d) Principal Write-up and Trigger Event

A Principal Write-up will not be effected whilst a Trigger Event has occurred and is continuing. Further, a Principal Write-up will not be effected in circumstances where such Principal Write-up (together with the simultaneous write-up of all other Discretionary Temporary Write-down Instruments) would cause a Trigger Event to occur.

(e) Principal Write-up may occur on one or more occasions

Principal Write-up may be made on one or more occasions until the Prevailing Principal Amount of the Capital Securities has been reinstated to the Original Principal Amount.

Any decision by the Issuer to effect or not to effect any Principal Write-up on any occasion shall not preclude it from effecting (in the circumstances permitted by this Condition 7.2 (*Principal Write-up*)) or not effecting any Principal Write-up on any other occasion.

(f) Notice of Principal Write-up

The Issuer shall, as soon as reasonably practicable following its formal decision to effect a Principal Write-up in respect of the Capital Securities and in any event not later than five Business Days prior to the date on which the Principal Write-up shall take effect, give notice of such Principal Write-up to the Holders in accordance with Condition 15 (*Notices*). Such notice shall confirm the amount of such Principal Write-up and the date on which such Principal Write-up is to take effect.

7.3 Foreign Currency Instruments

If, in connection with any Principal Write-down or Principal Write-up of the Capital Securities, any instruments are not denominated in the Accounting Currency at the relevant time ("**Foreign Currency Instruments**", which may include the Capital Securities and any relevant Loss Absorbing Instruments), the determination of the relevant Write-down Amount or Write-up Amount (as the case may be) in respect of the Capital Securities and the relevant write-down (or conversion into equity)

amount or write-up amount (as the case may be) of Loss Absorbing Instruments shall be determined by the Issuer based on the relevant foreign currency exchange rate used by the Issuer in the preparation of its regulatory capital returns under the Applicable Banking Regulations.

8. Statutory Loss Absorption

The Capital Securities 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 principal amount of the Capital Securities, including accrued but unpaid interest in respect thereof, must be written off or converted into CET1 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 principal amount of the Capital Securities subject to Statutory Loss Absorption shall be written off or converted into CET1 instruments or otherwise be applied to absorb losses, as prescribed by the Applicable Resolution Framework;

(ii) Holders shall have no further rights or claims, whether in the case of bankruptcy (*faillissement*), liquidation (*liquidatie*) or the dissolution or winding up (*ontbinding en vereffening*) of the Issuer or otherwise in respect of any amount written off or subject to conversion or otherwise as a result of such Statutory Loss Absorption, including, but not limited to, any right to receive accrued but unpaid and future interest or any right of repayment;

(iii) such Statutory Loss Absorption shall not constitute an event of default of the Issuer or a breach of the Issuer's other obligations or duties or a failure to perform by the Issuer in any manner whatsoever; and

(iv) such Statutory Loss Absorption shall not constitute the occurrence of any event related to the insolvency of the Issuer or entitle the Holders to any compensation or to take any action to cause the bankruptcy (*faillissement*), liquidation (*liquidatie*), dissolution or winding up (*ontbinding en vereffening*) of the Issuer.

In addition, subject to the determination by the relevant Resolution Authority and without the consent of the Holders, the Capital Securities 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 Capital Securities, expropriation of Holders, modification of the terms of the Capital Securities and/or suspension or termination of the listings of the Capital Securities. Such determination, the implementation thereof and the rights of Holders shall be as prescribed by the Applicable Resolution Framework, which may include the concept that, upon such determination, no Holder 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 or the occurrence of any event related to the insolvency of the Issuer or entitle the Holders to take any action to cause the bankruptcy (*faillissement*), liquidation (*liquidatie*), dissolution or winding up (*ontbinding en vereffening*) of the Issuer.

The Issuer shall as soon as practicable give notice to the Holders in accordance with Condition 15 (*Notices*) that Statutory Loss Absorption has occurred and of the amount adjusted downwards upon the occurrence of Statutory Loss Absorption. Failure to provide such notice will not have any impact on the effectiveness of, or otherwise invalidate, any such Statutory Loss Absorption or give Holders any rights as a result of such failure.

Upon any write off or conversion of a proportion of the principal amount of the Capital Securities as a result of Statutory Loss Absorption, any reference in these Conditions to principal, nominal amount, principal amount, Original Principal Amount or Prevailing Principal Amount shall be deemed to be to the amount resulting after such write off or conversion.

9. Taxation

9.1 Payment without Withholding

All payments of principal and interest in respect of the Capital Securities and Coupons by the Issuer will be made without withholding or deduction for or on account of any present or future taxes or duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of The Netherlands or any political subdivision or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law at the initiative of the relevant tax authority of the Issuer. In such event, the Issuer will pay such additional amounts as shall be necessary in order that the net amounts received by the Holders or Couponholders after such withholding or deduction shall equal the respective amounts of interest which would otherwise have been receivable in respect of the Capital Securities or Coupons, as the case may be, in the absence of such withholding or deduction; except that no such additional amounts shall be payable with respect to any Capital Security or Coupon:

(i) in respect of payment of any Prevailing Principal Amount; or

(ii) presented for payment by or on behalf of a Holder or Couponholder who is liable for such taxes or duties in respect of such Capital Security or Coupon by reason of his having some connection with The Netherlands other than the mere holding of such Capital Security or Coupon or the receipt of principal or interest in respect thereof; or

(iii) presented for payment by or on behalf of a Holder or Couponholder who would not be liable or subject to the withholding or deduction by making a declaration of non-residence or other similar claim for exemption to the relevant tax authority; or

(iv) presented for payment more than 30 days after the Relevant Date (as defined below) except to the extent that the holder thereof would have been entitled to an additional amount on presenting the same for payment on such thirtieth day assuming that day to have been a Business Day.

The Issuer shall be permitted to withhold or deduct any amounts required by the rules of U.S. Internal Revenue Code Sections 1471 through 1474 (or any amended or successor provisions), pursuant to any inter-governmental agreement or implementing legislation adopted by another jurisdiction in connection with these provisions, or pursuant to any agreement with the U.S. Internal Revenue Service ("**FATCA Withholding**") as a result of a Holder, Couponholder, beneficial owner or an intermediary that is not an agent of the Issuer not being entitled to receive payments free of FATCA Withholding. The Issuer will have no obligation to pay additional amounts or otherwise indemnify an investor for any such FATCA Withholding deducted or withheld by the Issuer, any Paying Agent or any other party.

As used herein, the "**Relevant Date**" means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Agent on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Holders in accordance with Condition 15 (*Notices*).

9.2 Additional Amounts

Any reference in these Conditions to any amounts (including any payments or cancellation of interest) in respect of the Capital Securities shall be deemed also to include any additional amounts which may be payable under this Condition 9 (*Taxation*).

10. Prescription

The Capital Securities and Coupons will become void unless claims in respect of principal and/or interest are made within a period of five years after the Relevant Date (as defined in Condition 9.1

(*Payment without Withholding*)) therefore.

Any Coupon sheet issued on exchange of a Talon shall not include any Coupon which payment claim would be void pursuant to this Condition or Condition 4(e) (*Deduction for unmatured Coupons*) or any Talon which would be void pursuant to Condition 4(e) (*Deduction for unmatured Coupons*).

11. Limited Remedies in case of Non-Payment

Any failure by the Issuer to pay interest or the Prevailing Principal Amount when due in respect of the Capital Securities shall not constitute an event of default and does not give Holders any right to demand repayment of the Prevailing Principal Amount.

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

(i) the Issuer is declared bankrupt (*failliet*); or

(ii) 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 Capital Securities,

then any Holder may, by written notice to the Issuer at the specified office of the Agent, effective upon the date of receipt thereof by the Agent, declare the Capital Security held by the Holder to be forthwith due and payable whereupon the same shall become forthwith due and payable at its Prevailing Principal Amount and any accrued but unpaid interest from the previous Interest Payment Date up to (but excluding) the date of repayment (to the extent payment of such interest amount is not cancelled pursuant to Condition 3.2 (*Interest cancellation*), without presentment, demand, protest or other notice of any kind provided that repayment of Capital Securities 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.

No remedy against the Issuer other than as referred to in this Condition 11 (*Limited Remedies in case of Non-Payment*) shall be available to the Holders, whether for recovery of amounts owing in respect of the Capital Securities or in respect of any breach by the Issuer of any of its obligations under or in respect of the Capital Securities.

12. Replacement of Capital Securities, Coupons and Talons

Should any Capital Security, Coupon or Talon be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of the Agent upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Capital Securities, Coupons or Talons must be surrendered before replacements will be issued.

13. Agent and Paying Agents

The names of the initial Agent and the other initial Paying Agents and their initial specified offices are set out below.

The Issuer is entitled to vary or terminate the appointment of any Paying Agent and/or appoint additional or other Paying Agents and/or approve any change in the Specified Office through which any Paying Agent acts, provided that:

(i) so long as the Capital Securities are listed on any stock exchange, there will at all times be a Paying Agent with a specified office in such place as may be required by the rules and

regulations of the relevant stock exchange;

(ii) there will at all times be a Paying Agent with a specified office in a city in continental Europe; and

(iii) there will at all times be an Agent.

Any variation, termination, appointment or change shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not less than 30 nor more than 45 days' prior notice thereof shall have been given by the Issuer to the Holders in accordance with Condition 15 (*Notices*).

14. Exchange of Talons

On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon forming part of such Coupon sheet may be surrendered at the Specified Office of the Agent or any other Paying Agent in exchange for a further Coupon sheet including a further Talon, subject to the provisions of Condition 10 (*Prescription*). Each Talon shall, for the purposes of these Conditions, be deemed to mature on the Interest Payment Date on which the final Coupon comprised in the relative Coupon sheet matures.

Upon the due date for redemption of any Capital Security, any unexchanged Talon relating to such Capital Security shall become void and no Coupon will be delivered in respect of such Talon.

15. Notices

All notices regarding the Capital Securities shall be published (i) in at least one daily newspaper of wide circulation in The Netherlands, which is expected to be *Het Financieele Dagblad*, and (ii) in a leading English language daily newspaper of general circulation in London, which is expected to be the *Financial Times* and (iii) for so long as the Capital Securities are listed on Euronext in Amsterdam and Euronext in Amsterdam so requires, by the delivery of the relevant notice to Euronext in Amsterdam and through a press release which will also be made available on the website of the Issuer (www.leaseplan.com). Any such notice will be deemed to have been given on the date of the first publication in all the newspapers in which such publication is required to be made.

Until such time as any definitive Capital Securities are issued, there may (provided that, in the case of any publication required by a stock exchange, the rules of the stock exchange so permit), so long as the Global Capital Security is held in its entirety on behalf of the Securities Settlement System, be substituted for publication in some or all of the newspapers referred to above, the delivery of the relevant notice to the Securities Settlement System for communication by it to the Holders, provided that for so long as any Capital Securities are listed on a stock exchange or are admitted to trading by another relevant authority and the rules of that stock exchange or relevant authority so require, such notice will also be published in the manner required by those rules. Any such notice shall be deemed to have been given to the Holders on the seventh day after the day on which the said notice was given to the Securities Settlement System. Notices to be given by any Holder shall be in writing and given by lodging the same, together (in the case of any Capital Security in definitive form) with the relative Capital Security or Capital Securities, with the Agent. Whilst any of the Capital Securities are represented by a Global Capital Security, such notice may be given by any Holder to the Agent via the Securities Settlement System in such manner as the Agent and the Securities Settlement System may approve for this purpose.

16. Meetings of Holders and Modification

16.1 Meetings of Holders

The Agency Agreement contains provisions for convening meetings of the Holders to consider matters relating to the Capital Securities, including the sanctioning by an Extraordinary Resolution of a modification of the Capital Securities, the Coupons or certain provisions of the Agency Agreement. Such a meeting may be convened by the Issuer or Holders holding not less than five per cent. in Prevailing Principal Amount outstanding at such time. The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding or representing not less than 50 per cent. in Prevailing Principal Amount outstanding at such time, or at any adjourned meeting one or more persons being or representing Holders whatever the Prevailing Principal Amount outstanding at such time so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Capital Securities or Coupons (including modifying any date for payment of principal or interest thereof, reducing or cancelling the amount of principal or the rate of interest payable in respect of the Capital Securities or altering the currency of payment of the Capital Securities or Coupons), the necessary quorum for passing an Extraordinary Resolution will be one or more persons holding or representing not less than two-thirds, or at any adjourned such meeting not less than one-third, in Prevailing Principal Amount outstanding at such time. An Extraordinary Resolution passed at any meeting of Holders shall be binding on all the Holders, whether or not they are present at the meeting, and on all Couponholders.

Convening notices shall be made in accordance with Condition 15 (*Notices*).

The Agency Agreement provides that, if authorised by the Issuer, a resolution in writing signed by or on behalf of the Holders of not less than 75 per cent. in Prevailing Principal Amount outstanding at such time shall for all purposes be as valid and effective as an extraordinary resolution passed at a meeting of Holders duly convened and held, provided that the terms of the proposed resolution have been notified in advance to the Holders through the Securities Settlement System. 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 Holders.

Resolutions of Holders will only be effective if such resolutions have been approved by the Issuer and, if so required, by the Competent Authority.

16.2 Modification

Subject to obtaining the permission therefor from the Competent Authority if so required, the Agent and the Issuer may agree, without the consent of the Holders or Couponholders, to:

(a) any modification (except as mentioned above) of the Agency Agreement which is not materially prejudicial to the interests of the Holders and Couponholders; or

(b) any modification of the Capital Securities, the Coupons or the Agency Agreement which is of a formal, minor or technical nature or is made to correct a manifest or proven error or to comply with mandatory provisions of law or as a result of the operation of a benchmark replacement in accordance with Condition 3.1(d);

Any such modification shall be binding on the Holders and the Couponholders and any such modification shall be notified to the Holders in accordance with Condition 15 (*Notices*) as soon as practicable thereafter.

17. Further Issues

The Issuer may from time to time without the consent of the Holders or Couponholders create and issue further capital securities, having terms and conditions the same as those of the Capital Securities, or the same except for the amount and date of the first payment of interest, which may be consolidated and form a single series with the outstanding Capital Securities.

18. Governing Law and Submission to Jurisdiction

18.1 Governing Law

The Capital Securities, the Coupons and the Talons, any non-contractual obligations arising out of or in connection therewith and the choice of court agreement included in Condition 18.2 (*Jurisdiction*) are governed by, and shall be construed in accordance with, the laws of The Netherlands.

18.2 Jurisdiction

The Issuer irrevocably agrees, for the benefit of the Holders, the Couponholders and holders of Talons, that the courts of Amsterdam are to have exclusive jurisdiction to settle any disputes ("**Dispute**") which may arise out of or in connection with the Capital Securities, the Coupons and/or the Talons (including a dispute relating to any non-contractual obligations arising out of or in connection with the Capital Securities, the Coupons and/or the Talons) and accordingly submits to the exclusive jurisdiction of the Amsterdam courts.

18.3 Right to take proceedings outside The Netherlands

Condition 18.2 (*Jurisdiction*) is for the benefit of the Holders, the Couponholders and holders of Talons only. As a result, nothing in this Condition 18 (*Governing Law and Submission to Jurisdiction*) prevents any Holder, Couponholder or holder of Talons from taking proceedings relating to a Dispute ("**Proceedings**") in any other competent courts with jurisdiction. To the extent allowed by law, the Holders, the Couponholders or the holders of Talons may take concurrent Proceedings in any number of jurisdictions.

19. Definitions

In these Conditions:

"**5-year Mid-Swap Rate**" means, in relation to a Reset Period and the Reset Rate of Interest Determination Date in respect of such Reset Period:

(i) the mid-swap rate for euro swaps with a term of 5 years which appears on the Screen Page as of 11:00 a.m. (Central European time) on such Reset Rate of Interest Determination Date; or

(ii) if such rate does not appear on the Screen Page at such time on such Reset Rate of Interest Determination Date, the Reset Reference Bank Rate on such Reset Rate of Interest Determination Date.

"**5-year Mid-Swap Rate Quotations**" means the arithmetic mean of the bid and ask rates for the annual fixed leg (calculated on a 30/360 day count basis) of a fixed-for-floating euro interest rate swap transaction which:

(i) has a term of 5 years commencing on the relevant Reset Date;

(ii) is in an amount that is representative of a single transaction in the relevant market at the relevant time with an acknowledged dealer of good credit in the swap market; and

(iii) has a floating leg based on six-month EURIBOR (calculated on an Actual/360 day count basis).

"**Accounting Currency**" means euro or such other primary currency used in the presentation of the Issuer's or the Group's accounts from time to time.

"**Accrual Period**" has the meaning given in Condition 3.1(f).

"**Additional Tier 1 Capital**" means additional tier 1 capital within the meaning of Chapter 3 (*Additional Tier 1 capital*) of Title I (*Elements of own funds*) of Part Two (*Own Funds*) of CRR, as

implemented and/or applicable in The Netherlands, and/or any such equivalent or substitute term under Applicable Banking Regulations, including any applicable transitional, phasing in or similar provisions.

"**Adjustment Spread**" means a spread (which may be positive or negative) or formula or methodology for calculating a spread, which the Independent Adviser or the Issuer (as applicable) determines is required to be applied to a Successor Benchmark Rate or an Alternative Benchmark Rate (as applicable) in order to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as applicable) to Holders as a result of the replacement of the 5-year Mid-Swap Rate with the Successor Benchmark Rate or Alternative Benchmark Rate (as applicable) and is the spread, formula or methodology which:

(i) in the case of a Successor Benchmark Rate, is formally recommended in relation to the replacement of the 5- year Mid-Swap Rate with the Successor Benchmark Rate by any Relevant Nominating Body; or

(ii) in the case of a Successor Benchmark Rate for which no such recommendation has been made or in the case of an Alternative Benchmark Rate, the Independent Adviser or the Issuer (as applicable) determines is recognized or acknowledged as being in customary market usage in international debt capital markets transactions which reference the 5-year Mid-Swap Rate, where such rate has been replaced by such Successor Benchmark Rate or the Alternative Benchmark Rate (as applicable); or

(iii) if no such customary market usage is recognized or acknowledged, the Independent Adviser or the Issuer (as applicable) in its discretion determines (acting in good faith and in a commercially reasonable manner) to be appropriate.

"**Alternative Benchmark Rate**" means the rate that the Independent Advisor or the Issuer (as applicable) determines has replaced the 5-year Mid- Swap Rate in customary market usage in the international debt capital markets for the purposes of determining rates of interest (or the relevant component part thereof) in respect of bonds denominated in euro and of a five year duration, or, if such Independent Advisor or the Issuer (as applicable) determines that there is no such rate, such other rate as such Independent Advisor or the Issuer (as applicable) determines in its discretion is most comparable to the 5-year Mid-Swap Rate.

"**Applicable Banking Regulations**" means at any time, the laws, regulations, rules, requirements, standards, guidelines and policies relating to capital adequacy applicable to the Issuer including, without limitation to the generality of the foregoing, those regulations, rules, requirements, standards, guidelines and policies relating to capital adequacy then in effect of the Competent Authority (whether or not such requirements, guidelines or policies have the force of law and whether or not they are applied generally or specifically to the Issuer) at such time (and, for the avoidance of doubt, including as at the Issue Date the rules contained in, or implementing, CRD IV, including the CRD Implementation Law (*Implementatiewet richtlijn en verordening kapitaalvereisten*) of 25 June 2014 and the decrees (*besluiten*) and regulations relating thereto).

"**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.

"**Benchmark Event**" means:

(i) the 5-year Mid-Swap Rate has ceased to be published on the Screen Page as a result of such benchmark ceasing to be calculated or administered; or

(ii) a public statement by the administrator of the 5-year Mid-Swap Rate that it has ceased, or will cease, publishing the 5-year Mid-Swap Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the 5-year Mid-Swap Rate); or

(iii) a public statement by the supervisor of the administrator of the 5-year Mid-Swap Rate that the 5-year Mid-Swap Rate has been or will be permanently or indefinitely discontinued; or

(iv) a public statement by the supervisor of the administrator of the 5-year Mid-Swap Rate as a consequence of which the 5-year Mid-Swap Rate will be prohibited from being used or that its use will be subject to restrictions or adverse consequences either generally, or in respect of the Capital Securities; or

(v) a public statement by the supervisor of the administrator of the 5-year Mid-Swap Rate that, in the view of such supervisor, the 5-year Mid-Swap Rate is no longer representative of an underlying market or the methodology to calculate the 5-year Mid-Swap Rate has materially changed; or

(vi) it has or will become unlawful for the Agent or the Issuer to calculate any payments due to be made to any Holders using the 5-year Mid-Swap Rate (including, without limitation, under the Benchmark Regulation (EU) 2016/1011, if applicable).

"**Business Day**" means:

(i) a day on which (a) commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in Amsterdam and (b) the TARGET System is operating; and

(ii) in the case of Condition 4(f) only, in respect of any place of presentation, any day on which banks are open for presentation and payment of bearer debt securities and for dealings in foreign currencies in such place of presentation and, in the case of payment by transfer to a Euro account, on which the TARGET System is open, provided that so long as the Global Securities are represented by a Global Capital Security held on behalf of the Securities Settlement System, Business Day means any day on which the TARGET System is open.

"**Calculation Amount**" means, initially €1,000 in principal amount of each Capital Security, or, following adjustment (if any) downwards or upwards to Condition 7 (*Principal Write-down and Principal Write-up*), the amount resulting from such adjustment.

A "**Capital Event**" means that there is a change in the regulatory classification of the Capital Securities that has resulted or would be likely to result in the Capital Securities being excluded, in whole or in part, from the Additional Tier 1 Capital of the Issuer (on a solo-consolidated or sub-consolidated basis) and/or Group (on a consolidated basis) or reclassified as a lower quality form of own funds of the Issuer (on a solo-consolidated or sub-consolidated basis) and/or Group (on a consolidated basis), which change in regulatory classification (or reclassification) becomes effective on or after the Issue Date.

"**Capital Securities**" has the meaning given in the Introduction.

"**CET1 Capital**" means the common equity tier 1 capital of the Issuer, expressed in the Accounting Currency, as calculated by the Issuer on a solo-consolidated or sub-consolidated basis (as applicable) and/or the common equity tier 1 capital of Group, as calculated by the Issuer on a consolidated basis, all in accordance with Chapter 2 (*Common Equity Tier 1 capital)* of Title I (*Elements of own funds*) of Part Two *(Own Funds*) of CRR, as implemented and/or applicable in The Netherlands, and/or any such equivalent or substitute calculation or term under Applicable Banking Regulations, including any applicable transitional, phasing in or similar provisions.

"**Competent Authority**" means the Dutch Central Bank (*De Nederlandsche Bank N.V.*) or such other or successor authority that is responsible for prudential supervision and/or empowered by national law to supervise the Issuer and the Group as part of the supervisory system in operation in The Netherlands.

"**Consolidated Maximum Write-up Amount**" means the Consolidated Net Profit (i) multiplied by the aggregate issued original principal amount of all Written-Down Additional Tier 1 Instruments and (ii) divided by the Tier 1 Capital of Group as at the date when the Principal Write-up is operated, both (i) and (ii) as calculated on a consolidated basis.

"**Coupon**" has the meaning given in Condition 1 (*Form, Denomination and Title*).

"**Couponholders**" has the meaning given in the Introduction.

"**CRD IV**" means any, or any combination of, the CRD IV Directive, the CRR, and any CRD IV Implementing Measures.

"**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) or such other directive as may come into effect in place thereof.

"**CRD IV Implementing Measures**" means any regulatory capital rules implementing the CRD IV Directive or CRR which may from time to time be introduced, including, but not limited to, delegated or implementing acts (regulatory technical standards or implementing technical standards) adopted by the European Commission, national laws and regulations, and regulations and guidelines issued by the Competent Authority, European Banking Authority or any other relevant authority, which are applicable to the Issuer (on a solo-consolidated, sub-consolidated or consolidated basis).

"**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) or such other regulation as may come into effect in place thereof.

"**Discretionary Temporary Write-down Instruments**" means, at any time, any instrument (other than the Capital Securities and Junior Obligations) issued directly or indirectly by the Issuer and/or Group which at such time (a) qualifies as Additional Tier 1 Capital of the Issuer (on a solo-consolidated, sub-consolidated or consolidated basis) and/or Group (on a consolidated basis), (b) has had all or some of its principal amount written-down and (c) has terms providing for a write-up or reinstatement of its principal amount, at the relevant issuer's discretion, upon reporting a net profit.

"**Distributable Items**" means, subject as otherwise defined in the Applicable Banking Regulations from time to time:

(i) the amount of the Issuer's profits at the end of the Financial Year immediately preceding the

Financial Year in which the relevant Interest Payment Date falls plus any profits brought forward and reserves available for that purpose before distributions to holders of own funds instruments (excluding, for the avoidance of doubt, any Tier 2 instruments); less

(ii) any losses brought forward, profits which are non-distributable pursuant to applicable Dutch law or the Issuer's articles of association (*statuten*) and sums placed to non-distributable reserves in accordance with applicable Dutch law or the Issuer's articles of association (*statuten*),

those profits, losses and reserves being determined on the basis of the Issuer's non-consolidated accounts.

"**euro**" or "**€**" means the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended.

"**Extraordinary Resolution**" means a resolution passed at a meeting of the Holders duly convened and held in accordance with the provisions herein contained by a majority consisting of not less than 75 per cent. of the persons voting thereat upon a show of hands or if a poll be duly demanded then by a majority consisting of not less than 75 per cent. of the votes given on such poll.

"**Financial Year**" means the financial year of the Issuer and the Group (being the one-year period in respect of which it prepares annual audited financial statements) from time to time, which as at the Issue Date runs from (and including) 1 January in one calendar year to (but excluding) the same date in the immediately following calendar year.

"**First Call Date**" means 29 May 2024.

"**Foreign Currency Instruments**" has the meaning given in Condition 7.3 (*Foreign Currency Instruments*).

"**Global Capital Security**" has the meaning given in the Introduction.

"**Group**" means LP Group B.V. (together with its consolidated subsidiaries the "**Current Consolidated Group**") or any other entity which forms part of the Current Consolidated Group as at the Issue Date (or any successor entity) and which is at the relevant time at the highest level of prudential regulatory consolidation in the group of which the Issuer forms part.

"**Group CET1 Ratio**" means, at any time, the ratio of CET1 Capital of Group to the total risk exposure amount (as referred to in article 92(2)(a) CRR) of Group, expressed as a percentage, all as calculated on a consolidated basis within the meaning of CRR.

"**Holder**" has the meaning given in the Introduction and Condition 1 (*Form, Denomination and Title*).

"**IA Determination Cut-off Date**" has the meaning given in Condition 3.1(d) (i).

"**Independent Adviser**" means an independent financial institution in the Euro-Zone of international repute or other independent financial adviser in the Euro-Zone experienced in the international capital markets, in each case appointed by the Issuer at its own expense.

"**Initial Period**" means the period from (and including) the Issue Date to (but excluding) the First Call Date.

"**Initial Rate of Interest**" means 7.375 per cent. per annum.

"**Interest Payment Date**" means 29 May and 29 November in each year from (and including) 29 November 2019.

"**Interest Period**" means each period from (and including) the Issue Date or any Interest Payment Date to (but excluding) the next Interest Payment Date.

"**Issue Date**" means 29 May 2019.

"**Issuer solo-consolidated CET1 Ratio**" means, at any time, the ratio of CET1 Capital of the Issuer to the total risk exposure amount (as referred to in article 92(2)(a) CRR) of the Issuer, expressed as a percentage, all as calculated on a solo-consolidated basis.

"**Issuer sub-consolidated CET1 Ratio**" means, at any time, the ratio of CET1 Capital of the Issuer to the total risk exposure amount (as referred to in article 92(2)(a) CRR) of the Issuer, expressed as a percentage, all as calculated on a sub-consolidated basis.

"**Junior Obligations**" means the Ordinary Shares, all other classes of share capital of the Issuer, and the rights and claims in respect of unsecured, subordinated obligations of the Issuer which rank, or are expressed to be ranking, junior to the rights and claims of the Holders in respect of the Capital Securities.

"**Loss Absorbing Instruments**" means, at any time, any instrument issued directly or indirectly by the Issuer and/or Group which qualifies as Additional Tier 1 Capital of the Issuer (on a solo-consolidated basis or sub-consolidated basis) and/or Group (on a consolidated basis) and which has terms pursuant to which all or some of its principal amount may be written-down (whether on a permanent or temporary basis) or converted into equity (in each case in accordance with its conditions or otherwise) on the occurrence, or as a result, of the Issuer solo-consolidated CET1 Ratio and/or the Issuer sub-consolidated CET1 Ratio and/or the Group CET1 Ratio falling below a certain trigger level. As at the Issue Date, there are no Loss Absorbing Instruments outstanding.

"**Mandatory Cancellation of Interest**" has the meaning given in Condition 3.2(b).

"**Margin**" means 7.556 per cent. per annum.

"**Maximum Distributable Amount**" means the lower of the maximum distributable amount (*maximaal uitkeerbare bedrag*) (if any) required to be calculated pursuant to article 3:62b Wft (implementing article 141 CRD IV Directive) and analogous restrictions arising from the requirement to meet capital buffers under the Applicable Banking Regulations, if applicable, by (i) the Issuer on a solo-consolidated basis; (ii) the Issuer on a sub-consolidated basis and (iii) Group on a consolidated basis.

"**Mid-Swap Floating Leg Benchmark Rate**" has the same meaning given in Condition 3.1 (d).

"**Net Profit**" means, as applicable, (i) the net profit of the Issuer as calculated on a solo-consolidated basis and as set out in the last audited annual consolidated accounts of the Issuer adopted by the Issuer's general meeting (or such other means of communication as determined by the Issuer) (the "**Solo-consolidated Net Profit**"), (ii) the net profit of the Issuer as calculated on a sub-consolidated basis and as set out in the last audited annual consolidated accounts of the Issuer adopted by the Issuer's general meeting (or such other means of communication as determined by the Issuer) (the "**Sub-consolidated Net Profit**") and (iii) the net profit of Group as calculated on a consolidated basis and as set out in the last audited annual consolidated accounts of Group adopted by Group's general meeting (or such other means of communication as determined by the Issuer) (the "**Consolidated Net Profit**").

"**Optional Cancellation of Interest**" has the meaning given in Condition 3.2(a).

"**Ordinary Shares**" means ordinary shares of the Issuer or depository receipts issued in respect of such Ordinary Shares as the context may require.

"**Original Principal Amount**" means, in respect of a Capital Security at any time the principal amount (which, for these purposes, is equal to the nominal amount) of such Capital Security at the Issue Date without having regard to any subsequent Principal Write-down or Principal Write-up pursuant to

Condition 7 (*Principal Write-down and Principal Write-up*).

"**Parity Obligations**" means the rights and claims in respect of obligations of the Issuer ranking, or expressed to be ranking, *pari passu* with the rights and claims of the Holders in respect of the Capital Securities, including obligations qualifying, or expressed to qualify, as Additional Tier 1 Capital.

"**Prevailing Principal Amount**" means, in respect of a Capital Security at any time, the Original Principal Amount of such Capital Security as reduced by any Principal Write-down of such Capital Security at or prior to such time pursuant to Condition 7 (*Principal Write-down and Principal Write-up*) (on one or more occasions) and, if applicable following any Principal Write-down, as subsequently increased by any Principal Write-up of such Capital Security (on one or more occasions) at or prior to such time pursuant to Condition 7 (*Principal Write-down and Principal Write-up*).

"**Principal Write-down**" has the meaning given in Condition 7.1 (*Principal Write-down*).

"**Principal Write-up**" has the meaning given in Condition 7.2 (*Principal Write-up*).

"**Principal Write-up Amount**" means, on any Principal Write-up, the amount by which the then Prevailing Principal Amount is to be written-up and which is calculated per Calculation Amount.

"**Rate of Interest**" means:

(i) in the case of each Interest Period falling in the Initial Period, the Initial Rate of Interest; or

(ii) in the case of each Interest Period which commences on or after the First Call Date, the sum, converted from an annual basis to a semi-annual basis, of (A) the Reset Rate of Interest applicable to the Reset Period in which that Interest Period falls and (B) the Margin, all as determined by the Agent in accordance with Condition 3 (*Interest and interest cancellation*).

"**Relevant Nominating Body**" means, in respect of the 5-year Mid-Swap Rate:

(i) the central bank for euro, or any central bank or other supervisory authority which is responsible for supervising the administrator of the 5-year Mid-Swap Rate; or

(ii) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (A) the central bank for euro, (B) any central bank or other supervisory authority which is responsible for supervising the administrator of the 5-year Mid-Swap Rate, (C) a group of the aforementioned central banks or other supervisory authorities or (D) the Financial Stability Board or any part thereof.

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

"**Reset Date**" means the First Call Date and each date which falls five, or an integral multiple of five, years after the First Call Date.

"**Reset Period**" means each period from (and including) a Reset Date to (but excluding) the next Reset Date.

"**Reset Rate of Interest**" means, in respect of any Reset Period, the 5-year Mid-Swap Rate determined on the Reset Rate of Interest Determination Date applicable to such Reset Period, as determined by the Agent.

"**Reset Rate of Interest Determination Date**" means, in respect of the determination of the Reset Rate of Interest applicable during any Reset Period, the day falling two Business Days prior to the Reset Date on which such Reset Period commences.

"**Reset Reference Bank Rate**" means, with respect to a Reset Rate of Interest Determination Date, the percentage rate determined on the basis of the 5-year Mid-Swap Rate Quotations provided by the Reset Reference Banks to the Issuer or an agent selected by the Issuer at approximately 11:00 a.m. (Central European time) on such Reset Rate of Interest Determination Date. If at least three quotations are provided, the Reset Reference Bank Rate will be the arithmetic mean of the quotations provided, eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest). If only two quotations are provided, the Reset Reference Bank Rate will be the arithmetic mean of the quotations provided. If only one quotation is provided, the Reset Reference Bank Rate will be the quotation provided. If no quotations are provided, the Reset Reference Bank Rate will be the 5-year Mid-Swap Rate that appeared on the most recent Screen Page that was available.

"**Reset Reference Banks**" means six leading swap dealers in the interbank market selected by the Issuer in its discretion.

"**Return to Financial Health**" has the meaning given in Condition 7.2(a).

"**Screen Page**" means Reuters screen "ICESWAP2" or such other page as may replace it on Reuters or, as the case may be, on such other information service that may replace Reuters, in each case, as may be nominated by the person providing or sponsoring the information appearing there for the purpose of displaying rates comparable to the relevant 5-year Mid-Swap Rate or the Alternative Screen Page, as the case may be, as determined in accordance with Condition 3.1(d).

"**Securities Settlement System**" has the meaning given in Condition 1 (*Form, Denomination and Title*).

"**Senior Obligations**" means (a) the rights and claims of depositors (other than in respect of those whose deposits are expressed by their terms to rank equally to or lower than the Capital Securities), (b) all unsubordinated rights and claims with respect to the repayment of borrowed money, (c) any other unsubordinated rights and claims and (d) all subordinated rights and claims against the Issuer (including in respect of obligations qualifying, or expressed to qualify, as Tier 2 capital under Applicable Banking Regulations) other than (i) Parity Obligations and (ii) Junior Obligations.

"**Statutory Loss Absorption**" has the meaning given in Condition 8 (*Statutory Loss Absorption*).

"**Solo-consolidated Maximum Write-up Amount**" means the Solo-consolidated Net Profit (i) multiplied by the aggregate issued original principal amount of all Written-Down Additional Tier 1 Instruments of the Issuer, and (ii) divided by the Tier 1 Capital of the Issuer as at the date when the Principal Write-up is operated, both (i) and (ii) as calculated on a solo-consolidated basis.

"**Sub-consolidated Maximum Write-up Amount**" means the Sub-consolidated Net Profit (i) multiplied by the aggregate issued original principal amount of all Written-Down Additional Tier 1 Instruments of the Issuer, and (ii) divided by the Tier 1 Capital of the Issuer as at the date when the Principal Write-up is operated, both (i) and (ii) as calculated on a sub-consolidated basis.

"**Successor Benchmark Rate**" means the rate that the Independent Adviser or the Issuer (as applicable) determines is a successor to or replacement of the 5- year Mid-Swap Rate which is formally recommended by any Relevant Nominating Body.

"**Talon**" has the meaning given in Condition 1 (*Form, Denomination and Title*).

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

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

thereto.

"**Tax Event**" means that as a result of, or in connection with, any change in, or amendment to, or proposed amendment to, the laws or regulations of, or applicable in, The Netherlands or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation or the pronouncement by any relevant tax authority that differs from the previously generally accepted position in relation to the Capital Securities, which change or amendment becomes effective on or after the Issue Date (a) to the extent (prior to the relevant (proposed) amendment, change or pronouncement) the Issuer is entitled to claim full or substantially full relief for the purposes of Dutch corporate income tax for any interest payable under the Capital Securities, it will not obtain full or substantially full relief for the purposes of Dutch corporate income tax for any interest payable under the Capital Securities or (b) on the occasion of the next payment due under the Capital Securities, the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 9 (*Taxation*).

"**Tier 1 Capital**" means tier 1 capital within the meaning of Chapters 1 (*Tier 1 capital*), 2 (*Common Equity Tier 1 capital*) and 3 (*Additional Tier 1 capital*) of Title I (*Elements of own funds*) of Part Two (*Own Funds*) of CRR, as implemented and/or applicable in The Netherlands, and/or any such equivalent or substitute calculation or term under Applicable Banking Regulations, including any applicable transitional, phasing in or similar provisions.

A "**Trigger Event**" will occur if, at any time, (i) the Issuer solo-consolidated CET1 Ratio is less than 5.125 per cent. and/or (ii) the Issuer sub-consolidated CET1 Ratio is less than 5.125 per cent. and/or (iii) the Group CET1 Ratio is less than 5.125 per cent. as determined by the Issuer, the Competent Authority or any agent appointed for such purpose by the Competent Authority.

"**Trigger Event Write-down Date**" has the meaning given in Condition 7.1(a).

"**Trigger Event Write-down Notice**" has the meaning given in Condition 7.1(b).

"**Write-down Amount**" has the meaning given in Condition 7.1(d).

"**Written-Down Additional Tier 1 Instrument**" means, at any time, any instrument (including the Capital Securities) issued directly or indirectly by the Issuer and/or Group which qualifies as Additional Tier 1 Capital of the Issuer (on a solo-consolidated or sub-consolidated basis) and/or Group (on a consolidated basis) and which, immediately prior to the relevant Principal Write-up of the Capital Securities at that time, has a prevailing principal amount that, due to it having been written down, is lower than the original principal amount it was issued with.

In these Conditions reference to (i) any provisions of law or regulation shall be deemed to include reference to any successor law or regulation, (ii) solo-consolidated basis shall be to the level of solvency supervision within the meaning of article 9 CRR, (iii) sub-consolidated basis shall be to the level of solvency supervision within the meaning of article 22 CRR and (iv) consolidated basis shall be to the level of solvency supervision within the meaning of article 11 CRR.

FORM OF THE CAPITAL SECURITIES

The Capital Securities will initially be in the form of the Temporary Global Capital Security which will be deposited on the Issue Date with a common safekeeper for Euroclear and Clearstream, Luxembourg.

The Capital Securities will be issued in new global note ("**NGN**") form. On 13 June 2006 the European Central Bank (the "**ECB**") announced that Capital Securities in NGN form are in compliance with the "Standards for the use of EU securities settlement systems in ESCB credit operations" of the central banking system for the euro (the "**Eurosystem**"), **provided that** certain other criteria are fulfilled. At the same time the ECB also announced that arrangements for Capital Securities in NGN form will be offered by Euroclear and Clearstream, Luxembourg as of 30 June 2006 and that debt securities in global bearer form issued through Euroclear and Clearstream, Luxembourg after 31 December 2006 will only be eligible as collateral for Eurosystem operations if the NGN form is used.

The Capital Securities are not intended to be held in a manner which would allow Eurosystem eligibility - that is, in a manner which would allow the Capital Securities to be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem. Whilst the Capital Securities are not intended to be held in a manner which would allow Eurosystem eligibility at the date of this Prospectus, should the Eurosystem eligibility criteria be amended in the future such that the Capital Securities are capable of meeting them the Capital Securities may then be deposited with one of the ICSDs as common safekeeper. Note that this does not necessarily mean that the Capital Securities will then be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.

Whilst any Capital Security is represented by the Temporary Global Capital Security and subject to TEFRA D selling restrictions, payments of principal and interest (if any) due prior to the Exchange Date (as defined below) will be made only to the extent that certification (in a form to be provided) to the effect that the beneficial owners of such Capital Security are not U.S. persons or persons who have purchased for resale to any U.S. person, as required by U.S. Treasury regulations, has been received by Euroclear or Clearstream, Luxembourg and Euroclear or Clearstream, Luxembourg have given a like certification (based on the certifications they have received) to the Agent.

On and after the date (the "**Exchange Date**") which is not less than 40 days after the Issue Date, interests in the Temporary Global Capital Security will be exchangeable (free of charge), upon request as described therein, for interests in the Permanent Global Capital Security against certification of beneficial ownership as described in the second sentence of the preceding paragraph. The holder of the Temporary Global Capital Security will not be entitled to collect any payment of interest or principal due on or after the Exchange Date unless, upon due certification, exchange of the Temporary Global Capital Security for an interest in the Permanent Global Capital Security is improperly withheld or refused.

So long as the Capital Securities are represented by a Temporary Global Capital Security or a Permanent Global Capital Security and the relevant clearing system(s) so permit, the Capital Securities will be tradable only in the minimum authorised denomination of €200,000 and higher integral multiples of €1,000, notwithstanding that no Definitive Capital Securities will be issued with a denomination above €399,000.

The Permanent Global Capital Security will be exchangeable (free of charge), in whole but not in part, for security printed Definitive Capital Securities with interest coupons or coupon sheets and talons attached. Such exchange may be made only upon the occurrence of an Exchange Event and if permitted by applicable law. An "**Exchange Event**" means the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or has announced an intention permanently to cease business or has in fact done so and no successor clearing system is available. The Issuer will promptly give notice to Holders in accordance with Condition 15 (*Notices*) upon the occurrence of an Exchange Event. In the event of the

occurrence of an Exchange Event any person who is at any time shown as accountholder in the records of Euroclear and/or Clearstream, Luxembourg as persons holding a principal amount of interest in the Permanent Global Capital Security may give notice to the Agent requesting exchange. Any such exchange shall occur no later than 15 days after the date on which the relevant notice is received by the Agent. The Temporary Global Capital Security, the Permanent Global Capital Security and Definitive Capital Securities will be issued pursuant to the Agency Agreement.

Payments of principal and interest (if any) on a Permanent Global Capital Security will be made through Euroclear or Clearstream, Luxembourg without any requirement for certification. Definitive Capital Securities will be in the standard euromarket form. Definitive Capital Securities and any Global Capital Security will be to bearer.

A Capital Security may be accelerated by the holder thereof in limited circumstances described in Condition 11 (*Limited Remedies in case of Non-Payment*). In such circumstances, where any Capital Security is still represented by a Global Capital Security and a holder of such Capital Security so represented and credited to his account with Euroclear or Clearstream, Luxembourg gives notice that it wishes to accelerate such Capital Security, unless within a period of 15 days payment has been made in full of the amount due in accordance with the terms of such Global Capital Security, holders of interests in such Global Capital Security credited to their accounts with Euroclear or Clearstream, Luxembourg will become entitled to proceed directly against the Issuer on the basis of statements of account provided by Euroclear or Clearstream, Luxembourg on and subject to the terms of the relevant Global Capital Security.

USE OF PROCEEDS

The net proceeds of the issue of the Capital Securities will be applied by the Issuer for its general corporate purposes and to strengthen its capital base.

DESCRIPTION OF THE ISSUER

INTRODUCTION

The Issuer was incorporated by notarial deed of 27 February 1963 as a public limited liability company (*naamloze vennootschap*) under the laws of The Netherlands, for an indefinite period. The Issuer is registered with the Trade Register of the Dutch Chamber of Commerce under number 39037076. The Issuer has its statutory seat in Amsterdam, The Netherlands and its registered office at Gustav Mahlerlaan 360, 1082 ME Amsterdam, The Netherlands. The general telephone number of The Issuer is: +31 20 709 3000.

The Issuer is a bank and is authorised by the DNB to pursue the business of a bank in The Netherlands in accordance with Article 2.11 of the FMSA. It holds shares in the respective legal entities that have been established in the various countries where LeasePlan is active. The Issuer is actively managing this international network of operating entities. In the areas of (among other things) procurement, IT development, marketing & product development, human resources, operations, car remarketing and risk management an internationally harmonised and coordinated strategy is pursued. As The Issuer is operating in many countries, its contractual obligations are subject to the laws of differing jurisdictions. Throughout this section LeasePlan is used as reference to the group of companies which is headed by The Issuer as common shareholder, and which has common business characteristics.

On 21 March 2016, the Issuer announced the completion of the acquisition of all of its shares from Global Mobility Holding B.V. by LP Group B.V. Following the acquisition, TDR Capital (United Kingdom), sovereign wealth funds ADIA (United Arab Emirates) and GIC (Singapore), pension funds PGGM (The Netherlands) and ATP (Denmark) and Broad Street Investments indirectly own 100 per cent. of the Issuer's issued and outstanding share capital. The total value of the transaction amounted to approximately € 3.7 billion. The acquisition has been financed with an equity investment of approximately half of the total purchase price, a mandatory convertible note of € 480 million and an offer of notes comprising of euro-denominated senior secured notes due 2021 and U.S. dollar-denominated senior secured notes due 2021 in total amounting to approximately € 1.6 billion. None of the debt raised to finance the acquisition has been borrowed by the Issuer and the Issuer is not responsible for the repayment of such debt. LP Group B.V. plans to maintain the Issuer's diversified funding strategy going forward, supported by its investment grade rating. The members of the Supervisory Board associated with the Issuer's former (indirect) shareholders have resigned and new members have been appointed. The Supervisory Board now consists of seven members, five of which are independent. Two members of the Supervisory Board, Mr E.J.B. Vink and Mr M. Dale, are associated with the consortium of shareholders as they have been appointed as Supervisory Board members while continuing to hold positions within PGGM and investment funds managed by TDR Capital, respectively, which are beneficial (indirect) shareholders of the Issuer.

As at 31 March 2019, the Issuer's group employed 7,483 FTE's and its serviced fleet comprised 1.826 million vehicles of various brands worldwide. As at 31 March 2019, the total book value of leases and lease receivables was € 20.48 billion.[2]

PROFILE

LeasePlan is a global fleet management and driver mobility provider. LeasePlan operates in more than 30 countries across Europe, North and South America and the Asia-Pacific region and holds a leading market position based on total fleet size in the majority of LeasePlan's markets[3]. LeasePlan offers a comprehensive portfolio of fleet management solutions covering vehicle acquisition, leasing, insurance, full-service fleet management, strategic fleet selection and management advice, fleet funding, ancillary fleet and driver services and car remarketing. It capitalises on its status as a bank by centrally supporting the group's financing activities. Euro Insurances, LeasePlan's own insurance subsidiary, supports the insurance

[2] A total of "Property and equipment under operating lease and rental fleet" and "Amounts receivable under finance lease contracts".

[3] Sources: LeasePlan country data and analysis; data from local leasing and/or rental associations and external research agencies.

solutions offered by the group companies as part of their integrated service offer. The group companies rank among the major players[4] in their respective local markets, and many are market leader in terms of fleet size[5].

The Group operates in two markets. The first market, the Car-as-a-Service (CaaS) business purchases, funds and manages new vehicles for its customers, providing a complete end-to-end service for typical contract duration of three to four years. The second market, CarNext.com, is a pan-European digital marketplace for high quality used cars seamlessly delivering any car, anytime, anywhere and is supplied with vehicles from the Group's own fleet as well as third-party suppliers.

LeasePlan is currently reviewing various strategic alternatives with respect to CarNext.com. As part of this strategic review, LeasePlan may decide to separate CarNext.com as an asset light, commission-based online sales platform, whereby LeasePlan and other third party vendors would sell their used cars via the CarNext.com platform. The review is still in a preliminary stage and no decisions have yet been reached.

LeasePlan purchases, funds and manages vehicles for its customers, providing a complete end-to-end service through its CaaS business for a typical contract duration of three to four years. At the termination of the initial lease contracts, LeasePlan seeks to maximise the value of vehicles coming off contract by selling them through the most profitable channel or, increasingly, by re-leasing the used vehicles through its used car platform, CarNext.com.

LeasePlan launched LeasePlan Bank in 2010, an online savings bank in The Netherlands and as at September 2015, Germany aimed at retail clients. LeasePlan Bank attracted deposits of around EUR 7.39 billion by the end of 2018 and 165,000 retail accounts.

LeasePlan is one of the few organisations with the broad geographical presence necessary to offer a global service in vehicle leasing and fleet and vehicle management to large multinational companies. LeasePlan International B.V., a subsidiary of The Issuer plays an important role in sales and marketing of cross border services and manages the accounts of large international customers worldwide.

The Issuer's long term credit ratings are: BBB- (stable outlook) from S&P, Baa1 (stable outlook) from Moody's and BBB+ (stable outlook) from Fitch.

SHAREHOLDERS

LP Group B.V. is the sole shareholder of LeasePlan Corporation N.V. LP Group B.V. is held by, among others, TDR Capital, sovereign wealth funds: ADIA and GIC and pension funds: PGGM and ATP. None of the shareholders of LP Group B.V. has a(n indirect) controlling interest in LeasePlan Corporation N.V.

CREDIT INSTITUTION AND RISK WEIGHTING

The Issuer is a licensed bank (under Article 2:11 of the FMSA) in The Netherlands. This license was granted by the DNB in September 1993.

As from 1 January 2014, the Issuer is subject to CRD IV. This causes material changes in the measurement of both the common equity tier 1 capital ("**CET 1 Capital**") and the total risk exposure amounts.

The increase of the CET 1 Capital from EUR 2.849 billion as per the end of December 2017 to EUR 3.031 billion as per 31 December 2018 is the result of the inclusion of the eligible result for the financial year 2018, partially offset by dividend, increased other reserves and regulatory adjustments.

[4] Sources: LeasePlan country data and analysis; data from local leasing and/or rental associations and external research agencies.

[5] Sources: LeasePlan country data and analysis; data from local leasing and/or rental associations and external research agencies.

The increase of the CET1 Capital from EUR 3.031 billion as per 31 December 2018 to EUR 3.099 billion as per 31 March 2019 is the result of the inclusion of eligible results for the period 1 January 2019 until 31 March 2019 and an increase in other reserves, partially offset by increased regulatory adjustments.

The total risk exposure amount increased from EUR 15.7 billion as per 31 December 2017 to EUR 16.6 billion at the end of 2018 under the advanced and standardised approaches that the Issuer uses for its capital calculations based on the CRR requirements. This increase is mainly due to the increase of the lease contract portfolio.

The total risk exposure amount increased from EUR 16.6 billion as per 31 December 2018 to EUR 17.3 billion at as per 31 March 2019 under the advanced and standardised approaches that the Issuer uses for its capital calculations based on the CRR requirements. This increase is mainly due to the increase of the lease contract portfolio and the adoption of IFRS 16 as per 1 January 2019.

The CET 1 Capital ratio increased from 18.1 per cent. as per 31 December 2017 to 18.3 per cent. as per 31 December 2018 and decreased to 17.9% as per 31 March 2019, which remains in excess of the minimum requirements by the DNB.

MANAGING BOARD

The Managing Board of the Issuer currently consists of the following members:

Name	**Born**	**Title**	**Member of Managing Board since**
Tex Gunning	1950	Chairman and Chief Executive Officer	2016
Yolanda Paulissen	1969	Chief Strategic Finance and Investor Relations Officer	2017
Franca Vossen	1972	Chief Risk Officer	2017

Since 7 November 2018, the Managing Board has had a vacancy for the position of the Chief Financial Officer. Toine van Doremalen (SVP Corporate Control) is acting as interim Chief Financial Officer and is directly reporting to the Managing Board.

Outside their function in the Issuer, the Managing Board members' principal activities consist of holding several executive and non-executive board memberships.

The Issuer is aware of the fact that each Managing Board member indirectly holds shares through Stichting Administratiekantoor Gewone Aandelen Lincoln Participation Manco, which is a beneficial (indirect) shareholder of the Issuer. Other than these circumstances, the Issuer is not aware of any potential conflicts of interest between any duties to the Issuer and the private interests and/or other duties of the Managing Board members of the Issuer. The Managing Board members avoid any form of conflicting interest in the performance of their duties. The Issuer's Articles of Association provide that where a Managing Board member has a direct or indirect personal conflict of interests with the Issuer or the enterprise connected with it, he/she shall not participate in deliberations and the decision making process with respect to such matter. If as a result thereof the Managing Board is incapable of adopting a resolution the decision shall be referred to and adopted by the Supervisory Board. Further rules with respect to conflicts of interests have been adopted separately in the Managing Board regulations.

Pursuant to the Dutch Corporate Governance Decree of 20 March 2009 implementing further accounting standards for annual reports ("*Besluit Corporate Governance*") and based on the listing of the Issuer's debt securities issued on regulated markets in the EU, the Issuer is subject to the lighter regime under the Corporate Governance Decree, pursuant to which the Corporate Governance Statement in the annual report

(directly or incorporated by reference) must contain information on the main features of the Issuer's internal control and risk management system in relation to the financial reporting process of the Issuer and its group companies. In addition thereto, the Corporate Governance Statement also requires information be contained about the Issuer's diversity policy with respect to the composition of its Managing Board and its Supervisory Board. The Issuer is obliged to specify the objectives of the policy, how the policy has been carried out and the results thereof in the last financial year. In the event the Issuer has not implemented a diversity policy, it has to disclose the reasons why not in the statement. The Corporate Governance Report in the 2018 annual report contains information on the main features of the internal control and risk management system in relation to the financial reporting process of the company and their group companies.

SUPERVISORY BOARD

M. Dale

Founder of TDR Capital.

A. van Hövell-Patrizi

CRO and member of the management board of Aegon N.V.

S. van Schilfgaarde

CEO and member of the Management Board of Royal FloraHolland.

H. von Stiegel

Executive Chairperson of Ariya Capital Group Ltd., Chairperson of Women Corporate Directors Kenya, member of the board of the London Metal Exchange and Britam Asset Managers (K) Limited.

J.B.M. Streppel, Chairman

Non-executive director of RSA Insurance Group plc; deputy councillor of the Enterprise Chamber of the Amsterdam Court of Appeals; member of the Supervisory Board of Stichting Arq; Chairman of the Foundation Continuity Philips Lighting N.V. and a member of the advisory board of Van Lanschot Kempen N.V.

E.J.B. Vink

Head of Private Equity at PGGM.

Mr E.J.B. Vink and Mr M. Dale have been appointed as Supervisory Board members while continuing to hold positions within PGGM and investment funds managed by TDR Capital, respectively, which are beneficial (indirect) shareholders of the Issuer. In addition, Mr M. Dale, or entities in which he has a beneficial interest, are investors in investments funds managed by TDR Capital and hold certain profit entitlements in respects of such investment funds. Other than these circumstances, the Supervisory Board members avoid any form of conflicting interest in the performance of their duties. The Issuer's Articles of Association provide that where a Supervisory Board member has a direct or indirect personal conflict of interests with the Issuer or the enterprise connected with it, he/she will not participate in the deliberations and the decision making process with respect to such matter. The other Supervisory Board members will deliberate and take the decision. If the Supervisory Board is incapable of adopting a resolution the decision shall be referred to and adopted by the Issuer's general meeting, except however that if the quorum referred to under Article 20 paragraph 2 (ii) of the Articles of Association of the Issuer cannot be reached, all Supervisory Board members may resolve by unanimous vote that the Supervisory Board comprising of only the members who are not conflicted shall remain capable of adopting the resolution by absolute majority without a quorum being required. Further rules with respect to conflict of interests have been adopted separately in the Supervisory Board Regulations.

The chosen address of the members of the Supervisory Board and the Managing Board is the registered office of the Issuer.

A seventh Supervisory Board member is in process of being appointed.

RECENT DEVELOPMENTS

Any material press release, or any summary thereof, issued by the Issuer can be obtained at the registered office of the Issuer at Gustav Mahlerlaan 360, 1082 ME Amsterdam, The Netherlands and from the website of the Issuer at http://www.leaseplan.com. Information on the above mentioned website does not form part of this Base Prospectus and may not be relied upon in connection with any decision to invest in the Capital Securities.

FINANCIAL STATEMENTS OF LEASEPLAN CORPORATION N.V.

The consolidated financial statements of the Issuer for the years ended 31 December 2017 and 2018 have been prepared in accordance with International Financial Reporting Standards as adopted by the EU and with Dutch law.

ADDITIONAL FINANCIAL INFORMATION

Working Capital

The Issuer is of the opinion that its working capital is sufficient for its present requirements, that is for at least a period of twelve months following the date of this Prospectus.

The Issuer's current own funds are sufficient to comply with all own funds requirements applicable to it. The Issuer currently complies with the applicable liquidity requirements as set out in the CRR. The Issuer's current liquidity position is sufficient to comply with all liquidity requirements applicable to it.

Capitalisation and Indebtedness

The table below sets forth LeasePlan Corporation N.V.'s consolidated capitalisation as of 31 March 2019. The information set out below is unaudited.

Capitalisation

For the purposes of capitalisation as presented in the table below, "Debt" is defined as the total of the balance sheet liability items 'funds entrusted', 'borrowings from financial institutions' and 'debt securities issued' split into a current portion for maturities up to one year and a non-current portion for maturities of more than one year. Other liabilities balance sheet line items, being 'derivatives financial instruments', 'trade and other payables and deferred income', 'corporate income tax payable', 'lease liabilities', 'provisions' and 'deferred tax liabilities', are not included in Debt.

	Notes	31-Mar-19 (*in millions of EUR*)
Total current Debt (maturity up to one year)		9,880.4
of which: secured	1	864.3
of which: unsecured	2	9,016.1
of which: subordinated debt		-
Total non-current Debt (maturity of more than one year)		12,180.6
of which: secured	3	1,701.5
of which: unsecured	4	10,479.0
of which: subordinated debt		-
Equity:		
Share capital		71.6
Share premium		506.4
Other reserves		-43.2
Retained earnings		2,957.3
Shareholders' equity		3,492.2
Total Capitalisation		**25,553.1**

1 Total secured debt securities issued and borrowings from financial institutions with a remaining maturity up to one year.
2 Total of unsecured debt securities issued, borrowings from financial institutions and funds entrusted, all with a remaining maturity of up to one year.
3 Total secured debt securities issued and borrowings from financial institutions with a remaining maturity of more than one year.
4 Total of unsecured debt securities issued, borrowings from financial institutions and funds entrusted, all with a remaining maturity of more than one year.

The following table shows the Issuer's indebtedness as at 31 March 2019.

Indebtedness

For the purposes of liquidity as presented in the table below, we have taken into account the balance sheet line items 'cash and balance at central banks' and 'receivables from financial institutions' to the extent of maturities up to 3 months and excluding cash collaterals deposited for securitisation transactions, derivative financial instruments and other cash collateral.

Current financial receivables & operating lease receivables includes the current portion (maturities up to one year) of the balance sheet items 'lease receivables from clients', and 'corporate income tax receivable'. 'Property and equipment under operating lease and rental fleet' relates to the depreciation part of the future lease receivables as will be invoiced to our clients and expected proceeds from the sale of the vehicles at the end of the lease contract. As this reflects our operating lease and rental portfolio, this in substance is a receivable. In order to give a fair representation of the receivables stemming from our leasing business the current portion of ‘property and equipment under operating lease and rental fleet’ is included in the caption ‘current financial receivables & operating lease receivables’.

Financial indebtedness incudes the balance sheet line items 'funds entrusted', 'borrowings from financial institutions' and 'debt securities issued' as well as other financial indebtedness such as 'trade payables' (as included in the balance sheet item 'trade and other payables and deferred income'), 'lease liabilities', 'corporate income tax payable' split into a current portion for maturities up to one year and a non-current portion for maturities of more than one year. Other liabilities balance sheet line items, being 'derivatives financial instruments', 'trade and other payables and deferred income' (except for 'trade payables'), 'provisions' and 'deferred tax liabilities', are not included as financial indebtedness.

Indebtedness	Notes	31-Mar-2019 (*in millions of EUR*)
Total Liquidity		
Cash and balances at central banks	1	4,015.7
Call money, cash at banks	2	540.3
Total liquidity		**4,556.0**
Current financial receivables & operational lease contracts	3	**8,294.7**
Current financial indebtedness (maturities up to one year)		
Debt securities issued		1,934.3
Funds entrusted		6,763.5
Borrowings from financial institutions		1,182.6
Other current financial debt	4	923.8
Total current financial indebtedness		**10,804.2**
Non current financial indebtedness (maturities more than one year)		
Debt securities issued		8,875.4
Funds entrusted		720.5

Borrowings from financial institutions		2,584.6
Other non current debt	5	266.7
Total non current financial indebtedness		**12,447.3**
NET FINANCIAL INDEBTEDNESS		**10,400.8**

1 Cash and balances at central banks with a maturity up to three months, excluding the mandatory reserve deposits at the Dutch Central Bank.
2 Deposits with banks and call money, cash at banks included in receivables from financial institutions (excluding cash collaterals deposited).
3 Current financial receivables include lease receivables from clients, corporate income tax receivables and property and equipment under operating lease and rental fleet, all with a maturity up to one year. 'Property and equipment under operating lease and rental fleet' relates to the depreciation part of the future lease receivables as will be invoiced to our clients and expected proceeds from the sale of the vehicles at the end of the lease contract. As this reflects our operating lease and rental portfolio, this in substance is a receivable. In order to give a fair representation of the receivables stemming from our leasing business the current portion of 'property and equipment under operating lease and rental fleet' is included in the caption 'Current financial receivables & operating lease receivables'.
4 Other current financial debt includes trade payables, corporate income tax liabilities and lease liabilities with a maturity up to one year.
5 Other non current debt includes lease liabilities and corporate income tax liabilities with a maturity longer than one year.

Indirect and contingent indebtedness (commitments)	**31 Mar 2019** (*in millions of Euro*)
Guarantees on behalf of the consolidated direct and indirect subsidiaries in respect of commitments entered into by those companies	1,575.5
Forward purchases of property and equipment under operating lease and rental fleet	2,304.7
Residual value guarantees	353.8
Undrawn part of credit facilities with investments accounted for using the equity method	12.0
Total commitments	**4,246.0**

Regulatory capital position and requirements

Based on the SREP in 2019, the Issuer received a Pillar 2 SREP Requirement of 5.5 per cent. and a Pillar 2 guidance, both to be fulfilled by CET1 from 1 January 2019. Consequently, the Issuer's consolidated minimum CET1 ratio requirement amounts to 10 per cent. for 2019, to which the Pillar 2 guidance is added. This is the sum of 4.5 per cent. Pillar 1 requirement plus 5.5 per cent. Pillar 2 requirement.

A breach of the combined buffer requirement would induce restrictions, for example in relation to dividend distributions and coupon payments on certain capital instruments (including the Capital Securities).

For the calculation of the Maximum Distributable Amount, the applicable Pillar 1 and Pillar 2 requirements and the combined buffer requirement are taken into account. Consequently, based on the Issuer's capital ratios, the MDA trigger level and MDA buffer as at 31 March 2019 are described in the table below.

31 March 2019	**(Current requirements / Filled requirements*)**
Consolidated MDA trigger level	16.3 per cent. / 12.8 per cent.
Consolidated CET1 Ratio	17.8 per cent. / 17.8 per cent.
Consolidated TREA (€m)	17,339 mn

Consolidated MDA Buffer (bps)	157 bps / 506 bps
Consolidated MDA Buffer (€m)	271,7 mn / 878,2 mn
Sub-consolidated MDA trigger level	16.3 per cent. / 12.8 per cent.
Sub-consolidated CET1 Ratio	17.9 per cent. / 17.9 per cent.
Sub-consolidated TREA (€m)	17,339 mn
Sub-consolidated MDA Buffer (bps)	162 bps / 512 bps
Sub-consolidated MDA Buffer (€m)	281,3 mn / 888,2 mn
Solo-consolidated MDA trigger level	10.8 per cent. / 7.3 per cent.
Solo-consolidated CET1 Ratio	16.2 per cent. / 16.2 per cent.
Solo-consolidated TREA (€m)	20,530 mn
Solo-consolidated MDA Buffer (bps)	537 bps / 887 bps
Solo-consolidated MDA Buffer (€m)	1,102.9 mn / 1,821.5 mn

* Filled requirements assumes AT1 and Tier 2 are filled whereby the 1.5 per cent AT1 requirement and the 2 per cent Tier 2 requirement are met with AT1 instruments respectively Tier 2 instruments.

As at 31 March 2019, the Issuer's Distributable Items were approximately €2,322.2 mn.

Source: internal data, unaudited

Due to rounding, numbers presented throughout this Prospectus may not add up precisely to the totals provided.

TAXATION

The following is a general description of certain Dutch tax considerations relating to the Capital Securities. It does not purport to be a complete analysis of all tax considerations relating to the Capital Securities whether in those countries or elsewhere. Prospective purchasers of Capital Securities should consult their own tax advisers as to the consequences under the tax laws of the country of which they are resident for tax purposes and the tax laws of The Netherlands of acquiring, holding and disposing of Capital Securities and receiving payments of interest, principal and/or other amounts under the Capital Securities. This summary is based upon the law as in effect on the date of this Prospectus and is subject to any change in law that may take effect after such date.

Also investors should note that the appointment by an investor in Capital Securities, or any person through which an investor holds Capital Securities, of a custodian, collection agent or similar person in relation to such Capital Securities in any jurisdiction may have tax implications. Investors should consult their own tax advisers in relation to the tax consequences for them of any such appointment.

THE NETHERLANDS

The following summary of certain Dutch taxation matters is based on the laws and practice in force as of the date of this Prospectus and is subject to any changes in law and the interpretation and application thereof, which changes could be made with retroactive effect. The following summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to acquire, hold or dispose of Capital Securities, and does not purport to deal with the tax consequences applicable to all categories of investors, some of which may be subject to special rules.

For the purpose of the paragraph "Taxes on Income and Capital Gains" below it is assumed that a Holder, being an individual or a non-resident entity, neither has nor will have a substantial interest (aanmerkelijk belang) or, in the case of the Holder being an entity, a deemed substantial interest in the Issuer and that no connected person (verbonden persoon) to the Holder has or will have a substantial interest in the Issuer.

Generally speaking, an individual has a substantial interest in a company if the individual, either alone or together with his partner, directly or indirectly has, or is deemed to have (i) the ownership of, a right to acquire the ownership of, or certain rights over, shares representing 5 per cent. or more of either the total issued and outstanding capital of such company or the issued and outstanding capital of any class of shares of such company, or (ii) the ownership of, or certain rights over, profit participating certificates (winstbewijzen) that relate to 5 per cent. or more of either the annual profit or the liquidation proceeds of such company.

Generally speaking, a non-resident entity has a substantial interest in a company if such entity, directly or indirectly has (i) the ownership of, a right to acquire the ownership of, or certain rights over, shares representing 5 per cent. or more of either the total issued and outstanding capital of such company or the issued and outstanding capital of any class of shares of such company, or (ii) the ownership of, or certain rights over, profit participating certificates (winstbewijzen) that relate to 5 per cent. or more of either the annual profit or the liquidation proceeds of such company. Generally, a non-resident entity has a deemed substantial interest in a company if such entity has disposed of or is deemed to have disposed of all or part of a substantial interest on a non-recognition basis.

For the purpose of this summary, the term "entity" means a corporation as well as any other person that is taxable as a corporation for Dutch corporate tax purposes.

Where this summary refers to a Holder, an individual holding Capital Securities or an entity holding Capital Securities, such reference is restricted to an individual or entity holding legal title to as well as an economic interest in such Capital Securities or otherwise being regarded as owning Capital Securities for Dutch tax purposes. It is noted that for purposes of Dutch income, corporate, gift and inheritance tax, assets legally owned by a third party such as a trustee, foundation or similar entity, may be treated as assets owned by the (deemed) settlor, grantor or similar originator or the beneficiaries in proportion to their interest in such arrangement.

Where the summary refers to "The Netherlands" or "Dutch" it refers only to the European part of the Kingdom of The Netherlands.

Where this summary refers to Capital Securities, such reference includes Coupons and Talons.

Investors should consult their professional advisers on the tax consequences of their acquiring, holding and disposing of Capital Securities.

1. WITHHOLDING TAX

All payments of principal and interest by the Issuer under the Capital Securities can be made without withholding or deduction of any taxes of whatever nature imposed, levied, withheld or assessed by The Netherlands or any political subdivision or taxing authority thereof or therein, provided that the Capital Securities are considered either as a debt instrument for Dutch civil law purposes and do not in fact have the function of equity of the Issuer within the meaning of article 10, paragraph 1, under d of the Dutch Corporate Income Tax Act of 1969 (*Wet op de vennootschapsbelasting 1969*) or as an equity instrument, not being shares (*aandelen*) or profit certificates (*winstbewijzen*) within the meaning of the Dutch Dividend Withholding Tax Act 1965 (*Wet op de dividendbelasting 1965*). See also the risk factors under the headings "*Deductibility of payments on the Capital Securities*", "*Dutch withholding tax on payments in respect of the Capital Securities*, "*Dutch tax risks related to the Dutch government's coalition agreement and letter on certain policy intentions for tax reform"* and "*Holders may be subject to withholding tax under FATCA*".

2. TAXES ON INCOME AND CAPITAL GAINS

Residents

Resident entities

An entity holding Capital Securities which is or is deemed to be resident in The Netherlands for Dutch corporate tax purposes and which is not tax exempt, will generally be subject to Dutch corporate tax in respect of income or a capital gain derived from the Capital Securities at the prevailing statutory rates (up to 25 per cent. in 2019).

Resident individuals

An individual holding Capital Securities who is or is deemed to be a resident in The Netherlands for Dutch income tax purposes will be subject to Dutch income tax in respect of income or a capital gain derived from the Capital Securities at the prevailing statutory rates (up to 51.75 per cent. in 2019) if:

(i) the income or capital gain is attributable to an enterprise from which the Holder derives profits (other than as a shareholder); or

(ii) the income or capital gain qualifies as income from miscellaneous activities (*belastbaar resultaat uit overige werkzaamheden*) as defined in the Income Tax Act 2001 (*Wet inkomstenbelasting 2001*), including, without limitation, activities that exceed normal, active asset management (*normaal, actief vermogensbeheer*).

If neither condition (i) nor (ii) applies, the individual will generally be subject to Dutch income tax on the basis of a deemed return, regardless of any actual income or capital gain derived from the Capital Securities. For 2019, the deemed return ranges from 1.94 per cent. to 5.60 per cent. of the value of the individual's net assets as at the beginning of the relevant fiscal year (including the Capital Securities). The applicable percentages will be updated annually on the basis of historic market yields. Subject to application of certain allowances, the deemed return will be taxed at the prevailing statutory rate (30 per cent. in 2019).

Non-residents

A Holder which is not and is not deemed to be a resident in The Netherlands for the relevant tax purposes will not be subject to Dutch taxation on income or a capital gain derived from the Capital Securities, unless:

(iii) the income or capital gain is attributable to an enterprise or part thereof which is either effectively managed in The Netherlands or carried on through a permanent establishment (*vaste inrichting*) or a permanent representative (*vaste vertegenwoordiger*) taxable in The Netherlands and the Holder derives profits from such enterprise (other than by way of the holding of securities); or

(iv) the Holder is an individual and the income or capital gain qualifies as income from miscellaneous activities (*belastbaar resultaat uit overige werkzaamheden*) in The Netherlands as defined in the Income Tax Act 2001 (*Wet inkomstenbelasting 2001*), including, without limitation, activities that exceed normal, active asset management (*normaal, actief vermogensbeheer*).

3. GIFT AND INHERITANCE TAXES

Dutch gift or inheritance taxes will not be levied on the occasion of the transfer of Capital Securities by way of gift by, or on the death of, a Holder, unless:

(i) the Holder is or is deemed to be resident in The Netherlands for the purpose of the relevant provisions; or

(ii) the transfer is construed as an inheritance or gift made by, or on behalf of, a person who, at the time of the gift or death, is or is deemed to be resident in The Netherlands for the purpose of the relevant provisions.

4. VALUE ADDED TAX

There is no Dutch value added tax payable by a Holder in respect of payments in consideration for the issue or acquisition of the Capital Securities or payments of principal or interest under the Capital Securities or the transfer of Capital Securities.

5. OTHER TAXES AND DUTIES

There is no Dutch registration tax, stamp duty or any other similar tax or duty payable in The Netherlands by a Holder in respect of or in connection with the execution, delivery or enforcement by legal proceedings (including any foreign judgement in the courts of The Netherlands) of the Capital Securities or the performance of the Issuer's obligations under the Capital Securities.

6. RESIDENCE

A Holder will not be and will not be deemed to be resident in The Netherlands for Dutch tax purposes and, subject to the exceptions set out above, will not otherwise become subject to Dutch taxation, by reason only of acquiring, holding or disposing of Capital Securities or the execution, performance, delivery or enforcement of the Capital Securities.

SUBSCRIPTION AND SALE

Citigroup Global Markets Limited, Deutsche Bank Aktiengesellschaft, HSBC Bank plc, J.P. Morgan Securities plc and Société Générale (the "**Joint Bookrunners**") have, pursuant to a subscription agreement dated 27 May 2019 (the "**Subscription Agreement**"), jointly and severally agreed with the Issuer upon the terms and subject to the satisfaction of certain conditions, to subscribe the Capital Securities at an issue price of 100 per cent. of their principal amount less a combined selling, management and underwriting commission. The Issuer will also reimburse the Joint Bookrunners in respect of certain of their expenses and has agreed to indemnify the Joint Bookrunners against certain liabilities incurred in connection with the issue of the Capital Securities. The Subscription Agreement may be terminated in certain circumstances prior to the closing of the issue of the Capital Securities.

SELLING RESTRICTIONS

United States

The Capital Securities have not been and will not be registered under the Securities Act or the securities laws 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 except in certain transactions exempt from, or in a transaction not subject to, the registration requirements of the Securities Act. Terms used in the previous sentence have the meanings given to them by Regulation S under the Securities Act.

The Capital Securities are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a U.S. person, except in certain transactions permitted by U.S. tax regulations. Terms used in the previous sentence have the meanings given to them by the U.S. Internal Revenue Code and regulations thereunder.

Each Joint Bookrunners has represented and agreed that, except as permitted by the Subscription Agreement, it will not offer, sell or deliver any Capital Securities within the United States or to, or for the account or benefit of, U.S. persons (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of all Capital Securities (the "distribution compliance period"), as determined and certified to the Agent by such Joint Bookrunner (or in the case of a sale of Capital Securities to or through more than one Joint Bookrunner, by each of such Joint Bookrunners as to the Capital Securities purchased by or through it, in which case the Agent shall notify each such Joint Bookrunner when all such Joint Bookrunners have so certified), and it will have sent to each other manager or person receiving a selling concession, fee or other remuneration to which it sells Capital Securities during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Capital Securities within the United States or to, or for the account or benefit of, U.S. persons. Each Dealer has further represented and agreed that it, its affiliates or any persons acting on its or their behalf have not engaged and will not engage in any directed selling efforts with respect to the Capital Securities, and it and they have complied and will comply with all of the offering restrictions of Regulation S of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

In addition, until 40 days after the completion of the distribution of the Capital Securities, an offer or sale of Capital Securities within the United States by any manager (whether or not participating in the offering) if such offer is made otherwise than in accordance with an available exemption from registration under the Securities Act may violate the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Prohibition of Sales to EEA Retail Investors

Each Joint Bookrunner has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Capital Securities to any retail investor in the European Economic Area. For the purposes of this provision, the expression retail investor means a person who is one (or more) of the following:

(a) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or

(b) a customer within the meaning of Directive 2002/92/EC as amended or superseded, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or

(c) not a qualified investor as defined in the Prospectus Directive.

United Kingdom

Each Joint Bookrunner has represented and agreed that:

(i) 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 Financial Services and Markets Act 2000 of England and Wales (the "**FSMA**") received by it in connection with the issue or sale of any Capital Securities in circumstances in which section 21(1) of the FSMA would not, if it was not an authorised person, apply to the Issuer; and

(ii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Capital Securities in, from or otherwise involving the United Kingdom.

Japan

The Capital Securities have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the "**FIEA**") and, accordingly, each Joint Bookrunner has represented and agreed that it will not offer or sell any Capital Securities directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan or to others for re-offering or resale, directly or indirectly, in Japan or to any resident of 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. As used in this paragraph, "**resident of Japan**" means any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

Switzerland

The Capital Securities 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 or any other exchange or regulated trading venue in Switzerland. Neither this Prospectus nor any other offering or marketing material relating to the Capital Securities constitutes a prospectus as such term is understood pursuant to article 652a or article 1156 of the Swiss Federal Code of Obligations or a listing prospectus within the meaning of the listing rules of the SIX Swiss Exchange Ltd or any other exchange or regulated trading venue in Switzerland, and neither this Prospectus nor any other offering or marketing material relating to the Capital Securities may be publicly distributed or otherwise made publicly available in Switzerland.

Singapore

Each Joint Bookrunner has acknowledged, that this Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Joint Bookrunner has represented, warranted and agreed that it has not offered or sold any Capital Securities or caused the Capital Securities to be made the subject of an invitation for subscription or purchase and will not offer or sell any Capital Securities or cause the Capital Securities to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Capital Securities, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the "**SFA**")) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Capital Securities 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 or securities-based derivatives contracts (each term as defined in Section 2(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 Capital Securities pursuant to an offer made under Section 275 of the SFA except:

(1) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;

(2) where no consideration is or will be given for the transfer;

(3) where the transfer is by operation of law;

(4) as specified in Section 276(7) of the SFA; or

(5) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

Hong Kong

Each Joint Bookrunner has represented and agreed that:

1. it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Capital Securities other than (a) to "**professional investors**" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the "**SFO**") and any rules made under the SFO; 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 (the "**C(WUMP)O**") or which do not constitute an offer to the public within the meaning of the C(WUMP)O; and

2. 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 Capital Securities, 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 the Capital Securities 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 the SFO.

Republic of Italy

The offering of the Capital Securities has not been registered with the *Commissione Nazionale per le Società e la Borsa* ("**CONSOB**") pursuant to Italian securities legislation. Each Manager has represented and agreed that any offer, sale or delivery of the Capital Securities or distribution of copies of this Prospectus or any other document relating to the Capital Securities in the Republic of Italy will be effected in accordance with all Italian securities, tax and exchange control and other applicable laws and regulation.

Any such offer, sale or delivery of the Capital Securities or distribution of copies of this Prospectus or any other document relating to the Capital Securities in the Republic of Italy must be:

(i) made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with Legislative Decree No. 58 of 24 February 1998,

CONSOB Regulation No. 20307 of 15 February 2018 and Legislative Decree No. 385 of 1 September 1993 (in each case as amended from time to time); and

(ii) in compliance with Article 129 of Legislative Decree No. 385 of 1 September 1993, as amended, pursuant to which the Bank of Italy may request information on the issue or the offer of securities in the Republic of Italy and the relevant implementing guidelines of the Bank of Italy issued on 25 August 2015 (as amended on 10 August 2016); and

(iii) in compliance with any other applicable laws and regulations or requirement imposed by CONSOB or any other Italian authority.

Belgium

Each Joint Bookrunner has represented and agreed that an offering of Capital Securities may not be advertised to any individual in Belgium qualifying as a consumer within the meaning of Article I.1 of the Belgian Code of Economic Law, as amended from time to time (a "**Belgian Consumer**") and that it has not offered, sold or resold, transferred or delivered, and will not offer, sell, resell, transfer or deliver, the Capital Securities, and that it has not distributed, and will not distribute, any prospectus, memorandum, information circular, brochure or any similar documents in relation to the Securities, directly or indirectly, to any Belgian Consumer.

Canada

The Capital Securities may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 *Prospectus Exemptions* or subsection 73.3(1) of the *Securities Act* (Ontario), and are permitted clients, as defined in National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*. Any resale of the Capital Securities must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this Prospectus (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

General

Each of the Joint Bookrunners has represented and agreed that (to the best of its knowledge and belief) it will comply with all applicable laws and regulations in force in any jurisdiction in or from which it purchases, offers, sells or delivers any Capital Securities or any interest therein or possesses or distributes this Prospectus or any other offering material relating to the Capital Securities and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of any Capital Securities 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 other Joint Bookrunner shall have responsibility therefore. In addition, each Joint Bookrunner has represented and agreed that it will not directly or indirectly offer, sell or deliver any Capital Securities or distribute or publish this Prospectus or any other offering material relating to the Capital Securities in or from any jurisdiction except under circumstances that will not impose any obligations on the Issuer or any other Joint Bookrunners.

GENERAL INFORMATION

Authorisation

The Issuer has obtained all necessary consents, approvals and authorisations in The Netherlands in connection with the issue and performance of the Capital Securities. The creation and issue of the Capital Securities was authorised by resolutions of the management board of the Issuer passed on 29 April 2019.

Listing

Application has been made to Euronext Amsterdam N.V. for the Capital Securities to be listed on Euronext Amsterdam with effect from 29 May 2019. Euronext Amsterdam is a regulated market for the purposes of the Markets in Financial Instruments Directive (recast) (Directive 2014/65/EU). The total expenses related to admission to trading are estimated to be €16,250.

Significant or material change

There has been no (i) material adverse change in the Issuer's prospects since 31 December 2018 or (ii) significant change in the financial position of the Issuer and its subsidiaries since 31 March 2019.

There has been no (i) material adverse change in the LP Group B.V.'s prospects since 31 December 2018 or (ii) significant change in the financial position of LP Group B.V. and its subsidiaries since 31 March 2019.

Independent auditors

KPMG Accountants N.V. ("**KPMG**") has audited the Issuer's and LP Group B.V.'s financial statements in accordance with generally accepted auditing standards in The Netherlands for the financial year ended 31 December 2017 and the financial year ended 31 December 2018 (the "**2017 and 2018 financial statements**") and issued an unqualified independent auditor's report thereon.

The KPMG audit partners that have signed the 2017 and 2018 financial statements are registered with the Dutch Organisation of Accountants (*Nederlandse Beroepsorganisatie van Accountants*). KPMG's business address is Laan van Langerhuize 1, 1186 DS Amstelveen, The Netherlands.

KPMG is governed by Dutch law in The Netherlands and is subject to inspection by the AFM. The AFM has granted KPMG a license to perform financial statement audits of public interest entities.

KPMG has audited the Issuer's financial statements in accordance with generally accepted auditing standards in The Netherlands for and issued an unqualified independent auditor's report thereon.

KPMG has given its consent to the inclusion in the Prospectus of the incorporation by reference of its independent auditor reports.

Legal and arbitration proceedings

The Issuer is involved in a number of governmental, legal and arbitration proceedings in the ordinary course of its business in a number of jurisdictions, including those set out in the risk factor "*The Issuer is subject to risks arising from legal disputes and may become the subject of governmental or regulatory investigations or proceedings (including in connection with its trademarks and intellectual property rights)*". However, on the basis of information currently available, and having taken legal counsel with advisers, the Issuer is of the opinion that, save as set out above, it is not, nor has it been, involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) during the 12 months preceding the date of this Prospectus which may have, or have had in the recent past, significant effects on the financial position or profitability of the Issuer and/or its subsidiaries.

Documents Available

Copies of the following documents will be available free of charge during normal business hours from the registered office of the Issuer (at Amsterdam, The Netherlands) and from the specified office of the Agent:

(a) a copy of this Prospectus;

(b) a copy of the Agency Agreement; and

(c) the publicly available audited consolidated and unconsolidated annual financial statements (including the auditor's reports thereon) for the two most recent financial years of the Issuer.

Post issuance information

The Issuer does not intend to provide any post issuance information in relation to the issue of Capital Securities.

Clearing and settlement systems

The Capital Securities have been accepted for clearance through the Euroclear and Clearstream, Luxembourg systems. The International Securities Identification Number (ISIN) for the Capital Securities is XS2003473829 and the Common Code is 200347382.

The address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium and the address of Clearstream, Luxembourg is 42 Avenue JF Kennedy L-1855 Luxembourg.

Joint Bookrunners acting with the Issuer

Save for the commissions and any fees payable to the Joint Bookrunners, no person involved in the issue of the Capital Securities has an interest, including conflicting ones, material to the offer.

Yield

7.511 per cent. per annum.

The yield is calculated at the Issue Date on the basis of the Issue Price until the First Call Date. It is not an indication of future yield. Since the Rate of Interest will be reset at the First Call Date (unless the Issuer redeems the Capital Securities on the First Call Date), an indication of yield relating to periods after the First Call Date cannot be given.

The Legal Entity Identifier

The Legal Entity Identifier (LEI) code of the Issuer is 724500C60L930FVHS484.

Registered Office of the Issuer

LeasePlan Corporation N.V.
Gustav Mahlerlaan 360
1082 ME Amsterdam
The Netherlands

Agent

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London EC2N 2DB
United Kingdom

Joint Bookrunners

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Mainzer Landstrasse 11-17
60329 Frankfurt am Main
Germany

Citigroup Global Markets Limited
Canada Square
Canary Wharf
London E14 5LB
United Kingdom

HSBC Bank plc
8 Canada Square
London E14 5HQ
United Kingdom

J.P. Morgan Securities plc
25 Bank Street
Canary Wharf
London E14 5JP
United Kingdom

Société Générale
29, boulevard Haussmann
75009 Paris
France

Independent Public Accountant
KPMG Accountants N.V.
Laan van Langerhuize 1
1186 DS Amstelveen
The Netherlands

Legal Advisers as to Dutch law

To the Issuer

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1013 GE Amsterdam
The Netherlands

To the Joint Bookrunners

Allen & Overy LLP
Apollolaan 15
1077 AB Amsterdam
The Netherlands

Amsterdam Listing Agent
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Gustav Mahlerlaan 10
1082 PP Amsterdam
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