



**de Volksbank N.V.**

*(incorporated under Dutch law as a public limited liability company and having its corporate seat in Utrecht, the Netherlands)*

**€ 25,000,000,000 Debt Issuance Programme**

Under this € 25,000,000,000 Debt Issuance Programme (the "**Programme**") de Volksbank N.V. (the "**Issuer**" or "**de Volksbank**") may from time to time issue Senior Preferred Notes, Senior Non-Preferred Notes or Subordinated Notes (each of these notes as defined in the terms and conditions of the notes (the "**Terms and Conditions of the Notes**"), and together the "**Notes**") denominated in any currency agreed between the Issuer and the relevant Dealer (as defined below), if any. As set out herein, the maximum aggregate nominal amount of the Notes from time to time outstanding under the Programme issued by the Issuer will not exceed € 25,000,000,000 (or its equivalent in any other currency calculated as described herein).

The Notes will be issued on a continuing basis to the Dealer specified below and any additional Dealer appointed in respect of Notes under the Programme from time to time, which appointment may be for a specific issue or on an ongoing basis (each a "**Dealer**" and together the "**Dealers**"). The Dealer or Dealers with whom the Issuer agrees or proposes to agree on the issue of any Notes is or are referred to as the "**relevant Dealer**" in respect of those Notes. Notes may be distributed by way of public offers or private placements and, in each case, on a syndicated or non-syndicated basis. The method of distribution of each relevant series of Notes (a "**Series**"), or tranche thereof (a "**Tranche**"), will be specified in the applicable final terms (the "**Final Terms**").

This document constitutes the base prospectus dated 15 October 2020 of de Volksbank N.V. (the "**Base Prospectus**") in respect of non-equity securities, within the meaning of Regulation (EU) 2017/1129 (the "**Prospectus Regulation**") and is issued in replacement of the base prospectus dated 17 October 2019, which does not affect any notes issued prior to the date of this Base Prospectus. This Base Prospectus will be published in electronic form on the website of the Issuer at <https://www.devолksbank.nl> on 15 October 2020.

**This Base Prospectus shall be valid for a period of up to 12 months from the date of approval by the AFM and shall expire on 15 October 2021, at the latest. The obligation to supplement this Base Prospectus, in the event of significant new factors, material mistakes or material inaccuracies only, shall cease to apply upon the expiry of the validity period of this Base Prospectus.**

**Arranger**  
Rabobank

**Dealer**  
Rabobank

The full terms and conditions of each Tranche of Notes issued by de Volksbank are constituted by the Terms and Conditions of the Notes as set out in full in this Base Prospectus in chapter 2, Part 1 which terms and conditions constitute the basis of all Notes to be offered under the Programme, together with the Final Terms applicable to the relevant issue of Notes, which complete the Terms and Conditions of the Notes in the manner required to reflect the particular terms and conditions applicable to the relevant Series or Tranche. The Notes of each Tranche will (unless otherwise specified in the applicable Final Terms) initially be represented by a Temporary Global Note (as defined below) which will be deposited on the issue date thereof either (i) with a common depository or common safekeeper on behalf of Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking, S.A. ("**Clearstream, Luxembourg**") and/or any other agreed clearing system or (ii) with Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V. ("**Euroclear Nederland**"). See *'Form of the Notes'*.

The Issuer may agree with the relevant Dealer that Notes will be issued in a form not contemplated by the Terms and Conditions of the Notes, in which case a supplementary prospectus, a new base prospectus or a drawdown prospectus, if required, will be made available which will describe the effect of the agreement reached in relation to such Notes and which will be subject to the prior approval of the Netherlands Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten*) (the "**AFM**").

Application may be made for the Notes to be listed and admitted to trading on Euronext in Amsterdam ("**Euronext Amsterdam**"), the regulated market of Euronext Amsterdam N.V. In addition, the Notes may, in accordance with applicable rules and regulations, be listed and admitted to trading on the Luxembourg Stock Exchange ("**Luxembourg Stock Exchange**") or EU other stock exchanges. The Issuer may also issue unlisted Notes under the Programme.

Notes that are issued with a Specified Denomination of € 100,000 (or its equivalent in any other currency as at the date of issue of the Notes) plus one or more higher integral multiples of another smaller amount in excess thereof will not be listed on the regulated market of Euronext Amsterdam until the Issuer has made itself aware that Notes that are purported to have a minimum denomination of € 100,000 plus one or more higher integral multiples of another smaller amount in excess thereof can only be traded in such amount or any amount in excess thereof (for example € 101,000 or € 102,000).

Ratings in relation to de Volksbank and the Notes are described in the chapter headed '*de Volksbank N.V.*', section "*Rating Agencies*".

Tranches of Notes may be rated or unrated. Where a Tranche of Notes is rated, such rating will not necessarily be the same as the ratings assigned to the Programme. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency. On the date of this Base Prospectus, Fitch Ratings Limited ("**Fitch**") is established in the United Kingdom (the "**UK**") and S&P Global Ratings Europe Limited ("**S&P**") and Moody's France SAS ("**Moody's**") are established in the European Union (the "**EU**") and each of them is registered under Regulation (EC) No 1060/2009 of 16 September 2009 on credit rating agencies, as amended (the "**CRA Regulation**").

The rating of a certain Series or Tranche of Notes, if applicable, will be specified in the applicable Final Terms. Whether or not a credit rating applied for in relation to a relevant Series or Tranche of Notes will be issued by a credit rating agency established in the EU or the UK and registered under the CRA Regulation will be disclosed in the applicable Final Terms.

This Base Prospectus has been approved by the AFM as competent authority under the Prospectus Regulation. The AFM only approves this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement

of the Issuer that is the subject of this Base Prospectus nor as an endorsement of the quality of any Notes that are the subject of this Base Prospectus. Investors should make their own assessment as to the suitability of investing in the securities.

The Issuer has requested the AFM to provide the competent authority in Luxembourg, the Commission de Surveillance du Secteur Financier, with a certificate of approval (a "**Notification**") attesting that the Base Prospectus has been drawn up in accordance with Article 25 Prospectus Regulation. The Issuer may request the AFM to provide competent authorities in additional member states within the European Economic Area (the "**EEA**") with a Notification.

The AFM shall notify the European Securities and Markets Authority ("**ESMA**") of the approval of this Base Prospectus and any supplement hereto at the same time as such approval is notified to the Issuer. In addition, the AFM shall provide ESMA with a copy of this Base Prospectus and any supplement hereto.

The information on the websites to which a hyperlink has been included in this Base Prospectus (other than the hyperlinks contained in the section '*Documents Incorporated by reference*') does not form part of this Base Prospectus and has not been scrutinised or approved by the AFM.

**Prohibition of sales to EEA and UK retail investors:** The Notes shall not 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** or in the **UK**. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the "**Insurance Distribution 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 Regulation. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA or in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA or in the UK may be unlawful under the PRIIPs Regulation.

**MIFID II product governance / target market:** The Final Terms in respect of any Notes will include a legend entitled "MiFID II Product Governance" which will outline the manufacturer('s/s') target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturer('s/s') target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer('s/s') target market assessment) and determining appropriate distribution channels. A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the "**MiFID Product Governance Rules**"), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MIFID Product Governance Rules.

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended ("**Securities Act**") or with any securities regulatory authority of any state or other jurisdiction of the United States and include Notes in bearer form that are subject to U.S. tax law requirements. Except in certain transactions exempt from the registration requirements of the Securities Act, Notes may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons.

**An investment in the Notes involves certain risks. Prospective investors should have regard to the risk factors described under chapter 1 'Risk Factors' in this Base Prospectus.**

Interest and/or other amounts payable under the Notes may be calculated by reference to certain reference rates. Any such reference rate may constitute a benchmark under the EU regulation on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds (EU 2016/1011) ("**Benchmark Regulation**"). If any such reference rate does constitute such a benchmark, the applicable Final Terms will indicate whether or not the administrator thereof is included in the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 (*Register of administrators and benchmarks*) of the Benchmark Regulation. Not every reference rate will fall within the scope of the Benchmark Regulation. Furthermore, transitional provisions in the Benchmark Regulation may have the result that an administrator and/or a benchmark is not required to appear in the register of administrators and benchmarks at the date of the applicable Final Terms. The registration status of any administrator or benchmark under the Benchmark Regulation is a matter of public record and, save where required by applicable law, the Issuer does not intend to update any Final Terms to reflect any change in the registration status of the administrator.

This Base Prospectus must be read and construed together with any amendments or supplements hereto and with the documents incorporated by reference herein (which can be found on the website of the Issuer, [www.devолksbank.nl](http://www.devолksbank.nl) and may be obtained by contacting the Issuer by telephone (+31 30 291 42 46/ +31 30 291 48 07) or by e-mail: [jacob.bosscha@devолksbank.nl](mailto:jacob.bosscha@devолksbank.nl) and [davey.hak@devолksbank.nl](mailto:davey.hak@devолksbank.nl)), and in relation to any Tranche, this Base Prospectus should be read and construed together with the applicable Final Terms.

**TABLE OF CONTENTS**

OVERVIEW OF THE PROGRAMME .....6

**CHAPTER 1: INFORMATION RELATING TO THE DEBT ISSUANCE PROGRAMME AND THE ISSUER ....25**

RISK FACTORS .....25

*RISK FACTORS REGARDING THE ISSUER*.....25

CERTAIN NOTICES TO INVESTORS .....60

DE VOLKSBANK N.V. ....64

SELECTED FINANCIAL INFORMATION.....79

FORM OF THE NOTES .....86

USE OF PROCEEDS .....89

TAXATION.....91

SUBSCRIPTION AND SALE .....95

GENERAL INFORMATION .....99

DOCUMENTS INCORPORATED BY REFERENCE .....101

**CHAPTER 2: NOTES ISSUED BY DE VOLKSBANK .....103**

PART 1: TERMS AND CONDITIONS .....103

PART 2: FORM OF FINAL TERMS.....161

## OVERVIEW OF THE PROGRAMME

*This overview constitutes a general description of the parties and the principal features of the Programme for the purposes of Article 25(1) of Commission Delegated Regulation (EU) No 2019/980, and must be read as an introduction to this Base Prospectus. Any decision to invest in the Notes should be based on a consideration of this Base Prospectus as a whole, including any amendment and/or supplement hereto and the documents incorporated by reference herein. The following overview does not purport to be complete and is taken from, and is qualified by, the remainder of this Base Prospectus and, in relation to the terms and conditions of any particular Tranche of Notes and the applicable Final Terms. Words and expressions defined in the Terms and Conditions of the Notes or elsewhere in this Base Prospectus have the same meanings in this section, unless otherwise stated. Prospective investors should consider, among other things, the following.*

### **Issuer:**

de Volksbank N.V. is incorporated under Dutch law as a public company (*naamloze vennootschap*) and has its corporate seat in Utrecht and is registered with the Commercial Register of the Chamber of Commerce under number 16062330. Its registered address is Croeselaan 1, 3521 BJ Utrecht, the Netherlands. The telephone number is tel. +31 (0)30 291 5200.

### **Risk Factors:**

There are certain factors that may affect the Issuer's ability to fulfil its obligations under the Notes, that are specific to the Issuer and/or the Notes and which are material for taking an informed investment decision. These are set out under '*Risk Factors*' above and include, amongst others, the fact that the Issuer's results can be adversely affected by the following factors set out below per category:

#### **Risk factors regarding the Issuer**

- A. Risks related to the issuer's financial situation;
- B. Risks related to the issuer's business activities and industry;
- C. Legal and regulatory risk;
- D. Internal control risk; and
- E. Environmental, social and governance risks.

#### **Risk factors regarding the Notes**

- A. Risks related to the nature of a particular issue of Notes;
- B. Risks related to Notes generally; and
- C. Risks related to the admission of the securities to trading on a regulated market.

|  |   |
|--|---|
| <b>Description:</b>                        | Debt Issuance Programme of de Volksbank N.V.  |
| <b>Arranger:</b>                           | Coöperatieve Rabobank U.A.  |
| <b>Dealers:</b>                            | Coöperatieve Rabobank U.A., and any additional Dealers appointed by the Issuer from time to time.   |
| <b>Regulatory Matters:</b>                 | Notes in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see ' <i>Subscription and Sale</i> ' below).  |
| <b>Issuing and Principal Paying Agent:</b> | Banque Internationale à Luxembourg SA ("BIL")   |
| <b>Amsterdam Paying Agent:</b>             | Coöperatieve Rabobank U.A.  |
| <b>Amsterdam Listing Agent:</b>            | de Volksbank N.V., or another Listing Agent   |
| <b>Size:</b>                               | Subject as set out herein, the maximum aggregate nominal amount of the Notes from time to time outstanding under the Programme issued by the Issuer will not exceed € 25,000,000,000 (or its equivalent in any other currency calculated as described herein). The Issuer may increase the amount of the Programme in accordance with the terms of the Dealership Agreement (as defined below). |
| <b>Distribution:</b>                       | Notes may be distributed by way of public offers or private placements and in each case on a syndicated or non-syndicated basis. The method of distribution of each Tranche will be specified in the applicable Final Terms.  |
| <b>Currencies:</b>                         | Subject to any applicable legal or regulatory restrictions, such currencies as may be agreed between the Issuer and the relevant Dealer, including, without limitation, Australian dollars, Canadian dollars, Danish kroner, euro, Hong Kong dollars, pound sterling, Swiss francs, United States dollars and Japanese yen.   |

**Maturities:**

Any maturity, subject to applicable laws, regulations and restrictions and subject, in the case of Subordinated Notes qualifying as Tier 2 Notes, to a minimum maturity of five years.

**Issue Price:**

Notes may be issued on a fully-paid basis and at an issue price which is at par or at a discount to, or premium over par.

**Form of Notes:**

Each Tranche of Notes will (unless otherwise specified in the applicable Final Terms) initially be represented by a global Note.

Each global Note which is not intended to be issued in the form of a new global Note (a "**New Global Note**" or "**NGN**"), being a classic global Note (a "**Classic Global Note**" or "**CGN**"), as specified in the applicable Final Terms, will be deposited on or around the relevant Issue Date either (i) with a common depository for Euroclear and Clearstream, Luxembourg and/or any other agreed clearing system or (ii) with Euroclear Nederland and each global Note which is intended to be issued in NGN form, as specified in the applicable Final Terms, will be deposited on or around the relevant Issue Date with a common safekeeper for Euroclear and/or Clearstream, Luxembourg.

The temporary global Note will be exchangeable as described therein for, as specified in the applicable Final Terms, either a permanent global Note or definitive Notes upon satisfaction of certain conditions, including, in the case of a temporary global Note where the issue is subject to TEFRA D selling restrictions, upon certification of non-U.S. beneficial ownership as required by U.S. Treasury regulations. A permanent global Note (other than a permanent global Note deposited with Euroclear Nederland) is exchangeable for definitive Notes only upon the occurrence of an Exchange Event, as described in 'Form of the Notes' below. Delivery (*uitlevering*) of definitive Notes represented by a Global Note deposited with Euroclear Nederland shall only be possible in the limited circumstances as described in the Dutch Securities Giro Transfer Act (*Wet giraal effectenverkeer*, "**Wge**") (as amended from time to time) and such delivery will be made in accordance with the Wge and the rules and regulations of Euroclear Nederland (as amended from time to time). Any interest in a global Note will be transferable only in accordance with the rules and procedures for the time being of either (i) Euroclear, Clearstream, Luxembourg and/or any other agreed clearing system or (ii) Euroclear Nederland, as appropriate.

**Fixed Rate Notes:**

Fixed interest will be payable on the date or dates specified in the applicable Final Terms and on redemption, and will be calculated on the basis of such Day Count Fraction as may be agreed between the Issuer and the relevant Dealer (as specified in the applicable Final Terms).

**Floating Rate Notes:**

Floating Rate Notes will bear interest either at (i) a rate determined on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions (as published by the International Swaps and Derivatives Association, Inc., and as amended and updated as at the Issue Date of the first Tranche of the Notes of the relevant Series) or (ii) on the basis of a reference rate appearing on the agreed screen page of a commercial quotation service or on such other basis as may be agreed between the Issuer and the relevant Dealer, being LIBOR, EURIBOR, €STR, Compounded Daily SOFR, Weighted Average SOFR, SONIA, or by the use of Mid Swap Rate (as defined in the applicable Final Terms), Rate of Exchange (as defined in the Terms and Conditions of the Notes) or another benchmark. If the Reference Rate has been discontinued or another Benchmark Event (as defined in the Terms and Conditions of the Notes) has occurred, the Rate of Interest on the Notes may be determined for the relevant period by reference to a substitute, alternative or successor rate, in accordance with the fallback provisions set out in Condition 6(d) applicable to such Notes, being the Replacement Reference Rate. If the Issuer is unable to or otherwise does not determine a Replacement Reference Rate, the rate of interest may ultimately be determined as at the last preceding Interest Determination Date before the Benchmark Event occurred, which may ultimately result in the effective application of a fixed rate to what was previously a Floating Rate Note.

The Margin (as specified in the applicable Final Terms) (if any) relating to such floating rate will be specified in the applicable Final Terms.

**Specified Interest Period(s)  
or Specified Interest Payment  
Date(s) for Floating Rate Notes:**

Such period(s) or date(s) as may be specified in the applicable Final Terms.

**Dual Currency Notes:**

Payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of Dual Currency Notes will be made in such currencies, and based on such rates of exchange, as may be specified in the applicable Final Terms.

**Other provisions in relation to Floating Rate Notes:**

Floating Rate Notes may also have a maximum interest rate, a minimum interest rate or both. Interest on Floating Rate Notes in respect of each Interest Period, as agreed prior to issue by the Issuer and the relevant Dealer, will be payable on such Interest Payment Dates, and will be calculated on the basis of such Day Count Fraction, as may be agreed between the Issuer and the relevant Dealer (if any) (as specified in the applicable Final Terms).

**Zero Coupon Notes:**

Zero Coupon Notes will be offered and sold at a discount or at a premium to their nominal amount or at par and will not bear interest other than in the case of late payment.

**Redemption:**

The applicable Final Terms will indicate either that the Notes cannot be redeemed prior to their stated maturity (other than in specific instalments, if applicable, or for tax reasons or if having Notes outstanding or making payments on the Notes becomes unlawful as described in Condition 8(b) of the Terms and Conditions of the Notes respectively, or following an Event of Default) or that such Notes will be redeemable at the option of the Issuer and/or the Noteholders on giving not less than 15 nor more than 30 days' irrevocable notice (or such other notice period, if any, as is specified in the applicable Final Terms) to the Noteholders or the Issuer, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices and on such terms as are specified in the applicable Final Terms. Redemption may be subject to prior (written) permission of the Competent Authority and certain other conditions, as set out further in Condition 8.

**Redemption for regulatory purposes:**

If "Regulatory Call" is specified in the applicable Final Terms, the Issuer may upon the occurrence of a Capital Event (as defined in Condition 8(d) of the Terms and Conditions of the Notes) redeem the Subordinated Notes qualifying as Tier 2 Notes, in whole but not in part, at any time, if the Issuer has notified the relevant Subordinated Noteholders on giving not less than 30 nor more than 60 days' irrevocable notice, or such other period of notice as is specified in the applicable Final Terms, in accordance with Condition 15. Additionally, redemption of the Subordinated Notes is subject to (i) the prior (written) permission of the Competent Authority provided that at the relevant time such permission is required to be given (including, without limitation, pursuant to Article 77 CRR), (ii) the Issuer demonstrating to the satisfaction of the Competent Authority that it meets the conditions in Article 78 CRR, which may include requiring the replacement of the Subordinated Notes with own funds instruments of equal or higher quality at terms that are sustainable for the income capacity of the Issuer and (iii) compliance with any other pre-conditions to, or requirements applicable to, such redemption as may be required by the Competent Authority or CRD or such other regulatory capital rules applicable to the Issuer at such time. The Issuer will redeem the Subordinated Notes in accordance with the Terms and Conditions at the Optional Redemption Amount specified in the applicable Final Terms together with accrued interest (if any) to but excluding the date of redemption.

If "Regulatory Call" is specified in the applicable Final Terms, the Issuer may upon the occurrence of an MREL Event (as defined in Condition 8(d) of the Terms and Conditions of the Notes) redeem the Senior Preferred Notes, Senior Non-Preferred Notes and/or Subordinated Notes qualifying as MREL Eligibilities, respectively, in whole but not in part, at any time, on giving not less than 30 nor more than 60 days' irrevocable notice to the holder of Senior Preferred Notes, Senior Non-Preferred Notes and/or Subordinated Notes qualifying as MREL Eligibilities, or such other period of notice as is specified in the applicable Final Terms, in accordance with Condition 15, Additionally,

redemption of the Senior Preferred Notes, Senior Non-Preferred Notes and/or Subordinated Notes qualifying as MREL Eligibilities, respectively, is subject to (i) the prior (written) permission of the Competent Authority provided that at the relevant time such permission is required to be given (including, without limitation, pursuant to Article 77 CRR) and (ii) compliance with any other pre-conditions to, or requirements applicable to, such redemption as may be required by the Competent Authority or the MREL Regulations at such time.

**Variation or Substitution:**

If "Variation or Substitution" is specified in the applicable Final Terms of the Subordinated Notes and if a Capital Event and/or a CRR Capital Event and/or (if specified in the applicable Final Terms as being applicable), an ALAC Event (each as defined in Condition 8(d) of the Terms and Conditions of the Notes) has occurred and is continuing, then the Issuer may, subject to (i) the prior (written) permission of the Competent Authority provided that at the relevant time such permission is required to be given (including, without limitation, pursuant to Article 77 CRR) and (ii) compliance with any other pre-conditions to, or requirements applicable to, such variation or substitution as may be required by the Competent Authority or CRD or such other regulatory capital rules applicable to the Issuer at such time (but without any requirement for the permission of the Subordinated Noteholders) and on giving not less than 30 nor more than 60 days' irrevocable notice in accordance with Condition 15 to the Subordinated Noteholders, either substitute all, but not some only, of the Subordinated Notes or vary the terms of the Subordinated Notes so that they remain or, as appropriate, become compliant with CRD or such other regulatory capital rules applicable to the Issuer at the relevant time and/or (if the ALAC Event is specified in the applicable Final Terms as being applicable) are eligible under the ALAC (as defined below) of the Issuer. Upon the expiry of the notice referred to above, the Issuer shall either vary the terms of, or substitute, the Subordinated Notes in accordance with this Condition 8(d), as the case may be, provided that such substitution or variation shall not result in terms that are materially less favourable to the Subordinated Noteholders.

If "Variation or Substitution" is specified in the applicable Final Terms, the Issuer may upon the occurrence of an MREL Event and/or in respect of any Notes other than the Senior Preferred Notes (if ALAC Event is specified in the applicable Final Terms as being applicable), an ALAC Event (each as defined in Condition 8(d) of the Terms and Conditions of the Notes), at its option and at any time substitute the Senior Preferred Notes, Senior Non-Preferred Notes and/or Subordinated Notes qualifying as MREL Eligibilities, respectively, in whole but not in part, or vary the terms of all (but not some only) of the Senior Preferred Notes, Senior Non-Preferred Notes and/or Subordinated Notes qualifying as MREL Eligible Liabilities, respectively, subject to (i) the prior (written) permission of the Competent Authority provided that at the relevant time such permission is required to be given (including, without limitation, pursuant to Article 77 CRR) and (ii) compliance with any other pre-conditions to, or requirements applicable to, such variation or substitution as may be required by the Competent Authority or the MREL Regulations at such time (but without any requirement for the consent or approval of the holders of Senior Preferred Notes, Senior Non-Preferred Notes and Subordinated Notes qualifying as MREL Eligible Liabilities) in such a way that they are eligible for the purposes of the MREL Requirement and/or in respect of any Notes other than the Senior Preferred Notes (if ALAC Event is specified in the applicable Final Terms as being applicable), are eligible under the ALAC of the Issuer (as defined in Condition 8(d) of the Terms and Conditions of the Notes) on giving not less than 30 nor more than 60 days' irrevocable notice to the holders of Senior Preferred Notes, Senior Non-Preferred Notes and/or Subordinated Notes qualifying as MREL Eligibilities, respectively, or such other period of notice as is specified in the applicable Final Terms, in accordance with Condition 15.

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

Effectuating a "Regulatory Call" and/or "Variation or Substitution" as described in the previous paragraphs is subject to (i) the prior (written) permission of the Competent Authority provided that at the relevant time such permission is required to be given (including, without limitation, pursuant to Article 77 CRR) and (ii) compliance with any other pre-conditions to, or requirements applicable to, such redemption, variation or substitution as may be required by the Competent Authority or the MREL Regulations at such time.

|   |  |
|---|--|
| <b>Instalments:</b>   | The applicable Final Terms may specify that Notes may be repayable in two or more instalments of such amounts and on such dates as specified in it.  |
| <b>Denomination of Notes:</b>   | Notes will be issued in such denominations as may be specified in the applicable Final Terms. The minimum denomination of each Note will be € 100,000 (or its equivalent in any other currency as at the date of issue of the Notes).  |
| <b>Taxation:</b>  | Payments in respect of the Notes will, as specified in the applicable Final Terms, be made either subject to withholding of applicable Dutch taxes (if any) or without withholding or deduction for or on account of taxes levied in the Netherlands. If such withholding or deduction is required by law, the Issuer will, if Condition 9(b) is specified as applicable in the applicable Final Terms, pay certain additional amounts in accordance with and subject to certain exceptions as provided in Condition 9(b) of the Terms and Conditions of the Notes. If the applicable Final Terms specify that payments are to be made subject to withholding of applicable Dutch taxes (if any) in accordance with Condition 9(a), it will also specify that Condition 8(b) of the Terms and Conditions of the Notes will not apply to the Notes. |
| <b>Negative Pledge:</b>   | None   |
| <b>Cross Default:</b>   | None   |
| <b>Status and Characteristics relating to Senior Preferred Notes:</b> | The Senior Preferred Notes and the related Receipts and Coupons constitute unsecured and unsubordinated obligations of the Issuer and rank <i>pari passu</i> without any preference among the Senior Preferred Notes themselves and the related Receipts and Coupons and with all other present and future unsecured and unsubordinated obligations of the Issuer, save for those preferred or otherwise ranking junior or senior by mandatory and/or overriding provisions of law and, in the event of the bankruptcy of the Issuer, save for the Senior Non-Preferred Notes. The Senior Preferred Notes rank senior to the Subordinated Notes and, in the event of the bankruptcy of the Issuer, the Senior Non-Preferred Notes. In the case   |

resolution proceedings are commenced in respect of the Issuer and notably when bail-in is applied, the aforementioned ranking in bankruptcy will in principle be followed, with the relevant resolution powers being exercised in a reverse order of priority of claims, subject to certain exceptions.

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

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

The Senior Preferred Notes may qualify as MREL Eligible Liabilities for the purposes of the MREL Regulations applicable to the Issuer from time to time.

**Status and Characteristics relating  
to Senior Non-Preferred Notes:**

The Senior Non-Preferred Notes and the related Receipts and Coupons constitute any present and future claims in respect of unsubordinated and unsecured obligations of the Issuer, which have a lower ranking within the meaning of article 212rb of the Dutch Bankruptcy Act (*Faillissementswet*) (or any other provision implementing Article 108 of Directive 2014/59/EU, as amended by the Article 108 Amending Directive, in the Netherlands) and shall at all times rank (i) *pari passu* without any preference among the Senior Non-Preferred Notes themselves and the related Receipts and Coupons and with all other present and future claims in respect of unsubordinated and unsecured obligations of the Issuer, which have a lower ranking within the meaning of Article 212rb of the Dutch Bankruptcy Act (*Faillissementswet*) (or any other provision implementing Article 108 of Directive 2014/59/EU, as amended by the Article 108 Amending Directive, in the Netherlands) (other than those obligations expressed by their terms or by mandatory and/or overriding provisions of law to rank either in priority or junior to the Senior Non-Preferred Notes), (ii) senior to (a) the Issuer's ordinary shares and any other obligations or capital instruments of the Issuer that rank or are expressed to rank junior to the Senior Non-Preferred Notes, including any obligations or capital instruments of the Issuer which constitute Additional Tier 1 Capital or Tier 2 Capital or which rank or are expressed to rank *pari passu* with Additional Tier 1 Capital or Tier 2 Capital and (b) the Subordinated Notes, and (iii) in the event of bankruptcy (*faillissement*) of the Issuer, junior to the Senior Preferred Notes and unsubordinated obligations ranking *pari passu* to Senior Preferred Notes (and those obligations expressed by their terms or by mandatory and/or overriding provisions of law to rank in priority of Senior Preferred Notes).

As a result, in the event of the bankruptcy of the Issuer, the claims of holders of Senior Non-Preferred Notes against the Issuer are subordinated to, (a) the claims of depositors (other than in respect of those whose deposits are expressed by their terms, subject to applicable law, to rank equally to or lower than the Senior Non-Preferred Notes), (b) unsubordinated claims with respect to the repayment of borrowed money, (c) the Senior Preferred Notes and (d) all other present and future claims in respect of unsubordinated and unsecured obligations of the Issuer (including those expressed by their terms or by mandatory and/or overriding provisions of law to rank in priority over the Senior Non-Preferred Notes) (collectively "**Claims Senior to Senior Non-Preferred Notes Claims**").

For the avoidance of doubt, the ranking as described under (i) and (ii) above will apply in the event (a) of the bankruptcy of the Issuer or (b) of the dissolution (*ontbinding*) of the Issuer as a result of its insolvency, and the ranking as described under (iii) will apply in the event of the bankruptcy of the Issuer. In the case resolution proceedings are commenced in respect of the Issuer and notably when bail-in is applied, the aforementioned ranking in bankruptcy will in principle be followed, with the relevant resolution powers being exercised in a reverse order of priority of claims, subject to certain exceptions.

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

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

The Senior Non-Preferred Notes may qualify as MREL Eligible Liabilities for the purposes of the MREL Regulations applicable to the Issuer from time to time.

**Status and Characteristics relating to Subordinated Notes:**

The Subordinated Notes and the related Receipts and Coupons constitute unsecured and subordinated obligations of the Issuer and rank (i) *pari passu* without any preference among the Subordinated Notes themselves and the related Receipts and Coupons and with all other present and future unsecured and subordinated obligations of the Issuer (other than those subordinated obligations expressed by their terms or by mandatory and/or overriding provisions of law to rank either in priority or junior to the Subordinated Notes) and (ii) junior to those subordinated obligations expressed by their terms to rank in priority to the Subordinated Notes and those preferred by mandatory and/or overriding provisions of law.

As a result, in the event of liquidation or bankruptcy of the Issuer, the claims of Subordinated Noteholders against the Issuer are subordinated to (a) the claims of depositors (other than in respect of those whose deposits are expressed by their terms, subject to applicable law, to rank equally to or lower than the Subordinated Notes), (b) unsubordinated claims with respect to the repayment of borrowed money, (c) other unsubordinated claims and (d) subordinated claims expressed by their terms to rank in priority to the Subordinated Notes (collectively "**Senior Claims**").

By virtue of such subordination, payments to a Subordinated Noteholder will, in the event of liquidation or bankruptcy of the Issuer, only be made after all obligations of the Issuer resulting from Senior Claims have been satisfied.

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

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

The Subordinated Notes may qualify as Tier 2 Capital ("**Tier 2 Notes**") for the purposes of the regulatory capital rules applicable to the Issuer from time to time and/or may qualify as MREL Eligible Liabilities for the purposes of the MREL Regulations applicable to the Issuer from time to time.

**Indicative overview of the ranking of Senior Preferred Notes, Senior Non-Preferred Notes and Subordinated Notes in bankruptcy and resolution:**

For illustration purposes only, below is a non-exhaustive tabular overview of the ranking of the Notes among each other and relative to possible obligations of the Issuer that may rank senior or junior to the Notes. This overview does not address differences in ranking within classes, contractual or non-contractual deviations and other exceptions. The fact that reference is made to certain types of notes in the overview below does not necessarily entail that such notes have been issued by the Issuer and are currently outstanding.

| <b>Ranking in bankruptcy<sup>1</sup></b>  |  |
|---|--|
| Obligations preferred by mandatory and/or overriding provisions of law <sup>2</sup> |  |
| Senior debt<br>(such as Senior Preferred Notes)                                     |  |
| Senior non-preferred debt<br>(such as Senior Non-Preferred Notes)                   |  |
| Tier 2<br>(such as Tier 2 Notes)  | Subordinated debt<br>(such as Subordinated Notes not being Tier 2 Notes) |
| AT1   |  |
| CET1  |  |

| <b>Ranking in resolution<sup>3</sup></b>  |
|---|
| CET1  |
| AT1   |
| Tier 2<br>(such as Tier 2 notes)  |
| Subordinated debt<br>(such as Subordinated Notes not being Tier 2 Notes)            |
| Senior non-preferred debt<br>(such as Senior Non-Preferred Notes)                   |
| Senior debt<br>(such as Senior Preferred Notes)                                     |
| Obligations preferred by mandatory and/or overriding provisions of law <sup>4</sup> |

1 Subject to certain exceptions, see the section Risk Factors – 'Write-down and conversion of capital instruments and Resolution Event').

2 For example, including DGS-deposit obligations and obligations to tax authorities and secured creditors.

3 Subject to certain exceptions, see the section Risk Factors – 'Write-down and conversion of capital instruments and Resolution Event').

4 For example, including DGS-deposit obligations and obligations to tax authorities and secured creditors.

**Statutory Loss Absorption or Recapitalisation:**

The Notes may become subject to the determination by the Resolution Authority or (acting on the decisions and instructions by the Resolution Authority) the Issuer that, without the consent of the relevant Noteholder, (a) all or part of the nominal amount of the Notes, including accrued but unpaid interest in respect thereof, must be written down, reduced or otherwise be applied to absorb losses, subject to write-up by the Resolution Authority ("**Statutory Loss Absorption**"); or (b) all or part of the notional amount of the Notes including accrued but unpaid interest in respect thereof, must be converted into (claims which may give rights to) Common Equity Tier 1 instruments ("**Recapitalisation**"), all as prescribed by the Applicable Resolution Framework. Upon any such determination, (i) the relevant proportion of the outstanding nominal amount of the Notes subject to Statutory Loss Absorption or Recapitalisation shall be written down, reduced or converted into (claims which may give rights to) Common Equity Tier 1 instruments or otherwise be applied to absorb losses, subject to write-up by the Resolution Authority, as prescribed by the Applicable Resolution Framework, (ii) such Statutory Loss Absorption or Recapitalisation shall not constitute an Event of Default and (iii) Noteholders will have no further claims in respect of the amount so written down or the amount subject to conversion or otherwise as a result of such Statutory Loss Absorption or Recapitalisation.

The Notes will not be subject to Statutory Loss Absorption or Recapitalisation if and to the extent the Applicable Resolution Framework is not deemed to apply retrospectively with respect to such Notes and/or the Issuer.

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

**Ratings:**

Ratings in relation to the Issuer and certain Notes are described in the chapter headed '*de Volksbank N.V.*', section '*Rating Agencies*'.

Tranches of Notes may be rated or unrated. Where a Tranche of Notes is rated, its expected rating will be specified in the applicable Final Terms. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency without prior notice.

**Listing:**

Application may be made for Notes to be issued under the Programme to be listed on Euronext in Amsterdam and/or the Luxembourg Stock Exchange. Unlisted Notes may also be issued. The Final Terms relating to each issue will state whether or not the Notes are to be listed and, if so, on which exchange(s).

**Governing Law:**

The Notes will be governed by, and construed in accordance with, Dutch law.

**Selling Restrictions:**

There are selling restrictions in relation to the EEA, UK, Japan and the United States, Zero Coupon Notes and such other restrictions as may be required in connection with the offering and sale of a particular Series or Tranche of Notes. See '*Subscription and Sale*' below.

## **CHAPTER 1: INFORMATION RELATING TO THE DEBT ISSUANCE PROGRAMME AND THE ISSUER**

### **RISK FACTORS**

*The Issuer believes that the following factors may affect its ability to fulfil its obligations under the Notes. All of these risk factors and events are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring. In addition, factors which are material for the purpose of assessing the market risks associated with the Issuer and the Notes are also described below.*

*Although the most material risk factors have been presented first within each category, the order in which the remaining risks are presented is not necessarily an indication of the likelihood of the risks actually materialising, of the potential significance of the risks or of the scope of any potential negative impact to the Issuer's business, financial condition, results of operations and prospects. The Issuer may face a number of these risks described below simultaneously and some risks described below may be interdependent. While the risk factors below have been divided into categories, some risk factors could belong in more than one category and prospective investors should carefully consider all of the risk factors set out in this section.*

*The Issuer believes that the factors described below represent the material risks inherent in investing in the Notes, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with any Notes may occur for other reasons and the Issuer does not represent that the statements below regarding the risks of holding any Notes are exhaustive. Other risks, events, facts or circumstances not included in this Base Prospectus, not presently known to the Issuer, or that the Issuer currently deems to be immaterial could, individually or cumulatively, prove to be important and may have a significant negative impact on the Issuer's group business, financial condition, results of operations and prospects. Prospective investors should carefully read and review the entire Base Prospectus and should form their own views before making an investment decision with respect to the Notes. Prospective investors should also read the detailed information set out elsewhere in this Base Prospectus and reach their own views prior to making any investment decision with respect to the Notes.*

*Before making an investment decision with respect to any Notes, prospective investors should 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 Notes and consider such an investment decision in the light of the prospective investor's personal circumstances.*

*Definitions used in this chapter 'Risk Factors' shall have the meanings given thereto in the relevant risk factor and/or the definitions list at the end of this chapter, which has been included for ease of reading this chapter.*

### **RISK FACTORS REGARDING THE ISSUER**

#### **A. Risks related to the issuer's financial situation**

##### **1. The Issuer faces substantial funding and liquidity risk**

The Issuer's primary sources of funding are customer deposits and wholesale funding. Customer deposits are currently the main funding source of the Issuer. The amount of such deposits can be volatile and future amounts cannot be predicted with complete certainty. During the COVID-19 crisis, customer deposits have increased substantially, while additional outflow has not been observed. The amount of mortgage loans on the Issuer's balance sheet is therefore currently roughly similar to the amount of customer deposits attracted. This means that if the Issuer's customers would withdraw their deposits or the number of customers and/or the amount of new

deposits decreases, whereas the amount of mortgage loans remains stable, or if the customers' default rate under the mortgages would increase, it will likely limit the Issuer's possibilities to continue its lending business unless it attracts alternative funds. Additionally, the amount of these deposits is sensitive to the savings rates the Issuer pays. This has resulted in a certain dependency on wholesale funding in the money markets and capital markets including the use of securitisation of the mortgage loan portfolio and the issuance of covered bonds. This diversification of funds is beneficial for instance with respect to fixed maturities of the wholesale transactions, which facilitates liquidity and funding planning.

Good access to the money markets and capital markets may be necessary to finance the growth of the Issuer's mortgage loan portfolio and to refinance all its outstanding loans with a shorter maturity than the mortgage loans in which the money is invested. Access for wholesale funding may be negatively affected by concerns about the credit strength of the Issuer or a downgrade of any of the ratings of the Issuer (for whatever reason), but may also be influenced, *inter alia*, by concerns about the market segments in which the Issuer is active, or by a general market disruption. Any such factors may result in higher funding and refinancing costs for the Issuer in the money markets and capital markets and may also affect or effectively limit access to these markets. Although in addition to customer deposits and wholesale funding the Issuer may have access to the European Central Bank (the "ECB") facilities, the sensitivity of the Issuer to a liquidity risk is substantial. Liquidity risk is the risk that the Issuer has insufficient liquid assets available in the short or long term to meet its financial obligations, under normal circumstances or in times of stress, without incurring unacceptable costs or losses. The Issuer may have difficulties in meeting its short-term financial obligations if this liquidity risk materialises and its balance sheet structure may develop in such a way that the Issuer is excessively exposed to disruptions in its funding sources.

## **2. The Issuer is exposed to the risk of a downgrade of any of its credit ratings**

Ratings in relation to the Issuer are described in the chapter headed '*de Volksbank N.V.*', section '*Rating Agencies*'. A downgrade of any of the Issuer's ratings would result in higher funding and refinancing costs for the Issuer in the capital markets. Such downgrade may also affect or effectively limit access to the capital markets, because investing in the Issuer will in such case likely be considered less attractive (also because of the Issuer's possible reputational damage) and/or will no longer be allowed for certain investors. In addition, a downgrade of any of the Issuer's ratings may limit its opportunities to operate in certain business areas. For example, the Issuer may hedge its positions in the derivatives market to manage its trading or investment risks in this market, also in relation to issuances under this Programme. When rating triggers are present, a decline in the rating of the Issuer below a certain level can alter the obligations of parties to an agreement, such as providing a counterparty to a derivatives contract with the right to demand collateral or lenders the right to demand repayment of a loan. Additionally, a lower rating may result in the Issuer having to post (additional) collateral, counterparties being unwilling to trade with the Issuer and/or a credit rating event being triggered which could potentially result in trades being terminated early.

## **3. The Issuer's participation in the Deposit Guarantee Scheme may have a material adverse effect on its results of operations and financial condition**

The Issuer is a participant in the Dutch Deposit Guarantee Scheme (*Depositgarantiestelsel*, the "**Deposit Guarantee Scheme**"), from which compensation may become payable to customers of financial institutions in the event the financial institution is unable to pay, or unlikely to pay, claims against it. The Issuer and other financial institutions are required to quarterly pay risk-weighted contributions into a fund to cover future drawings under the Deposit Guarantee Scheme. The fund, in which the Issuer participates, is expected to grow to a target size of at least 0.8% of all deposits guaranteed under the Deposit Guarantee Scheme, which should be reached by 2024. This quick growth could have a material effect on the Issuer's financial condition. The ultimate costs involved with making compensation payments under the Deposit Guarantee Scheme are allocated among the participating banks by (*De Nederlandsche Bank N.V.*, "**DNB**"), based on an allocation key related to their market shares with respect

to the deposits protected by the Deposit Guarantee Scheme. Additionally, the Issuer may be faced with extra costs for coverage if any claims are made under the Deposit Guarantee Scheme as a result of any financial institution participating in the Deposit Guarantee Scheme failing to pay claims against it. For example, the Issuer made an advanced contribution to the Dutch Central Bank under the Deposit Guarantee Scheme in relation its share related to the bankruptcy of DSB Bank in 2009 of which € 58 million was still outstanding at 31 December 2019. Consequently, the ultimate costs to the industry of payments which may become due under the Deposit Guarantee Scheme remain uncertain although they may be significant and the associated costs to the Issuer may have a material adverse effect on its results of operations and financial condition.

#### **4. The Issuer has issued guarantees**

The Issuer has provided guarantees as referred to in Article 2:403 of the Dutch Civil Code (the "**403-guarantee**") (exemption from filing and publishing financial statements).

As at the date hereof, the Issuer has issued 403-guarantees for the following subsidiaries: ASN Duurzame Deelnemingen N.V., Pettelaar Effectenbewaarbedrijf N.V., SNS Mortgage Receivables B.V. and SNS Global Custody B.V. In the 403-guarantee the Issuer declares itself to be jointly and severally liable for the obligations of the relevant subsidiary resulting from legal acts executed by it. See also the paragraph '*Guarantees pursuant to Article 2:403 of the Dutch Civil Code for Propertize*' in the chapter '*de Volksbank N.V.*'.

If enforced in accordance with its terms, the Issuer may be held liable under these guarantees and therefore may have to pay to that creditor of the relevant subsidiary. Such enforcement of the 403-guarantee could have an adverse effect on the financial position of the Issuer.

### **B. Risks related to the issuer's business activities and industry**

#### **5. The business of the Issuer is primarily concentrated in the Netherlands**

The Issuer generates most of its income in the Netherlands and therefore is particularly exposed to the economic, political and social conditions in the Netherlands. Economic conditions in the Netherlands may be negatively influenced by conditions in the global financial markets and economy. Partly due to the economic crisis, growth of the Dutch gross domestic product ("**GDP**") has been subdued. Following the growth of 2.20% in 2016, GDP grew 2.90% in 2017 followed by a growth of 2.60% in 2018 and 1.90% in 2019. Any deterioration or merely a long-term persistence of a difficult economic environment in the Netherlands could negatively affect the demand for products and services of the Issuer. In addition, the Issuer is exposed to the risk of a significant deterioration of the financial position of its customers which include small and medium enterprises ("**SME**") in the Netherlands.

#### **6. A significant portion of the results of the Issuer relates to its mortgage loan products**

Residential mortgage loans constitute approximately 77% of the Issuer's total assets at year-end 2019. Any material change affecting residential mortgage loans generally and/or of the Issuer specifically will likely have a material impact on the Issuer. An economic downturn, stagnation or drop in property values, changes in or abolition of the tax deductibility of interest payments on residential mortgage loans in the Netherlands, increased and/or decreased interest rates, the financial standing of borrowers or a combination thereof, could lead to a decrease in the production of new mortgage loans and/or increased default rates on existing mortgage loans. The outbreak of the coronavirus ("**COVID-19**") and the measures taken in relation thereto, will directly or indirectly result in increases of defaults under mortgage loans. Payment holidays have been requested and more are likely to be requested by borrowers in distress due to the COVID-19 outbreak, and many of which have been accepted pursuant to which borrowers are allowed to defer making payments for three months. This may result in payment disruptions and possibly higher losses under the mortgage loans.

A decrease in the level of interest rates on residential mortgage loans could affect the Issuer through, among other things, (i) increased prepayments on the loan and mortgage portfolio, for instance when as a result of low interest rates on saving accounts prepayments on mortgage loans are considered more beneficial to customers than savings, (ii) interest rate averaging and (iii) low margins for mortgage loans, in particular long term mortgages loans.

Any of the above factors, events and developments may have a negative impact on the interest margins of the Issuer on new and existing residential mortgages and may result in a decrease of its existing portfolio and/or in the production of new mortgage loans.

The higher the loan to income ratio, the larger the proportion of the earnings of a borrower that will be needed to pay interest and principal under mortgage loans, especially when confronted with unexpected costs or expenses, or, in respect of an interest-only mortgage loan, the repayment of principal. This loan to income ratio and other factors such as loss of earnings, illness, divorce and other similar factors may lead to an increase in delinquencies and bankruptcy filings by borrowers and could ultimately have an adverse impact on the ability of borrowers to repay their mortgage loans.

The Dutch tax system allows borrowers to deduct, subject to certain limitations, mortgage interest payments for owner-occupied residences from their taxable income. The deduction period allowed is restricted to a term of 30 years. For the year 2020, the maximum tax rate against which mortgage interest may be deducted for Dutch income tax purposes (the "**maximum deductibility rate**") is set at 46%. As per 2020, the maximum deductibility rate will decrease with 3% (instead of 0.5%) per annum (i.e., 43% in 2021) down to 37.03% in 2023. This reduction of the maximum deductibility rate could ultimately have an adverse impact on the ability of borrowers to pay interest and principal on their mortgage loans and may lead to different prepayment behaviour by borrowers on their mortgage loans, and may thus result in higher or lower prepayment rates of such loans.

Any of the aforementioned developments or events may thus be material to the Issuer, considering that its business represents a high percentage of the residential mortgage loans.

## **7. The Issuer's business and results of operations may be adversely affected by a weakening of economic conditions in Europe**

Global markets and economic conditions have been negatively impacted in recent years by the banking and sovereign debt crisis in the EU and globally. In particular, concerns have been raised with respect to continuing economic, monetary and political conditions in the region comprised of the member states of the EU ("**Member States**") that have adopted the single currency in accordance with the Treaty establishing the European Community (signed in Rome on 25 March 1957) as amended (the "**Eurozone**"). The potential impact of a sovereign default on the Eurozone countries and the risk that some Member States could leave the Eurozone (either voluntarily or involuntarily), continues to raise concerns about the ongoing viability of the euro currency and the Economic and Monetary Union (the "**EMU**"). Despite several measures, amongst which on the level of the ECB, there remains considerable uncertainty as to whether such measures will sustain the economic recovery or avert the threat of sovereign default. The persistent low interest rate environment is causing increased demand for mortgages with longer maturities, whereas as a retail bank it is challenging for the Issuer to be able to make competitive offers to customers. In addition, the business operations of the Issuer, its third party service providers and clients are vulnerable to epidemics or pandemics, outbreaks of infectious diseases or any other serious public health concerns such as the COVID-19 outbreak, whether on a regional or global scale, with any resulting restrictions on travel, imposition of quarantines and prolonged closures of workplaces, the impact of which will depend on future

developments, which are highly uncertain and cannot be predicted or other forms of natural disasters and other disasters beyond its control such as war and heightened geopolitical tension. These factors may create economic and political uncertainties, which may have a material adverse effect on the global economy in general or on the economic conditions in the regions in which the Issuer operates and have in the past resulted in, or may in the future result in, a reduced demand for financial products and services, a deterioration in asset quality of the Issuer, a delay in receipt of interest income and/or repayment of principal and increases in loan impairment charges.

Furthermore, the full impact of a renewed rise of financial market tensions, like those among the Eurozone during the sovereign debt crisis, may lead to renewed stress in sovereign and bank funding markets. Market conditions remain vulnerable to disruption and risks remain. Deterioration of the economic environment, including as a result of an increase in unemployment rates, a market downturn or a weakening of the Dutch, European or global economies or other new economic shocks which could lead to a more severe economic downturn, the COVID-19 outbreak and other disasters, the UK's exit from the EU ("**Brexit**"), other elections held or to be held in Europe, an exit of one or more additional Member States from the EMU, or a potential dissolution of the EMU and a consequential re-introduction of individual currencies in one or more EMU Member States is impossible to predict.

If any such event were to occur the critical issues are that it may likely:

- a) disrupt and adversely affect the economic activity of the Dutch and other European markets the Issuer is active on;
- b) result in significant market dislocation, decreased liquidity, high volatility in the securities markets and significant volatility in the value of the euro against other currencies, which may negatively impact the appetite to invest in the Notes and subsequently may affect the Issuer's financial position;
- c) significantly heighten counterparty risk, which may result in one or more of the Issuer's counterparties to default on its obligations to the Issuer which arise from lending or other financial transactions;
- d) result in downgrades of credit ratings for European borrowers, such as the Issuer, giving rise to significant increases in credit spreads and decreases in security values;
- e) adversely affect the management of market risk and in particular asset and liability management due, in part, to the redenomination of financial assets and liabilities and the potential for mismatch;
- f) significantly threaten the quality of the Issuer's loan portfolio, in particular for retail clients; or
- g) have a material adverse effect on the value of the Issuer's assets, the Issuer's fee and commission income and/or interest income, the ability of its clients to meet financial obligations and could cause the Issuer's loan impairment charges to rise or cause the Issuer to incur further market-to-market losses.

The Issuer may have to incur significant costs to store or mitigate the effects of the foregoing. The Issuer's prospects, financial condition and results of operations in particular may be materially affected by the above factors, events and developments.

## **8. The Issuer faces substantial competitive pressures which could adversely affect its results of operations**

Technology giants, (start-up) fintech companies, payment specialists, retailers, telecommunication companies, crowd-funding initiatives and aggregators are all encroaching on traditional banking services and from traditional bank competitors who team up with such new players. The Issuer also faces competition from traditional banking parties and from non-banking parties, such as pension funds and insurance companies, with relatively new parties providing more segmented offers to its customers and clients in the field of mortgage loans. In particular, the Issuer's funding capabilities for offering long-term mortgages may not be sufficient enough, therefore the Issuer is not able to offer long-term mortgages against a competitive interest rate. There is a risk that the several measures of the Issuer in relation to long-term mortgages, such as continuously streamlining of the mortgage process and aiming for cost control, may not be enough to become sufficiently competitive. The clients of the Issuer, in turn, are willing

to consider alternative offers, as a result of which the Issuer may lose these clients to competitors. If the Issuer is unable to offer competing and attractive products and services that are profitable, it may lose market share or incur losses on some or all of its activities. Competition in the financial services industry is furthered by the high level of consolidation in the Netherlands in the markets where the Issuer operates. Competitive pressures could result in increased pricing pressures, particularly as competitors seek to win market share, and may harm the ability of the Issuer to maintain or increase its market share and profitability.

## **9. The Issuer is exposed to risks of damage to its reputation**

The Issuer is the fourth-largest retail bank in the Dutch market, offering products such as mortgages, payments and savings, making its trustworthy reputation essential for its business. Any damage to the reputation of the Issuer, in particular with a view to its focus on retail and SME customers and the concentration of its business in the Netherlands, could cause disproportionate damage to its business, regardless of whether or not the negative publicity is factually accurate.

The Issuer is, for example, exposed to the risk that, among other things, litigation, employee misconduct, operational failures, or products or services developed or recommended by it, which are not performing as expected, whether or not founded, will harm its reputation. Furthermore, negative publicity could be based on allegations that the Issuer does not or does not fully comply with regulatory requirements or anti-money laundering or bribery rules, or result from negative publicity about a third party linked to the Issuer (e.g. resulting from misconduct or malpractice relating to intermediaries, independent advisors, partners, business promoters or third party managers) or about politically exposed persons in the customer base of the Issuer (being topics for which the Dutch banking sector is exposed to increased scrutiny and public attention over recent years).

Furthermore, negative publicity could also result from the fact that certain of the financial products and services of the Issuer and its subsidiaries are distributed through third parties or form part of broader products and services sold by third parties. Any negative publicity in respect of such third parties or such broader products and services could also have negative consequences for the Issuer. Furthermore, negative publicity could result from failures in the information technology systems of the Issuer, loss of customer data or confidential information, or failure in risk management procedures.

Any damage to the reputation of the Issuer could cause existing customers to withdraw their business from the Issuer and potential customers to be reluctant or elect not to do business with the Issuer. Furthermore, negative publicity could result in greater regulatory scrutiny and influence market or rating agency perception of the Issuer, which may make it more difficult for the Issuer to maintain its credit ratings. See also the risk factor 'Litigation, other proceedings, or significant claims may adversely affect the business, financial condition and results of operations of the Issuer'.

## **10. The performance of the Issuer depends on its ability to accurately price its products and services**

The results of operations and the financial condition of the Issuer depends, among other things, on its ability to set rates and prices accurately. Rate adequacy is necessary to generate sufficient premiums to pay losses and expenses and to earn profits on income. The ability of the Issuer to price its products and services accurately is subject to a number of uncertainties.

One of these uncertainties lies in the fact that interest rates or price of products of the Issuer (such as derivatives, floating rate notes, floating rate covered bonds and mortgages) may be determined by reference to various benchmarks (including interest rate benchmarks such as the Euro Interbank Offered Rate ("EURIBOR") and the

London Inter-Bank Offered Rate ("LIBOR")), which are subject to recent national and international regulatory guidance and proposals for reform (including the Benchmark Regulation which entered into force on 1 January 2018). Following the implementation of any such potential reforms, the manner of administration of benchmarks may change, with the result that they may perform differently than in the past, or benchmarks could be eliminated entirely, or there could be other consequences, including those which cannot be predicted. Any changes to a benchmark due to these reforms may have the effect of reducing or increasing the rate or level, or affecting the volatility of, the published rate or level, of the benchmark, (in some cases) without the Issuer having the possibility to apply any mitigating adjustments thereto. Uncertainty as to the continuation of a benchmark, the availability of quotes from reference banks to allow for the continuation, and the rate that would be applicable if a benchmark would be materially amended or is discontinued, may result in rates and prices of products and services being determined on the basis of inadequate or inaccurate data or inappropriate analyses, assumptions or methodologies. See also the risk factor *'Benchmark reforms impose obligations on the Issuer and market parties and may cause benchmarks used in respect of the Notes to be materially amended or discontinued'* below.

If the Issuer fails to establish adequate rates and prices for its products and services, its revenues derived from such products could decline while its expenses increase resulting in proportionately greater financial losses.

#### **11. The Issuer is exposed to the risk of a decline of and a high volatility in the securities markets**

Under highly volatile market conditions, funding transactions, as well as hedging and other risk management strategies may not be as effective at mitigating trading risks as they would be under more normal market conditions. The Issuer uses financial derivative measures as part of its risk management strategy and it may not be able to manage its exposures adequately through the use of such derivatives as a result of modelling, sensitivity analysis or other risk assessment method failures or as a result of appropriate derivative products not being available. Market conditions, and periods of high volatility can occur not only as a result of purely economic factors, but also as a result of geopolitical tensions, such as international trade disputes or international sanctions or as a result of war, acts of terrorism, natural disasters or other similar events outside the Issuer's control. There is no assurance that market volatility will not result in a prolonged market decline, or that such market declines for other reasons will not occur in the future.

Severe market events have historically been difficult to predict, and could lead to the Issuer realizing significant losses if extreme market events were to persist for an extended period of time. Therefore market volatility, liquidity disruptions, or dislocations could have a material adverse effect on the Issuer's business, financial position and results of operations.

#### **12. The Issuer is exposed to the sensitivity and variation of the level of interest rates**

The level of interest rates, credit spreads and changes in prevailing interest rates and credit spreads (including changes in the difference between the levels of prevailing short- and long-term rates) could adversely affect the results of the Issuer.

The results of the Issuer's business are affected by the management of interest rate sensitivity. The composition of the assets and liabilities of the Issuer, and any maturity gap position resulting from that composition, causes the banking business' net interest income to vary with changes in interest rates. There can be no assurance that the Issuer will be able to successfully manage interest rate spreads or the potential negative impact of risks associated with sustained low, flat and even negative interest rates (for the avoidance of doubt, this has no effect on the Minimum Rate of Interest becoming less than zero). For example, the Issuer's interest income was under pressure in the first half of 2020 as a result of the sustained low interest rate environment. It cannot be predicted whether and when such pressure would disappear or decrease in the future. An important cause of the Issuer's decreasing

interest margin in the first half of 2020 was that the drop in the Issuer's interest income could not be offset by a lowering of savings interest rates due to the Issuer's interest rate policy for savings rates. Pursuant to this policy the Issuer maintains a 0.01% interest floor for retail customers of up to € 25.000 and a 0.00% interest floor for retail customers of up to € 100.000, until the end of 2020.

### **13. The Issuer is exposed to credit risks, including counterparty exposure, which may result in credit provisions to be inaccurate**

The Issuer is exposed to general credit risks, for example the Issuer is exposed to credit risks of borrowers. Third parties that owe the Issuer money, securities or other assets may not pay or perform under their obligations. These parties include customers (such as borrowers under loans granted, including without limitation, to mortgage loans), the issuers whose securities are being held by an entity within the Issuer's group, trading counterparties, counterparties under swaps and credit and other derivative contracts, clearing agents, exchanges, clearing houses and other financial intermediaries. These parties may default on their obligations to the Issuer or its group companies due to bankruptcy, lack of liquidity, downturns in the economy or real estate values, operational failure or other reasons and could have an adverse effect on the Issuer's business, financial position and results of operations. In the first half of 2020, the Issuer saw for example a swing in impairment charges of provisions for credit risk of € 45 million, an increase compared to the € 13 million release in the first half of 2019, mainly as a result of the COVID-19 crisis. This may be read as an indication for future provisions, subject to unforeseen and/or external circumstances such as a dramatic increase or decrease of defaulting parties. As a consequence of any such defaulting parties the adequacy of the Issuer's credit provisions included in its agreements entered into by or in respect of such parties may be impacted. These provisions relate to the possibility that a counterparty may default on its obligations to the Issuer which arise from lending or other financial transactions. If future events or the effects thereof do not fall within any of the assumptions, factors or assessments used by the Issuer to determine its credit provisions, these provisions could be inadequate.

## **C. Legal and regulatory risk**

### **14. The regulatory environment and intensive supervision to which the Issuer is subject gives rise to significant costs and non-compliance could result in monetary and reputational damages**

The financial services industry continues to be the focus of significant regulatory scrutiny. This has led to a more intensive approach to supervision and oversight, more regulatory investigations and enforcement actions as well as an increase in the amount of fines against financial institutions.

If the Issuer is unable to obtain, retain and commit sufficient resources for regulatory compliance, this could lead to delays and errors, and may force it to choose between prioritising compliance matters over administrative support for business activities, or may ultimately force the Issuer to cease the offering of certain products or services. For example the Issuer expects to commit significant resources for purposes of Anti-Money Laundering ("AML"), anti-terrorist financing measures, IT security, privacy. Furthermore, the Issuer continues to invest in resources to adapt to the ECB's supervisory approach and to familiarise the ECB with the Issuer's business and financial position.

Any delays or errors in implementing regulatory compliance could lead to substantial monetary damages and fines, loss of significant assets, public reprimands, a negative effect on the Issuer's reputation, regulatory measures in the form of cease and desists orders, fines, increased regulatory compliance requirements, which have become more stringent as a result of new regulations and resulting from a more expansive interpretation thereof by supervisory authorities, or other potential regulatory restrictions on the Issuer's business, enforced suspension of operations and in extreme cases, withdrawal of licenses or authorisations to operate particular businesses, or criminal prosecution in certain circumstances. The last few years have seen a steep escalation in the severity of

the terms which competent supervisory authorities and law enforcement authorities have required to settle legal and regulatory proceedings against financial institutions, with settlements including unprecedented monetary penalties as well as criminal sanctions. Non-compliance with applicable regulation may also lead to civil liability towards affected clients and, increasingly, third parties. See also the risk factor '*Litigation or other proceedings or actions, including potentially significant claims for violation of the duty of care, may adversely affect the business, financial condition and results of operations of the Issuer*'.

In addition to non-compliance by the Issuer itself, the Issuer may suffer negative consequences of non-compliance by its clients or any third parties. The Issuer may also suffer negative consequences of clients or any third parties operating businesses or schemes in violation of applicable rules and regulations whose activities the Issuer could be held to monitor and, where applicable, to denounce or to interrupt.

In conclusion, the regulatory environment and the intensive supervision to which the Issuer is subject gives rise to significant legal and financial compliance costs. Non-compliance with applicable regulation may result in monetary and reputational damages, which could have an adverse effect on the Issuer's business, financial position and results of operations.

#### **15. Major changes in laws and regulations as well as enforcement action could have a negative impact on the Issuer**

In pursuit of a broad reform and a restructuring of financial regulation, legislatures and supervisory authorities, continue to introduce proposals and implement standards that could result in major changes to the way the Issuer's operations are regulated and could have adverse consequences for its business, business model, financial position, results of operations, reputation and prospects. Also, the regulatory laws and regulations applicable to the Issuer are to an extent based on the Issuer's interpretations of such laws and regulations. The Issuer cannot guarantee that such interpretations will not be questioned by the relevant authorities. Changes in regulatory laws and regulations or interpretations by the Issuer thereof being challenged by the relevant authorities could materially impact the profitability of the Issuer's businesses, the value of its assets or the collateral available for its loans, require changes to business practices, increase its regulatory reporting and transparency obligations, or force the Issuer to discontinue businesses or change its legal entity structure, capital and funding structure, and expose the Issuer to additional costs, taxes, liabilities, enforcement actions and reputational risk and are likely to have a material impact on the Issuer.

The Issuer notes that the following changes in laws and regulations form a material risk for its financial position, credit rating and results of operations and prospects:

- Regulatory capital requirements, as proposed by the Basel Committee on Banking Supervision (the "**Basel Committee**") and being implemented in the EU through, among others, Directive 2013/36/EU ("**CRD Directive**") and Regulation (EU) No 575/2013 ("**CRR**", and together with the CRD Directive, "**CRD**"), as these are amended from time to time. Regulatory capital requirements are subject to ongoing change, and are expected to become more stringent. This is especially due to the implementation and entry into force of the change to CRD included in the EU banking package adopted in May 2019 (the "**EU Banking Reforms**") and the finalised Basel III reforms as published on 7 December 2017 (the "**Basel III Reforms**") (informally referred to as Basel IV). The foregoing measures are expected to require the Issuer to attract and retain additional and/or enhanced regulatory capital, and will impact the Issuer's day-to-day business. Notable changes that will affect the Issuer's business includes changes to the requirements for the risk-weighting of mortgages and the introduction of an output floor. To illustrate, the Issuer expects that Basel III Reforms will increase its RWA by approximately 40% and that its CET1 capital ratio (in the first half year of 2020 at 33.8%) will go down by approximately 10 percentage points as a result of the full phase-in of the Basel III Reforms. Furthermore, the

impact of these changes to the applicable prudential regime is yet to be fully determined by the Issuer. This is among others due to the fact that the EU Banking Reforms and Basel III Reforms are still subject (in part) to further implementation in EU or national laws. In that respect, it is noted that the implementation and phasing in of the Basel III Reforms was postponed by one year in response to the COVID-19 crisis. In order to maximise the capacity of credit institutions to lend and to absorb losses related to the COVID-19 pandemic, certain specific changes were made to the CRR in June 2020, including an acceleration of the application date for some topics following from the EU Banking Reforms. The impact of these changes for the Issuer is however deemed to be limited. Finally, in anticipation of these regulations, DNB announced in October 2019 that it would increase the minimum floor on the risk-weighting of (part of) the mortgage loan portfolios of Dutch banks using internal risk models for said risk-weighting, such as the Issuer, for a period of at least two years. However, to support the banks' capital position in response to the COVID-19 crisis, DNB has postponed the introduction of this minimum floor until further notice.

- Minimum requirement for own funds and eligible liabilities ("**MREL**"), as such requirement has been introduced under Directive 2014/59/EU (the Bank Recovery and Resolution Directive, the "**BRRD**") and Regulation (EU) No 806/2014 (the "**SRM Regulation**"), as these are amended from time to time. The MREL framework is intended to make sure that the Issuer can absorb losses expected in resolution or at the point of non-viability and to be recapitalised after the implementation of resolution actions. The MREL is subject to ongoing change, and is expected to become more stringent. This is especially due to the implementation and entry into force of the changes to BRRD and SRM Regulation forming part of the EU Banking Reforms and the application of the SRB's revised policy on MREL under the EU Banking Reforms published in May 2020. The upcoming changes to MREL may result in a higher MREL and/or higher subordination requirements for the Issuer, which will require the Issuer to attract and retain additional and/or enhanced regulatory capital or (other) subordinated debt. To illustrate, in its capital planning, the Issuer starts from the assumption that the minimum non-risk weighted MREL requirement of 8% must be fully composed of subordinated liabilities on 1 January 2024. This assumption is based on the Issuer's current view on the future MREL subordination requirement regulations and would require it to attract and retain additional subordinated liabilities leading up to 2024. The Issuer is closely monitoring the developments concerning those regulations, and will adjust its capital planning if necessary.
- Further AML rules, as laid down in, among others, Directive 2015/849/EU (the "**AML Directive**") and accompanying Regulation (EU) No 2015/847 (the "**AML Regulation**"), as these are amended from time to time. The AML requirements require the Issuer to review and amend its current AML processes. Also taking into account the increased regulatory pressure on compliance with AML requirements, the Issuer is working on the implementation of the new requirements in processes, systems and training and awareness for employees. The Issuer runs the risk that failure to (timely) comply with the AML rules results in enforcement measures and damages to the Issuer's reputation.
- Under the Benchmark Regulation new requirements apply with respect to the provision of a wide range of benchmarks (such as the Reference Rate (as defined below)), the contribution of input data to a benchmark and the use of a benchmark within the EU. As a supervised entity and user of benchmarks within the meaning of the Benchmark Regulation, the Issuer has to comply with certain obligations under the Benchmark Regulation in respect of in-scope products and contracts. This includes the obligation to produce and maintain a robust written plan among others setting out the actions the Issuer would take in the event a benchmark materially changes or ceases to be provided. This plan is commonly referred to as a fallback plan and the Issuer has produced and is maintaining such a plan. The Issuer is also required to ensure that it only makes use of authorised benchmarks and that its contracts include appropriate fallback language. The Issuer runs the risk that it is not timely able to amend its contracts and switch from the use of unauthorised benchmarks to authorised benchmarks and paying and/or receiving a similar rate of interest (both in its internal processes

as well as in its external products and investments). This may affect the Issuer's financial and compliance position.

- New payment services regulations, as laid down in Directive (EU) 2015/2366 ("PSD II") imposes additional requirements on the Issuer with respect to its payment services and supports the emergence of new players and the development of innovative mobile and internet payments in Europe. Key elements of the PSD II that could impact the Issuer are: (i) access to payment accounts by other parties than the bank where the customer holds an account (Third Party Access), and (ii) security requirements. Third Party Access as described in the PSD II force the Issuer to make substantial investments and expose it to more or intensified competition and can be a threat as parties other than banks focus on the customer-engagement components of the value chain and leave the commoditised transactional components to banks which could lead to disintermediation. Security is and will remain a core element in the service offering of banks whereby it is important that the security requirements in PSD II, as applied by the Issuer, strike the right balance between ease of use and risk (such as with respect to customer data).
- The Issuer's derivative activities remain subject to significant reform as a result of Regulation (EU) No 648/2012 ("EMIR"). EMIR already requires the Issuer to centrally clear certain OTC-derivatives and report derivative contracts to a trade repository. It furthermore requires the Issuer to exchange variation and initial margin with certain of its counterparties, which group of counterparties will be extended in the near future. This will lead to an increased margining obligation for the Issuer. The Issuer runs the risk that it will not be able to have the necessary contractual documentation and operational process timely in place in order to be able to trade or continue trading with the relevant counterparties. This will lead to additional compliance costs for the Issuer.
- The Issuer will be subject to increasing sustainability regulations, such as Regulation (EU) 2019/2088 from 10 March 2021 relating to disclosures and Regulation (EU) 2020/852 (partially) (the "EU Taxonomy Regulation") from 1 January 2022 relating to a framework to facilitate sustainable investment. These regulations will require the Issuer to include information at entity and at product level with regard to certain financial products on whether or not it takes into account adverse sustainability impact, whether or not it promotes environmental or social characteristics and whether or not it meets one or more of the environmental objectives as set out in the EU Taxonomy Regulation. Furthermore, DNB and the ECB have published guidance with regard to management of climate risks, which credit institutions such as the Issuer are expected to incorporate in their risk management framework. As the Issuer will have to implement these regulations and expects to have to implement more sustainability-related regulations, this will give rise to additional compliance costs and expenses.

**16. Resolution regimes may (inter alia) lead to fewer assets of the Issuer being available to investors for recourse for their claims, and may lead to lower credit ratings and possibly higher cost of funding**

The BRRD and the SRM Regulation set out a common European recovery and resolution framework. If the Issuer would be deemed no longer viable (or one or more other conditions apply) the Resolution Authority may decide to write-down, cancel or convert relevant capital instruments of the Issuer, such as the Tier 2 Notes, independently (i.e. separate from a resolution action) or do so in combination with a resolution action (such as the application of a transfer tool and/or the bail-in tool).

If the Issuer would be deemed to fail or likely to fail and the other resolution conditions would also be met, the Resolution Authority may decide to place the Issuer under resolution. It may decide to apply certain resolution tools. These resolution tools include the sale of business tool, the bridge institution tool and the asset separation tool, each of which, in summary, provides for a transfer of certain assets and/or liabilities of the institution under resolution to a third party. In addition, the SRM provides for the bail-in tool. The bail-in tool may be applied to

recapitalise the Issuer (whether or not in combination with one of the aforementioned transfer tools) or convert into (claims which may give rights to) Common Equity Tier 1 instruments or reduce the principal amount of claims or debt instruments (such as the Notes) of the Issuer that have been transferred pursuant to one of the aforementioned transfer tools. The bail-in tool extends further than the relevant capital instruments (such as the Tier 2 Notes) of the Issuer, and may also result in the write-down or conversion into (claims which may give rights to) Common Equity Tier 1 instruments of eligible liabilities (such as the other Notes) in accordance with a certain order of priority.

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

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

It is possible that the Resolution Authority may use its powers under the BRRD or SRM Regulation or the Dutch Intervention Act in a way that could result in debt instruments of the Issuer absorbing losses. The use of these could negatively affect the position of the holders of such debt instruments and the credit rating attached to debt instruments then outstanding and could result in losses to the holders of such debt instruments, in particular if and when any of the above proceedings would be commenced against the Issuer. These measures and consequences could increase the Issuer's cost of funding and thereby have an adverse impact on the Issuer's financial position and results of operation. In addition, there could be amendments (including, but not limited to, the amendments discussed in the preceding risk factor above) to the SRM and the BRRD or the Dutch Intervention Act, which may add to these effects.

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

## **17. Capital and/or liquidity requirements may adversely affect the business of the Issuer**

The Issuer is required by regulators to maintain adequate capital and liquidity levels, as such regulators may deem appropriate. Adequate capital and liquidity levels are also necessary for the Issuer's financial flexibility and to cope with adverse developments. Changes to capital adequacy and liquidity requirements may require the Issuer to raise additional regulatory capital or hold additional liquidity buffers, for example because of different interpretations of or methods for calculating risk exposure amount, or because the Issuer does not comply with ratios and levels, or instruments and collateral requirements that currently qualify as capital or capital risk mitigating techniques no longer do so in the future. For example, the Issuer is required to comply with the minimum amount of MREL, which should ensure the effective application of the bail-in resolution tool under the BRRD and SRM regulation. This leads to increased funding costs for the Issuer. If the Issuer is unable to raise the requisite regulatory capital in order to comply with current or future capital requirements or with MREL, it may, amongst others, be required to reduce its

risk exposure amount, restrict certain activities or engage in the disposition of core and other, non-core, businesses, which may not occur on a timely basis or at prices which would otherwise not be attractive to the Issuer.

The Issuer must comply with a Liquidity Coverage Ratio (LCR) and the EU Banking Reforms introduce a binding Net Stable Funding Ratio (NSFR) and leverage ratio. These are likely to have an impact on the Issuer's funding costs and in having to maintain buffers of liquid assets which may in turn result in lower returns than less liquid assets. Furthermore, if the Issuer is unable to adequately manage its liquidity position, this may prevent it from meeting its short-term financial obligations. In addition, the Issuer may be required to attract additional stable sources of funding or hold a higher liquidity buffer, which may result in higher costs for the Issuer.

**18. The Issuer is subject to requirements of privacy laws, and may be precluded from implementing business models based on analysis and use of client generated data.**

The Issuer is subject to new extensive requirements of privacy laws as a consequence of the recently reformed EU legal framework on the protection of personal data after the entering into force of the General Data Protection Regulation (the "GDPR"). As the GDPR contains various open standards, a risk of divergent interpretations exists as to how the GDPR can be complied with. There is a risk that the Issuer applies a certain interpretation as to how the GDPR must be complied with, which may not be in line with (future) publications of the European Data Protection Board and the Dutch Data Protection Authority (*Autoriteit Persoonsgegevens*) (the "DDPA"), which may cause the Issuer to alter its approach.

Due to public pressure and perceived or actual infringements of privacy laws, the Issuer may be precluded from implementing business models based on analysis and use of client generated data for its marketing purposes.

Other risks relating to non-compliance with privacy laws may include administrative sanctions from the DDPA (such as significant fines (an order subject to) a non-compliance penalty (*last onder dwangsom*) or a ban on processing (*verwerkingsverbod*), on the basis of which the Issuer could be precluded from developing and implementing new business models based on the processing activities), civil claims from clients whose personal data are processed (e.g. analysed) by the Issuer, complaints from such clients against the Issuer filed with the DDPA and negative publicity which may cause harm to the Issuer's reputation.

**19. Litigation, other proceedings, or significant claims may adversely affect the business, financial condition and results of operations of the Issuer**

The Issuer faces substantial legal risks in the conduct of its business. In the Netherlands, the number and size of claims that are the subject of litigation, regulatory proceedings and other adversarial proceedings against financial institutions are increasing. A number of proceedings have been initiated against the Issuer for violation of its duty of care. Current proceedings are still pending and their outcome is uncertain, as is the timing of reaching any finality on these legal claims and proceedings. Financial institutions in the Netherlands, such as the Issuer, owe a duty of care (*zorgplicht*) and must comply with duty of care rules under Dutch law, which includes provisions on client classification, disclosure requirements and know-your-customer obligations. Pursuant to the General Banking Conditions (*Algemene Bankvoorwaarden*) used by Dutch banks, a bank must always act in accordance with its duty of care, irrespective of whether the service or product is sold to a professional client or a non-professional client. In recent years, the duty of care standards applicable to financial institutions have become more stringent as a result of new regulations and resulting from a more expansive interpretation of existing rules and standards by courts and supervisory authorities. The Issuer expects this trend to continue. Where in the past the duty of care was held to apply predominantly to clients, the application of this standard has on the basis of case law been extended more broadly for the benefit of third parties that suffer damages inflicted by clients of the financial institution. In these cases, courts held, for example, that in certain circumstances financial institutions may be

expected to monitor activities of their clients, denouncing or even halting any suspected illegal activity. Accordingly, there can be no assurance that additional proceedings will not be brought. Such litigation may have a material adverse effect on the Issuer's business, reputation, results of operations, financial position and prospects. See also the risk factor '*The Issuer is exposed to risks of damage to its reputation*' and the paragraph '*Legal proceedings*' in the chapter '*de Volksbank N.V.*'.

## **20. The Issuer is subject to stress tests**

The banking sector, including the Issuer, is subject to periodic stress testing in respect of the resilience of banks to adverse market developments. Such stress tests are initiated and coordinated by the European Banking Authority ("**EBA**") or the ECB. In addition thereto in 2018 the Issuer participated in SSM Supervisory Review and Evaluation Process ("**SSM SREP**") stress test by the ECB. Contrary to the EBA stress test results, the results of the SSM SREP stress test were not published. The SSM SREP stress test was performed at the highest level of consolidation (at the time de Volksholding B.V.) and was based on the same methodology as that of the EBA stress test. Based on the assumptions and methodological restrictions of the stress test's adverse scenario, the Common Equity Tier 1 ("**CET1**") ratio of the Issuer would remain above the Issuer's internal target of more than 19%. At 30 June 2020, the CET1 ratio of the Issuer stood at 33.8%. Although the Issuer also participated in the 2020 SSM SREP stress test, this exercise is postponed to 2021 as a measure to alleviate the immediate operational burden due to the COVID-19 pandemic. There is no guarantee that the result of any future stress test will meet the Issuer's internal target as well. 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 financial services sector as a whole. The outcome of stress tests could negatively impact the Issuer's reputation, financing costs and trigger enforcement action by supervisory authorities. The outcome of stress tests could also result in the Issuer having to meet higher capital and liquidity requirements, which could have a negative impact on the Issuer's business, results of operations, profitability or reputation. In addition, stress tests could divulge certain information that would not otherwise have surfaced or which until then, the Issuer had not considered to be material and worthy of taking remedial action on. This could lead to certain measures or capital and funding requirements by supervisory authorities being imposed or taken, which could have a negative impact on the Issuer's business, results of operations, profitability or reputation. See also paragraph '*Recent developments*' under '*De Volksbank participated in the SSM SREP stress test*' in the chapter '*de Volksbank N.V.*'.

## **21. The Issuer is subject to changes in financial reporting standards or policies which could materially adversely affect the Issuer's reported results of operations and financial condition**

The Issuer's consolidated financial statements are prepared in accordance with IFRS as adopted in the EU, which is periodically revised or expanded. Accordingly, from time to time the Issuer is required to adopt new or revised accounting standards issued by recognised bodies, including the International Accounting Standards Board (IASB). It is possible that future accounting standards which the Issuer is required to adopt, or as a result of choices made by the Issuer, could change the current accounting treatment that applies to its consolidated financial statements and that such changes could have a material adverse effect on the Issuer's reported results of operations and financial condition and may have a corresponding impact on capital ratios.

### **D. Internal control risk**

## **22. The Issuer may be exposed to failures in its risk management systems**

The Issuer also invests substantial time and effort in its strategies and procedures including statistical models, scenario analyses and stress tests for managing risks, not only credit risk, but also other risks, such as strategic risks (business risk, organisational risk, reputation risk, sustainability risk), financial risks (credit risk, market risk,

IRRBB, liquidity risk, capital adequacy) and non-financial risks (operational risk, compliance risk and model risk) legal risk and reporting risk. These strategies and procedures could nonetheless fail or not be fully effective under some circumstances, particularly if the Issuer is confronted with risks that it has not fully or adequately identified or anticipated. Some of the methods of the Issuer for managing risk are based upon observations of historical market behaviour. Statistical techniques are applied to these observations in order to arrive at quantifications of some of the risk exposures of the Issuer. These statistical methods may not accurately quantify the risk exposure of the Issuer if circumstances arise which were not observed in its historical data. For example, as the Issuer offers new products or services, the historical data may be incomplete or not accurate for such new products or services. As the Issuer gains a more complete and accurate set of data over time, it may need to make additional provisions.

If circumstances arise which the Issuer did not identify, anticipate or correctly evaluate in developing its statistical models, scenario analyses and stress tests its losses could be greater than the maximum losses envisaged by it. Furthermore, the quantifications do not take all risks or market conditions into account. If the measures used to assess and mitigate risks prove insufficient, the Issuer may experience unanticipated losses.

### **23. The Issuer is exposed to operational risks**

The operational risks that the Issuer faces include the possibility of inadequate or failed internal or external processes or systems, inadequate or failed outsourcing of processes, services or activities, human error, regulatory breaches, employee misconduct. The occurrence of any such event may result in financial loss and may harm the reputation of the Issuer. Inability to retain and attract key personnel could adversely affect its operations and results. The Issuer attempts to keep operational risks at appropriate levels by maintaining a well-controlled environment in light of the characteristics of its business, the markets and the regulatory environments in which it operates. While these control measures mitigate operational risks they do not eliminate them.

#### *Ineffective systems and processes*

The Issuer relies heavily on its operational processes, and communication and information systems in particular to conduct its business. Even with the back-up recovery systems and contingency plans that are in place, the Issuer cannot ensure that interruptions, failures or breaches in security of these processes and systems will not occur or, if they do occur, that they will be adequately addressed. Any such interruptions, failures or breaches, even for a limited period of time, could result in, for example:

- interruptions in the services offered or information provided to customers, or inability to serve customers' needs in a timely fashion;
- interruptions or errors in management information and/or information reported to supervisory authorities;
- a violation of applicable regulations;
- inability to identify in time or at all, inadequate, fraudulent, negligent and/or unauthorised dealings by employees of the Issuer or third parties, or telecommunication connection failures or hacking of the website portal of the Issuer or other cybercrime activities against the Issuer or its clients; and
- considerable costs in terms of, for example, information retrieval and verification.

#### *External operational risks*

The business operations of the Issuer are also vulnerable to interruption from external factors such as fire, flood, bomb threats, explosions or other forms of terrorist activity and natural and man-made disasters. The Issuer cannot ensure that interruptions, failures or breaches of its communication and information systems as a result of external fraud will not occur or, if they do occur, that they will be adequately addressed. Finally, cybercrime risk is also a

relevant and ongoing threat that may lead to an interruption of services to customers, loss of confidential information or erosion of trust and reputation. The above may also apply for third parties on which the Issuer depends.

## **E. Environmental, social and governance risks**

### **24. Risks related to the decision of the Minister of Finance regarding the future of the Issuer**

The Issuer is owned indirectly by the Dutch State through the NL Financial Investment (the "NLFI"). Until the Minister of Finance has made a decision on the privatisation of the Issuer, the Issuer will examine its future options in consultation with the shareholder, potential investors, regulatory authorities and employees. When the Minister of Finance takes such a decision or if the strategy fails in execution or is ineffective, this could result in a change to the strategy, management, governance and/or risk profile of the Issuer. There can be no assurance that the decision of the Minister of Finance or a change in strategy would not adversely affect the Issuer's credit rating, the ability of the Issuer to effectively conduct its business or its ability to satisfy its obligations under the Notes.

In addition, a change of ownership of the Issuer could result in key contracts being terminated by the counterparties to such contracts (including pursuant to termination rights that are exercisable upon such a change in ownership), which could give rise to material disruptions to the Issuer's business, additional costs to renegotiate those contracts, difficulties in managing its operations, and adverse impacts on the Issuer's customers. As a result, an eventual change in ownership could have a material adverse effect on the Issuer's business, revenues, results of operations, financial position and prospects.

### **25. Risks related to the recent and potential future changes of the composition of the Issuer's Board of Directors and/or the Issuer's Supervisory Board**

At the date of this Prospectus, the Issuer's Board of Directors consists of the members referred to in paragraph 'Governance de Volksbank' in the chapter 'de Volksbank N.V.'. As set out in the paragraph 'Changes to the Board of Directors' in the chapter 'de Volksbank N.V.', as of 15 August 2020, Maurice Oostendorp resigned as Chief Executive Officer and was succeeded by Martijn Gribnau. On 5 September 2020, NLFI decided to dismiss the Chief Financial Officer Pieter Veuger, following up on the announcement of the Issuer's Supervisory Board on 14 August 2020 to part ways with the CFO because the dynamics between the members of the Issuer's Board of Directors did not provide an adequate basis for constructive cooperation. The statutory Chief Financial Officer responsibilities are currently, on an interim basis, taken over by Martijn Gribnau. On 14 August 2020 the Issuer's Supervisory Board also announced that it is investigating the future structure and composition of the Issuer's Board of Directors, in which the Issuer's new strategy for the period 2021 - 2025 is the key element. As a result of the recent departures, regulatory authorities may ask the Issuer questions or even commence investigations with respect to the governance of the Issuer. The current circumstances and further developments may lead to additional changes in the composition of the Issuer's Board of Directors and/or the Issuer's Supervisory Board.

It usually takes time for a newly composed board to find the right fit and balance for all members. Further changes may therefore – at least during a transitory period – give rise to difficulties in managing the Issuer's operations, including a possible inability to in time identify and prevent all risks. Any further changes could affect the Issuer's ability to implement strategic initiatives, which may lead to lagging growth or slower adaption to market changes. In addition, such changes and the uncertainty associated with the ongoing review by the Issuer's Supervisory Board and potential investigations by regulatory authorities may have a negative effect on the Issuer's reputation (see also the risk factor 'The Issuer is exposed to risks of damage to its reputation'). Furthermore, it may influence market or rating agency perception of the Issuer and could limit its access to money markets and capital markets, which may lead to higher funding and refinancing costs.

## **RISK FACTORS REGARDING THE NOTES**

### **A. Risks related to the nature of a particular issue of Notes**

#### **1. Limitation on obligation to pay additional amounts under Condition 9(b) (Taxation)**

Currently the Netherlands does not levy withholding taxes on payments of principal or interest on instruments qualifying as debt for Dutch tax purposes, however, the Netherlands is introducing a new withholding tax on (deemed) interest payments as of 1 January 2021 pursuant to the Dutch Withholding Tax Act 2021 (*Wet bronbelasting 2021*).

The new withholding tax will generally apply to interest payments directly or indirectly made by a Dutch entity, like the Issuer, to a "**related entity**" (as described below) tax resident in a Listed Jurisdiction (as defined below).

For these purposes, a jurisdiction is considered a listed jurisdiction (a "**Listed Jurisdiction**"), if it is listed in the yearly updated Dutch Regulation on low-taxing jurisdictions and non-cooperative jurisdictions for tax purposes (*Regeling laagbelastende staten en niet-coöperatieve rechtsgebieden voor belastingdoeleinden*) which includes (i) jurisdictions with a corporation tax on business profits with a general statutory rate of less than 9% and (ii) jurisdictions that are included in the EU list of non-cooperative jurisdictions. For the fiscal year 2020, the following 21 jurisdictions are Listed Jurisdictions: American Samoa, Anguilla, the Bahamas, Bahrain, Barbados, Bermuda, the British Virgin Islands, the Cayman Islands, Fiji, Guam, Guernsey, Isle of Man, Jersey, Oman, Samoa, Trinidad and Tobago, Turkmenistan, Turks and Caicos Islands, Vanuatu, the United Arab Emirates, and the U.S. Virgin Islands.

Generally, an entity is considered a related entity if (i) such entity has a Qualifying Interest (as defined below) in the Issuer, (ii) the Issuer has a Qualifying Interest in such entity, or (iii) a third party has a Qualifying Interest in both the Issuer and such entity.

The term "**Qualifying Interest**" means a directly or indirectly held interest – either individually or jointly as part of a collaborating group (*samenwerkende groep*) – that gives the holder of such interest definite influence over the decisions of the entity in which the interest is held and allows for the determination of its activities.

The new withholding tax may also apply in situations where artificial structures are put in place with the main purpose or one of the main purposes to avoid the Dutch withholding tax, e.g., where an interest payment to a Listed Jurisdiction is artificially routed via an intermediate entity in a non-Listed Jurisdiction. The withholding tax may also apply in situations where payments are made to hybrid entities.

In practice, the Issuer may not always be able to assess whether a holder of Notes is a related entity with respect to the Issuer or located in a Listed Jurisdiction. The parliamentary history is unclear on the Issuer's responsibilities to determine the absence of affiliation in respect of notes issued in the market, like the Notes.

If payments in respect of the Notes become subject to this new withholding tax described above, the Issuer or the Paying Agent, as the case may be, will make the required withholding or deduction under the Dutch Withholding Tax Act 2021 for the account of the holder of Notes and shall not be obliged to pay any additional amounts to the holder of Notes in respect of such withholding or deduction, irrespective whether Condition 9(a) or Condition 9(b) is specified as applicable in the applicable Final Terms. Prospective investors are advised to seek their own professional advice in relation to the new withholding tax in the Netherlands which will become effective as per 1 January 2021.

Furthermore, in the event of any payment of principal due under the Senior Preferred Notes, Senior Non-Preferred Notes or Subordinated Notes qualifying as MREL Eligible Liabilities or Tier 2 Notes are or would become subject to withholding or deduction for or on account of any present or future taxes or duties, the Issuer will not be obliged to pay additional amounts in respect of such withholding under Condition 9(b).

In such event, holders of Senior Preferred Notes, Senior Non-Preferred Notes, Subordinated Notes qualifying as MREL Eligible Liabilities or Tier 2 Notes may receive less than the full amount of principal due under such Notes upon redemption, while holders of Notes other than Senior Preferred Notes, Senior Non-Preferred Notes, Subordinated Notes qualifying as MREL Eligible Liabilities and Tier 2 Notes will, subject to certain exceptions provided for in Condition 9(b), receive the full amount of principal due under such Notes upon redemption. The limited gross-up obligation in respect of Senior Preferred Notes, Senior Non-Preferred Notes, Subordinated Notes qualifying as MREL Eligible Liabilities and Tier 2 Notes may adversely affect the market value of such Notes.

## **2. Fixed/Floating Rate Notes**

Fixed/Floating Rate Notes may bear interest at a rate that the Issuer may elect to convert from a fixed rate to a floating rate, or from a floating rate to a fixed rate. The ability of the Issuer to convert the interest rate will affect the secondary market and the market value of the Notes since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Issuer converts from a fixed rate to a floating rate, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the Issuer converts from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing rates on its Notes.

## **3. Benchmark reforms may cause benchmarks used in respect of the Notes to be materially amended or discontinued**

The interest payable on the Notes may be determined by reference to LIBOR, EURIBOR, euro short-term rate ("€STR"), Compounded Daily SOFR, Weighted Average SOFR, SONIA, or by the use of Mid Swap Rate (as defined in the applicable Final Terms), Rate of Exchange (as defined in the Terms and Conditions of the Notes) or another benchmark (each of these indices as well as any substitute, alternative or successor rate determined in accordance with Condition 6(d), including the applicable tenor and currency, the "Reference Rate"). Various benchmarks (including interest rate benchmarks such as LIBOR and EURIBOR) are the subject of recent national and international regulatory guidance and proposals for reform. Further to these reforms, a transitioning away from the interbank offered rates ("IBORs") to 'risk-free rates' is expected. Given the uncertainty in relation to the timing and manner of implementation of any such reforms and in the absence of clear market consensus at this time, the Issuer is not yet in a position to determine the reforms that it will apply and the timing of applying such reforms.

For example, on 27 July 2017, the Chief Executive of the United Kingdom Financial Conduct Authority announced that it does not intend to continue to persuade, or use its powers to compel, panel banks to submit rates for the calculation of LIBOR to the administrator of LIBOR after 2021. The announcement indicates that the continuation of LIBOR on the current basis is not guaranteed after 2021. Additionally, in March 2017, the European Money Markets Institute (the "EMMI") (formerly EURIBOR-EBF) 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 Benchmark Regulation, the IOSCO Principles for Financial Benchmarks and other regulatory recommendations. 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. EMMI has since strengthened its governance framework and has developed a hybrid methodology for EURIBOR. Finally, EMMI has been authorised as administrator of EURIBOR for the purposes of the Benchmark Regulation as of 2 July 2019. As at the date of this Base Prospectus, (i) ICE Benchmark Administration Limited, in relation to it providing LIBOR and (ii) EMMI, in relation to it providing EURIBOR, appear in the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 of the Benchmark Regulation ("**ESMA's Register**"). As at the date of this Base Prospectus, neither (i) the ECB, in relation to it providing €STR, nor (ii) the Federal Reserve Bank of New York (the "**Federal Reserve**"), in relation to it providing Secured Overnight Financing Rate ("**SOFR**"), nor (iii) the Bank of England (the "**BoE**"), in relation to it providing the Sterling Overnight Index Average ("**SONIA**") appears in ESMA's register of administrators under the Benchmark Regulation. As far as the Issuer is aware the ECB, as administrator of €STR the Federal Reserve, as administrator of SOFR and the BoE as administrator of SONIA are not required to be registered by virtue of Article 2 of the Benchmark Regulation.

Following the implementation of any such (potential) reforms (such as changes in methodology or otherwise) or further to other pressures (including from regulatory authorities), (i) the manner of administration of benchmarks may change, with the result that benchmarks may perform differently than in the past, (ii) one or more benchmarks could be eliminated entirely, (iii) it may create disincentives for market participants to continue to administer or participate in certain benchmarks, or (iv) there could be other consequences, including those that cannot be predicted.

Uncertainty as to the continuation of a benchmark, the availability of quotes from reference banks to allow for the continuation of rates on any Notes, and the rate that would be applicable if the Reference Rate is materially amended or is discontinued, may adversely affect the trading market and the value of and return on any such Notes. See also the risk factor '*Future discontinuance of the Reference Rate and certain other events relating to the Reference Rate may adversely affect the value of Notes and/or the amounts payable thereunder*'.

Moreover, any of the above changes or any other consequential changes to the Reference Rate or any other relevant benchmark, or any further uncertainty in relation to the timing and manner of implementation of such changes could affect the ability of the Issuer to meet its obligations under the Notes and could have a material adverse effect on the value or liquidity of, and amounts payable under, the Notes based on or linked to a Reference Rate or other benchmark. See also the risk factor '*The performance of the Issuer depends on its ability to accurately price its products and services*'.

#### **4. Future discontinuance of the Reference Rate and certain other events relating to the Reference Rate may adversely affect the value of Notes and/or the amounts payable thereunder**

Investors should be aware that if the Reference Rate has been discontinued or another Benchmark Event (as defined in the Terms and Conditions of the Notes) has occurred, the Rate of Interest on the Notes will be determined for the relevant period by the fallback provisions set out in Condition 6(d) applicable to such Notes. The Replacement Reference Rate and other matters referred to under Condition 6(d) will (in the absence of manifest error) be final and binding, and will apply to the relevant Notes without any requirement that the Issuer obtains consent of any Noteholders, Receiptholders or Couponholders. The use of the Replacement Reference Rate may result in the Notes that referenced the Reference Rate performing differently (including potentially paying a lower interest rate) than they would do if the Reference Rate were to continue to apply in its current form.

The Terms and Conditions of the Notes also provide that an Adjustment Spread may be determined by the Issuer to be applied to the Replacement Reference Rate. The aim of the Adjustment Spread is to reduce or eliminate, so far as practicable, any economic prejudice or benefit (as the case may be) to Noteholders as a result of the replacement of the Reference Rate with the Replacement Reference Rate. However there is no guarantee that

such an Adjustment Spread will be determined or applied, or that the application of the Adjustment Spread will either reduce or eliminate economic prejudice to Noteholders. If no Adjustment Spread is determined, the Replacement Reference Rate may nonetheless be used to determine the interest rate.

If the Issuer is unable to or otherwise does not determine a Replacement Reference Rate under Condition 6(d) or any of the other matters referred to under Condition 6(d), this could result in the application of the fallback provisions contained in Condition 6(a) or 6(b), which may result in the Interest Rate being the interest rate applicable as at the last preceding Interest Determination Date before the Benchmark Event occurred and which may ultimately result in the effective application of a fixed rate to what was previously a Floating Rate Note. Additionally, in the case of Fixed Rate Notes that reference to Mid Swap Rate or Exchange Rate, the fallback provisions contained in Condition 6(d) may be applied.

The application of the fallback provisions contained in Condition 6 may lead to a conflict of interests of the Issuer and Noteholders including with respect to certain determinations and judgments that the Agent and the Paying Agent may make pursuant to Condition 6 that may influence the amount receivable under the Notes. The Issuer and/or any of its affiliates may have existing or future business relationships and will pursue actions and take steps that they or it deems necessary or appropriate to protect its and/or their interests arising therefrom without regard to the consequences for a Noteholder.

In addition, due to the uncertainty concerning the availability of a Replacement Reference Rate, the relevant fallback provisions may not operate as intended at the relevant time. In addition, the Replacement Reference Rate may perform differently from the Reference Rate. For example, several risk free rates, which are overnight rates, are currently being developed, while the Reference Rate may have a certain maturity, for example a term of one, three or six months. Similarly, these risk free rates generally do not carry an implicit element of credit risk of the banking sector, which may form part of the Reference Rate. The differences between the Replacement Reference Rate and the Reference Rate could have a material adverse effect on the value of and return on any such Notes. Moreover, any of the above matters or any other significant change to the setting or existence of any relevant reference rate could affect the ability of the Issuer to meet its obligations under the Notes or could have a material adverse effect on the value or liquidity of, and the amount payable under, the Notes based on or linked to a Reference Rate or other benchmark.

#### **5. There is a risk that the Issuer may be considered an 'administrator' under the Benchmark Regulation**

The Issuer may be considered an 'administrator' under the Benchmark Regulation. This is the case if it is considered to be in control over the provision of the Replacement Reference Rate and/or the determined Rate of Interest on the basis of the Replacement Reference Rate and any adjustments made thereto by the Issuer and/or otherwise in determining the applicable Rate of Interest in the context of a fallback scenario.

The Benchmark Regulation stipulates that each administrator of a benchmark regulated thereunder or the benchmark itself must be registered, authorised, recognised or endorsed, as applicable, in accordance with the Benchmark Regulation. There is a risk that administrators (which may include the Issuer in the circumstances as described above) of certain benchmarks will fail to obtain such registration, authorisation, recognition or endorsement, preventing them from continuing to provide such benchmarks, or may otherwise choose to discontinue or no longer provide such benchmark. The Issuer cannot guarantee that it will and will be able to timely obtain registration or authorisation to administrate a benchmark, in case the Issuer will be considered an administrator under the Benchmark Regulation. This will also affect the possibility for the Issuer to apply the fallback provision of Condition 6(d) meaning that the Reference Rate will remain unchanged (but subject to the other provisions of Condition 6, but particularly Condition 6(a) and 6(b)) and which may ultimately result in the effective application of a fixed rate to what was previously a Floating Rate Note. Other administrators may cease to

administer certain benchmarks because of the additional costs of compliance with the requirements of the Benchmark Regulation such as relating to governance and conflict of interest, control frameworks, record-keeping and complaints-handling.

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

## **6. The market continues to develop in relation to SOFR, the €STR and SONIA as reference rates for Floating Rate Notes**

In June 2017, the Federal Reserve's Alternative Reference Rates Committee announced SOFR as its recommended alternative to U.S. dollar LIBOR. However, the composition and characteristics of SOFR are not the same as those of U.S. dollar LIBOR. SOFR is a broad U.S. Treasury repo financing rate that represents overnight secured funding transactions and is not the economic equivalent of U.S. dollar LIBOR. While SOFR is a secured rate, U.S. dollar LIBOR is an unsecured rate. And, while SOFR is currently only an overnight rate, U.S. dollar LIBOR is a forward-looking rate that represents interbank funding for a specified term. As a result, there can be no assurance that SOFR will perform in the same way as U.S. dollar LIBOR would have at any time, including, without limitation, as a result of changes in interest and yield rates in the market, bank credit risk, market volatility or global or regional economic, financial, political, regulatory, judicial or other events.

Since the initial publication of SOFR in April 2018, daily changes in the rate have, on occasion, been more volatile than daily changes in other benchmark or market rates, such as, for example, U.S. dollar LIBOR, during corresponding periods, and SOFR may bear little or no relation to the historical actual or historical indicative data. Investors should not rely on any historical changes or trends in SOFR as an indicator of future changes in SOFR. In addition, although changes in Term SOFR and Compounded SOFR generally are not expected to be as volatile as changes in daily levels of SOFR, the return on and value of the relevant Notes may fluctuate more than other securities that are linked to less volatile rates.

As a rate based on transactions secured by U.S. Treasury securities, SOFR does not measure bank-specific credit risk and, as a result, is less likely to correlate with the unsecured short-term funding costs of banks. This may mean that market participants would not consider SOFR a suitable replacement or successor for all of the purposes for which U.S. dollar LIBOR historically has been used, which may, in turn, lessen market acceptance of SOFR. Any failure of SOFR to gain market acceptance could adversely affect the return on and value of the relevant Notes and the price at which investors can sell such Notes in the secondary market.

The Federal Reserve (or a successor administrator), may make methodological or other changes that could change the value of SOFR, including changes related to the method by which SOFR is calculated, eligibility criteria applicable to the transactions used to calculate SOFR, or timing related to the publication of SOFR. If the manner in which SOFR is calculated is changed, that change may result in a reduction of the amount of interest payable on the relevant Notes, which may adversely affect the trading prices of such Notes. The administrator of SOFR may withdraw, modify, amend, suspend or discontinue the calculation or dissemination of SOFR in its sole discretion and without notice and has no obligation to consider the interests of Noteholders in calculating, withdrawing, modifying, amending, suspending or discontinuing SOFR.

The ECB began to publish the €STR Reference Rate on 2 October 2019, intended to reflect trading activity on 1 October 2019. The ECB also published pre-€STR up to 30 September 2019. Investors should not rely on any trends in the pre-€STR as an indicator of future changes in the €STR Reference Rate. Prospective investors should be aware that the market continues to develop in relation to €STR as a reference rate in the capital markets.

The BoE's Working Group on Sterling Risk-Free Rates had been mandated with implementing a broad-based transition to the SONIA, so that SONIA is established as the primary sterling interest rate benchmark by the end of 2021. Investors should be aware that the market continues to develop in relation to SONIA as a reference rate. In particular, market participants and relevant working groups are exploring alternative reference rates based on SONIA, including term SONIA reference rates (which seek to measure the market's forward expectation of an average SONIA rate over a designated term). The market or a significant part thereof may adopt an application of SONIA that differs significantly from that set out in the Terms and Conditions. Furthermore the Issuer may in the future issue Notes referencing SONIA that differ materially in terms of interest determination when compared with any previous SONIA referenced-Notes issued by it under the Programme. The development of SONIA as an interest reference rate for the Eurobond markets, as well as continued development of SONIA-based rates for such market and the market infrastructure for adopting such rates, could result in reduced liquidity or increased volatility or could otherwise affect the market price of any SONIA-referenced Notes issued under the Programme from time to time.

In contrast to EURIBOR or LIBOR-based Notes, interest on Notes which reference SOFR, €STR, or SONIA are only capable of being determined at the end of the relevant observation period, reference period or interest period (as applicable) and immediately prior to the relevant interest payment date. It may be difficult for investors in Notes which reference SOFR, €STR, or SONIA to estimate reliably the amount of interest which will be payable on such Notes, and some investors may be unable or unwilling to trade such Notes without changes to their IT systems, both of which could adversely impact the liquidity of such Notes. Further, in contrast to, for example, EURIBOR or LIBOR-based Notes, if Notes referencing SOFR, €STR or SONIA become due and payable as a result of an event of default, the rate of interest payable for the final Interest Period in respect of such Notes shall only be determined on the date on which the Notes become due and payable and shall not be reset thereafter.

In addition, the manner of adoption or application of SOFR, €STR, or SONIA in the Eurobond markets may differ materially compared to the application and adoption in other markets, such as the derivatives and loan markets. Investors should carefully consider how any mismatch between the adoption of SOFR, €STR, or SONIA across these markets may impact any hedging or other financial arrangements which they may put in place in connection with any acquisition, holding or disposal of Notes referencing SOFR, €STR, or SONIA.

If SOFR, €STR, or SONIA does not prove to be widely used as a benchmark in securities that are similar or comparable to the relevant Notes, the trading price of such Notes may be lower than those of securities that are linked to rates that are more widely used. Similarly, market terms for securities that are linked to SOFR, €STR, or SONIA, including, but not limited to, the spread over the reference rate reflected in the interest rate provisions, may evolve over time, and as a result, trading prices of the relevant Notes may be lower than those of later-issued securities that are based on SOFR, €STR, or SONIA. Investors in such Notes may not be able to sell such Notes at all or may not be able to sell such Notes at prices that will provide them with a yield comparable to similar investments that have a developed secondary market, and may consequently suffer from increased pricing volatility and market risk.

#### **7. The market value of Notes issued at a substantial discount or premium may fluctuate more in relation to conventional interest-bearing securities.**

The market values of securities issued at a substantial discount or premium from their principal amount, such as Zero Coupon Notes, tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

Changes in market interest rates may have a stronger impact on the prices of Zero Coupon Notes than on the prices of conventional interest-bearing Notes because the discounted issue prices may be substantially below par. If market interest rates increase, Zero Coupon Notes can suffer higher price losses than other Notes having the same maturity and same credit rating.

## 8. Dual Currency Notes

The Issuer may issue Notes with principal or interest payable in one or more currencies which may be different from the currency in which the Notes are denominated. Prospective investors should be aware that:

- (i) the market price of such Notes may be very volatile;
- (ii) they may receive no interest; and
- (iii) payment of interest may occur at a different time or in a different currency than expected.

## 9. Issuances of Senior Non-Preferred Notes and Senior Preferred Notes

The Issuer may issue Notes under the Programme which are subordinated to the extent described in Condition 3 of the Terms and Conditions of the Notes. Any such Senior Non-Preferred Notes and the related Receipts and Coupons constitute any present and future claims in respect of unsubordinated and unsecured obligations of the Issuer, which have a lower ranking within the meaning of Article 212rb of the Dutch Bankruptcy Act (*Faillissementswet*) (or any other provision implementing Article 108 of Directive 2014/59/EU, as amended by the Article 108 Amending Directive, in the Netherlands).

As a result of the ranking, set out further in Condition 3 of the Terms and Conditions of the Notes, in the event of the bankruptcy of the Issuer, the claims of holders of Senior Non-Preferred Notes and the related Receipts and Coupons against the Issuer are subordinated to, amongst others, (a) the claims of depositors (other than in respect of those whose deposits are expressed by their terms, subject to applicable law, to rank equally to or lower than the Senior Non-Preferred Notes), (b) the unsubordinated claims with respect to the repayment of borrowed money, (c) the claims under the Senior Preferred Notes (collectively "**Claims Senior to Senior Non-Preferred Notes Claims**"). A holder of a Senior Non-Preferred Note may therefore recover less than the holders of deposit liabilities or the holders of other unsubordinated liabilities of the Issuer or the holders of senior preferred liabilities.

With reference to the risk factor '*Write-down and conversion of capital instruments and Resolution Event*', in case resolution proceedings are commenced in respect of the Issuer and notably when bail-in is applied, the aforementioned ranking in bankruptcy will in principle be followed, with the relevant resolution powers being exercised in a reverse order of priority of claims, subject to certain exceptions (discussed further in the aforementioned risk factor).

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

Although Senior Non-Preferred Notes may have the benefit of a higher Rate of Interest than comparable Notes, there is a greater risk that an investor in Senior Non-Preferred Notes will lose all or some of his investment should the Issuer become subject to insolvency or resolution proceedings.

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

In addition, the rights of holders of Senior Preferred Notes, Senior Non-Preferred Notes may be limited in certain respects. The Issuer may have to obtain the prior (written) permission of the Competent Authority before effecting any repayment of Senior Preferred Notes and/or Senior Non-Preferred Notes following an Event of Default (as defined and further set out in Condition 11 of the Terms and Conditions of the Notes). See Condition 11 of the Terms and Conditions of the Notes for further details.

#### **10. The Senior Non-Preferred Notes are a new class of securities, rank junior to most of the Issuer's liabilities (other than subordinated liabilities and capital instruments) in bankruptcy and in resolution**

As further set out in Condition 2, Condition 3 and Condition 4, the Issuer intends that claims in respect of its Senior Preferred Notes will constitute part of the class of "ordinary unsecured claims" referred to in the Directive (EU) 2017/2399 (the "**Article 108 Amending Directive**"), whilst its Senior Non-Preferred Notes will constitute part of the new, lower-ranking (un-preferred) 'senior' unsecured class (but will rank ahead of the Subordinated Notes).

Whilst Senior Non-Preferred Notes and Senior Preferred Notes both share the "senior" designation under the Programme, in an insolvency of the Issuer (and in case of resolution, whereby the insolvency hierarchy is in principle followed, with the relevant resolution powers being exercised in a reverse order of priority of claims, subject to certain exceptions as discussed further in the risk factor '*Write-down and conversion of capital instruments and Resolution Event*') the Senior Non-Preferred Notes will rank junior to the Senior Preferred Notes (which, in turn, rank junior to obligations of the Issuer which are by law given priority over the Senior Preferred Notes) and other unsecured and unsubordinated liabilities. Accordingly, prospective investors in Notes issued under the Programme should note that, in the event of the Issuer's insolvency (or resolution), the Issuer would generally expect investors in Senior Non-Preferred Notes to lose their entire investment before losses are imposed on holders of the Senior Preferred Notes.

Any resolution action taken in respect of the Issuer would generally be expected to respect the relative ranking of its obligations as described above, with losses imposed on lower-ranking obligations before losses are imposed on higher-ranking obligations. Accordingly, in a resolution and due to its junior ranking to the Senior Preferred Notes, investors in the Senior Non-Preferred Notes may generally expect to suffer higher losses than the investors in the Senior Preferred Notes (although there can be no assurance that investors in the Senior Preferred Notes will not (also) suffer such high or substantial losses). The market value of the Senior Non-Preferred Notes may therefore be more severely adversely affected and/or more volatile if the Issuer's financial condition deteriorates than the market value of the Senior Preferred Notes. Accordingly, although Senior Non-Preferred Notes may pay a higher rate of interest than Senior Preferred Notes, holders of the Senior Non-Preferred Notes may bear significantly more risk than holders of the Senior Preferred Notes (notwithstanding that both share the 'senior' designation under the Programme). Investors should ensure they understand the relative ranking of Notes issued under the Programme – including as between the Senior Preferred Notes, the Senior Non-Preferred Notes and the Subordinated Notes – and the risks consequent thereon, before investing in any Notes.

#### **11. Redemption, substitution and variation risk in respect of Notes**

The Notes may be subject to an optional redemption feature. Such feature of Notes is likely to limit their market value. During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This may also be true prior to any

redemption period. The Issuer may be expected to redeem Notes it has issued when its cost of borrowing is lower than the interest rate on the Notes.

If the Notes are redeemed at the option of the Issuer, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

The Issuer may have the option to, in certain circumstances, redeem, substitute or vary the terms of the Notes prior to maturity pursuant to and in accordance with Conditions 8(b), (c), (d) or (f) of the Terms and Conditions of the Notes.

If "Regulatory Call" is specified in the applicable Final Terms, the Issuer may upon the occurrence of a Capital Event or a MREL Event, as applicable (each as defined in Condition 8(f) of the Terms and Conditions of the Notes) redeem the relevant Notes, in whole but not in part, at any time, if the Issuer has notified the relevant Noteholders on giving not less than 30 nor more than 60 days' irrevocable notice, or such other period of notice as is specified in the applicable Final Terms, in accordance with Condition 15.

If "Variation or Substitution" is specified in the applicable Final Terms and if a Capital Event and/or a CRD Capital Event and/or a MREL Event and/or, in respect of any Notes other than the Senior Preferred Notes (if ALAC Event is specified in the applicable Final Terms as being applicable), an ALAC Event (each as defined in Condition 8(f) of the Terms and Conditions of the Notes) has occurred and is continuing, then the Issuer may, on giving not less than 30 nor more than 60 days' irrevocable notice in accordance with Condition 14 to the Noteholders, either substitute all, but not some only, of the Notes or vary the terms of the Notes so that they remain or, as appropriate, become compliant with CRD or such other regulatory capital rules applicable to the Issuer at the relevant time and/or are eligible for purposes of the MREL Requirement and/or (if ALAC Event is specified in the applicable Final Terms as being applicable) are eligible under the ALAC of the Issuer.

Additionally, any redemption, variation or substitution of the Notes may be subject to (i) the prior (written) permission of the Competent Authority and (ii) compliance with any other pre-conditions to, or requirements applicable to such redemption, variation or substitution.

The terms and conditions of such varied or substituted Notes may have terms and conditions that contain one or more provisions that are substantially different from the terms and conditions of the original Notes. However, the Issuer cannot make changes to the terms of the Notes or substitute the Notes for securities that are materially less favourable to the interests of holders of these Notes and following such variation or substitution the resulting securities must have at least, *inter alia*, the same ranking, interest rate, maturity date, redemption rights, existing rights to accrued interest which has not been paid and assigned the same ratings as the Notes. Nonetheless, no assurance can be given as to whether any of these changes will negatively affect any particular Noteholder. In addition, the tax and stamp duty consequences of holding such varied or substituted Notes could be different for some categories of Noteholders of from the tax and stamp duty consequences of their holding the Notes prior to such variation or substitution. See Condition 8(f) of the Terms and Conditions of the Notes for further details.

**12. The qualification of the Senior Preferred Notes, Senior Non-Preferred Notes and/or Subordinated Notes as MREL Eligible Liabilities and Subordinated Notes as Tier 2 Notes is subject to uncertainty and may cause the Issuer to redeem these Notes following a MREL Event or Capital Event**

The Senior Preferred Notes and Senior Non-Preferred Notes, respectively, are intended to be MREL Eligible Liabilities to meet any MREL Requirement (as defined in the Terms and Conditions of the Notes) applicable to the

Issuer. However, there is uncertainty regarding the final substance of the MREL regulations, and how those regulations, once enacted, are to be interpreted and applied and the Issuer cannot provide any assurance that the Senior Preferred Notes and Senior Non-Preferred Notes will (continue to) qualify as eligible for the Issuer's MREL Requirement. Similarly, the Subordinated Notes are intended to qualify and shall be treated as Tier 2 Notes for the purposes of the regulatory capital rules applicable to the Issuer from time to time. However, the Issuer cannot provide any assurance that the Subordinated Notes shall (continue to) qualify and shall be treated as Tier 2 Notes. If the Subordinated Notes do not qualify as Tier 2 Notes, the Issuer intends for these Notes to (continue to) qualify as MREL Eligible Liabilities, in which case the foregoing in respect of the Senior Preferred Notes and Senior Non-Preferred Notes applies similarly to these Subordinated Notes.

The Issuer may be able to redeem (i) the Senior Preferred Notes, Senior Non-Preferred Notes and Subordinated Note qualifying as MREL Eligible Liabilities if, for any reason, these Notes are or will be excluded from MREL and a MREL Event (as defined in the Terms and Conditions of the Notes) has occurred; and (ii) the Subordinated Notes qualifying as Tier 2 Notes if, for any reason, these Subordinated Notes are or will be excluded in whole but not in part, from the Tier 2 Capital of the Issuer or reclassified as own funds of lower quality of the Issuer and an Capital Event has occurred (as set forth in Condition 8(f) of the Terms and Conditions of the Notes). See also the risk factor *'Resolution regimes may (inter alia) lead to fewer assets of the Issuer being available to investors for recourse for their claims, and may lead to lower credit ratings and possibly higher cost of funding'* above.

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

### **13. Issuances of Subordinated Notes**

The Issuer may issue Notes under the Programme which are subordinated to the extent described in Condition 4 of the Terms and Conditions of the Notes. Any such Subordinated Notes and the related Receipts and Coupons constitute unsecured subordinated obligations of the Issuer and rank as set out further in Condition 4 of the Terms and Conditions of the Notes.

As a result of this ranking, in the event of liquidation or bankruptcy of the Issuer the claims of Subordinated Noteholders against the Issuer are subordinated to (a) the claims of depositors (other than in respect of those whose deposits are expressed by their terms, subject to applicable law, to rank equally to or lower than the Subordinated Notes), (b) unsubordinated claims with respect to the repayment of borrowed money, (c) other unsubordinated claims and (d) subordinated claims expressed by their terms to rank in priority to the Subordinated Notes (collectively "**Senior Claims**"). By virtue of such subordination, payments to a Subordinated Noteholder will, in the event of liquidation or bankruptcy of the Issuer, only be made after all obligations of the Issuer resulting from Senior Claims have been satisfied. A Subordinated Noteholder may therefore recover less than the holders of deposit liabilities or the holders of other unsubordinated or senior subordinated liabilities of the Issuer.

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

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

In addition, the rights of Subordinated Noteholders may be limited in certain respects. The Issuer may have to obtain the prior (written) permission of the Competent Authority before effecting any repayment of Subordinated Notes following an Event of Default (as defined and further set out in Condition 11 of the Terms and Conditions of the Notes). See Condition 11 of the Terms and Conditions for further details. Also, redemption of Subordinated Notes at the option of the holders of Subordinated Notes may be restricted, as further set out in Condition 8(e). Furthermore, the exercise by holders of Subordinated Notes of a right of set-off or netting, or counterclaim, is restricted, as further set out in Condition 4 of the Terms and Conditions of the Notes.

Although Subordinated Notes may have the benefit of a higher Rate of Interest than comparable Notes which are not subordinated, there is a greater risk that an investor in Subordinated Notes will lose all or some of his investment should the Issuer become subject to insolvency or resolution proceedings.

#### **14. Limited rights to accelerate**

Holders of Notes will only have limited rights to accelerate repayment of the principal amount of the Notes. See Condition 11 (*Events of Default*) of the Terms and Conditions of the Notes, which limits the events of default to (i) the Issuer being declared bankrupt by a competent court and (ii) an order being made or an effective resolution being passed for the winding up or liquidation of the Issuer, unless this is done in connection with a merger, consolidation or other form of combination or this involves a solvent liquidation. Accordingly, if the Issuer fails to meet any interest payment or other obligations under the Notes, such failure will not give holders of the Notes any right to accelerate repayment of the principal amount of the Notes.

#### **15. Write-down and conversion of capital instruments and Resolution Event**

If the Issuer would be deemed no longer viable (or one or more other conditions as set out in Article 21 SRM Regulation apply, "**Non-Viability Event**") the Issuer may be subject to the write-down, cancellation or conversion of relevant capital instruments issued by it (or in cooperation with it) (i.e. Common Equity Tier 1 items, Additional Tier 1 instruments and Tier 2 instruments, each as referred to in the CRR). This write-down and conversion of capital instruments tool ("**WDCCI**") could adversely affect the rights and effective remedies of holders of any Notes qualifying as Tier 2 Notes and the market value of such Notes could be negatively affected.

If the Issuer would be deemed to fail or likely to fail and the other resolution conditions (as set out in Article 18 SRM Regulation) would also be met, the Issuer may be placed under resolution ("**Resolution Event**"). The Resolution Authority may in the event of resolution decide to apply certain resolution tools, including a bail-in tool which may be applied to recapitalise the Issuer. The bail-in tool extends further than WDCCI, and may also result in the write-down or conversion into (claims which may give rights to) Common Equity Tier 1 instruments of eligible liabilities of the Issuer (such as Senior Non-Preferred Notes, Senior Preferred Notes and/or Subordinated Notes that are not Tier 2 Notes), in accordance with a certain order of priority (see below).

The Resolution Authority should take the write-down and conversion steps in the following order, subject to certain exceptions (which are discussed further below):

- (i) Common Equity Tier 1 items;
- (ii) principal amount of Additional Tier 1 instruments;
- (iii) principal amount of Tier 2 instruments;

- (iv) principal amount of other subordinated debt (not Additional Tier 1 or Tier 2 instruments), in accordance with hierarchy of claims in normal insolvency proceedings; and
- (v) principal amount of other not excluded liabilities, in accordance with hierarchy of claims in normal insolvency proceedings.

This entails that the Resolution Authority should take the write-down and conversion steps among the Notes in the following order (again, subject to certain exceptions and potential changes in the future):

- (i) Subordinated Notes qualifying as Tier 2 Notes;
- (ii) Subordinated Notes that do not qualify as Tier 2 Notes (but may qualify as MREL Eligible Liabilities);
- (iii) Senior Non-Preferred Notes; and
- (iv) Senior Preferred Notes.

Also see Conditions 2, 3 and 4 of the Terms and Conditions of the Notes in respect of these orders. It follows from the above that all relevant capital instruments and eligible liabilities of the Issuer (such as Senior Non-Preferred Notes, Senior Preferred Notes and/or Subordinated Notes that are not Tier 2 Notes) are capable of being written down, reduced or converted into (claims which may give rights to) Common Equity Tier 1 instruments if the Issuer is subjected to WDCCI in a Non-Viability Event (extends only to capital instruments) or the WDCCI and/or bail-in tool in a Resolution Event (extends also to eligible liabilities) (such write down or reduction of the outstanding principal and accrued and unpaid interest in respect of Notes, "**Statutory Loss Absorption**" and such conversion into (claims which may give rights to) Common Equity Tier 1 instruments, "**Recapitalisation**").

In respect of the abovementioned rankings and the principle that the ranking in bankruptcy is followed in case of resolution (notably when bail-in is applied), with the relevant resolution powers being applied in a reverse order of priority of claims, it is highlighted, as one of the aforementioned exceptions to this principle, that Dutch insolvency laws do currently not provide that claims resulting from own funds items (such as Tier 2 instruments) have a lower priority ranking than any claim that does not result from an own funds item. Said claims may therefore currently have a similar ranking in case of bankruptcy under Dutch law, while having a different ranking in case of resolution. With respect to the Issuer and the Notes specifically, this could entail that if and when both Tier 2 Notes as well as Subordinated Notes not qualifying as Tier 2 Notes (and any other subordinated obligations not resulting from an own fund item) are at any time outstanding, that such Notes would have a similar ranking in bankruptcy while having a different ranking in case of resolution (subject to any applicable exceptions and safeguards). This is expected to change pursuant to the implementation of the EU Banking Reforms in the Netherlands (specifically, Article 48(7) BRRD), whereby the rankings in bankruptcy and in the case of resolution are expected to be aligned, but the precise form and impact of such implementation on the Issuer and the Notes is unclear at this time.

Other exceptions that may apply to the order in which the Resolution Authority should take the write-down and conversion steps notably include the statutory exclusion of certain liabilities from the bail-in tool (cf. Article 44(2) BRRD) and the potential exclusion or partial exclusion of certain liabilities from the bail-in tool by decision of the Resolution Authority (cf. Article 44(3) BRRD).

Subject to any write-up by the Resolution Authority, any written-down amount as a result of Statutory Loss Absorption shall be irrevocably lost and holders of such Notes will cease to have any claims for any principal amount and accrued but unpaid interest which has been subject to write down. Statutory Loss Absorption or Recapitalisation shall not constitute an Event of Default and the Noteholders will have no further claims in respect of the amount so written down or the amount subject to conversion or otherwise as a result of such Statutory Loss Absorption or such Recapitalisation. If the definitive valuation that is made *ex-post* shows that the level of write-down exceeds the requirements, the Resolution Authority may apply a write-up (or 'write back') mechanism to reimburse Noteholders, which would essentially entail an increase of the value of their claims under the Notes.

The occurrence of a Non-Viability Event or Resolution Event may be unpredictable and may depend on a number of factors which may be outside of the Issuer's control. The Resolution Authority may require or may cause a write down or conversion (or apply any other measure under the Applicable Resolution Framework; see above under *'Resolution regimes may (inter alia) lead to fewer assets of the Issuer being available to investors for recourse for their claims, and may lead to lower credit ratings and possibly higher cost of funding'*), in circumstances that are beyond the control of the Issuer and with which the Issuer may not agree. It is possible that the Resolution Authority will use its powers under the Applicable Resolution Framework (see *'Risk Factors regarding the Issuer'* above and *'Resolution regimes may (inter alia) lead to fewer assets of the Issuer being available to investors for recourse for their claims, and may lead to lower credit ratings and possibly higher cost of funding'*), to force a write down or conversion, which could result in subordinated and/or senior debt instruments of the Issuer absorbing losses (such as the Notes).

Because of the inherent uncertainty regarding the determination of whether a Non-Viability Event or Resolution Event exists, it will be difficult to predict when, if at all, a write down or conversion will occur. Accordingly, market prices and trading strategy in respect of Notes which may be subject to Statutory Loss Absorption may differ from other types of securities. Any indication that the Issuer may be subject to a recovery or resolution measure, including that the Notes may become subject to Statutory Loss Absorption or Recapitalisation, could have an adverse effect on tradability and/or the market price of the relevant Notes. Potential investors should consider the risk that it may lose all of its investment in such Notes (subject to the hierarchy of write down and conversion), including the principal amount plus any accrued but unpaid interest, in the event that a recovery or resolution procedure (including Statutory Loss Absorption or Recapitalisation) occurs. The amount of MREL held by the Issuer may be insufficient to avoid Senior Preferred Noteholders in resolution losing their investment in the Senior Preferred Notes.

## **B. Risks related to Notes generally**

### **16. Modification, waivers and substitution which may be contrary to Noteholders' interests**

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

The conditions of the Notes also provide that the Agent may, without the consent of Noteholders, agree to (i) any modification (not being a modification requiring the approval of a meeting of Noteholders) of any of the provisions of Notes which is not materially prejudicial to the interests of the Noteholders or (ii) any modification of the Notes which is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of law or (iii) the substitution of another company as principal debtor under any Notes in place of the Issuer, in the circumstances described in Condition 18 of the Terms and Conditions of the Notes or (iv) the variation or substitution of certain Notes in the circumstances described in Condition 8(f) of the Terms and Conditions of the Notes. Any such modification may be contrary to the interest of one or more Noteholders.

### **17. Eurosystem eligibility**

Notes may be issued with the intention to be held in a manner which will allow Eurosystem (as defined under *'Form of the Notes'*) eligibility. This means that such Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intraday credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.

## 18. Notes held in global form

The Notes will initially be held by a common depositary or common safekeeper on behalf of Euroclear and/or Clearstream, Luxembourg or by Euroclear Nederland, in each case in the form of a global Note which may be exchangeable for definitive Notes in limited circumstances as more fully described in the section headed 'Form of the Notes' below. For as long as any Notes are represented by a global Note held by a common depositary in the case of a CGN, or a common safekeeper in the case of a NGN, on behalf of Euroclear and/or Clearstream, Luxembourg, payments of principal, interest (if any) and any other amounts on a global Note 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 Note and, in the case of a Temporary Global Note, certification as to non-U.S. beneficial ownership. The bearer of the relevant global Note, being the common depositary or common safekeeper for Euroclear and/or Clearstream, Luxembourg or Euroclear Nederland, shall be treated by the Issuer and any Paying Agent as the sole holder of the relevant Notes represented by such global Note with respect to the payment of principal, interest (if any) and any other amounts payable in respect of the Notes. Delivery (*uitlevering*) of definitive Notes represented by a Global Note deposited with Euroclear Nederland shall only be possible in the limited circumstances as described in the Dutch Securities Giro Transfer Act (*Wet giraal effectenverkeer*, "Wge") (as amended from time to time) and such delivery will be made in accordance with the Wge and the rules and regulations of Euroclear Nederland (as amended from time to time).

In relation to any issue of Notes which have a denomination of € 100,000 (defined as the minimum "**Specified Denomination**") plus a higher integral multiple of another smaller amount, it is possible that the Notes may be traded in amounts in excess of € 100,000 (or its equivalent in any other currency) that are not integral multiples of € 100,000 (or its equivalent in any other currency). In such a case a Noteholder who, as a result of trading such amounts, holds a principal amount of less than the minimum Specified Denomination (a "**Stub Amount**") may not receive a definitive Note in respect of such holding (should definitive Notes be printed) and would need to purchase a principal amount of Notes such that its holding amounts to a Specified Denomination. As long as the Stub Amount is held in the relevant clearing system, the Noteholder will be unable to transfer this Stub Amount.

## 19. Nominee Arrangements

Where, in the case of an issuance of Notes a nominee service provider is used by an investor to hold the relevant Notes or such investor holds interests in any Series of Notes through accounts with a clearing system (such as Euroclear, Clearstream, Luxembourg or Euroclear Nederland), such investor will receive payments 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 or clearing system, as the case may be. Furthermore, such investor must rely on the relevant nominee service provider or clearing system to distribute all payments attributable to the relevant Notes 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 Noteholders, and (b) recognising Noteholders for the purposes of attending and/or voting at any meetings of Noteholders, the Issuer will recognise as Noteholders only those persons who are at any time shown as accountholders in the records of Euroclear and/or Clearstream, Luxembourg or Euroclear Nederland as persons holding a principal amount of the relevant Series of Notes. Accordingly, an investor must rely upon the nominee service provider which is the accountholder with the relevant clearing system through which the investor made arrangements to invest in the Notes (and, if applicable, the domestic clearing system through which the Notes are held), to forward notices received by it from Euroclear and/or Clearstream, Luxembourg or Euroclear Nederland and to return the investor's voting instructions or voting certificate application to Euroclear and/or Clearstream, Luxembourg or Euroclear Nederland. Accordingly, such an investor will be

exposed to the risk that the relevant nominee service provider or clearing system may fail to pass on the relevant notice to, or fail to take relevant instructions from, the investor. In addition, such a Noteholder will only be able to sell any Note held by it prior to its stated maturity date with the assistance of the relevant nominee service provider.

## **20. Change of law and jurisdiction**

The conditions of the Notes are governed by Dutch law in effect as at the date of this Base Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to Dutch law or administrative practice after the date of this Base Prospectus.

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

## **C. Risks related to the admission of the securities to trading on a regulated market**

### **21. Liquidity risk**

Notes 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 Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of Notes.

### **22. Interest rate risks**

Investment in Fixed Rate Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the Fixed Rate Notes as an equivalent investment issued at the current market interest rate may be more attractive to investors. In this event, such Fixed Rate Notes can suffer higher price losses than other Notes having the same maturity and same credit rating but paying a higher fixed rate of interest.

### **23. Exchange rate risks and exchange controls**

The Issuer will pay principal and interest on the Notes in the Specified Currency. 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 the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency-equivalent yield on the Notes, (2) the Investor's Currency-equivalent value of the principal payable on the Notes and (3) the Investor's Currency-equivalent market value of the Notes.

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

#### **24. A reset of the interest rate could affect the market value of an investment in the Notes**

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

#### **25. Credit ratings may not reflect all risks**

Credit ratings may not reflect all risks and the methodologies of determining credit ratings may be changed from time to time leading to potential downgrades.

One or more independent credit rating agencies may assign credit ratings to the Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. 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. There is no assurance that a rating will remain for any given period of time or that a rating will not be lowered or withdrawn by the relevant rating agency if, in its judgement, circumstances in the future so warrant.

Such change may, among other factors, be due to a change in the methodology applied by a rating agency to rating securities with similar structures to the Notes, as opposed to any revaluation of the Issuer's financial strength or other factors such as conditions affecting the financial services industry generally. Noteholders and prospective investors should be aware that such a change in the methodology of a rating agency could result in certain series of Notes being downgraded, potentially to non-investment grade (if the relevant Notes are issued before the new methodology is applied by a rating agency to such Notes) or receiving a lower rating than that is currently expected from that rating agency (if the relevant Notes are issued after the new methodology is applied by that rating agency to such Notes).

In the event that a rating assigned to the Notes or the Issuer is subsequently lowered for any reason, the market value of the Notes is likely to be adversely affected, but no person or entity is obliged to provide any additional support or credit enhancement with respect to the Notes.

#### **26. Return on an investment in Notes will be affected by charges incurred by investors**

An investor's total return on an investment in any Notes will be affected by the level of fees charged by the nominee service provider and/or clearing system used by the investor. Such a person or institution may charge fees for the opening and operation of an investment account, transfers of Notes, custody services and on payments of interest, principal and other amounts. Potential investors are therefore advised to investigate the basis on which any such fees will be charged on the relevant Notes.

#### **Definitions list**

Any references in this chapter 'Risk Factors' to any particular provision, article, clause, section or paragraph of a law, directive, regulation or other legislation shall include such provision, article, clause, section or paragraph as consolidated, amended, re-enacted or replaced.

In this chapter 'Risk Factors', the following expressions have the following meanings:

|                                       |   |
|---------------------------------------|---|
| <b>403-guarantee</b>                  | a guarantee as referred to in Article 2:403 of the Dutch Civil Code   |
| <b>AML</b>                            | Anti-Money Laundering   |
| <b>AML Directive</b>                  | Directive 2015/849/EU   |
| <b>AML Regulation</b>                 | Regulation (EU) No 2015/847   |
| <b>Article 108 Amending Directive</b> | Directive (EU) 2017/2399  |
| <b>Basel Committee</b>                | Basel Committee on Banking Supervision  |
| <b>Basel III Reforms</b>              | Basel III reforms as published on 7 December 2017   |
| <b>Benchmark Regulation</b>           | Regulation (EU) No 2016/1011  |
| <b>BRRD</b>                           | Directive 2014/59/EU (Bank Recovery and Resolution Directive)   |
| <b>CET1</b>                           | Common Equity Tier 1  |
| <b>CRD</b>                            | CRR and CRD Directive   |
| <b>CRD Directive</b>                  | Directive 2013/36/EU  |
| <b>CRR</b>                            | Regulation (EU) No 575/2013   |
| <b>DDPA</b>                           | Dutch Data Protection Authority ( <i>Autoriteit Persoonsgegevens</i> )  |
| <b>Deposit Guarantee Scheme</b>       | Dutch Deposit Guarantee Scheme ( <i>Depositogarantiestelsel</i> )   |
| <b>DNB</b>                            | <i>De Nederlandsche Bank N.V.</i>   |
| <b>Dutch Intervention Act</b>         | Dutch Act on special measures regarding financial institutions ( <i>Wet bijzondere maatregelen financiële ondernemingen</i> )   |
| <b>EBA</b>                            | European Banking Authority  |
| <b>ECB</b>                            | European Central Bank   |
| <b>EMIR</b>                           | Regulation (EU) No 648/2012   |
| <b>EMU</b>                            | Economic and Monetary Union   |
| <b>EU Banking Reforms</b>             | The banking reform package including amendments to the CRD Directive (Directive (EU) 2019/878), the CRR (Regulation (EU) 2019/876), the BRRD (Directive (EU) 2019/879) and the SRM (Regulation (EU) 2019/877), as adopted by the European Parliament on 16 April 2019 |
| <b>EURIBOR</b>                        | Euro Interbank Offered Rate   |
| <b>GDP</b>                            | Dutch gross domestic product  |
| <b>GDPR</b>                           | General Data Protection Regulation  |
| <b>IBORs</b>                          | Interbank offered rates   |
| <b>Investor's Currency</b>            | investor's financial activities which are denominated principally in a currency or currency unit  |
| <b>LIBOR</b>                          | London Inter-Bank Offered Rate  |

|                               |   |
|-------------------------------|---|
| <b>Listed Jurisdiction</b>    | a jurisdiction listed in the yearly updated Dutch Regulation on low-taxing jurisdictions and non-cooperative jurisdictions for tax purposes ( <i>Regeling laagbelastende staten en niet-coöperatieve rechtsgebieden voor belastingdoeleinden</i> )  |
| <b>Low Taxed Jurisdiction</b> | a jurisdiction with a corporation tax on business profits with a general statutory rate of less than 9%   |
| <b>MREL</b>                   | minimum requirement for own funds and eligible liabilities  |
| <b>NLFI</b>                   | NL Financial Investment   |
| <b>Non-Viability Event</b>    | occurs if one or more other conditions as set out in Article 21 SRM Regulation apply  |
| <b>PSD II</b>                 | Directive (EU) 2015/2366  |
| <b>Qualifying Interest</b>    | a directly or indirectly held interest – either individually or jointly as part of a collaborating group ( <i>samenwerkende groep</i> ) – that gives the holder of such interest definite influence over the decisions of the entity in which the interest is held and allows for the determination of its activities   |
| <b>Recapitalisation</b>       | the conversion into (claims which may give rights) Common Equity Tier 1 instruments   |
| <b>Reference Rate</b>         | LIBOR, EURIBOR, Mid Swap Rate, Rate of Exchange or another benchmark as well as any substitute, alternative or successor rate determined in accordance with Condition 6(d), including the applicable tenor and currency   |
| <b>Resolution Event</b>       | occurs when the Issuer may be placed under resolution if the Issuer would be deemed to fail or likely to fail and the other resolution conditions (as set out in Article 18 SRM Regulation) would also be met   |
| <b>Senior Claims</b>          | (a) the claims of depositors (other than in respect of those whose deposits are expressed by their terms, subject to applicable law, to rank equally to or lower than the Subordinated Notes), (b) unsubordinated claims with respect to the repayment of borrowed money, (c) other unsubordinated claims and (d) subordinated claims expressed by their terms to rank in priority to the Subordinated Notes priority to the Subordinated Notes |
| <b>SFTR</b>                   | Regulation (EU) No 2015/2365  |
| <b>SME</b>                    | small and medium enterprises  |
| <b>SOFR</b>                   | Secured Overnight Financing Rate  |
| <b>SONIA</b>                  | Sterling Over Night Index Average   |
| <b>Specified Denomination</b> | the denomination of the Notes specified as such in the applicable Final Terms   |

|                                  |   |
|----------------------------------|---|
| <b>SRM Regulation</b>            | Regulation (EU) No 806/2014   |
| <b>SSM SREP</b>                  | SSM Supervisory Review and Evaluation Process   |
| <b>Statutory Loss Absorption</b> | the write down of the outstanding principal and accrued and unpaid interest in respect of Notes |
| <b>Stub Amount</b>               | a principal amount of less than the minimum Specified Denomination                              |
| <b>WDCCI</b>                     | the write-down and conversion of capital instruments tool                                       |
| <b>Wge</b>                       | Dutch Securities Giro Transfer Act ( <i>Wet giraal effectenverkeer</i> )                        |
| <b>€STR</b>                      | euro short-term rate  |

## **CERTAIN NOTICES TO INVESTORS**

### ***RESPONSIBILITY STATEMENT***

De Volksbank accepts responsibility for the information contained in this Base Prospectus. De Volksbank declares that, the information contained in this Base Prospectus is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

No representation, warranty or undertaking, express or implied, is made and no responsibility is accepted by the Dealers as to the accuracy or completeness of the information contained in this Base Prospectus or any other information provided by the Issuer. The Dealers do not accept any liability in relation to the information contained in this Base Prospectus or any other information provided by the Issuer in connection with the Programme.

Furthermore, none of the Issuer, the Arranger, any Dealer to be appointed under the Programme or the Agent shall be responsible for the acts or omissions of any relevant nominee service provider or clearing system nor makes any representation or warranty, express or implied, as to the services provided by any relevant nominee service provider or clearing system.

### ***NOTICE***

This Base Prospectus has been approved by the AFM as competent authority under the Prospectus Regulation. The AFM only approves this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuer that is the subject of this Base Prospectus nor as an endorsement of the quality of any Notes that are the subject of this Base Prospectus. Investors should make their own assessment as to the suitability of investing in the Notes.

This Base Prospectus shall be valid for use only by the Issuer or others who have obtained the Issuer's consent for a period of up to 12 months after its approval by the AFM and shall expire on 15 October 2021, at the latest. The obligation to supplement this Base Prospectus, in the event of significant new factors, material mistakes or material inaccuracies only, shall cease to apply upon the expiry of the validity period of this Base Prospectus.

This Base Prospectus should be read and understood in accordance with any amendment or supplement hereto and with any other documents incorporated herein by reference. Full information on the Issuer and any Series or Tranche of Notes is only available on the basis of the combination of this Base Prospectus and the applicable Final Terms.

The Issuer has undertaken to the Dealers to furnish a supplement to this Base Prospectus in case of any significant new factor, material mistake or inaccuracy relating to the information contained in this Base Prospectus which is capable of affecting the assessment of the Notes and which arises or is noticed between the time when this Base Prospectus has been approved and the final closing of any Tranche of Notes or, as the case may be, when trading of any Tranche of Notes on a regulated market begins, in respect of Notes issued on the basis of this Base Prospectus.

No person has been authorised to give any information or to make any representation not contained in or not consistent with this Base Prospectus, any amendment or supplement thereto, any document incorporated by reference herein, or the applicable Final Terms, or any other information supplied in connection with the Programme or the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the Arranger or any Dealer.

This Base Prospectus is valid for 12 months following the date of this Base Prospectus and this Base Prospectus and any supplement hereto as well as any Final Terms reflect the status as of their respective dates of issue. The delivery of this Base Prospectus or any Final Terms and the offering, sale or delivery of any Notes shall not in any circumstances imply that the information contained in such documents is correct at any time subsequent to their respective dates of issue or that there has been no adverse change in the financial situation of the Issuer since such date or that any other information supplied in connection with the Programme or the Notes is correct at any time subsequent to the date on which it is supplied or, if different, the time indicated in the document containing the same. The Arranger and any Dealer expressly do not undertake to review the financial condition or affairs of the Issuer during the life of the Programme. Investors should review, *inter alia*, the most recent financial statements of the Issuer when deciding whether or not to purchase any Notes.

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 own legal advisers to determine whether and to what extent (1) Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meaning given to them by Regulation S.

Notes in bearer form are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a U.S. person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code and regulations thereunder.

Neither this Base Prospectus nor any other information supplied in connection with the Programme should be considered as a recommendation by the Issuer, the Arranger or any Dealer that any recipient of this Base Prospectus or any other information supplied in connection with the Programme should purchase any Notes. Accordingly, no representation, warranty or undertaking, express or implied, is made by the Arranger or any Dealer in their capacity as such. Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes (including an evaluation of the financial condition, creditworthiness and affairs of the Issuer) and the information contained or incorporated by reference in this Base Prospectus, the applicable Final Terms and any supplements;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes 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 Notes, including Notes with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;

- (iv) understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets; and
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks (including, without limitation, those described in 'Risk Factors' in this Base Prospectus).

Some Notes are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in Notes unless it has the expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the potential investor's overall investment portfolio.

The distribution of this Base Prospectus and any Final Terms and the offer or sale of Notes may be restricted by law in certain jurisdictions. Persons into whose possession this Base Prospectus or any Final Terms come must inform themselves about, and observe, any such restrictions. See '*Subscription and Sale*' below.

This Base Prospectus may only be used for the purpose for which it has been published.

This Base Prospectus and any Final Terms do not constitute an offer or an invitation to subscribe for or purchase any Notes.

This Base Prospectus and any Final Terms may not be used for the purpose of an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. None of the Issuer, the Arranger and the Dealers represent that this Base Prospectus may be lawfully distributed, or that Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any jurisdiction, or assume any responsibility for facilitating any such distribution or offering. In particular, further action may be required under the Programme which would permit a public offering of the Notes or distribution of this document in any jurisdiction where action for that purpose is required.

This Base Prospectus has been prepared on the basis that any offer of Notes in any Member State will be made pursuant to an exemption under the Prospectus Regulation, from the requirement to publish a prospectus for offers of Notes. Accordingly any person making or intending to make an offer in that Member State of Notes which are the subject of an offering contemplated in this Base Prospectus as completed by Final Terms in relation to the offer of those Notes may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation, in each case, in relation to such offer.

All offers remain subject to restrictions set out in the section '*Subscription and Sale*' in this Base Prospectus. Neither the Issuer nor any Dealer have authorised, nor do they authorise, the making of any offer of Notes in circumstances in which an obligation arises for the Issuer or any Dealer to publish or supplement a prospectus for such offer.

**In connection with the issue of any Series or Tranche of Notes, the Dealer or Dealers (if any) named as the Stabilising Manager(s) in the applicable Final Terms (or persons acting on behalf of any Stabilising Manager(s)) may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than which might otherwise prevail. However, stabilisation may not occur. Any stabilisation action may begin at any time after the adequate public disclosure of the final terms of the offer of the relevant Notes and, if begun, may cease at any time, but it must end no later than the earlier of 30**

**days after the issue date of the relevant Notes and 60 days after the date of the allotment of the relevant Notes. Any stabilisation or over-allotment must be conducted by the relevant Stabilising Manager(s) (or person(s) acting on behalf of any Stabilising Manager(s)) in accordance with all applicable laws and rules. Any loss resulting from any such over-allotment or stabilisation shall be borne, and any net profit arising therefrom shall be retained, by the relevant Stabilising Manager for its own account.**

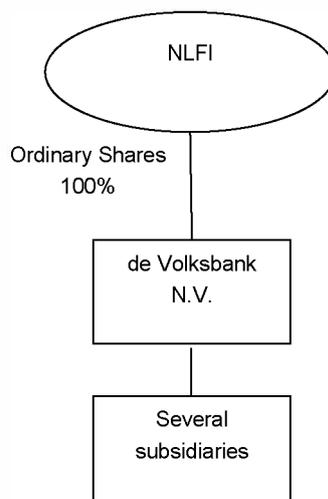
## DE VOLKSBANK N.V.

### Incorporation and ownership

De Volksbank was incorporated on 18 December 1990 as a "*naamloze vennootschap*", a public company under Dutch law, as a result of the merger of several regional savings banks. Its legal name is de Volksbank N.V. and its corporate seat is in Utrecht, the Netherlands. The registered office of de Volksbank is Croeselaan 1, 3521 BJ, Utrecht, the Netherlands and de Volksbank is registered in the Commercial Register of the Chamber of Commerce (*Handelsregister van de Kamer van Koophandel*), under number 16062338. The Legal Entity Identifier (LEI) of de Volksbank is 724500A1FNICHSD2I11. The telephone number of de Volksbank is +31(0)30 291 5200. The website of the Issuer is <https://www.devolsbank.nl>. Any information contained in or accessible through any website, including [www.volksbank.nl](http://www.volksbank.nl), does not form a part of the Base Prospectus, unless specifically stated in the Base Prospectus, in any supplement hereto or in any document incorporated or deemed to be incorporated by reference in this Base Prospectus that all or any portion of such information is incorporated by reference in the Base Prospectus.

The articles of association of de Volksbank were most recently amended by notarial deed on 30 March 2019 before Mr. W.H. Bossenbroek, civil law notary practising in Amsterdam, the Netherlands, following the merger whereby de Volksholding B.V. as disappearing entity merged with de Volksbank N.V. as acquiring entity.

As per the date of this Base Prospectus, NLFI is, on behalf of the Dutch State, the sole shareholder of de Volksbank (see chart below).



## **Governance de Volksbank**

The board of directors and the supervisory board of de Volksbank consist of the members set out below (the "**Board of Directors**" and the "**Supervisory Board**").

### **Board of Directors**

The Board of Directors consists of, and the principal activities performed by the members of the Board of Directors outside de Volksbank, which are significant with respect to de Volksbank, are as follows:

*Mr. M.H.J. Gribnau, Chief Executive Officer*

Member of the Board of the Dutch Banking Association

*Vacancy, Chief Financial Officer*

Mr. M.H.J. Gribnau acts as Chief Financial Officer a.i.

*Mr. J.R. Dijst, Chief Risk Officer*

None

*Mrs. M.L. van der Meer, Chief Customer Officer*

Member Committee on Consumer Affairs of the Dutch Banking Association

*Mrs. M.N. Verhoeven, Chief Operations Officer*

None

All members of the Board of Directors of de Volksbank have full time positions and have elected domicile at the registered office of de Volksbank.

### **Supervisory Board**

The Supervisory Board consists of and the principal activities outside de Volksbank of the members of the Supervisory Board are as follows:

*Mr. J.C.M. van Rutte, Chairman*

Member Supervisory Board of BNG Bank N.V.

Member Supervisory Board of PGGM N.V. / Member of Audit Committee

Member Board of ABN AMRO Foundation

Member Board of Stichting Administratiekantoor Aandelen KAS Bank

*Mrs. S. Barendregt-Roojers*

Member Supervisory Board of ASR Nederland N.V.

Member Supervisory Board of Robeco Institutional Asset Management B.V.

Expert Member Accounting Program Erasmus University Rotterdam

*Mr. J.H.P.M. van Lange*

Member Supervisory Board of Bouwinvest N.V. / Chairman Audit, Risk & Compliance Committee

Member Board of Governors of Tilburg University

Chairman Supervisory Board of the Central Bureau on Fundraising (CBF) (monitors fundraising by charities)

Chairman Catholic Higher Education Foundation

Member Investment Advisory Committee of DELA (insurance company)

*Mrs. M.R. Milz*

Member Supervisory Board of Handelsveem Beheer B.V.

Member Board of Stichting Arbo Unie

*Mr. A.H.P. Kregting*

Chief Information Officer of AkzoNobel N.V.

Member Supervisory Board of UMC Utrecht

### **Audit Committee**

The audit committee of de Volksbank (the "**Audit Committee**") currently consists of three members (each members of the Supervisory Board):

*Mrs. S. Barendregt-Roojers, Chairman*

*Mr. J.H.P.M. van Lange*

*Mr. A.H.P. Kregting*

The Audit Committee supports the Supervisory Board in its decision making. The Audit Committee provides advice to the Supervisory Board in, inter alia, the following areas:

- (i) the set up and operation of the framework of the internal risk management and control systems of de Volksbank set up and maintained by the Board and senior management of de Volksbank, including the compliance with relevant laws and regulations and supervision on the functioning of internal and external codes of conduct;
- (ii) the quality, completeness, accuracy and timeliness of the provision of financial information by de Volksbank on the basis of which the achievement of the objectives of de Volksbank and its business units shall be assessed;
- (iii) compliance with recommendations and follow-up of observations of internal auditors, external auditors, tax advisors, actuaries and regulatory authorities;
- (iv) discussions on the checks and audits performed by the Audit department in respect of the internal risk management and control systems of de Volksbank;
- (v) the role and the functioning (scope, effectiveness and quality) of the Audit function of de Volksbank, including the assessment of risk analyses, annual plans, quarterly reports and performance reports prepared by the Audit function;
- (vi) the policy of de Volksbank in respect of tax planning;
- (vii) the effectiveness, scope, independence, quality and involvement of the external auditor, including the financial reporting process;
- (viii) adoption of the annual accounts, approval of the annual budget and major capital investments as well as funding of de Volksbank; and
- (ix) the applications of information and communication technology.

The Audit Committee shall ensure a robust process and shall provide the Supervisory Board of de Volksbank with advice regarding the (re)appointment, remuneration and the cancellation of the assignment of the external auditor. The chairman of the Audit Committee shall be actively involved in the appointment, assessment/remuneration, suspension and dismissal of the audit director ("**Audit Director**").

The Chief Executive Officer, Chief Financial Officer, Chief Risk Officer, Audit Director and external auditor have standing invitations to attend the meetings of the Audit Committee. The chairman of the Audit Committee, the Audit Director and the external auditor hold a preliminary consultation prior to each meeting, unless the persons involved consider this to be unnecessary. Once a year, a meeting of the Audit Committee takes place where only the Audit Director and the external auditor are present.

### **De Volksbank and the Banking Code**

The revised banking code published by the Dutch Bankers Association in October 2014 and effective as of 1 January 2015 (the "**Banking Code**") consists of a package for sound governance. It is a product of self-regulation of Dutch banks. It consists of a Social Charter, the Banking Code and the rules of conduct associated with the bankers' oath, which must all be seen in conjunction with one another. All three elements of this package are clearly reflected within the internal manifesto of de Volksbank.

The Banking Code is applicable on a licensing level. It is therefore applicable to de Volksbank and to all of de Volksbank banking activities. All the principles of the Banking Code have been embedded in the Issuer's business processes.

The website of de Volksbank provides an overview of the application of the Banking Code (<https://www.devолksbank.nl/assets/files/Naleving-Code-Banken-2018.pdf>). Compliance with the Banking Code is constantly monitored and is due to its nature a dynamic process.

### **De Volksbank and the Dutch Corporate Governance Code**

The Dutch Corporate Governance Code (the "**Code**") is a code of conduct applicable to listed companies. The Code contains principles and best practice provisions for sound governance, that regulate relations between the board of directors, the supervisory board and shareholders (including the general meeting of shareholders) and stakeholders. Although the Code is not applicable to de Volksbank, de Volksbank voluntarily applies the Code. The Code is based on the principle of 'comply or explain'. See <https://www.devолksbank.nl/en/about-us/nederlandse-corporate-governance-code> for an overview of how de Volksbank implements the provisions from the Code in its governance structure.

### **Potential conflicts of interest of the Board of Directors & Supervisory Board**

There are no potential conflicts between any duties of de Volksbank and the private interests and/or other duties of the Board of Directors members and/or the Supervisory Board members of de Volksbank. These members may obtain financial services of de Volksbank. Internal rules are in place for the situation in which a conflict of interest should arise.

### **Independent Auditor**

Ernst & Young Accountants LLP ("**Ernst & Young**") has been appointed as independent auditor to de Volksbank as of 1 January 2016. All audit partners of Ernst & Young involved in the audit of the financial statements of de Volksbank are a member of the Netherlands Institute of Chartered Accountants (*Nederlandse Beroepsorganisatie van Accountants*, NBA).

### **Rating Agencies**

De Volksbank has been rated by independent rating agencies Moody's, S&P and Fitch. The most recently published reports by these rating agencies, expressing opinions on any of the ratings assigned to de Volksbank, are made available on [www.volksbank.nl](http://www.volksbank.nl) under the headings 'Investor relations' > 'Credit ratings'. Please see below an overview of the ratings assigned to de Volksbank.

### **Ratings of de Volksbank per date of this Base Prospectus**

| Long term credit ratings | S&P         | Moody's     | Fitch       |
|--------------------------|-------------|-------------|-------------|
| de Volksbank             | A- (stable) | A3 (stable) | A- (stable) |

| Short term credit ratings | S&P | Moody's | Fitch |
|---------------------------|-----|---------|-------|
| de Volksbank              | A2  | P-2     | F1    |

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

### Company profile

De Volksbank has a focus on the Dutch market, offering understandable and transparent mortgage, savings and payment products to private individuals and smaller companies. De Volksbank also offers insurance and investment services and aims to maintain its strong liquidity profile and capital structure.

De Volksbank is pursuing a multi-brand strategy with ASN Bank, BLG Wonen, RegioBank and SNS. Each of these brands has its own distinctive profile that meets the needs of its customer group. A single back office, a powerful IT organisation and a central staff organisation allow de Volksbank to operate effectively and efficiently.

The mission of de Volksbank – *banking with a human touch* – is described in its manifesto. To live up to this mission, de Volksbank has the ambition to optimise shared value. This means that de Volksbank serves the joint interests of customers, society, employees and shareholder(s).

De Volksbank has the following four bank brands each displaying its own identity and image. ASN Bank, BLG Wonen, RegioBank and SNS.

#### *Four Bank brands:*

- ASN Bank's mission is to contribute to a more sustainable society, based on its pillars of climate change, human rights and biodiversity. ASN Bank is working towards a more sustainable society in two ways. Firstly, in its banking activities, through (project) loans and the investments made by the bank and its investment funds. Secondly, in its non-banking activities, such as collaboration with other organisations and knowledge sharing;
- BLG Wonen is the brand for the independent advisor who gives broad house and home-related financial advice to clients. BLG Wonen seeks to create a society in which every person has a house where he feels at home. BLG Wonen is known for being a personal services provider and is firmly committed to retaining this personal touch by, for example, developing campaigns geared to specific target groups and their housing needs. In addition to serving new customers, BLG Wonen also seeks to strengthen the ties with its existing customers and advisers;
- RegioBank works with independent advisers having a franchise relationship with this brand. RegioBank offers a range of products, serving retail customers and SME customers in the areas of payments, savings and mortgages. RegioBank aims for local savings to be invested locally in the form of mortgages while also focusing on the retention of mortgage customers. RegioBank promotes initiatives that stimulate vitality and liveability; and
- SNS is a brand for ordinary Dutch consumers and has a course that fits in well with SNS's roots as a social bank. SNS positions itself as a no-nonsense brand for ordinary Dutch consumers and as a clear alternative to

the major banks. SNS shows (prospective) customers that they really have a choice and proves this by offering unique products and services. It is the brand's ambition to be a larger, visible player, including in the mortgage and payments markets. Presenting a clear and simple product range, SNS offers its customers comprehensive solutions for payments, (bank) savings, mortgages, insurance, borrowing and profile investment. The objective is to intensify the relationship with the customer by proactively giving advice, listening carefully and discovering any additional wishes.

### **Supervision**

The regulatory framework is under constant scrutiny, both at a national and international level. Many new rules and regulations have entered into force in recent years and will enter into force the following years. Important changes with respect to the supervision on the Issuer have been and will be introduced by CRD, the implementation of the BRRD, the SRM Regulation, the EU Banking Reforms and the Basel III Reforms (see Risk Factors – '*Major changes in laws and regulations as well as enforcement action could have a negative impact on the Issuer*' and '*Resolution regimes may (inter alia) lead to fewer assets of the Issuer being available to investors for recourse for their claims, and may lead to lower credit ratings and possibly higher cost of funding*').

Within the group consisting of the Issuer and its subsidiaries, the following entities hold licences under the Wft (excluding finance service providers licences):

#### Bank:

de Volksbank N.V.

#### Alternative Investment Fund Manager:

ASN Beleggingsinstellingen Beheer B.V.

#### *Single Supervisory Mechanism*

The SSM is one of the elements of the Banking Union. The SSM has created a new system of financial supervision comprising the ECB and the national competent authorities of participating EU countries. De Volksbank is considered a 'significant credit institution' under the SSM and is therefore since 4 November 2014 subject to direct supervision by the ECB. Specific tasks relating to the prudential supervision of credit institutions have been conferred to the ECB.

#### ***Additional capital buffer requirement***

De Volksbank has been designated as an 'other systemically important bank'. In connection therewith, an additional capital buffer requirement under CRD of 1% of its risk-weighted assets ("**RWA**") has been imposed on de Volksbank since 2019.

### **Recent developments**

#### ***End of Restructuring Plan***

In 2013, the European Commission imposed a number of conditions and restrictions on de Volksbank within the scope of the nationalisation of SNS REAAL (currently SRH N.V.). These conditions and restrictions were laid down in the so called 'Restructuring Plan' and applied until the end of the restructuring period on 31 December 2017. The European Commission has announced in medio 2018 that it is satisfied with the manner in which de Volksbank has implemented the Restructuring Plan and has accordingly also confirmed the end of the restructuring period.

#### ***Minimum requirement for own funds and eligible liabilities (MREL)***

The BRRD and the SRM Regulation resulted in the introduction of MREL as a buffer to absorb losses. This buffer applies in addition to the capital ratios under the capital requirements regulations (CRD) that de Volksbank has to adhere to. The MREL is institution-specific and set in respect of de Volksbank by the Single Resolution Board. The Single Resolution Board set the MREL for de Volksbank at 8.0% of total liabilities and own funds.

### ***Future options of de Volksbank***

On 1 July 2016, the Dutch Minister of Finance sent a letter to the House of Representatives on the future of and privatisation options for de Volksbank. In this letter the Minister of Finance subscribed NLFi's conclusion that it is too early to make a decision on de Volksbank's future and that execution of the strategic plan of de Volksbank would require two or three years to achieve long term optimal value creation. The Minister of Finance will decide on the future of de Volksbank after de Volksbank has regained a strong position in the Dutch banking landscape.

On 14 September 2017, the Minister of Finance sent a letter to the Dutch House of Representatives reaffirming NLFi's conclusion in its progress report of September 2017 that de Volksbank will need the time remaining of the original two to three years to create optimal long term value and that future options will be elaborated on as soon as de Volksbank is sufficiently ready for him to make a decision.

Together with the second progress report by NLFi published in October 2018, the Minister of Finance sent a letter to the Dutch House of Representatives on 27 November 2018 reaffirming NLFi's conclusion in its second progress report. NLFi concluded in its second progress report that de Volksbank has made good progress with respect to its risk management, in implementing innovative technology and with respect to its standardisation of products and processes. However, NLFi was of the opinion that de Volksbank needed more time to further develop its strategy and to further strengthen its identity.

Furthermore, NLFi indicated that it is important that de Volksbank strives to achieve the objectives it has set, including the intended improvement between costs and income, in order for de Volksbank to have a good proposition for privatisation. NLFi concluded that de Volksbank needs the time remaining of the original two to three years to create optimal long term value and to complete the transition it started in 2016. As soon as de Volksbank is ready for privatisation, NLFi will advise the Minister of Finance accordingly.

On 14 November 2019, de Volksbank's future was on the agenda of a general consultation between the Minister of Finance and the financial spokespersons for the political parties in the House of Representatives. The reason for the consultation was the Minister's letter to the House of Representatives about NLFi's progress report 2019 on de Volksbank. In the letter, the Minister wrote that a decision with respect to de Volksbank's future could not be made at that time based on the NLFi report and market conditions, despite the fact that the three-year period previously indicated had expired. During the consultation, the Minister expressed his intention to present a broader perspective on the diversity of the Dutch banking landscape.

De Volksbank, is currently exploring ways to optimise its business model. De Volksbank's aim is to ensure that the bank is and remains agile, resilient and shockproof. This includes a consideration of the options of diversifying income and cutting costs. The sustained low interest rate environment, financial and technological developments with related investments, and rising costs incurred to comply with laws and regulations make this a tough challenge. De Volksbank's study should lead to a new strategic plan.

De Volksbank will inform NLFi of the results of its study in the course of 2020. NLFi will consequently prepare a new report on this basis and send it to the Minister.

The Minister will consult with NLF1 and de Volksbank to explore a number of options for privatisation. The starting point here is that the bank's social character should be retained in any type of privatisation.

### ***Redundancy plan***

At the end of 2016, de Volksbank announced that the number of jobs at de Volksbank was expected to fall by 800-900 by 2020, approximately half of which involved its permanent staff. The number of internal FTEs has dropped by 363 since the end of 2016, and for the first time since 2016 the number of external employees declined in 2019. However, it is hard to determine exactly how many jobs were lost in 2019 because there is a lot of job-related activity; for example positions have ceased to exist completely or partially, or were changed slightly or drastically and new positions and therefore jobs were created. The outflow and particularly the inflow of employees increased in 2019 as a result of reorganisations. De Volksbank invests in the sustainable employability of employees and it does so more intensively during reorganisations. However, this does not eliminate the need to terminate the employment of redundant employees and at the same time recruit new employees. Redundant employees receive personal coaching to help them find another job. In 2019, the Board of Directors started a project with the aim to develop an agile and simple organisational design for de Volksbank.

### ***De Volksbank participated in the SSM SREP stress test***

In 2018, de Volksbank participated in the SSM Supervisory Review and Evaluation Process ("**SSM SREP**") stress test exercise conducted by the ECB. This stress test complements the EU-wide stress test exercise conducted by the European Banking Authority ("**EBA**") ("**EBA stress test**") and addressed banking groups other than those 48 institutions taking part in the EBA stress test. The SSM SREP stress test was performed at the highest level of consolidation and was based on the same methodology as that of the EBA stress test. It did not contain a pass/fail threshold. The stress test assesses the resilience of European banks to extreme but plausible adverse market developments over a period of three years.

Contrary to the EBA stress test results, the results of the SSM SREP stress test are not published. Based on the assumptions and methodological restrictions of the stress test's adverse scenario, the Common Equity Tier 1 (CET1) ratio of de Volksbank would remain amply above its internal target of more than 19%. The SSM SREP stress test results have been used in the regular SREP process, which was finalised at the end of 2018.

Stress test results for all significant institutions are used to assess the pillar 2 capital needs of individual banks in the context of the SSM SREP. Currently, based on the amended SSM SREP decision of 2019, de Volksbank is required to maintain a minimum Common Equity Tier 1 (CET1) ratio of 9.41% as from 12 March 2020 (transitional, including the pillar 2 requirement). The original 2019 SREP decision was amended as a result of the COVID-19 pandemic. As a result, the minimum required CET1 ratio was lowered from 10.5% to 9.41%. This CET1 capital requirement also includes the capital conservation buffer of (currently) 2.5% and the buffer for other systemically important institutions of (currently) 1%.

De Volksbank's CET1 capital ratio decreased from 35.5% at year-end 2018 to 32.6% at year-end 2019. The ratios are therefore well above its current internal minimum target of 15.0% and the 9.41% CET1 overall capital requirement following from the SSM SREP, including applicable buffers.

### ***Legal merger between de Volksbank N.V. and de Volksholding B.V.***

On 1 April 2019, de Volksbank announced the completion of the legal merger between de Volksbank N.V. and de Volksholding B.V. ("**de Volksholding**"), effective as of 30 March 2019. With the completion of this merger, de Volksholding ceased to exist. As a result, NLF1 has become the sole shareholder of de Volksbank. The merger fully mitigates the impact of the EBA interpretation of Article 82 CRR, restoring Volksbank's Tier 2 capital to full

effectiveness as of 30 March 2019. Due to that interpretation, de Volksbank's Tier 2 capital became less than fully effective. The total capital ratio on a consolidated basis for year-end 2018 was 37.1%, where this would have been 40.8% in the absence of the EBA's interpretation. The merger also simplifies administrative processes and reduces administrative costs.

### **Capital distribution**

On 16 December 2019, de Volksbank announced its proposal to make a capital distribution in the amount of € 250 million to its shareholder, NLF. The capital distribution contributes to a more efficient capital position and has a positive effect on the return on equity. The capital distribution occurred in the second half of December 2019 and was charged to the share premium reserve.

### **2019 Annual Results of de Volksbank**

On 14 February 2020, de Volksbank published a press release regarding its 2019 full-year results and subsequently it published its 2019 annual report on 5 March 2020. In the 2019 annual report the following highlights were included.

In 2019, ASN Bank, BLG Wonen, RegioBank and SNS combined welcomed 219,000 new customers. Setting this off against customers who left the bank, the total number of customers rose by 68,000. This was largely attributable to the growth in the number of current account customers.

De Volksbank's new mortgage production fell to € 5.5 billion, from € 5.9 billion in 2018 (-7%). The market share of new mortgages was 6.1%, also lower compared with 2018 (7.2%). This decline was due to competition in the mortgage market and the further increased demand for mortgages with a fixed-rate term of 15 years or more. On a total retail mortgage portfolio basis, the market share remained stable at 6.5%.

Mortgage repayments amounted to € 5.3 billion, up compared with 2018 (€ 4.6 billion). This was partly due to a growing portfolio, an increase in the number of people moving to another house, fierce competition in the remortgage market and an increase in the repayments of bridging loans. De Volksbank managed to slightly grow its retail mortgage portfolio because mortgage production exceeded redemptions by € 0.2 billion. In addition, as a result of lower interest rates, IFRS valuation adjustments related to hedge accounting increased from € 0.5 billion at year-end 2018 to € 1.2 billion. On balance, the retail mortgage portfolio grew from € 47.3 billion at yearend 2018 to € 48.2 billion (gross book value).

As a result of the high demand for mortgages with a fixed-rate term of 15 years or more, the share of these mortgages in the total portfolio grew to 19.6% (€ 9.2 billion), compared with 18.3% at year-end 2018 (€ 8.6 billion). De Volksbank's retail savings balances rose to € 38.4 billion compared with € 37.4 billion at year-end 2018. Nevertheless, the market share fell to 10.4% at year-end 2018 (10.6%).

Compared with 2018, net profit increased by € 7 million to € 275 million. The increase was largely attributable to € 35 million lower total operating expenses and a slightly lower tax rate than for 2018. These positive factors were partly offset by € 29 million lower total income and a € 5 million lower reversal of expected credit losses of financial assets.

The Return on Equity ("**RoE**") amounted to 7.7%, slightly up compared to 2018 (7.6%) due to both a lower net result and higher average equity. This increase was driven by a higher net profit, partly offset by higher average equity. Lower operating expenses excluding regulatory levies resulted in an improvement in the cost / income ratio to 57.3%, from 58.7% in 2018.

De Volksbank's CET1 capital ratio dropped to 32.6% from 35.5% at year-end 2018, due to both a decline in CET1 capital and an increase in risk-weighted assets (RWA). CET1 capital decreased by € 158 million, mainly as a result of the € 250 million capital distribution to NLF1 in December 2019 and the 2018 dividend pay-out of € 161 million, partly compensated by 2019 net profit retention. RWA increased by € 0.3 billion. Additional temporary obligations imposed by the TRIM resulted in an RWA increase of €0.8 billion. This was partly offset by a reduction related to the credit risk of the retail mortgage portfolio driven by improved economic conditions. The CET1 capital ratio remained well above our target of at least 19%. The total capital ratio was up from 37.1% (at year-end 2018) to 37.8%.

The leverage ratio dropped from 5.5% at year-end 2018 to 5.1%, caused by both a decrease in CET1 capital by € 158 million and an increase in the leverage ratio denominator by € 1.4 billion. The denominator is the risk exposure amount as defined by the CRR. The increase in this risk exposure was in line with the growth in the balance sheet total (€ 1.9 billion), with the lower growth in the risk exposure mainly resulting from an increase in collateral placed for derivatives, which is deducted from the risk exposure.

De Volksbank has set a dividend payout target range of 40% - 60% of net adjusted result. In line with this policy, de Volksbank proposes to pay out a 60% dividend for 2019 in the amount of € 165 million, which is in line with a pay-out ratio of 60%.

#### ***Update on the consequences of the COVID-19 pandemic for de Volksbank***

On 6 July 2020 de Volksbank published the press release "*Update on the consequences of the COVID-19 pandemic for de Volksbank*" with an update on the consequences of the COVID-19 pandemic on the Issuer, which includes the following profit forecast:

*"All-in all, we expect net profit for the full year 2020 to be considerably lower than in 2019."*

We expect our net profit for the full year 2020 to be considerably lower than in 2019, mainly due to:

- 1) an extra addition to loan impairments of € 40 million in 1Q20 as a result of a significantly deteriorated macroeconomic outlook resulting from the COVID-19 pandemic;
- 2) increasing pressure on our net interest income in the course of 2020, as interest income on mortgages will be lower both due to the persistently low interest rate environment and the number of (early) interest rate renewals; lower interest expenses on savings will not be able to compensate for this drop, given de Volksbank's interest rate policy for savings rates for 2020; and
- 3) operating expenses excluding regulatory levies will not be lower than in 2019.

This forecast is comparable with our historical financial information and consistent with our current accounting policies. The profit forecast has been prepared on the basis of certain (internal and external) assumptions, including the principal assumptions as set out below.

The principal assumptions within de Volksbank's control are as follows: (a) factors that influence net interest income are: continuous competitive pricing of mortgages, an unchanged interest rate policy for savings rates in 2020 and lower interest margin on existing product portfolios. Fee income and expenses forecasts are based on existing products (pricing) and market expectations; (b) no significant interruption in operational performance and programme execution; (c) our operating expenses excluding regulatory levies will not be lower than in 2019; (d) no disruption in or change to the development of products; and (e) no material change to de Volksbank's existing capital structure.

The principal assumptions outside de Volksbank's control are as follows: (a) a significant deterioration of the macro-economic outlook for the Dutch market that influences the provisioning models and the level of loan impairments of de Volksbank, the assumptions include parameters like GDP growth, unemployment, interest rates, housing transactions and number of bankruptcies; (b) worsened general trading conditions, economic conditions or competitive environment which would materially affect de Volksbank's business; (c) a material change in the ability or willingness of our customers to meet their contractual obligations, including payment obligations to de Volksbank; (d) changes in the legislative or regulatory environment which could have a material effect on de Volksbank; and (e) an adverse outcome to any material litigation or investigation.

Notwithstanding the press release "*Update on the consequences of the COVID-19 pandemic for de Volksbank*", and the above assumptions, the actual net profit for the full year 2020 may deviate from expectations stipulated therein.

### ***Tier 2 green bond Issue***

On 15 July 2020, de Volksbank N.V. successfully issued € 500 million of subordinated Tier 2 green bonds. The notes have a term of 10.25 years and a coupon of 1.75%. There was a very strong participation from ESG investors who have a particular focus on sustainable investments and got allocated 73% of the transaction.

### ***Changes to the Board of Directors***

Annemiek van Melick resigned as Chief Financial Officer on 1 September 2019. From 1 September 2019 until 19 March 2020, Maurice Oostendorp acted as Chief Financial Officer, including the associated statutory responsibilities, until the new Chief Financial Officer (Peter Veuger) was appointed.

On 27 May 2020, in an Extraordinary General Meeting of Shareholders, it has been decided to appoint Martijn Gribnau as a member of the Board of Directors as well as Chief Executive Officer. This appointment has been approved by the supervisory authorities. Martijn Gribnau has joined the Board of Directors of de Volksbank as of 14 June 2020 and has taken over the position of Chairman of the Board of Directors from Maurice Oostendorp as of 15 August 2020.

On 14 August 2020, the Supervisory Board of de Volksbank announced it had decided to part ways with Pieter Veuger, Chief Financial Officer of de Volksbank, after concluding that the dynamics between the members of the Board of Directors did not provide an adequate basis for constructive cooperation. The Supervisory Board is currently investigating the future structure and composition of the Board, in which the new 2021-2025 strategy is the key element. On Saturday 5 September 2020 a meeting was held with NLF1 on the intended dismissal of Pieter Veuger (CFO). The purpose of this meeting was to give all members of the Board of Directors and Supervisory Board the opportunity to render their advice, following the positive advice of the Works Council.

### ***Semi-annual results 2020 de Volksbank***

On 14 August 2020, de Volksbank published its financial report regarding the 2020 half year ending on 30 June 2020. In this interim financial report 2020 the following highlights were included.

In the first half of 2020, the brands of de Volksbank combined welcomed 113,000 new customers. On a net basis, the number of customers increased by 22,000. The increase was mainly attributable to the growth in current account customers.

De Volksbank's new mortgage production showed a limited increase to € 3.0 billion, from € 2.8 billion in the first half of 2019. In a strongly increased mortgage market, the market share in new mortgage production decreased to 5.6% (1H19: 6.5%). On a total retail mortgage portfolio basis, the market share remained stable at 6.4%.

Mortgage repayments rose to € 2.9 billion (1H19: € 2.4 billion), mainly as a result of the expanding remortgage market and an increase in the number of people moving to another house. De Volksbank managed to slightly grow its mortgage portfolio because mortgage production exceeded redemptions by € 0.1 billion. In addition, as a result of lower interest rates, IFRS valuation adjustments related to hedge accounting increased from € 1.2 billion at year-end 2019 to € 1.6 billion. This was offset by a € 0.4 billion drop resulting from the off-balance sheet recognition of the undrawn parts of home construction accounts. On balance, the retail mortgage portfolio grew slightly to € 48.3 billion (gross book value).

As a result of the high demand for mortgages with a fixed-rate term of 15 years or more, the share of these mortgages in the total portfolio grew to 22.0% (€ 10.4 billion), compared with 19.6% at year-end 2019 (€ 9.2 billion). Retail savings at de Volksbank rose to € 40.5 billion, compared with € 38.4 billion at year-end 2019. Market share in retail savings remained stable at 10.4% (year-end 2019: 10.4%).

Compared with the first half of 2019, net profit dropped by € 48 million to € 106 million. This drop was mainly attributable to a swing in impairment charges of financial assets, caused by substantial additional impairments in connection with the COVID-19 pandemic; impairment charges amounted to € 45 million, after a reversal of € 13 million in the first half of 2019. In addition, total operating expenses were € 14 million higher. Total income rose by € 9 million. The impact of COVID-19 on total income and operating expenses remained limited in the first half of 2020.

ROE amounted to 6.2%, lower compared to the first half of 2019 (8.6%) due to both a lower net result and higher average equity.

The cost / income ratio stood at 55.8%, an increase compared to the first half of 2019 (54.3%). Higher total income was more than compensated by higher operating expenses excluding regulatory levies.

In the first half of 2020, de Volksbank's CET1 capital ratio went up to 33.8%, from 32.6% at year-end 2019, primarily due to an increase in CET1 capital. As a result, the CET1 capital ratio remained well above our target of at least 19.0%. The total capital ratio was up from 37.8% (at year-end 2019) to 39.1% (as per 30 June 2020).

The leverage ratio dropped from 5.1% at year-end 2019 to 5.0%, mainly driven by an increase in the leverage ratio denominator (by € 2.5 billion). The denominator is the risk exposure amount as defined by the CRR. The increase in this risk exposure was in line with the growth of the balance sheet total (€ 2.5 billion). The increase in the denominator of the leverage ratio was partly compensated by the € 93 million increase in Tier 1 capital.

For the regular dividend distribution, de Volksbank has set a target range of 40% - 60% of the adjusted net profit. In line with this policy, de Volksbank had the intention to pay NLF1 a dividend of € 165 million for 2019 in April 2020. This comes down to a payout ratio of 60%, the top of the target range applied by us.

On 28 July 2020, the ECB requested banks not to pay out dividends for 2019 and 2020 until at least 1 January 2021 on account of the COVID-19 pandemic. On 27 March of this year, the ECB had already requested banks not to pay out dividends for these years until at least 1 October 2020. De Volksbank has, therefore, temporarily postponed the planned dividend payment for 2019. Although the dividend has not yet been paid out, the amount has already been reserved for dividend distribution, as a result of which it is no longer part of the bank's CET1 capital. Following the General Meeting of Shareholders in April 2020, the dividend determined for 2019 was declared and recognised as a liability in the balance sheet. If the deferred dividend was to be added to the capital, this would require a shareholders' resolution to pay up the capital. We also refer to the update on COVID-19

consequences and the approach of de Volksbank on page 15 up to and including 18 (*Covid-19 crisis*) of the interim financial statements for the period ended 30 June 2020 of the Issuer.

### **Emphasis of matter relating to uncertainty about COVID-19**

On 14 August 2020 the Issuer published its publicly available interim financial statements for the period ended 30 June 2020 (English translation). Page 44 (auditor's review report) of this interim financial report contains the following statement of the auditor:

#### **"Emphasis of matter relating to uncertainty about Corona**

The developments around the Covid-19 pandemic have a profound impact on people, society and on the economy. This impacts operational and financial performance of organizations and the assessment of the ability to continue as a going concern. The impact may continue to evolve, giving rise to complexity and inherent uncertainty. De Volksbank N.V. is confronted with this uncertainty as well. The condensed interim financial statements and our review report thereon reflect the conditions at the time of preparation, including the uncertainty and the impact on significant assumptions and estimations, that are disclosed in the notes to the condensed interim financial statements in the section accounting principles and the disclosures in the risk management paragraph section of the interim financial report in the section Covid-19 crisis. We draw attention to these disclosures. Our conclusion is not modified in respect of this matter."

### **Call of EUR 500 million Tier 2 Subordinated Notes**

On 5 October 2020 de Volksbank announced its call of EUR 500 million Tier 2 Subordinated Notes. With reference to the terms and conditions of the EUR 500,000,000 3.75% Callable Resettable Dated Subordinated Notes due 5 November 2025 (ISIN XS1315151388) callable on 5 November 2020 and issued under the Programme de Volksbank announced to exercise its right to redeem these notes in full on 5 November 2020.

### **Legal proceedings**

De Volksbank and its subsidiaries are and may become from time-to-time involved in governmental, legal and arbitration proceedings that relate to claims by and against it which ensue from its normal business operations. The overview below concerns the proceedings that may have or have had a significant effect on the issuer.

#### *Madoff*

In 2010, liquidators of three Madoff-feeder funds (the "**Feeder Funds**") initiated legal proceedings in New York against, amongst others, the custody entity of de Volksbank, SNS Global Custody, and its clients as former beneficial owners of investments in these funds. They claim repayment of payments made by the Feeder funds for redemptions of investments by these beneficial owners. A similar proceeding was initiated by one of these funds against SNS Global Custody and other defendants in the British Virgin Islands (the "**BVI**"), which proceedings have ended in favour of de Volksbank. In line with these lawsuits, Bernard Madoff's trustee has also initiated proceedings in New York against, amongst others, de Volksbank and SNS Global Custody.

The status of the aforementioned proceedings in New York (in which many financial institutions worldwide are sued in similar proceedings) is as follows:

- **Fairfield Funds:** In April 2019, the New York bankruptcy court dismissed all claims brought by the Fairfield Funds liquidators against SNS Global Custody except for claims under the BVI Insolvency Act. The Fairfield Funds liquidators have appealed that ruling to the New York district court, and briefing in that appeal has begun. In accordance with the agreed briefing schedule, Fairfield filed on 10 December 2019 its opening brief in this appeal. As of April 2020, the briefing in the appeal is complete. In the meantime, the Fairfield Funds liquidators have filed

an amended complaint against SNS Global Custody in the New York bankruptcy court with respect to their BVI Insolvency Act claims. A motion to dismiss briefing process has been completed in June 2020, and the motion may be resolved in the coming months.

- Madoff Trustee: In November 2016, the New York bankruptcy court issued a decision that resulted in the dismissal of all claims asserted by the Madoff trustee against de Volksbank and SNS Global Custody. The Madoff trustee appealed this decision to the Second Circuit Court of Appeals, which overturned the bankruptcy court's decision in February 2019. A group of defendants, including de Volksbank and SNS Global Custody, have asked the U.S. Supreme Court to hear an appeal of the Second Circuit's decision (and to reinstate the bankruptcy court's decision). On June 1, 2020, the U.S. Supreme Court declined to review the Second Circuit's decision. Because the U.S. Supreme Court declined to review the Second Circuit's decision, the cases will return to the Bankruptcy Court for further proceedings.

In each of these proceedings, de Volksbank is strongly defending itself, but cannot give a reliable estimate of possible provisions resulting from these claims at the moment.

### ***Proceedings following the nationalisation***

- ***General***

Various former holders of the in 2013 expropriated securities and capital components have initiated legal proceedings to seek compensation for damages. At the time that the 2018 interim financial statements were drawn up, no court proceedings had (yet) been initiated against de Volksbank other than those stated below. Currently, it is not possible to make an estimate of the probability that possible legal proceedings of former holders or other parties affected by the nationalisation may result in a liability of de Volksbank, or the level of the financial impact on de Volksbank. For this reason, at year-end 2018 no provisions were made in respect of possible legal actions by former holders concerning the expropriated securities and capital components and other affected parties. As the outcomes of possible legal proceedings cannot be predicted with certainty, it cannot be ruled out that a negative outcome may have a material negative financial impact on the capital position, results and/or cash flows of de Volksbank.

- ***Inquiry proceedings by Dutch Investors' Association***

In November 2014, the Dutch Investors' Association (*Vereniging van Effectenbezitters*; "VEB") filed a petition with the Enterprise Chamber for an inquiry into the management of SRH (formerly SNS REAAL), de Volksbank and Propertize (formerly SNS Property Finance) for the period 2006 – present. SRH, de Volksbank and Propertize disputed the authority to file a petition for an inquiry. The Enterprise Chamber granted the request related to SRH and rejected the request related to Propertize. The decision related to de Volksbank was deferred by the Enterprise Chamber. SRH appealed against the decision to grant the request in October 2015. De Volksbank and Propertize joined this application for cassation. On 4 November 2016, the Supreme Court held that the VEB had locus standi to request an inquiry against SRH and remitted the case back to the Enterprise Chamber. On 26 July 2018 the Enterprise Chamber granted an inquiry with respect to the management of SRH (formerly SNS REAAL) and de Volksbank in the period of 1 July 2006 until 1 February 2013. In addition, the Enterprise Chamber ruled that both SRH and de Volksbank have to bear the costs of the inquiry. SRH and de Volksbank lodged an appeal in cassation against the decision of the Enterprise Chamber. Appeal in cassation has no suspensory effect. On 2 August 2018 the Enterprise Chamber appointed three investigators. The investigators presented an action plan for the inquiry which has been approved by the court on 7 November 2018. The investigators have started their inquiry thereafter. The investigators have initially said that it is expected that the inquiry will last until at least mid-2020, but according to the latest information, the investigation report is expected in the last quarter of 2020.

- **Guarantees pursuant to Article 2:403 of the Dutch Civil Code for Propertize**

In the context of the transfer of the shares of SNS Property Finance B.V. (currently Propertize) via the Dutch State to NLF1 on 31 December 2013, the Issuer withdrew the 403-guarantee for Propertize on 31 December 2013 and also terminated the remaining liability. The expiry of the objection period made this withdrawal irrevocable for all creditors, with the exception of initially two parties. After a settlement had been reached with one of the parties, the 403-guarantee issued by de Volksbank only remains in place for the other creditor of Propertize (i.e. Commerzbank). On 26 Augustus 2019 de Volksbank received a copy of a request of Commerzbank addressed to the Court of First Instance to order a provisional expert report in order to determine whether there are defects in a building financed by Propertize. If such defects are found and none of the other contractually liable parties pay the (potential) claim of Commerzbank, de Volksbank could potentially be held liable for a maximum amount of € 8 million. This claim may have a significant effect on the Issuer as referred to at the beginning of this paragraph '*Legal proceedings*' above. The court appointed a provisional expert in May 2020. His report is expected in October 2020.

- **Other proceedings relevant to de Volksbank**

In addition, there are proceedings to which de Volksbank is not a party or in which it is not the direct subject of investigation, but the course and results of which may have a material impact on de Volksbank's position.

This applies to the compensation proceedings before the Enterprise Chamber initiated by former holders of expropriated securities and capital components of SRH and the Issuer. On 26 February 2016, the Enterprise Chamber decided that the value of the expropriated securities and assets, and consequently whether or not any compensation is due, is to be determined by court-ordered expert examination. In this context, the Enterprise Chamber appointed three experts. They delivered their draft report on 15 December 2017 and – after assessing the comments of the parties concerned - filed their final report on 27 April 2018. On 26 April 2019 the Enterprise Chamber ruled that the three experts need to make an additional assessment with regards to the valuation of expropriated securities and assets. A new draft expert report was delivered to the Enterprise Chamber on 30 September 2019. The Dutch State and other parties have responded to this report and an oral hearing took place on 24 September 2020. The Enterprise Chamber will rule again before the end of 2020. The proceeding parties have the possibility to appeal against this verdict.

## SELECTED FINANCIAL INFORMATION

De Volksbank's publicly available financial statements and auditor's report for the years ended 31 December 2019 (set forth on pages 156 up to and including 221 (financial statements) and pages 224 up to and including 231 (auditor's report) of its 2019 annual report) and 31 December 2018 (set forth on pages 156 up to and including 216 (financial statements) and pages 221 up to and including 227 (auditor's report) of its 2018 annual report) are incorporated by reference into this Base Prospectus. The information contained in this section of the Base Prospectus is derived from the publicly available financial statements.

### *Key Figures of de Volksbank*

| <i>(amounts in millions of EUR)</i>              | <b>31-12-2019</b> | <b>31-12-2018</b> |
|--|-------------------|-------------------|
| Total assets                                     | 62,841            | 60,948            |
| Loans and advances to customers                  | 50,461            | 50,536            |
| of which mortgage loans                          | 48,090            | 47,262            |
| Amounts due to customers                         | 49,045            | 48,217            |
| of which savings                                 | 38,404            | 37,376            |
| Equity distributable to Shareholders             | 3,435             | 3,571             |
| Total capital                                    | 3,656             | 3,465             |
| Common Equity Tier 1 ratio                       | 32.6%             | 35.5%             |
| Tier 1 ratio                                     | 32.6%             | 35.5%             |
| Total capital ratio                              | 37.8%             | 37.1%             |
| Net interest income                              | 875               | 908               |
| Other income                                     | 54                | 50                |
| of which net commission and management fees      | 51                | 44                |
| Net profit / loss                                | 275               | 268               |
| Branches in numbers (unaudited)                  | 720               | 717               |
| Cash dispensers in numbers (unaudited)           | 285               | 293               |
| Employees in numbers (fte's, ultimo) (unaudited) | 2,991             | 2,993             |

## Capitalisation of de Volksbank

The following table sets forth the capitalisation and long-term indebtedness of de Volksbank on a consolidated basis:

| <i>(amounts in millions of EUR)</i>  | <b>31-12-2019</b> | <b>31-12-2018</b> |
|--|-------------------|-------------------|
| Short-term debt (remaining terms to maturity up to and including five years) |                   |                   |
| - Savings  | 36,743            | 35,675            |
| - Other amounts due to customers   | 8,174             | 8,105             |
| - Derivatives  | 408               | 345               |
| - Debt certificates  | 3,193             | 2,748             |
| - Amounts to banks   | 488               | 1,052             |
| - Subordinated debts   | 502               | 502               |
| - Other liabilities  | 487               | 523               |
| Total short-term debt  | <b>49,995</b>     | <b>48,950</b>     |
| Long-term debt (remaining terms to maturity over five years)                 |                   |                   |
| - Savings  | 1,661             | 1,701             |
| - Other amounts due to customers   | 2,467             | 2,736             |
| - Derivatives  | 1,433             | 775               |
| - Debt certificates  | 3,713             | 3,074             |
| - Amounts due to banks   | 53                | 64                |
| - Subordinated debts   | --                | --                |
| - Other liabilities and deferred tax liabilities <sup>5</sup>                | 85                | 77                |
| Total long-term debt   | <b>9,412</b>      | <b>8,427</b>      |
| - Savings  | 38,404            | 37,376            |
| - Other amounts due to customers   | 10,641            | 10,841            |
| - Derivatives  | 1,841             | 1,120             |
| - Debt certificates  | 6,906             | 5,822             |
| - Amounts due to banks   | 541               | 1,116             |
| - Subordinated debts   | 502               | 502               |
| - Other liabilities and provisions   | 571               | 600               |
| Total debt   | <b>59,406</b>     | <b>57,377</b>     |
| Total equity and debt  | <b>62,841</b>     | <b>60,948</b>     |

<sup>5</sup> Long-term debt Other liabilities includes liabilities for which the contractual maturity was not determined of € 77 million (2017 € 45 million).

\* The issued and paid-up share capital consists of 840,008 shares with a nominal value of € 453.79 each.

|                         |              |       |
|-------------------------|--------------|-------|
| Share Capital*          | 381          | 381   |
| Cash Flow Hedge Reserve | 26           | 31    |
| Fair Value reserve      | 19           | 14    |
| Other Reserves          | 2,734        | 2,877 |
| Retained Earnings       | 275          | 268   |
| Total equity            | <b>3,435</b> | 3,571 |

**Financial Year**

The financial year of de Volksbank is the calendar year.

**Independent Auditor**

The consolidated financial statements of de Volksbank for 2018 and 2019 have been audited by Ernst & Young Accountants LLP Amsterdam, the Netherlands. The independent auditor has given an unqualified opinion for each of these years.

**Summary Consolidated Accounts**

The 2018 and 2019 financial statements of de Volksbank have been prepared in accordance with the International Financial Reporting Standards as adopted by the EU.

## Consolidated Balance Sheet

| In € millions                       | 31-12-2019    | 31-12-2018    |
|-------------------------------------|---------------|---------------|
| <b>Assets</b>                       |               |               |
| Cash and cash equivalents           | 2,026         | 815           |
| Derivatives                         | 718           | 732           |
| Investments                         | 5,350         | 4,782         |
| Loans and advances to banks         | 3,791         | 3,589         |
| Loans and advances to customers     | 50,461        | 50,536        |
| Tangible and Intangible assets      | 128           | 69            |
| Tax assets                          | 99            | 133           |
| Other assets                        | 268           | 292           |
| <b>Total assets</b>                 | <b>62,841</b> | <b>60,948</b> |
| <b>Equity and liabilities</b>       |               |               |
| Savings                             | 38,404        | 37,376        |
| Other amounts due to customers      | 10,641        | 10,841        |
| Amounts due to banks                | 541           | 1,116         |
| Debt certificates                   | 6,906         | 5,822         |
| Derivatives                         | 1,841         | 1,120         |
| Deferred tax liabilities            | 15            | 15            |
| Other liabilities                   | 492           | 487           |
| Provisions                          | 64            | 98            |
| Subordinated debts                  | 502           | 502           |
| Share capital                       | 381           | 381           |
| Other reserves                      | 2,779         | 2,922         |
| Retained earnings                   | 275           | 268           |
| Shareholders' equity                | 3,435         | 3,571         |
| <b>Total equity and liabilities</b> | <b>62,841</b> | <b>60,948</b> |

## Consolidated Profit And Loss Account

| In € millions   | 2019       | 2018       |
|---|------------|------------|
| <b>Income</b>   |            |            |
| Interest income   | 1,263      | 1,330      |
| Interest expense  | 388        | 422        |
| Net interest income   | 875        | 908        |
| Fee and commission income                                       | 118        | 110        |
| Fee and commission expense                                      | 67         | 66         |
| Net fee and commission income                                   | 51         | 44         |
| Investment income   | 12         | 3          |
| Result on financial instruments                                 | (10)       | 2          |
| Other operating income  | 1          | 1          |
| <b>Total income</b>   | <b>929</b> | <b>958</b> |
| <b>Expenses</b>   |            |            |
| Staff costs   | 373        | 402        |
| Depreciation and amortisation of tangible and intangible assets | 36         | 21         |
| Other operating expenses  | 165        | 186        |
| Impairment charges  | (7)        | (12)       |
| Other expenses  | --         | --         |
| <b>Total expenses</b>   | <b>567</b> | <b>597</b> |
| <b>Result before taxation</b>                                   | <b>362</b> | <b>361</b> |
| Taxation  | 87         | 93         |
| <b>Net result continued operations</b>                          | <b>275</b> | <b>268</b> |
| Net result discontinued operations                              | --         | --         |
| <b>Net result for the financial year</b>                        | <b>275</b> | <b>268</b> |
| Attribution:  |            |            |
| Net profit attributable to shareholder                          | 275        | 268        |
| Net profit attributable to minority interests                   | --         | --         |
| <b>Net result for the financial year</b>                        | <b>275</b> | <b>268</b> |

## Consolidated cash flow statement

| In € millions  | 2019           | 2018           |
|--|----------------|----------------|
| <b>Cash flow from operating activities</b>                           |                |                |
| Operating profit before taxation                                     | 362            | 361            |
| <b>Adjustments for:</b>  |                |                |
| Depreciation and amortisation of tangible and intangible assets      | 20             | 21             |
| Changes in other provisions and deferred tax                         | (7)            | (17)           |
| Impairment charges and reversals                                     | (7)            | (12)           |
| Unrealised results on investments through profit and loss            | (60)           | --             |
| Tax paid   | (51)           | (55)           |
| <b>Change in operating assets and liabilities</b>                    |                |                |
| Change in advances and liabilities to customers                      | (125)          | (542)          |
| Change in advances and liabilities to banks                          | (777)          | (2,513)        |
| Change in savings  | 1,028          | 620            |
| Change in trading portfolio  | (10)           | 162            |
| Change in other operating activities                                 | 876            | (127)          |
| <b>Net cash flow from operating activities</b>                       | <b>1,249</b>   | <b>(2,102)</b> |
| <b>Cash flow from investing activities</b>                           |                |                |
| Sale of property and equipment                                       | 3              | 1              |
| Sale and redemption of investments and derivatives                   | 4,714          | 2,947          |
| Purchase of intangible assets  | --             | --             |
| Purchase of property and equipment                                   | (11)           | (12)           |
| Purchase of investments and derivatives                              | (5,418)        | (2,926)        |
| <b>Net cash flow from investing activities</b>                       | <b>(712)</b>   | <b>10</b>      |
| <b>Cash flow from financing activities</b>                           |                |                |
| Issue of subordinated loans  | --             | 3,020          |
| Issuances of debt certificates                                       | 2,191          | --             |
| Redemption of subordinated loans                                     | --             | --             |
| Redemption of debt certificates                                      | (1,093)        | (2,103)        |
| Redemption of lease liabilities                                      | (13)           | --             |
| Paid dividends   | (161)          | (190)          |
| Paid capital distribution  | (250)          | --             |
| <b>Net cash flow from financing activities</b>                       | <b>674</b>     | <b>727</b>     |
| <b>Net decrease of cash and cash equivalents</b>                     | <b>(1,211)</b> | <b>(1,365)</b> |
| Cash and cash equivalents as at 1 January                            | 815            | 2,180          |
| Change in cash and cash equivalents                                  | 1,211          | (1,365)        |
| <b>Cash and cash equivalents as at 31 December</b>                   | <b>2,026</b>   | <b>815</b>     |
| <b>Additional disclosure of cash flows from operating activities</b> |                |                |
| Interest income received   | 1,553          | 1,583          |
| Dividends received   | --             | --             |
| Interest paid  | 643            | 693            |

## Capitalisation

| <b>in € millions</b>  | <b>2019</b>  | <b>2018</b>  |
|---|--------------|--------------|
| Capital instruments   | 381          | 381          |
| Share premium   | 3,537        | 3,787        |
| Retained earnings   | 275          | 268          |
| Accumulated other comprehensive income (OCI)                | 52           | 51           |
| Other reserves  | (810)        | (916)        |
| <b>Shareholders' equity</b>                                 | <b>3,435</b> | <b>3,571</b> |
| Not eligible interim profits                                | (214)        | (178)        |
| Not eligible retained earnings                              | --           | --           |
| <b>Shareholders' equity for CRD purposes</b>                | <b>3,221</b> | <b>3,393</b> |
| Cashflow hedge reserve                                      | (26)         | (30)         |
| Other prudential adjustments                                | (6)          | (3)          |
| <b>Total prudential filters</b>                             | <b>(32)</b>  | <b>(33)</b>  |
| Intangible assets   | (2)          | (6)          |
| IRB shortfall <sup>1</sup>                                  | (31)         | (41)         |
| <b>Total capital deductions</b>                             | <b>(33)</b>  | <b>(47)</b>  |
| <b>Total regulatory adjustments to shareholders' equity</b> | <b>(65)</b>  | <b>(80)</b>  |
| <b>CRD CET 1 capital</b>                                    | <b>3,156</b> | <b>3,313</b> |
| Additional Tier 1 capital                                   | --           | --           |
| <b>Tier 1 capital</b>                                       | <b>3,156</b> | <b>3,313</b> |
| Eligible Tier 2   | 500          | 500          |
| Impact EBA interpretations CRR Article 82                   | --           | (348)        |
| <b>Tier 2 capital</b>                                       | <b>500</b>   | <b>152</b>   |
| <b>Total capital</b>  | <b>3,656</b> | <b>3,465</b> |

(i) *The IRB shortfall is the difference between the expected loss under the CRR/CRD Directive and the IFRS retail mortgages provision.*

## FORM OF THE NOTES

Each Tranche of Notes will (unless otherwise specified in the applicable Final Terms) be initially represented by a temporary global Note (the "**Temporary Global Note**") (or, if so specified in the applicable Final Terms, a permanent global Note (the "**Permanent Global Note**")), without receipts, interest coupons or talons, which, if it is not intended to be issued in NGN form, as specified in the applicable Final Terms, will either (i) be delivered to a common depository for Euroclear and Clearstream, Luxembourg and/or any other agreed clearing systems or (ii) be deposited with Euroclear Nederland and each global Note which is intended to be issued in NGN form, as specified in the applicable Final Terms, will be deposited on or around the Issue Date of the relevant Tranche of Notes with a common safekeeper for Euroclear and/or Clearstream, Luxembourg. Whilst any Note is represented by a Temporary Global Note 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 against presentation of the Temporary Global Note only to the extent that certification (in a form to be provided) to the effect that the beneficial owners of such Note 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 the relevant clearing system(s) and the relevant clearing system(s) has or have given a like certification (based on the certifications it has or they have received) to the Agent. Any reference in this section to the relevant clearing system(s) shall mean the clearing and/or settlement system(s) specified in the applicable Final Terms.

On 13 June 2006 the ECB announced that Notes 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 Notes 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. Recognition as eligible collateral will also depend on satisfaction of Eurosystem eligibility criteria.

On and after the date (the "**Exchange Date**") which is not less than 40 days nor more than 90 days after the date on which the Temporary Global Note is issued, interests in the Temporary Global Note will be exchangeable (free of charge) upon request as described therein, either for interests in a Permanent Global Note without receipts, interest coupons or talons, or for Definitive Notes (as specified in the applicable Final Terms) in each case (if the Notes are subject to TEFRA D selling restrictions) against certification of beneficial ownership as described in the second sentence of the preceding paragraph unless such certification has already been given. The holder of a Temporary Global Note 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 Note for an interest in a Permanent Global Note or for Definitive Notes is improperly withheld or refused.

Pursuant to the Agency Agreement (as defined under the relevant '*Terms and Conditions of the Notes*') the Agent shall arrange that, where a Temporary Global Note representing a further Tranche of Notes is issued, the Notes of such Tranche shall be assigned an ISIN and a common code by Euroclear and Clearstream, Luxembourg which are different from the ISIN and common code assigned to Notes of any other Tranche of the same Series until at least the expiry of the distribution compliance period (as defined in Regulation S under the Securities Act) applicable to the Notes of such Tranche. In case of Notes which have a denomination consisting of the minimum Specified Denomination plus a higher integral multiple of another smaller amount, it is possible that the Notes may be traded in amounts in excess of € 100,000 (or the equivalent thereof) that are not integral multiples of € 100,000 (or the equivalent thereof). So long as such Notes are represented by a Temporary Global Note or Permanent Global Note and the relevant clearing system(s) so permit, these Notes will be tradeable only in the minimum authorised denomination of € 100,000 increased with integral multiples of € 1,000, notwithstanding that no Definitive Notes will be issued with a denomination over € 199,000.

Definitive Notes will be in the standard euomarket form. Definitive Notes and global Notes will be bearer.

Payments of principal and interest (if any) on a Permanent Global Note will be made through the relevant clearing system(s) against presentation or surrender (as the case may be) of the Permanent Global Note to or to the order of any Paying Agent without any requirement for certification. A Permanent Global Note (other than a Permanent Global Note deposited with Euroclear Nederland) will, unless otherwise specified in the applicable Final Terms, be exchangeable (free of charge), in whole in accordance with the applicable Final Terms for security printed Definitive Notes with, where applicable, receipts, interest coupons or coupon sheets and talons attached. Such exchange may be made only upon the occurrence of any Exchange Event. An "**Exchange Event**" means (1) 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 alternative clearing system is available or (2) any of the circumstances described in Condition 11 of the Terms and Conditions of the Notes occur or (3) the Issuer has or will become obliged to pay additional amounts as provided for or referred to in Condition 9 of the Terms and Conditions of the Notes which would not be required were the Notes represented in definitive form. The Issuer will promptly give notice to Noteholders in accordance with Condition 15 of the Terms and Conditions of the Notes upon the occurrence of an Exchange Event. In the event of the occurrence of an Exchange Event as described in (1) above, Euroclear and/or Clearstream, Luxembourg, acting on the instructions of any holder of an interest in the global Note, may give notice to the Agent requesting exchange and in the event of the occurrence of an Exchange Event as described in (2) above, the Issuer may also give notice to the Agent requesting exchange. Any such exchange shall occur no later than 15 days after the date of receipt of the relevant notice by the Agent.

Global Notes and Definitive Notes will be issued pursuant to the Agency Agreement. At the date hereof, neither Euroclear nor Clearstream, Luxembourg regard Notes in global form as fungible with Notes in definitive form. Delivery (*uitlevering*) of definitive Notes represented by a Global Note deposited with Euroclear Nederland shall only be possible in the limited circumstances as described in the Wge (as amended from time to time) and such delivery will be made in accordance with the Wge and the rules and regulations of Euroclear Nederland (as amended from time to time).

The following legend will appear on all Global Notes, Definitive Notes, Receipts and interest Coupons (including Talons) which are subject to TEFRA D selling restrictions:

*'Any United States person who holds this obligation will be subject to limitation under the United States income tax laws, including the limitations provided in sections 165(j) and 1287(a) of the Internal Revenue Code of 1986.'*

The sections referred to provide that United States holders, with certain exceptions, will not be entitled to deduct any loss of Notes, receipts or interest coupons and will not be entitled to capital gains treatment of any gain on any sale, disposition, redemption or payment of principal in respect of Notes, receipts or interest coupons.

Notes which are represented by a Global Note will only be transferable in accordance with the rules and procedures for the time being of Euroclear, Clearstream, Luxembourg or Euroclear Nederland as the case may be.

Pursuant to the Agency Agreement the Agent shall arrange that, where a further Tranche of Notes is issued which is intended to form a single Series with an existing Tranche of Notes, the Notes of such further Tranche shall be assigned a common code and ISIN which are different from the common code and ISIN assigned to Notes of any other Tranche of the same Series until at least the expiry of the distribution compliance period applicable to the Notes of such Tranche.

Any reference herein to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms.

The following legend will appear on all global Notes held in Euroclear Nederland:

*'Notice: This Note is issued for deposit with Euroclear Nederland at Amsterdam, the Netherlands. Any person being offered this Note for transfer or any other purpose should be aware that theft or fraud is almost certain to be involved.'*

A Note may be accelerated by the holder thereof in certain circumstances described in Condition 11 of the Terms and Conditions of the Notes. In such circumstances, where any Note is still represented by a global Note and a holder of such Note so represented and credited to his account with the relevant clearing system(s) (other than Euroclear Nederland) gives notice that it wishes to accelerate such Note, unless within a period of 15 days from the giving of such notice payment has been made in full of the amount due in accordance with the terms of such global Note, holders of interests in such global Note credited to their accounts with the relevant clearing system(s) (other than Euroclear Nederland) will become entitled to proceed directly against the Issuer on the basis of statements of account provided by the relevant clearing system(s) (other than Euroclear Nederland) on and subject to the terms of the relevant Global Note. In the case of a Global Note deposited with Euroclear Nederland, the rights of Noteholders will be exercised in accordance with the Wge (as amended from time to time).

## USE OF PROCEEDS

### *General*

Except as otherwise specified in the applicable Final Terms, the net proceeds from each issue of Notes will be applied by the Issuer for its general corporate purposes. If, in respect of any particular issue, there is a particular identified use of proceeds, this will be specified in the applicable Final Terms, if so required pursuant to applicable law.

### *Green Bonds*

In particular, if so specified in the applicable Final Terms, the Issuer will apply the net proceeds from an offer of Notes specifically for projects and activities that promote climate and other environmental purposes, in accordance with de Volksbank's green bond framework (as amended from time to time) ("**de Volksbank's Green Bond Framework**"). Such Notes may also be referred to as "**Green Bonds**". De Volksbank's Green Bond Framework follows the ICMA Green Bond Principles.

Unless otherwise specified in the applicable Final Terms, de Volksbank's Green Bond Framework provides that de Volksbank intends to allocate the net proceeds of the Green Bonds to a portfolio of new and existing loans, that contribute to a climate neutral balance sheet through reduced or avoided emissions (the "**Eligible Green Loan Portfolio**"), provided that it will meet the following criteria ("**Eligibility Criteria**"):

- (i) Green buildings: defined as buildings which meet the following criteria:
  - new or existing residential buildings with an Energy Performance Certificate (EPC) label "A" in the Netherlands; and
  - refurbished Dutch residential buildings with at least a 30% improvement in energy efficiency. De Volksbank may provide dedicated residential refurbishment loans.
  
- (ii) Energy Efficiency: Measures contributing to a more efficient use of energy, such as but not limited to:
  - Geothermal or Hybrid heat pumps
  - Alternative heating
  - Floor, wall and roof isolation
  - Energy efficient windows, doors and frames
  - Energy efficiency advisory
  - Energy storage
  - Energy efficient lighting such as LED

The Issuer will strive to, and expects there to be sufficient eligible green loans available for, the full allocation of the proceeds of the Green Bonds to an Eligible Green Loan Portfolio. In limited instances, the Issuer will temporarily hold the balance of net proceeds not yet allocated to such Eligible Green Loan Portfolio in its treasury liquidity portfolio, in cash or other short term and liquid instruments with a sustainable character (such as green and social bonds), as it deems necessary in line with de Volksbank's Green Bond Framework. In such case, the Green Bonds will continue to qualify as Green Bonds under de Volksbank's Green Bond Framework. Potential investors should make their own assessment about making any investment decision with respect to the Green Bonds. De Volksbank will review and approve allocations of Green Bonds proceeds to Eligible Green Loan Portfolio on at least an annual basis.

### ***Process for evaluation and selection***

De Volksbank requires that loans comply with official national and international environmental and social standards, laws and regulations. It is also part of de Volksbank's transaction approval process to ensure that loans comply with de Volksbank's sustainability policy, including those financed with the proceeds of the Green Bonds. Projects as proposed by various business areas of de Volksbank are evaluated and selected by de Volksbank's Climate Neutral Committee (CNC), based on compliance with the Eligibility Criteria in de Volksbank's Green Bond Framework.

### ***Management of proceeds and reporting***

The Green Bond Proceeds will be managed by de Volksbank in a portfolio approach. De Volksbank will strive, over time, to achieve a level of allocation for the Eligible Green Loan Portfolio which matches or exceeds the balance of net proceeds from its outstanding Green Bonds. Additional Eligible Green Loans will be added to de Volksbank's Eligible Green Loan Portfolio to the extent required.

De Volksbank will make and keep readily available reporting on the allocation of net proceeds to the Eligible Green Loan Portfolio after a year from the issuance of the applicable Green Bond, to be renewed annually. Such allocation report will report on the (i) the total amount of proceeds allocated to eligible loans per category, (ii) the number of eligible loans, (iii) the balance of unallocated proceeds and (iv) the amount or the percentage of new financing and refinancing.

These allocation reports are intended to become available on the Issuer's website (<https://www.devолksbank.nl/investor-relations/green-bonds>).

### ***External reviews***

De Volksbank Green Bond Framework has been reviewed by ISS-oekom who has issued a "second party opinion". This opinion as well as the Green Bond Framework are available to investors through (<https://www.devолksbank.nl/investor-relations/green-bonds>).

De Volksbank will request on an annual basis, starting one year after issuance and until maturity, a limited assurance report of the allocation of the bond proceeds to eligible assets, provided by its external auditor (Ernst & Young or any subsequent external auditor).

Any information contained in or accessible through any website, including <https://www.devолksbank.nl/investor-relations/green-bonds>, does not form a part of the Base Prospectus, unless specifically stated in the Base Prospectus, in any supplement hereto or in any document incorporated or deemed to be incorporated by reference in this Base Prospectus that all or any portion of such information is incorporated by reference in the Base Prospectus.

## TAXATION

### TAX WARNING

Potential investors and sellers of Notes, Coupons or Receipts should be aware that they may be required to pay stamp taxes or other documentary taxes or fiscal duties or charges in accordance with the laws and practices of the country where the Notes, Coupons or Receipts are transferred or other jurisdictions. In addition, payments of interest on the Notes, or profits realised in respect of the Notes, Coupons or Receipts, may be subject to taxation, including withholding taxes, in the jurisdiction of the Issuer, in the jurisdiction of the holder of Notes, Coupons or Receipts, or in other jurisdictions in which the holder of Notes, Coupons or Receipts is required to pay taxes. Any such tax consequences may have an impact on the income received from the Notes, Coupons or Receipts.

***Prospective investors should carefully consider the tax consequences of investing in the Notes, Coupons or Receipts and consult their own tax adviser about their own tax situation. Finally, potential investors should be aware that tax regulations and their application by the relevant taxation authorities change from time to time, with or without retroactive effect. Accordingly, it is not possible to predict the precise tax treatment which will apply at any given time.***

### Taxation in the Netherlands

The following is a general summary of certain material Dutch tax consequences of the acquisition, holding and disposal of the Notes, Coupons or Receipts. This summary does not purport to describe all possible tax considerations or consequences that may be relevant to a holder or prospective holder of Notes, Coupons or Receipts and does not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as trusts or similar arrangements) may be subject to special rules. In view of its general nature, it should be treated with corresponding caution.

This summary is based on the tax laws of the Netherlands, published regulations thereunder and published authoritative case law, all as in effect on the date hereof, and all of which are subject to change, possibly with retroactive effect. Where the summary refers to "the Netherlands" or "Dutch" it refers only to the part of the Kingdom of the Netherlands located in Europe. For the avoidance of doubt, this summary does not describe the consequences of the entering into effect of the Dutch Withholding Tax Act 2021 (*Wet bronbelasting 2021*), which act will enter into effect as per 1 January 2021. Please see "*Risk factors regarding the Notes – A. Risks related to the nature of a particular issue of Notes – 1. Limitation on obligation to pay additional amounts under Condition 9(b) (Taxation)*" for more information on the new withholding tax on interest or deemed interest payments in the Netherlands.

This discussion is for general information purposes only and is not tax advice or a complete description of all tax consequences relating to the acquisition, holding and disposal of the Notes. Noteholders or prospective noteholders should consult with their own tax advisors with regard to the tax consequences of investing in the Notes, Coupons or Receipts in light of their particular circumstances as well as the new withholding on interest or deemed interest payments in the Netherlands (to become effective as per 1 January 2021).

### Withholding tax

All payments of principal or interest made by the Issuer under the Notes, Coupons or Receipts may be made free of withholding or deduction of, for or on account of any taxes of whatever nature imposed, levied, withheld or assessed by the Netherlands or any political subdivision or taxing authority thereof or therein, unless the Notes are treated as equity of the Issuer for Dutch tax purposes.

## Taxes on income and capital gains

Please note that the summary in this section does not describe the Dutch tax consequences for:

- (i) holders of Notes, Coupons or Receipts if such holders, and in the case of individuals, such holder's partner or certain of their relatives by blood or marriage in the direct line (including foster children) have a substantial interest (*aanmerkelijk belang*) or deemed substantial interest (*fictief aanmerkelijk belang*) in the Issuer under the Dutch Income Tax Act 2001 (*Wet inkomstenbelasting 2001*). Generally speaking, a holder of securities in a company is considered to hold a substantial interest in such company, if such holder, alone or, in case of individuals, together with such holder's partner (as defined in the Dutch Income Tax Act 2001), directly or indirectly, holds (i) an interest of 5% or more of the total issued and outstanding capital of that company or of 5% or more of the issued and outstanding capital of a certain class of shares of that company; or (ii) holds rights to acquire, directly or indirectly, such interest; or (iii) holds certain profit sharing rights in that company that relate to 5% or more of the company's annual profits and/or to 5% or more of the company's liquidation proceeds. A deemed substantial interest may arise if a substantial interest (or part thereof) in a company has been disposed of, or is deemed to have been disposed of, on a non-recognition basis;
- (ii) pension funds, investment institutions (*fiscale beleggingsinstellingen*), exempt investment institutions (*vrijgestelde beleggingsinstellingen*) (as defined in the Dutch Corporate Income Tax Act 1969; *Wet op de vennootschapsbelasting 1969*) and other entities that are, in whole or in part, not subject to or exempt from Dutch corporate income tax; and
- (iii) holders of Notes, Coupons or Receipts who are individuals for whom the Notes, Coupons or Receipts or any benefit derived from the Notes, Coupons or Receipts are a remuneration or deemed to be a remuneration for activities performed by such holders or certain individuals related to such holders (as defined in the Dutch Income Tax Act 2001).

### **Dutch Resident Entities**

Generally speaking, if the holder of Notes, Coupons or Receipts is an entity that is a resident or deemed to be resident of the Netherlands for Dutch corporate income tax purposes (a "**Dutch Resident Entity**"), any payment under the Notes, Coupons or Receipts or any gain or loss realised on the disposal or deemed disposal of the Notes, Coupons or Receipts is subject to Dutch corporate income tax at a rate of 16.5% with respect to taxable profits up to € 200,000 and 25% with respect to taxable profits in excess of that amount (rates and brackets for 2020).

### **Dutch Resident Individuals**

If a holder of Notes, Coupons or Receipts is an individual, resident or deemed to be resident of the Netherlands for Dutch income tax purposes (a "**Dutch Resident Individual**"), any payment under the Notes, Coupons or Receipts or any gain realised on the disposal or deemed disposal of the Notes, Coupons or Receipts is taxable at the progressive income tax rates (with a maximum of 49.50% in 2020), if:

- (i) the Notes, Coupons or Receipts are attributable to an enterprise from which the holder of Notes, Coupons or Receipts derives a share of the profit, whether as an entrepreneur (*ondernemer*) or as a person who has a co-entitlement to the net worth (*medegerechtigd tot het vermogen*) of such enterprise, without being a shareholder (as defined in the Dutch Income Tax Act 2001); or
- (ii) the holder of Notes, Coupons or Receipts is considered to perform activities with respect to the Notes, Coupons or Receipts that go beyond ordinary asset management (*normaal, actief vermogensbeheer*) or

derives benefits from the Notes, Coupons or Receipts that are taxable as benefits from other activities (*resultaat uit overige werkzaamheden*).

*Income from savings and investments (inkomen uit sparen en beleggen).*

If the above-mentioned conditions (i) and (ii) do not apply to the individual holder of Notes, Coupons or Receipts, such holder will be taxed annually on a deemed variable return (with a maximum of 5.28% in 2020) of such holder's net investment assets (*rendementsgrondslag*) for the year, insofar the individual's net investment assets for the year exceed a statutory threshold (*heffingvrij vermogen*). The deemed return on the individual's net investment assets for the year is taxed at an income tax rate of 30%.

The net investment assets for the year are the fair market value of the investment assets less the allowable liabilities on 1 January of the relevant calendar year, for 2020 being 1 January 2020. The Notes, Coupons or Receipts are included as investment assets. Actual income, gains or losses in respect of the Notes, Coupons or Receipts are not subject to Dutch income tax.

For the net investment assets on 1 January 2020, the deemed return ranges from 1.7893% up to 5.28% (depending on the aggregate amount of the individual's net investment assets on 1 January 2020). The deemed, variable return will be adjusted annually on the basis of historic market yields.

### ***Non-residents of the Netherlands***

A holder of the Notes, Coupons or Receipts that is neither a Dutch Resident Entity nor a Dutch Resident Individual will not be subject to Dutch taxes on income or capital gains in respect of any payment under the Notes, Coupons or Receipts or in respect of any gain or loss realised on the disposal or deemed disposal of the Notes, Coupons or Receipts, provided that:

- (i) such holder does not have an interest in an enterprise or deemed enterprise (as defined in the Dutch Income Tax Act 2001 and the Dutch Corporate Income Tax Act 1969) which, in whole or in part, is either effectively managed in the Netherlands or carried on through a permanent establishment, a deemed permanent establishment or a permanent representative taxable in the Netherlands and to which enterprise or part of an enterprise the Notes, Coupons or Receipts are attributable; and
- (ii) in the event the holder is an individual, such holder does not carry out any activities in the Netherlands with respect to the Notes, Coupons or Receipts that go beyond ordinary asset management and does not derive benefits from the Notes, Coupons or Receipts that are taxable as benefits from other activities in the Netherlands.

### **Gift and inheritance taxes**

#### ***Residents of the Netherlands***

Gift or inheritance taxes will arise in the Netherlands with respect to a transfer of the Notes, Coupons or Receipts by way of a gift by, or on the death of, a holder of such Notes, Coupons or Receipts who is resident or deemed resident of the Netherlands at the time of the gift or such holder's death.

#### ***Non-residents of the Netherlands***

No Dutch gift or inheritance taxes will arise on the transfer of Notes, Coupons or Receipts by way of gift by, or on the death of, a holder of Notes, Coupons or Receipts who is neither resident nor deemed to be resident in the Netherlands, unless:

- (i) in the case of a gift of a Note, Coupon or Receipt by an individual who at the date of the gift was neither resident nor deemed to be resident in the Netherlands, such individual dies within 180 days after the date of the gift, while being resident or deemed to be resident in the Netherlands; or
- (ii) the transfer is otherwise construed as a gift or inheritance made by, or on behalf of, a person who, at the time of the gift or death, is or is deemed to be a resident in the Netherlands.

For purposes of the above, a gift of Notes made under a condition precedent (*opschortende voorwaarde*) is deemed to be made at the time the condition precedent is satisfied.

For purposes of Dutch gift and inheritance taxes, amongst others, a person that holds the Dutch nationality will be deemed to be resident in the Netherlands if such person has been resident in the Netherlands at any time during the ten years preceding the date of the gift or such person's death. Additionally, for purposes of Dutch gift tax, amongst others, a person not holding the Dutch nationality will be deemed to be resident in the Netherlands if such person has been resident in the Netherlands at any time during the twelve months preceding the date of the gift. Applicable tax treaties may override deemed residency.

#### **Value added tax (VAT)**

No Dutch VAT will be payable by the holders of Notes, Coupons or Receipts on (i) any payment in consideration for the issue of the Notes, Coupons or Receipts or (ii) the payment of interest or principal by the Issuer under the Notes, Coupons or Receipts.

#### **Other taxes and duties**

No Dutch registration tax, stamp duty or any other similar documentary tax or duty will be payable by the holders of Notes, Coupons or Receipts in respect of (i) the issue of the Notes, Coupons or Receipts or (ii) the payment of interest or principal by the Issuer under the Notes, Coupons or Receipts.

#### **Residency**

A holder of Notes, Coupons or Receipts will not become, and will not be deemed to be, resident of the Netherlands for Dutch tax purposes by reason only of the execution, performance, delivery and/or enforcement of the Notes, Coupons or Receipts.

## SUBSCRIPTION AND SALE

The Dealers have in a dealership agreement dated on or about 15 October 2020 (the "**Dealership Agreement**") (as supplemented from time to time) agreed with the Issuer a basis upon which they or any of them may from time to time agree to purchase Notes. Any such agreement will extend to those matters stated under '*Form of the Notes*' and '*Terms and Conditions of the Notes*'. In the Dealership Agreement, the Issuer has agreed to reimburse the Dealers for certain of their expenses in connection with the establishment of the Programme and the issue of Notes under the Programme.

### General

#### Prohibition of sales to EEA and UK Retail Investors

**IMPORTANT – EEA AND UK RETAIL INVESTORS** The Notes shall not 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 or in the UK. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; (ii) a customer within the meaning of the Insurance Distribution 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 Regulation. Consequently no key information document required by the PRIIPs Regulation for offering or selling the Notes or otherwise making them available to retail investors in the EEA or in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA or in the UK may be unlawful under the PRIIPs Regulation.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the final terms in relation thereto to any retail investor in the EEA or in the UK. For the purposes of this provision:

- (a) the expression "retail investor" means a person who is one (or more) of the following:
  - (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or
  - (ii) a customer within the meaning of Insurance Distribution 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 Regulation; and
- (b) the expression an "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

#### Selling Restrictions Addressing Additional UK Securities Laws

Each Dealer has represented, warranted and agreed and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) in relation to any Notes having a maturity of less than one year:
  - 1. it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business; and:
  - 2. it has not offered or sold and will not offer or sell any Notes other than to persons:
    - (i) whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses; or

- (ii) who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses, where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;
- (b) it has only communicated or caused to be communicated, and will only communicate or cause to communicate, any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of Notes in circumstances in which Section 21(1) of the FSMA does not, or in the case of the Issuer would not, if it was not an authorised person, apply to the Issuer; and
- (c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the UK.

#### **United States of America**

- (1) The Notes have not been and will not be registered under the Securities Act or the securities laws of any state or jurisdiction of the United States and may not be offered or 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 the registration requirements of the Securities Act. Terms used in this paragraph have the meaning given to them by Regulation S under the Securities Act ("**Regulation S**").

Notes in bearer form are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986, as amended, and regulations thereunder.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that except as permitted in the Dealership Agreement it, its affiliates (as defined in Rule 405 under the Securities Act) or any person acting on its or their behalf has offered and sold any Notes, and will offer and sell any Notes (i) as part of their distribution at any time and (ii) otherwise until 40 days after the completion of the distribution of all Notes of the Tranche of which such Notes are a part (the "**distribution compliance period**"), as determined and notified as provided below. Accordingly, each Dealer has further represented and agreed that it, its affiliates and any person acting on its or their behalf have not engaged and will not engage in any directed selling efforts with respect to any Note, and it and they have complied and will comply with the offering restrictions requirement of Regulation S. Each Dealer who has subscribed for Notes of a Tranche hereunder (or in the case of a sale of a Tranche of Notes issued to or through more than one Dealer, each of such Dealers as to the Notes of such Tranche subscribed for by or through it or, in the case of a syndicated issue, the relevant Lead Manager) shall determine and notify to the Agent the completion of the distribution by it of the Notes of such Tranche. On the basis of such notification or notifications, the Agent will notify such Dealer/Lead Manager of the end of the distribution compliance period with respect to such Tranche. Each Dealer has also agreed that, at or prior to confirmation of sale of Notes, it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases Notes from it during the distribution compliance period a confirmation or notice to substantially the following effect:

*'The securities covered hereby have not been registered under the U.S. Securities Act of 1933 (the "**Securities Act**") and may not be offered, sold or delivered 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 the Securities as determined and notified by the Agent to the [name of the relevant Dealer], except in either case in accordance with Regulation S under the Securities Act. Terms used above have the meanings given to them in Regulation S.'*

Terms used in this subclause 1 have the meanings given to them by Regulation S.

In addition, until 40 days after the commencement of the offering of Notes comprising any Tranche, any offer or sale of Notes of such Tranche within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

- (2) In addition (but only in relation to Notes with an initial maturity in excess of 365 days that are treated as issued in bearer form for U.S. federal income tax purposes):

*where TEFRA D is specified in the applicable Final Terms:*

- (a) except to the extent permitted under U.S. Treas. Reg. §1.163-5(c)(2)(i)(D) (the "**D Rules**"), each Dealer (a) represents that it has not offered or sold, and agrees that during the restricted period it will not offer or sell, Notes in bearer form to a person who is within the United States or its possessions or to a United States person, and (b) represents that it has not delivered and agrees that it will not deliver within the United States or its possessions definitive Notes in bearer form that are sold during the restricted period;
- (b) each Dealer represents that it has and agrees that throughout the restricted period it will have in effect procedures reasonably designed to ensure that its employees or agents who are directly engaged in selling Notes in bearer form are aware that such Notes may not be offered or sold during the restricted period to a person who is within the United States or its possessions or to a United States person, except as permitted by the D Rules;
- (c) if it is a United States person, each Dealer represents that it is acquiring the Notes for purposes of resale in connection with their original issuance and if it retains Notes in bearer form for its own account, it will only do so in accordance with the requirements of U.S. Treas. Reg. §1.163-5(c)(2)(i)(D)(6); and
- (d) with respect to each affiliate that acquires Notes from a Dealer for the purpose of offering or selling such Notes during the restricted period, such Dealer repeats and confirms the representations and agreements contained in subparagraphs (a), (b) and (c) on such affiliate's behalf.

Terms used in this paragraph 1(2) have the meanings given to them by the U.S. Internal Revenue Code and regulations thereunder, including the D Rules.

*where TEFRA C is specified in the applicable Final Terms:*

Each Dealer understands that under U.S. Treas. Reg. §1.163-5(c)(2)(i)(C) (the "**C Rules**"), Notes in bearer form must be issued and delivered outside the United States and its possessions in connection with their original issuance. Each Dealer represents and agrees that it has not offered, sold or delivered, and will not offer, sell or deliver, directly or indirectly, Notes in bearer form within the United States or its possessions in connection with their original issuance. Further, in connection with the original issuance of Notes in bearer form, the Dealer has not communicated, and will not communicate, directly or indirectly, with a prospective purchaser if either the Dealer or the prospective purchaser is within the United States or its possessions or otherwise involve a U.S. office of the Dealer in the offer or sale of Notes in bearer form. Terms used in this paragraph 1(2) have the meanings given to them by the U.S. Internal Revenue Code and regulations thereunder, including the C Rules.

- (3) Each issue of Dual Currency Notes shall be subject to any additional U.S. selling restrictions specified in the applicable Final Terms. Each relevant Dealer agrees that it shall offer, sell and deliver such Notes only in compliance with such additional U.S. selling restrictions.

### **Japan**

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended from time to time, the "**FIEA**") and each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that it will not offer or sell any Notes, directly or

indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to a resident of Japan except under circumstances which will result in compliance with the FIEA and other relevant laws, regulations and guidelines of Japan in effect at the relevant time.

### **Zero Coupon Notes**

In addition and without prejudice to the relevant restrictions set out above, Zero Coupon Notes (as defined below) in definitive form may only be transferred and accepted, directly or indirectly, within, from or into the Netherlands through the mediation of either the Issuer or a member firm of Euronext Amsterdam N.V., admitted in a function on one or more markets or systems held or operated by Euronext Amsterdam N.V., in accordance with the Dutch Savings Certificates Act (*Wet inzake spaarbewijzen*) of 21 May 1985 (as amended from time to time) and its implementing regulations.

No such mediation is required: (a) in respect of the transfer and acceptance of rights representing an interest in a Global Note; (b) in respect of the transfer and acceptance of Zero Coupon Notes in definitive form between individuals who do not act in the conduct of a business or profession; (c) in respect of the initial issue of Zero Coupon Notes in definitive form to the first holders thereof; or (d) in respect of the transfer and acceptance of such Zero Coupon Notes within, from or into the Netherlands if all Zero Coupon Notes (either in definitive form or as rights representing an interest in a Zero Coupon Note in global form) of any particular Series or Tranche are issued outside the Netherlands and are not distributed into the Netherlands in the course of initial distribution or immediately thereafter.

In the event that the Savings Certificates Act applies, certain identification requirements in relation to the issue and transfer of, and payments on, Zero Coupon Notes have to be complied with.

As used herein "**Zero Coupon Notes**" are Notes that are in bearer form and that constitute a claim for a fixed sum against the Issuer and on which interest does not become due during their tenor or on which no interest is due whatsoever.

### **General**

Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers or sells Notes or possesses or distributes this Base Prospectus and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers or deliveries and the Issuer shall not have any responsibility therefore. Neither the Issuer nor any of the Dealers represents that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale. With regard to each Tranche, the relevant Dealer will be required to comply with any other additional restrictions specified in the applicable Final Terms.

## GENERAL INFORMATION

### Authorisation

The setup of the Programme and each future issue under the Programme were duly authorised by a resolution of the Board of Directors of the Issuer dated 15 October 2020. All consents, approvals, authorisations or other orders of all regulatory authorities required by the Issuer under Dutch law have been or will be obtained for the issue of Notes and for the Issuer to undertake and perform its obligations under the Dealership Agreement, Agency Agreement and the relevant Notes.

### Significant or material adverse change

There has been no significant change in the financial position of the Issuer and its subsidiaries since 30 June 2020 and there has been no material adverse change in the prospects of the Issuer since 31 December 2019, the last day of the financial period in respect of which audited financial statements of de Volksbank have been prepared.

### Legal proceedings

Save as disclosed under '*Legal Proceedings*' starting on page 76, there have not been any governmental, legal and arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) in the 12 months preceding the date of this Base Prospectus which may have, or have had in such period a significant effect on the financial position or profitability of the Issuer.

### Listing

Application may be made to Euronext Amsterdam for Notes up to the expiry of 12 months from the date of this Base Prospectus to be listed and admitted to trading on Euronext Amsterdam. In addition, Notes may be listed and admitted to trading on the Luxembourg Stock Exchange or other EU stock exchanges. The Issuer may also issue unlisted Notes.

### Documents Available

For the period of twelve (12) months following the approval by the AFM of this Base Prospectus, copies of the documents listed below will, when published, be available free of charge, (i) from the specified offices of the Paying Agents, from the specified offices of the Amsterdam Listing Agent and the Luxembourg Listing Agent and at the office of the Issuer at Croeselaan 1, 3521 BJ, Utrecht, the Netherlands, and (ii) on the website of the Issuer at <https://www.devolsbank.nl>. Any information contained in or accessible through any website, including [www.volksbank.nl](http://www.volksbank.nl), does not form a part of the Base Prospectus, unless specifically stated in the Base Prospectus, in any supplement hereto or in any document incorporated or deemed to be incorporated by reference in this Base Prospectus that all or any portion of such information is incorporated by reference in the Base Prospectus.

- (i) The Dutch language version and an English translation of the most recent articles of association of the Issuer.
- (ii) The audited annual reports of the Issuer for the two most recent financial years and the unaudited (semi-annual) interim financial statements for the period ended 30 June 2020 of the Issuer.
- (iii) The Dealership Agreement and the Agency Agreement (which contains the forms of the temporary and permanent global Notes, the Definitive Notes, the Receipts, the Coupons and the Talons).
- (iv) A copy of this Base Prospectus.
- (v) Any future prospectuses, offering circulars, supplementary listing particulars, information memoranda, supplements to this Base Prospectus and any other documents incorporated herein or therein by reference.
- (vi) The applicable Final Terms for each Tranche of Notes which are admitted to trading on a regulated market.

### Clearing and Settlement Systems

The Notes have been accepted for clearance through Euroclear, Clearstream, Luxembourg and LCH.Clearnet S.A. (the securities clearing corporation that serves Euronext in Amsterdam). The appropriate common code and ISIN

for each Tranche allocated by Euroclear, Clearstream, Luxembourg and LCH.Clearnet S.A., and any other relevant security code, will be specified in the applicable Final Terms. If the Notes are to clear through an additional or alternative clearing system the appropriate information will be specified in the applicable Final Terms.

#### ***Clearing systems addresses***

The address of Euroclear is 1 Boulevard de Roi Albert II, 1210 Brussels, Belgium. The address of Clearstream, Luxembourg is 42 Avenue J.F. Kennedy, L-1855 Luxembourg, Luxembourg. The address of Euroclear Nederland is Herengracht 459 - 469, 1017 BS Amsterdam, the Netherlands. The address of LCH.Clearnet Group Ltd. is Aldgate House, 33 Aldgate High Street, London EC3N 1EA, United Kingdom.

#### ***Ratings of the Notes***

Tranches of Notes may be rated or unrated. Where a Tranche of Notes is rated, such rating will not necessarily be the same as the ratings assigned to the Senior Preferred Notes issued under the Programme and will be specified in the applicable Final Terms. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency. Ratings in relation to the Issuer and certain Notes are described in the chapter headed '*de Volksbank N.V.*', section '*Rating Agencies*'.

#### ***Ratings of the Issuer***

Ratings in relation to the Issuer and certain Notes are described in the chapter headed '*de Volksbank N.V.*', section '*Rating Agencies*'.

#### ***CRA Regulation***

As of the date of this Base Prospectus, Fitch is established in the UK and S&P and Moody's are established in the EU and each of them is registered under the CRA Regulation. Each credit rating applied for in relation to a tranche of Notes will be issued by a credit rating agency established in the EU or the UK and registered under the CRA Regulation.

The rating of a certain Series or Tranche of Notes may be specified in the applicable Final Terms. Whether a credit rating applied for in relation to a relevant Series or Tranche of Notes will be issued by a credit rating agency established in the EU or the UK and registered under the CRA Regulation will be disclosed clearly and prominently in the applicable Final Terms.

## DOCUMENTS INCORPORATED BY REFERENCE

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

- (a) The Issuer's publicly available financial statements and auditor's report for the year ended 31 December 2019 (set forth on pages 156 up to and including 221 (financial statements) and pages 225 up to and including 231 (auditor's report) of its 2019 annual report (English translation)) which can also be obtained from: <https://www.devolsbank.nl/assets/files/Investor-Relations/Jaarverslagen-de-Volksbank/de-Volksbank-N.V.-Annual-Report-2019.pdf>;
- (b) The Issuer's publicly available financial statements and auditor's report for the year ended 31 December 2018 (set forth on pages 156 up to and including 216 (financial statements) and pages 221 up to and including 227 (auditor's report) of its 2018 annual report (English translation)), which can also be obtained from: <https://www.devolsbank.nl/assets/files/Investor-Relations/Jaarverslagen-de-Volksbank/Annual-Report-de-Volksbank-N.V.-2018.pdf>;
- (c) The Issuer's publicly available interim financial statements for the period ended 30 June 2020 (set forth on pages 34 to 43 (financial statements) and pages 44-45 (auditor's review report) of its interim financial report first half of 2020 (English translation), which can also be obtained from: <https://www.devolsbank.nl/assets/files/jaarcijfers/Interim-Financial-Report-2020.pdf>;
- (d) The terms and conditions as referred to on pages 91 up to and including 135 of the base prospectus of the Issuer relating to the Programme, dated 17 October 2019 (the "**2019 Terms and Conditions**");
- (e) The terms and conditions as referred to on pages 93 up to and including 133 of the base prospectus of the Issuer relating to the Programme, dated 19 October 2018 (the "**2018 Terms and Conditions**");
- (f) The transparency statement in respect of the consolidated and company financial statements of the Issuer issued by the Board of Directors as set forth on page 133 of its 2019 annual report (English translation) and as set forth on page 132 of its 2018 annual report (English translation), which can also be obtained from: <https://www.devolsbank.nl/assets/files/Investor-Relations/Jaarverslagen-de-Volksbank/de-Volksbank-N.V.-Annual-Report-2019.pdf> and <https://www.devolsbank.nl/assets/files/Investor-Relations/Jaarverslagen-de-Volksbank/Annual-Report-de-Volksbank-N.V.-2018.pdf>;
- (g) The Issuer's articles of association as per the date of approval of this Base Prospectus (in the original Dutch language version as well as in English translation);
- (h) Chapter 4 (Risk Management) set forth on pages 67 up to and including 133 of the Issuer's 2019 annual report (English translation) and as set forth on pages 69 up to and including 132 of the Issuer's 2018 annual report (English translation), which can also be obtained from: <https://www.devolsbank.nl/assets/files/Investor-Relations/Jaarverslagen-de-Volksbank/de-Volksbank-N.V.-Annual-Report-2019.pdf> and <https://www.devolsbank.nl/assets/files/Investor-Relations/Jaarverslagen-de-Volksbank/Annual-Report-de-Volksbank-N.V.-2018.pdf>;
- (i) The Issuer's publicly available interim statements of assets and liabilities as at 30 September 2019, which can also be obtained from: <https://www.devolsbank.nl/assets/files/Persberichten-algemeen/Interim-statement-of-assets-and-liabilities-30-September-2019.pdf>;
- (j) A press release published by the Issuer on 16 December 2019 regarding the intention of de Volksbank to distribute € 250 million in capital to shareholder NLF1, which can also be obtained from: <https://www.devolsbank.nl/assets/files/Press-release-De-Volksbank-to-distribute-%E2%82%AC-250-million-in-capital-to-shareholder-NLFI.pdf>;
- (k) A press release published by the Issuer on 14 February 2020 regarding the Issuer's 2019 annual results, which can also be obtained from: <https://www.devolsbank.nl/assets/files/jaarcijfers/Press-Release-2019.pdf>;
- (l) A press release published by the Issuer on 27 May 2020 regarding the appointment of Martijn Gribnau as

Chief Executive Officer of de Volksbank, which can also be obtained from: <https://www.devолksbank.nl/assets/files/Press-release-Martijn-Gribnau-to-succeed-Maurice-Oostendorp-as-Chairman-of-the-Board-of-de-Volksbank.pdf>;

- (m) A press release published by the Issuer on 6 July 2020 with an update on the consequences of the COVID-19 pandemic on the Issuer, which can be obtained from: <https://www.devолksbank.nl/assets/files/Press-release-Update-on-the-consequences-of-the-COVID-19-pandemic-for-de-Volksbank.pdf>;
- (n) A press release published by the Issuer on 16 July 2020 regarding the issue of € 500 million of subordinated Tier 2 green bonds, which can also be obtained from: <https://www.devолksbank.nl/assets/files/Duurzaam-ondernemen/Beleidsstukken/Press-release-De-Volksbank-first-bank-in-Europe-to-successfully-issue-subordinated-Tier-2-green-bonds.pdf>;
- (o) A press release published by the Issuer on 14 August 2020 regarding the Interim Results 2020, which can also be obtained from: <https://www.devолksbank.nl/assets/files/jaarcijfers/Press-release-2020-interim-results.pdf>; and
- (p) A press release published by the Issuer on 14 August 2020 regarding the decision of the Supervisory Board to part ways with CFO, which can also be obtained from: <https://www.devолksbank.nl/assets/files/Press-release-Supervisory-Board-of-de-Volksbank-has-decided-to-part-ways-with-CFO.pdf>;
- (q) A press release published by the Issuer on 5 September 2020 regarding the decision of NLF1 to dismiss CFO of de Volksbank, which can also be obtained from: <https://www.devолksbank.nl/assets/files/Press-release-NLFI-decision-CFO.pdf>; and
- (r) A press release published by the Issuer on 5 October 2020 regarding the call of EUR 500 million Tier 2 Subordinated Notes, which can also be obtained from: <https://www.devолksbank.nl/assets/files/Persberichten-algemeen/Press-release-De-Volksbank-announces-call-of-EUR-500-million-Tier-2-Subordinated-Notes.pdf>.

These documents can be obtained without charge at the offices of the Issuer (Croeselaan 1, 3521 BJ Utrecht, the Netherlands, de Volksbank Investor relations, tel: +31 30 291 42 46/ +31 30 291 48 07, [jacob.bosscha@devолksbank.nl](mailto:jacob.bosscha@devолksbank.nl) and [davey.hak@devолksbank.nl](mailto:davey.hak@devолksbank.nl)) and the Agent (Banque Internationale à Luxembourg SA, 69 Route d'Esch, L-2953 Luxembourg, Luxembourg, Transaction Execution Group, tel: +352 4590 1), each as set out at the end of this Base Prospectus. In addition all these documents and the Base Prospectus are available on the Issuer's website at <https://www.devолksbank.nl/en/investor-relations/debt-information/unsecured-funding/euro-medium-term-notes>.

The non-incorporated parts of the documents mentioned above are either not relevant for the investor or covered elsewhere in this Base Prospectus.

Any information contained in or accessible through any website, including [www.volksbank.nl](http://www.volksbank.nl), does not form a part of the Base Prospectus, unless specifically stated in the Base Prospectus, in any supplement hereto or in any document incorporated or deemed to be incorporated by reference in this Base Prospectus that all or any portion of such information is incorporated by reference in the Base Prospectus.

## CHAPTER 2: NOTES ISSUED BY DE VOLKSBANK

### PART 1: TERMS AND CONDITIONS

*The following are the Terms and Conditions of Notes to be issued by de Volksbank which will be incorporated by reference into each global Note and which will be endorsed on (or, if permitted by the rules of the relevant stock exchange and agreed between de Volksbank and the relevant Dealer, incorporated by reference into) each definitive Note in the standard euromarket form. The applicable Final Terms will be endorsed on, incorporated by reference into, or attached to, each global Note and definitive Note in the standard euromarket form. Reference should be made to "Form of the Notes" above for a description of the content of Final Terms which includes the definition of certain terms used in the following Terms and Conditions.*

This Note is one of a series of Notes issued by Volksbank N.V. (the "**Issuer**", which expression shall include any Substituted Debtor pursuant to Condition 18) pursuant to the Agency Agreement (as defined below). References herein to the "**Notes**" shall be references to the Notes of this Series (as defined below) and shall mean (i) in relation to any Notes represented by a global Note, units of the lowest Specified Denomination in the Specified Currency, (ii) definitive Notes issued in exchange for a global Note and (iii) any global Note. The Notes, the Receipts (as defined below) and the Coupons (as defined below) have the benefit of an Agency Agreement dated on or about 15 October 2020 (as supplemented from time to time, the "**Agency Agreement**") and made between the Issuer and Banque Internationale à Luxembourg SA ("**BIL**") as issuing and principal paying agent and agent bank (the "**Agent**", which expression shall include any successor agent) and the other paying agents named therein (together with the Agent, the "**Paying Agents**", which expression shall include any additional or successor paying agents).

Interest bearing definitive Notes in the standard euromarket form (unless otherwise specified in the applicable Final Terms) have interest coupons ("**Coupons**") and, if specified in the applicable Final Terms, talons for further Coupons ("**Talons**") attached on issue. Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons. Definitive Notes in the standard euromarket form repayable in instalments have receipts ("**Receipts**") for the payment of the instalments of principal (other than the final instalment) attached on issue. Any reference herein to "**Noteholders**" shall mean the holders of the Notes, and shall, in relation to any Notes represented by a global Note, be construed as provided below. Any reference herein to "**Receiptholders**" shall mean the holders of the Receipts and any reference herein to "**Couponholders**" shall mean the holders of the Coupons, and shall, unless the context otherwise requires, include the holders of the Talons. Any holders mentioned above include those having a credit balance in the collective deposits held by Euroclear Nederland or one of its participants.

References in these Terms and Conditions to "**Coupons**" will include references to Coupon sheets where applicable.

The Final Terms for this Note are endorsed hereon, attached hereto, applicable hereto or incorporated by reference herein and supplement these Terms and Conditions.

As used herein, "**Tranche**" means Notes which are identical in all respects (including as to listing) and "**Series**" means a Tranche of Notes together with any further Tranche or Tranche of Notes which are (i) expressed to be consolidated and form a single series and (ii) are identical in all respects (including as to listing) from the date on which such consolidation is expressed to take effect.

Copies of the Agency Agreement and the applicable Final Terms are available at the specified offices of each of the Agent and the other Paying Agents save that Final Terms relating to an unlisted Note will only be available for inspection by a Noteholder upon such Noteholder producing evidence as to identity satisfactory to the relevant Paying Agent. The Noteholders, the Receiptholders and the Couponholders are deemed to have notice of, and are

entitled to the benefit of, all the provisions of the Agency Agreement and the applicable Final Terms which are binding on them.

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

Any references in these Terms and Conditions to any particular provision, article, clause, section or paragraph of a law, directive, regulation or other legislation shall include such provision, article, clause, section or paragraph as consolidated, amended, re-enacted or replaced.

#### *General Definitions*

In these Terms and Conditions the following expressions shall have the following meanings.

**Accrual Yield** the accrual yield specified as such in the applicable Final Terms.

**Additional Tier 1 Capital** capital which is treated as Additional Tier 1 capital (or any equivalent or successor term) under the CRD requirements by the Competent Authority for the purposes of the Issuer.

**Additional Financial Centre** any financial centre, specified as such in the applicable Final Terms.

**Additional Business Centre** any business centre, specified as such in the applicable Final Terms.

**Adjustment Spread** means either a spread (which may be positive or negative), or the formula or methodology for calculating a spread, in either case, which the Issuer, following consultation with the Independent Adviser (if appointed) and acting in good faith, determines is required to be applied to the Replacement Reference Rate to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to Noteholders, as a result of the replacement of the Reference Rate with the Replacement Reference Rate and is the spread, formula or methodology which:

- (a) is formally recommended in relation to the replacement of the Reference Rate with the Replacement Reference Rate by any Competent Authority, any working group in the jurisdiction of the applicable currency sponsored by, chaired or co-chaired by or constituted at the request of (a) the central bank for the currency to which such reference rate relates, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of such reference rate, (c) a group of the

aforementioned central banks or other supervisory authorities, or (d) the Financial Stability Board or any part thereof, or any widely recognised industry association or body; or (if no such recommendation has been made)

- (b) the Issuer determines, following consultation with the Independent Adviser (if appointed) and acting in good faith, is recognised or acknowledged as being the industry standard for debt market instruments such as or comparable to the Notes or for over-the-counter derivative transactions which reference the Reference Rate, where such rate has been replaced by the Replacement Reference Rate; or (if the Issuer determines that no such industry accepted standard is recognised or acknowledged)
- (c) the Issuer, in its discretion, following consultation with the Independent Adviser (if appointed) and acting in good faith, determines to be appropriate.

**ALAC**

additional loss absorbing capacity ratio (or such similar nomenclature) used by S&P.

**Amortised Face Amount**

has the meaning specified in Condition 8(e).

**Benchmark Event**

means:

- (a) the Reference Rate has ceased to be representative or an industry accepted rate for debt market instruments (as determined by the Issuer, following consultation with the Independent Adviser (if appointed) and acting in good faith) such as, or comparable to, the Notes; or
- (b) it has become unlawful or otherwise prohibited (including, without limitation, for the Agent) pursuant to any law, regulation or instruction from a Competent Authority, to calculate any payments due to be made to any Noteholder, Receiptholder or Couponholder using the Reference Rate or otherwise make use of the Reference Rate with respect to the Notes; or
- (c) the Reference Rate has changed materially, ceased to be published for a period of at least five Business Days or ceased to exist; or
- (d) a public statement is made by the administrator of the Reference Rate or its supervisor that the Reference Rate will, by a specified date within the following six months, be changed materially, no longer be representative, cease to be published, be discontinued or be prohibited from being used or that its use will be subject to restrictions or adverse consequences or that contributors are no longer required by that supervisor to contribute input data to the administrator for purposes of the Reference Rate (for the avoidance of doubt, in case the specified date lies more than six months after the date the public statement is made, this event will be deemed to occur

as of the date such specified date lies within the following six months); or

- (e) a public statement is made by the administrator of the Reference Rate or its supervisor that the Reference Rate has changed materially, is no longer representative, has ceased to be published, is discontinued or is prohibited from being used or that its use is subject to restrictions or adverse consequences or that the supervisor no longer requires contributors to contribute input data to the administrator for purposes of the Reference Rate.

**Broken Amount**

the amount specified as such in the applicable Final Terms.

**Business Day**

a day which is both:

- (a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in any Additional Business Centre specified in the applicable Final Terms; and
- (b) either (1) in relation to any sum payable in a Specified Currency (as specified in the applicable Final Terms) other than euro, a day on which commercial banks and foreign exchange markets settle payments in the principal financial centre of the country of the relevant Specified Currency and any Additional Business Centre which, if the Specified Currency is (a) Australian dollars, shall be Sydney, (b) New Zealand dollars, shall be Wellington, (c) Hong Kong dollars, shall be Hong Kong and (d) Japanese yen, shall be Tokyo or (2) in relation to any sum payable in euro, a day on which the TARGET2 System is operating. In these Conditions, "**TARGET2 System**" means the Trans-European Automated Real-Time Gross Settlement Express Transfer payment system which utilises a single shared platform or any successor thereof.

**Business Day Convention**

the Following Business Day Convention, Modified Following Business Day Convention, No Adjustment or the Preceding Business Day Convention as specified in the applicable Final Terms.

**Calculation Amount**

the amount specified as such in the applicable Final Terms.

**Calculation Period**

has the meaning specified in Condition 6(a).

**Change of Interest Basis Option**

has the meaning specified in Condition 6(g).

**Change of Interest Basis Option Period Date**

the date specified as such in the applicable Final Terms.

|   |  |
|---|--|
| <b>Claims Senior to Senior Non-Preferred Notes Claims</b> | (a) the claims of depositors (other than in respect of those whose deposits are expressed by their terms, subject to applicable law, to rank equally to or lower than the Senior Non-Preferred Notes), (b) the unsubordinated claims with respect to the repayment of borrowed money, (c) the claims under the Senior Preferred Notes and (d) all other present and future claims in respect of unsubordinated and unsecured obligations of the Issuer (including those expressed by their terms or by mandatory and/or overriding provisions of law to rank in priority over the Senior Non-Preferred Notes). |
| <b>Clearstream, Luxembourg</b>                            | Clearstream Banking, S.A.  |
| <b>Competent Authority</b>                                | means the ECB, DNB or such other regulatory authority or governmental body having primary responsibility for the prudential oversight and supervision of the Issuer, or, as the case may be, a Resolution Authority.<br><br>In relation to any Reference Rate, a reference to Competent Authority is to be understood as a reference to the regulatory authority supervising the administrator of the Reference Rate.  |
| <b>Day Count Fraction</b>                                 | in respect of the calculation of an amount of interest for any Interest Period: any day count fraction specified as such in the applicable Final Terms calculated in accordance with the method set out in Condition 6(a) or 6(b) as applicable.   |
| <b>Determination Period</b>                               | means the period from and including an Interest Payment Date in any year to, but excluding, the next Interest Payment Date.  |
| <b>DNB</b>  | means the Dutch Central Bank ( <i>De Nederlandsche Bank</i> ).   |
| <b>Dual Currency Note</b>                                 | a Note in respect of which payments of interest and/or principal (as specified in the applicable Final Terms) will be made in any other currency than the Specified Currency. Such currency or currencies and the exchange rate (" <b>Rate of Exchange</b> ") used to calculate payments of interest or principal will be specified in the applicable Final Terms.   |
| <b>Dutch Intervention Act</b>                             | Dutch Act on special measures regarding financial institutions ( <i>Wet bijzondere maatregelen financiële ondernemingen</i> ) and any rules or regulations related thereto.  |
| <b>Early Redemption Amount</b>                            | an amount calculated in accordance with Condition 8(e).  |
| <b>ECB</b>  | means the European Central Bank.   |
| <b>Established Rate</b>                                   | the rate for the conversion of the Old Currency into the New Currency as fixed by the relevant government of such Old  |

Currency, but which in case the New Currency will be euro (including compliance with rules relating to roundings in accordance with applicable European Community regulations), shall be as established by the Council of the EU pursuant to Article 140 of the Treaty.

|  |   |
|--|---|
| <b>EURIBOR</b>                           | the Euro-zone inter-bank offered rate.  |
| <b>euro</b>                              | has the meaning specified in Condition 5(b).  |
| <b>Euroclear</b>                         | Euroclear Bank SA/NV.   |
| <b>Euroclear Nederland</b>               | Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V.  |
| <b>Event of Default</b>                  | has the meaning specified in Condition 11.  |
| <b>Exchange Notice</b>                   | has the meaning specified in Condition 5(a).  |
| <b>Extraordinary Resolution</b>          | means a resolution passed at a meeting of the Noteholders duly convened and held in accordance with the provisions in the Agency Agreement contained by a majority consisting of not less than 75% 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% of the votes given on such poll. |
| <b>Final Redemption Amount</b>           | an amount specified as such in the applicable Final Terms.  |
| <b>Fixed Coupon Amount</b>               | the amount specified as such in the applicable Final Terms.   |
| <b>Fixed Rate(s) of Interest</b>         | the Fixed Rate(s) of Interest specified as such in the applicable Final Terms.  |
| <b>Fixed Rate Note</b>                   | any Note to which a Fixed Rate of Interest applies as specified in the applicable Final Terms.  |
| <b>Floating Rate Convention</b>          | has the meaning specified in Condition 6(b)(i)(B).  |
| <b>Floating Rate(s) of Interest</b>      | the Floating Rate(s) of Interest specified as such in the applicable Final Terms.   |
| <b>Floating Rate Note</b>                | any Note to which a Floating Rate applies as specified in the applicable Final Terms.   |
| <b>Following Business Day Convention</b> | has the meaning specified in Condition 6(a) or 6(b) as applicable.  |
| <b>Independent Adviser</b>               | means an independent financial institution of international repute or an independent financial adviser with appropriate   |

|                                     |  |
|-------------------------------------|--|
|                                     | expertise as reasonably determined by the Issuer in its sole discretion.                                   |
| <b>Initial Interest Basis</b>       | the initial interest basis as specified in the applicable Final Terms.                                     |
| <b>Instalment Amount</b>            | the amount specified as such in the applicable Final Terms.  |
| <b>Instalment Date(s)</b>           | the date(s) specified as such in the applicable Final Terms.   |
| <b>Instalment Note</b>              | a Note that may be redeemable in instalments as specified in the applicable Final Terms.                   |
| <b>Interest Amount</b>              | the amount of interest payable under the Notes.  |
| <b>Interest Basis Option Period</b> | the interest basis option period as specified in the applicable Final Terms.                               |
| <b>Interest Commencement Date</b>   | the Issue Date unless otherwise specified in the applicable Final Terms.                                   |
| <b>Interest Determination Date</b>  | means the applicable interest determination date as specified in the applicable Final Terms.               |
| <b>Interest Payment Date(s)</b>     | means the applicable interest payment date(s) as specified in the applicable Final Terms.                  |
| <b>Interest Period</b>              | means the applicable interest period as specified in the applicable Final Terms.                           |
| <b>ISDA Determination</b>           | the method for determining the interest rate of Floating Rate Notes as specified in Condition 6(b)(ii)(a). |
| <b>Issue Date</b>                   | the issue date specified as such in the applicable Final Terms.  |
| <b>Issue Price</b>                  | the issue price of the Notes specified as such in the applicable Final Terms.                              |
| <b>Issuer</b>                       | de Volksbank N.V. and any Substituted Debtor pursuant to Condition 18).                                    |
| <b>LIBOR</b>                        | the London inter-bank offered rate.  |
| <b>Long Maturity Note</b>           | has the meaning specified in Condition 7(b).   |
| <b>Margin</b>                       | the margin applicable to the Notes specified as such in the applicable Final Terms.                        |
| <b>Maturity Date</b>                | the date of maturity of the Notes as specified in the applicable   |

|   |   |
|---|---|
|   | Final Terms.  |
| <b>Maximum Rate of Interest</b>                   | the maximum Rate of Interest specified as such in the applicable Final Terms.   |
| <b>Maximum Redemption Amount</b>                  | the maximum redemption amount specified as such in the applicable Final Terms.  |
| <b>Minimum Rate of Interest</b>                   | the minimum rate of interest specified as such in the applicable Final Terms (which may not be less than zero) or if no such rate is stated the Minimum Rate of Interest shall be deemed zero.  |
| <b>Minimum Redemption Amount</b>                  | the minimum redemption amount specified as such in the applicable Final Terms.  |
| <b>Modified Following Business Day Convention</b> | has the meaning specified in Condition 6(a) or 6(b) as applicable.  |
| <b>MREL Eligible Liabilities</b>                  | liabilities which are eligible to meet any MREL requirement, applicable to the Issuer (whether on a solo or (sub)consolidated basis) under the MREL Regulations, such as eligible liabilities as referred to in CRR.  |
| <b>MREL Requirement</b>                           | refers to the minimum requirement for own funds and eligible liabilities (as referred to in Article 12 of the SRM Regulation), the TLAC and/or any similar requirement, as each may be amended from time to time, including any amendments or additional requirements in connection with the implementation of the TLAC standard in EU law (or Dutch law implementing said EU law), that is or may become applicable to the Issuer (whether on an individual or consolidated basis), and including any subordination requirement that may become applicable to the Issuer pursuant to a decision of the Resolution Authority. |
| <b>Optional Redemption Amount</b>                 | an amount (if any) specified as such in the applicable Final Terms.   |
| <b>Optional Redemption Date(s)</b>                | if specified as applicable in the applicable Final Terms, the date(s) designated and notified by the Issuer to the Noteholders (in the event Redemption at the Option of the Issuer is applicable) or by the Noteholders to the Issuer (in the event Redemption of Notes at the Option of the Noteholders is declared applicable).  |
| <b>Part Payment Amount</b>                        | means the amount specified as such in the applicable Final Terms.   |
| <b>Part Payment Date</b>                          | means the date specified as such in the applicable Final  |

|  |   |
|--|---|
|  | Terms.  |
| <b>Payment Day</b>                       | has the meaning specified in Condition 7(c).  |
| <b>Preceding Business Day Convention</b> | has the meaning specified in Condition 6(a) or 6(b) as applicable.  |
| <b>Rate of Exchange</b>                  | means the exchange rate specified as such in the applicable Final Terms.  |
| <b>Rate(s) of Interest</b>               | either the Fixed Rate of Interest or Floating Rate of Interest as specified in the applicable Final Terms.  |
| <b>Redeemed Notes</b>                    | has the meaning specified in Condition 8(c).  |
| <b>Redenomination Date</b>               | means (in the case of interest bearing Notes) any date for payment of interest under the Notes or (in the case of Zero Coupon Notes) any date, in each case specified by the Issuer in the notice given to the Noteholders pursuant to Condition 5(a) and which in case of (i) the New Currency being euro, falls on or after the date on which the country of the Specified Currency first participates in the third stage of European economic and monetary union and in case of (ii) the New Currency being a currency other than euro, shall be the date the relevant government of the New Currency accepts payment in the New Currency as legal tender. |
| <b>Reference Price</b>                   | the reference price specified as such in the applicable Final Terms.  |
| <b>Reference Rate</b>                    | LIBOR, EURIBOR, €STR, Compounded Daily SOFR, Weighted Average SOFR, SONIA, Mid Swap Rate, Rate of Exchange or another benchmark as well as any substitute, alternative or successor rate determined in accordance with Condition 6(d), including the applicable tenor and currency.   |
| <b>Relevant Date</b>                     | has the meaning specified in Condition 9.   |
| <b>Relevant Screen Page</b>              | such page, section, caption or column or other part of a particular information service as may be specified in the applicable Final Terms.  |
| <b>Relevant Time</b>                     | the time specified as such in the applicable Final Terms.   |
| <b>Resolution Authority</b>              | means, the European Single Resolution Board " <b>SRB</b> "), the ECB, DNB or such other regulatory authority or governmental body having the power to impose resolution measures, such as Statutory Loss Absorption on or Recapitalisation of Notes, or other resolution tools or resolution action pursuant to the   |

Applicable Resolution Framework. For the avoidance of doubt, in case of the Dutch Intervention Act, the Resolution Authority is the Dutch Minister of Finance.

**Screen Rate Determination**

the method for determining the interest rate of Floating Rate Notes as specified in Condition 6(b)(ii)(b).

**Selection Date**

has the meaning specified in Condition 8(c).

**Senior Claims**

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

**Senior Non-Preferred Notes**

senior non-preferred notes and the related Receipts and Coupons issued by the Issuer that constitute any present and future claims in respect of unsubordinated and unsecured obligations of the Issuer, which have a lower ranking within the meaning of Article 212rb of the Dutch Bankruptcy Act (*Faillissementswet*) (or any other provision implementing Article 108 of Directive 2014/59/EU, as amended by the Article 108 Amending Directive, in the Netherlands) and shall at all times rank (i) *pari passu* without any preference among the Senior Non-Preferred Notes themselves and the related Receipts and Coupons and with all other present and future claims in respect of unsubordinated and unsecured obligations of the Issuer, which have a lower ranking within the meaning of Article 212rb of the Dutch Bankruptcy Act (*Faillissementswet*) (or any other provision implementing Article 108 of Directive 2014/59/EU, as amended by the Article 108 Amending Directive, in the Netherlands) (other than those obligations expressed by their terms or by mandatory and/or overriding provisions of law to rank either in priority or junior to the Senior Non-Preferred Notes), (ii) senior to Subordinated Notes and (iii) in the event of bankruptcy (*faillissement*) of the Issuer, junior to the Senior Preferred Notes and unsubordinated obligations ranking *pari passu* to Senior Preferred Notes (and those obligations expressed by their terms or by mandatory and/or overriding provisions of law to rank in priority of Senior Preferred Notes).

**Senior Preferred Notes**

senior preferred notes and the related Receipts and Coupons issued by the Issuer that constitute unsecured and unsubordinated obligations of the Issuer and that rank *pari passu* without any preference among the Senior Preferred Notes themselves and the related Receipts and Coupons and

with all other present and future unsecured and unsubordinated obligations of the Issuer save for those preferred or otherwise ranking junior or senior by mandatory and/or overriding provisions of law and, in the event of the bankruptcy of the Issuer, save for the Senior Non-Preferred Notes. The Senior Preferred Notes rank senior to the Subordinated Notes and, in the event of the bankruptcy of the Issuer, the Senior Non-Preferred Notes.

**Specified Currency** the currency of the Notes specified as such in the applicable Final Terms.

**Specified Denomination** the denomination of the Notes specified as such in the applicable Final Terms.

**Specified Interest Payment Date** the interest payment date specified as such in the applicable Final Terms.

**Specified Period** has the meaning specified in Condition 6(b)(i)(B).

**SRM Regulation** 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, and any rules or regulations related thereto, as may be amended from time to time.

**Statutory Loss Absorption or Recapitalisation** has the meaning specified in Condition 8(j).

**Subordinated Notes** subordinated notes and the related Receipts and Coupons issued by the Issuer that constitute unsecured subordinated obligations of the Issuer that rank *pari passu* without any preference among Subordinated Notes themselves and the related Receipts and Coupons and with all other present and future unsecured and identically subordinated obligations of the Issuer, save for those preferred by mandatory and/or overriding provisions of law.

**Subsequent Interest Basis** subject to the conditions set out in Condition 6(g) the interest basis specified as such in the applicable Final Terms that shall commence to apply upon exercise of the Change of Interest Basis Option.

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

euro, means one cent.

**Tier 2 Capital**

means capital which is treated as a constituent of Tier 2 capital under the CRD requirements by the Competent Authority for the purposes of the Issuer.

**Treaty**

means the Treaty on the functioning of the EU, as amended from time to time.

**Wft**

means the Dutch Financial Supervision Act (*Wet op het financieel toezicht*).

**Zero Coupon Notes**

notes during the term of which no interest shall become due and payable. The applicable Final Terms will specify whether the Tranche constitutes Zero Coupon Notes or not.

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

The Notes are in bearer form and, in the case of definitive Notes, serially numbered, in the Specified Currency, the Specified Denomination(s) and the Specified Form(s) save that in the case of any Note the minimum Specified Denomination shall be € 100,000 (or its equivalent in any other currency as at the date of the issue of the Notes).

Each Note is a Senior Preferred Note, a Senior Non-Preferred Note or a Subordinated Note (as specified in the applicable Final Terms).

Subordinated Notes may qualify as Tier 2 Capital ("**Tier 2 Notes**") (as specified in the applicable Final Terms) for the purposes of the regulatory capital rules applicable to the Issuer from time to time. If the Subordinated Notes do not qualify as Tier 2 Notes, these Notes may (continue to) qualify as MREL Eligible Liabilities.

Senior Preferred Notes and Senior Non-Preferred Notes may qualify as MREL Eligible Liabilities.

Each Note is either a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, a Dual Currency Note or an Instalment Note or a combination of any of the foregoing, as specified in the applicable Final Terms.

Notes in definitive form are issued with Coupons attached, (unless otherwise specified in the applicable Final Terms) unless they are Zero Coupon Notes in which case references to Coupons and Couponholders in these Terms and Conditions are not applicable.

Subject as set out below, title to the Notes, Receipts and Coupons will pass by delivery. For Notes held by Euroclear Nederland, deliveries will be made in accordance with the Dutch Securities Giro Transfer Act (*Wet giraal effectenverkeer, "Wge"*) (as amended from time to time). Except as ordered by a court of competent jurisdiction or as required by law or applicable regulations, the Issuer, the Agent and any Paying Agent may deem and treat the bearer of any Note, Receipt 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 Note, without prejudice to the provisions set out in the next succeeding paragraph.

For so long as any of the Notes is represented by a global Note held on behalf of Euroclear and/or Clearstream, Luxembourg each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or Clearstream, Luxembourg as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of a manifest error) shall be treated by the Issuer and any Paying Agent as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on the Notes, for which purpose the bearer of the relevant global Note shall be treated by the Issuer and any Paying Agent as the holder of such Notes in accordance with and subject to the terms of the relevant global Note (and the expressions "**Noteholder**" and "**holder of Notes**" and related expressions shall be construed accordingly). Notes which are represented by a global Note held by a common depository for Euroclear or Clearstream, Luxembourg or by a common safekeeper will be transferable only in accordance with the rules and procedures for the time being of Euroclear or Clearstream, Luxembourg, as the case may be.

References to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms but shall not include Euroclear Nederland.

## **2. Status and Characteristics relating to the Senior Preferred Notes**

The Senior Preferred Notes and the related Receipts and Coupons constitute unsecured and unsubordinated obligations of the Issuer and rank *pari passu* without any preference among the Senior Preferred Notes themselves and the related Receipts and Coupons and with all other present and future unsecured and unsubordinated obligations of the Issuer, save for those preferred or otherwise ranking junior or senior by mandatory and/or overriding provisions of law and, in the event of the bankruptcy of the Issuer, save for the Senior Non-Preferred Notes. The Senior Preferred Notes rank senior to the Subordinated Notes and, in the event of the bankruptcy of the Issuer, the Senior Non-Preferred Notes. In the case resolution proceedings are commenced in respect of the Issuer and notably when bail-in is applied, the aforementioned ranking in bankruptcy will in principle be followed, with the relevant resolution powers being exercised in a reverse order of priority of claims, subject to certain exceptions.

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

The Senior Preferred Notes are intended to be MREL Eligible Liabilities to meet any MREL Requirement applicable to the Issuer.

## **3. Status and Characteristics relating to the Senior Non-Preferred Notes**

Subject to Condition 8(j), the Senior Non-Preferred Notes and the related Receipts and Coupons will constitute any present and future claims in respect of unsubordinated and unsecured obligations of the Issuer, which have a lower ranking within the meaning of Article 212rb of the Dutch Bankruptcy Act (*Faillissementswet*) (or any other provision implementing Article 108 of Directive 2014/59/EU, as amended by the Article 108 Amending Directive, in the Netherlands) and shall at all times rank:

- (i) *pari passu* without any preference among the Senior Non-Preferred Notes themselves and the related Receipts and Coupons and with all other present and future claims in respect of unsubordinated and unsecured obligations of the Issuer, which have a lower ranking within the meaning of Article 212rb of the Dutch Bankruptcy Act (*Faillissementswet*) (or any other provision implementing Article 108 of Directive 2014/59/EU, as amended by the Article 108 Amending Directive, in the Netherlands) (other than those obligations expressed by their terms or by mandatory and/or overriding provisions of law to rank either in priority or junior to the Senior Non-Preferred Notes);
- (ii) senior to:
  - a) Subordinated Notes; and
  - b) the Issuer's ordinary shares and any other obligations or capital instruments of the Issuer that rank or are expressed to rank junior to the Senior Non-Preferred Notes, including any (other) obligations or capital instruments of the Issuer which constitute Additional Tier 1 Capital or Tier 2 Capital or which rank or are expressed to rank *pari passu* with Additional Tier 1 Capital or Tier 2 Capital; and
- (iii) in the event of bankruptcy (*faillissement*) of the Issuer, junior to the Senior Preferred Notes and unsubordinated obligations ranking *pari passu* to Senior Preferred Notes (and those obligations expressed by their terms or by mandatory and/or overriding provisions of law to rank in priority of Senior Preferred Notes).

As a result, in the event of the bankruptcy of the Issuer, the claims of holders of Senior Non-Preferred Notes of each Series and the related Receipts and Coupons against the Issuer are subordinated to the Claims Senior to Senior Non-Preferred Notes Claims.

For the avoidance of doubt, the ranking as described under (i) and (ii) above will apply in the event (a) of the bankruptcy of the Issuer or (b) of the dissolution (*ontbinding*) of the Issuer as a result of its insolvency, and the ranking as described under (iii) will apply in the event of the bankruptcy of the Issuer. In the case resolution proceedings are commenced in respect of the Issuer and notably when bail-in is applied, the aforementioned ranking in bankruptcy will in principle be followed, with the relevant resolution powers being exercised in a reverse order of priority of claims, subject to certain exceptions.

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

The Senior Non-Preferred Notes are intended to be MREL Eligible Liabilities to meet any MREL Requirement applicable to the Issuer.

#### **4. Status and Characteristics relating to Subordinated Notes**

The Subordinated Notes and the related Receipts and Coupons constitute unsecured and subordinated obligations of the Issuer and rank (i) *pari passu* without any preference among the Subordinated Notes themselves and the related Receipts and Coupons and with all other present and future unsecured and subordinated obligations of the Issuer (other than those subordinated obligations expressed by their terms or by mandatory and/or overriding provisions of law to rank either in priority or junior to the Subordinated Notes) and (ii) junior to those subordinated obligations expressed by their terms to rank in priority to the Subordinated Notes and those preferred by mandatory and/or overriding provisions of law.

As a result, in the event of the liquidation or bankruptcy of the Issuer, the claims of the holders of Subordinated Notes of each Series and the related Receipts and Coupons (the "**Subordinated Noteholders**") against the Issuer are subordinated to the Senior Claims.

By virtue of such subordination, payments to a Subordinated Noteholder will, in the event of liquidation or bankruptcy of the Issuer, only be made after all obligations of the Issuer resulting from Senior Claims have been satisfied.

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

It is the Issuer's intention that the Subordinated Notes - if specified in the applicable Final Terms as "Subordinated Tier 2 Notes" – qualify and shall be treated as Tier 2 Notes for the purposes of the regulatory capital rules applicable to the Issuer from time to time. If the Subordinated Notes do not qualify and are not treated as Tier 2 Notes, the Issuer intends for these Notes to (continue to) qualify and be treated as MREL Eligible Liabilities.

At this time, subordinated claims resulting from own funds items (such as Tier 2 instruments) may rank junior to subordinated claims not resulting from own funds items in case of resolution (notably when bail-in is applied), whereas in Dutch liquidation or bankruptcy proceedings subordinated claims resulting from own funds items (such as Tier 2 instruments) will rank equal to subordinated claims not resulting from own funds

items (unless the latter claims are expressed by their terms or by mandatory and/or overriding provisions of law to rank in priority or junior to the former claims). This is expected to be addressed, in any case in the context of bankruptcy proceedings, with the implementation of the EU Banking Reforms in the Netherlands (specifically, Article 48(7) BRRD). As more fully described in the section Risk Factors – *'Write-down and conversion of capital instruments and Resolution Event'*).

## 5. **Redenomination**

### (a) **Redenomination**

Where redenomination is specified in the applicable Final Terms as being applicable, the Issuer may, without the consent of the Noteholders, the Receiptholders and the Couponholders, on giving prior notice to the Agent, Euroclear, Clearstream, Luxembourg and, if applicable, Euroclear Nederland and at least 30 days' prior notice to the Noteholders in accordance with Condition 15, elect that, with effect from the Redenomination Date specified in the notice, the Notes, the Receipts and the Coupons denominated in the Specified Currency (or Specified Currencies) (each the "**Old Currency**") shall be redenominated in any other currency (the "**New Currency**") being either euro, or, in the event of redenomination upon the occurrence of a Convertibility Event, any other currency, as the case may be.

The election will have effect as follows:

- (i) the Notes, the Receipts and the Coupons shall be deemed to be redenominated into the New Currency in the denomination of at least € 1, or its equivalent in any other currency, with a principal amount for each Note and Receipt equal to the principal amount of that Note or Receipt in the Specified Currency, converted into the New Currency at the Established Rate provided that, if the Issuer determines, with the agreement of the Agent, that the then prevailing market practice in respect of the redenomination into the New Currency of internationally offered securities is different from the provisions specified above, such provisions shall be deemed to be amended so as to comply with such market practice and the Issuer shall promptly notify the Noteholders, the stock exchange (if any) on which the Notes may be listed and the Paying Agents of such deemed amendments;
- (ii) save to the extent that an Exchange Notice (as defined below) has been given in accordance with paragraph (vi) below, the amount of interest due in respect of the Notes will be calculated by reference to the aggregate principal amount of Notes presented (or, as the case may be, in respect of which Coupons are presented) for payment by the relevant holder and the amount of such payment shall be rounded down to the nearest € 0.01 or its equivalent in any other currency;
- (iii) if definitive Notes are required to be issued after the Redenomination Date, they shall be issued at the expense of the Issuer in denominations of € 100,000, or its equivalents in any other currency, and such other denominations (of at least € 100,000) as the Agent shall, in consultation with the Issuer, determine and notify to the Noteholders;
- (iv) if issued prior to the Redenomination Date, all unmatured Coupons denominated in the Specified Currency (whether or not attached to the Notes) will become void with effect from the date on which the Issuer gives notice (the "**Exchange Notice**") to the Noteholders in accordance with Condition 15 that replacements of Old Currency denominated Notes, Receipts and Coupons are available for exchange (provided that such securities are so available) and no payments will be made in respect of them. The payment obligations contained in any Notes and Receipts so issued will also become void on that date although those Notes and Receipts will continue to constitute valid exchange obligations of the Issuer. New Currency denominated Notes, Receipts and Coupons will be issued in

exchange for Notes, Receipts and Coupons denominated in the Specified Currency in such manner as the Agent, in consultation with the Issuer, may specify and as shall be notified to the Noteholders in the Exchange Notice. No Exchange Notice may be given less than 15 days prior to any date for payment of principal or interest on the Notes;

- (v) on or after the Redenomination Date, all payments in respect of the Notes, the Receipts and the Coupons, other than payments of interest in respect of periods commencing before the Redenomination Date, will be made solely in the New Currency as though references in the Notes to the Specified Currency were to the New Currency. Payments will be made in the New Currency by credit or transfer to a New Currency account (or any other account to which the New Currency may be credited or transferred) specified by the payee or, at the option of the payee, by a New Currency cheque;
- (vi) if the Notes are Fixed Rate Notes and interest for any period ending on or after the Redenomination Date is required to be calculated for a period ending other than on an Interest Payment Date, it will be calculated by applying the Rate of Interest to each Calculation Amount, multiplying such sum by the applicable Fixed Day Count Fraction (as defined in Condition 6(a)), and rounding the resultant figure to the nearest sub-unit of the relevant New Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. The amount of interest payable in respect of such Fixed Rate Note shall be the aggregate of the amounts (determined in the manner provided above) for each Calculation Amount comprising the Specified Denomination without any further rounding;
- (vii) if the Notes are Notes referencing a Reference Rate, the Issuer may adjust the Reference Rate to any other Reference Rate deemed suitable by the Issuer at that time and the Issuer may adjust the interest payable on the Notes by reference to the Reference Rate, and, if required, any or all Interest Payment Dates as it deems necessary in accordance with the then pertaining market practice taking into account the redenomination and in order to preserve the economic equivalent of the obligations of the Issuer in respect of interest under such Notes; and
- (viii) the applicable Final Terms will specify the exact date on which the redenomination will occur in case the Notes were issued in a currency other than euro and in a currency in which the TARGET2 System does not apply.

**(b) Definitions**

In these Conditions, the following expressions have the following meanings:

**"Convertibility Event"** means the determination by the national government of the country in the currency of which the Notes were issued, that such currency is substituted by another currency;

**"Established Rate"** means the rate for the conversion of the Old Currency into the New Currency as fixed by the relevant government of such Old Currency, but which in case the New Currency will be euro (including compliance with rules relating to roundings in accordance with applicable European Community regulations), shall be as established by the Council of the EU pursuant to Article 140 of the Treaty;

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

**"Redenomination Date"** means (in the case of interest bearing Notes) any date for payment of interest under the Notes or (in the case of Zero Coupon Notes) any date, in each case specified by the Issuer in the notice given to the Noteholders pursuant to paragraph (a) above and which in case of (i) the New Currency being euro, falls on or after the date on which the country of the Specified Currency first participates in the third stage of European economic and monetary union and in case of (ii) the New Currency being a currency other than euro, shall be the date the relevant government of the New Currency accepts payment in the New Currency as legal tender; and

**"Treaty"** means the Treaty on the functioning of the EU, as amended from time to time.

## **6. Interest**

For the purposes of this Condition 6 any reference in this Condition 6 to the 'Agent' should be read as a reference to the Agent or in case any other party is appointed as being responsible for calculating the Rate of Interest and the Interest Amount in the applicable Final Terms, to such party.

### **(a) Interest on Fixed Rate Notes**

Each Fixed Rate Note bears interest on its outstanding nominal amount from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Fixed Rate(s) of Interest payable in arrear on the Interest Payment Date(s) in each year and on the Maturity Date (if that does not fall on an Interest Payment Date).

Except as specified in the applicable Final Terms, the amount of interest payable on each Interest Payment Date will amount to the Fixed Coupon Amount. Payments of interest on any Interest Payment Date or the Maturity Date will, if so specified in the applicable Final Terms, amount to the Broken Amount so specified.

If a Business Day Convention is specified in the applicable Final Terms and (x) if there is no numerically corresponding day in the calendar month in which an Interest Payment Date should occur or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

- (1) the Following Business Day Convention, such Interest Payment Date (or other date) shall be postponed to the next day which is a Business Day; or
- (2) the Modified Following Business Day Convention, such Interest Payment Date (or other date) shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date (or other date) shall be brought forward to the immediately preceding Business Day; or
- (3) the Preceding Business Day Convention, such Interest Payment Date (or other date) shall be brought forward to the immediately preceding Business Day; or
- (4) No Adjustment, such Interest Payment Date (or other date) shall not be adjusted in accordance with any Business Day Convention.

If "**Unadjusted**" is specified in the applicable Final Terms the number of days in each Interest Period shall be calculated as if the Interest Payment Date were not subject to adjustment in accordance with the Business Day Convention specified in the applicable Final Terms.

If "**Adjusted**" is specified in the applicable Final Terms the number of days in each Interest Period shall be calculated as if the Interest Payment Date is subject to adjustment in accordance with the Business Day Convention specified in the applicable Final Terms.

If interest is required to be calculated for a period starting or ending other than on an Interest Payment Date (the "**Calculation Period**"), such interest shall be calculated by applying the Fixed Rate of Interest to each Calculation Amount, multiplying such sum by the applicable Fixed Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention and multiplying such rounded up figure by a fraction equal to the Specified Denomination of such Note divided by the Calculation Amount.

For the purposes of these Conditions, "**Fixed Day Count Fraction**" means:

- (i) If "**Actual/Actual (ICMA)**" is specified in the applicable Final Terms, it means:
  - (a) where the Calculation Period is equal to or shorter than the Determination Period during which it falls, the actual number of days in the Calculation Period divided by the product of (1) the actual number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and
  - (b) where the Calculation Period is longer than one Determination Period, the sum of:
    - (A) the actual number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the actual number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and
    - (B) the actual number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the actual number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year;

where:

"**Determination Period**" means the period from and including an Interest Payment Date in any year to, but excluding, the next Interest Payment Date; and

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

Calculation of interest amount: The amount of interest payable in respect of each Note for any period for which a Fixed Coupon Amount is not specified shall be calculated by applying the Rate of Interest to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded up figure by a fraction equal to the Specified Denomination of such Note divided by the Calculation Amount.

"**Calculation Amount**" is specified in the Final Terms.

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

(i) Interest Payment Dates

Each Floating Rate Note bears interest on its outstanding nominal amount from (and including) the Interest Commencement Date at the rate equal to the Rate of Interest payable in arrear on either:

- (a) the Specified Interest Payment Date(s) in each year; or
- (b) if no express Specified Interest Payment Date(s) is/are specified in the applicable Final Terms, each date (each an "**Interest Payment Date**") which falls the number of months or other period specified as the Specified Period in the applicable Final Terms after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

Such interest will be payable in respect of each Interest Period (which expression shall, in these Terms and Conditions, mean the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date).

If "**Unadjusted**" is specified in the applicable Final Terms the number of days in each Interest Period shall be calculated as if the Interest Payment Date were not subject to adjustment in accordance with the Business Day Convention specified in the applicable Final Terms.

If "**Adjusted**" is specified in the applicable Final Terms the number of days in each Interest Period shall be calculated as if the Interest Payment Date is subject to adjustment in accordance with the Business Day Convention specified in the applicable Final Terms.

If a Business Day Convention is specified in the applicable Final Terms and (x) if there is no numerically corresponding day in the calendar month in which an Interest Payment Date should occur or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention is specified:

- (1) in any case where Specified Periods are specified in accordance with Condition 6(b)(i)(B) above, the Floating Rate Convention, such Interest Payment Date (i) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (B) below shall apply mutatis mutandis or (ii) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (A) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (B) each subsequent Interest Payment Date shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Interest Payment Date occurred; or
- (2) the Following Business Day Convention, such Interest Payment Date (or other date) shall be postponed to the next day which is a Business Day; or
- (3) the Modified Following Business Day Convention, such Interest Payment Date (or other date) shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date (or other date) shall be brought forward to the immediately preceding Business Day; or

- (4) the Preceding Business Day Convention, such Interest Payment Date (or other date) shall be brought forward to the immediately preceding Business Day; or
- (5) No Adjustment, such Interest Payment Date (or other date) shall not be adjusted in accordance with any Business Day Convention.

(ii) **Rate of Interest**

The Floating Rate of Interest payable from time to time in respect of the Floating Rate Notes will be determined in the manner specified in the applicable Final Terms.

(a) *ISDA Determination For Floating Rate Notes*

Where ISDA Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as specified in the applicable Final Terms) the Margin (if any). For the purposes of this subparagraph (a), "**ISDA Rate**" for an Interest Period means a rate equal to the Floating Rate that would be determined by the Agent under an interest rate swap transaction if the Agent were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the 2006 ISDA Definitions as amended and updated as at the Issue Date of the first Tranche of the Notes, published by the International Swaps and Derivatives Association, Inc. (the "**ISDA Definitions**") and under which:

- (1) the Floating Rate Option is as specified in the applicable Final Terms;
- (2) the Designated Maturity is the period specified in the applicable Final Terms; and
- (3) the relevant Reset Date is either (i) if the applicable Floating Rate Option is based on the London inter-bank offered rate ("**LIBOR**") or on the Euro-zone inter-bank offered rate ("**EURIBOR**"), the first day of that Interest Period or (ii) in any other case, as specified in the applicable Final Terms.

For the purposes of this sub-paragraph (a), (i) "**Floating Rate**", "**Calculation Agent**", "**Floating Rate Option**", "**Designated Maturity**" and "**Reset Date**" have the meanings given to those terms in the ISDA Definitions, (ii) the definition of "**Banking Day**" in the ISDA Definitions shall be amended to insert after the words 'are open for' in the second line before the word 'general' and (iii) "**Euro-zone**" means the region comprised of Member States that adopt the single currency in accordance with the Treaty.

When this sub-paragraph (a) applies, in respect of each relevant Interest Period the Agent will be deemed to have discharged its obligations under Condition 6(b)(iv) in respect of the determination of the Rate of Interest if it has determined the Rate of Interest in respect of such Interest Period in the manner provided in this subparagraph (a).

(b) *Screen Rate Determination for Floating Rate Notes - €STR Reference Rate*

- (1) Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined and the Reference Rate is specified in the applicable Final Terms as being Compounded Daily €STR, the Rate of Interest for an Interest Accrual Period will, subject to Condition 6(d), be Compounded Daily €STR with respect to such Interest Accrual Period plus or minus (as specified in the

applicable Final Terms) the applicable Margin.

**"Compounded Daily €STR"** means, with respect to an Interest Accrual Period, the rate of return of a daily compound interest investment during the Observation Period corresponding to such Interest Accrual Period (with the daily euro short-term rate as the reference rate of the calculation of interest) and will be calculated by the Agent on the Interest Determination Date, as follows, and the resulting percentage will be rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards:

€STR Observation Method, as follows, with the resulting percentage will be rounded, if necessary, to the fifth decimal place, with 0.000005 being rounded upwards:

$$\left[ \prod_{i=1}^{d_o} \left( 1 + \frac{\text{€STR}_{i-\text{pTBD}} \times n_i}{360} \right) - 1 \right] \times \frac{360}{d}$$

where:

"d" is the number of calendar days in (where in the applicable Final Terms "Lag" or "Lock-out" is specified as the €STR Observation Method) the relevant Interest Period or (where in the applicable Final Terms "Shift" is specified as the €STR Observation Method) the relevant Observation Period;

"d<sub>o</sub>" is (where in the applicable Final Terms "Lag" or "Lock-out" is specified as the €STR Observation Method) for any Interest Accrual Period, the number of TARGET Settlement Days in the relevant Interest Accrual Period or (where in the applicable Final Terms "Shift" is specified as the Observation Method) for any Observation Period, the number of TARGET Settlement Days in the relevant Observation Period;

"ECB" means the European Central Bank or any successor or substituting authority thereto;

"i" is a series of whole numbers from one to d<sub>o</sub>, each representing the relevant TARGET Settlement Days in chronological order from, and including, the first TARGET Settlement Day (where in the applicable Final Terms "Lag" or "Lock-out" is specified as the €STR Observation Method) in the relevant Interest Accrual Period or (where in the applicable Final Terms "Shift" is specified as the €STR Observation Method) the relevant Observation Period;

"n<sub>i</sub>", for any TARGET Settlement Day "i", means the number of calendar days from and including such TARGET Settlement Day "i" up to but excluding the following TARGET Settlement Day;

**"Observation Period"** means, in respect of each Interest Accrual Period, the period from and including the date falling "p" TARGET Settlement Days prior to the first day of the relevant Interest Accrual Period and ending on, but excluding, the date falling "p" TARGET Settlement Days prior to the Interest Payment Date for such Interest Accrual Period (or the date falling "p" TARGET Settlement Days prior to such earlier date, if any, on which

the Notes become due and payable);

"p" means:

- a. for any Interest Accrual Period, the whole number of TARGET Settlement Days included in the Observation Look-back Period, as specified in the applicable Final Terms, being no less than five TARGET Settlement Days;
- b. where in the applicable Final Terms "Lock-out" is specified as the Observation Method, zero;

"TARGET Settlement Day" means any day on which TARGET2 is open for the settlement of payments in Euro;

"€STR Reference Rate" means, in respect of any TARGET Settlement Day, a reference rate equal to €STR for such TARGET Settlement Day as published by the ECB, as administrator of such rate (or any successor administrator of such rate), on the website of the ECB initially at <http://www.ecb.europa.eu>, or any successor website officially designated by the ECB (the "ECB's Website") (in each case, on or before 9:00 a.m., Central European Time, on the TARGET Settlement Day immediately following such TARGET Settlement Day); and

where in the applicable Final Terms "Lag" or "Lock-out" is specified as the Observation Method, "€STR<sub>i-pTBD</sub>" means:

- a. where in the applicable Final Terms "Lag" is specified as the Observation Method, in respect any TARGET Settlement Day "i" in the relevant Interest Accrual Period, the €STR Reference Rate for the TARGET Settlement Day falling "p" TARGET Settlement Days prior to the relevant TARGET Settlement Day "i";
- b. where in the applicable Final Terms "Lock-out" is specified as the Observation Method, the €STR Reference Rate determined in accordance with paragraph (a) above, except that in respect of each TARGET Settlement Day "i" falling on or after the "Lock-out date" specified in the applicable Final Terms (or, where no "Lock-out date" is specified, five TARGET Settlement Day Days prior to each relevant Interest Payment Date) until the end of each relevant Interest Accrual Period, the €STR Reference Rate determined in accordance with paragraph (a) above in respect of such "Lock-out date";

where in the applicable Final Terms "Shift" is specified as the Observation Method, "€STR<sub>i</sub>" means in respect any TARGET Settlement Day "i" in the relevant Observation Period, the €STR Reference Rate for that TARGET Settlement Day "i".

- (2) If the €STR Reference Rate is not published in respect of a TARGET Settlement Day as specified above, and unless both an €STR Index Cessation Event and an €STR Index Cessation Effective Date (each, as defined below) have occurred, the €STR Reference Rate shall be a rate equal to €STR for the last TARGET Settlement Day for which such rate was published on the ECB's Website.

If the €STR Reference Rate is not published in respect of a TARGET Settlement Day as specified above, and both an €STR Index Cessation Event and an €STR Index Cessation Effective Date have occurred, the rate for each TARGET Settlement Day in the relevant Observation Period occurring from and including such €STR Index Cessation Effective

Date will be determined as if references to €STR were references to the rate (inclusive of any spreads or adjustments) that was recommended as the replacement for €STR by the ECB (or any successor administrator of €STR) and/or by a committee officially endorsed or convened by the ECB (or any successor administrator of €STR) for the purpose of recommending a replacement for €STR (which rate may be produced by the ECB or another administrator) (the "**ECB Recommended Rate**"), provided that, if no such rate has been recommended before the end of the first TARGET Settlement Day following the date on which the €STR Index Cessation Effective Date occurs, then the rate for each TARGET Settlement Day in the relevant Observation Period occurring from and including such €STR Index Cessation Effective Date will be determined as if references to "€STR" were references to the Eurosystem Deposit Facility Rate, the rate on the deposit facility, which banks may use to make overnight deposits with the Eurosystem, as published on the ECB's Website (the "**EDFR**") on such TARGET Settlement Day plus the arithmetic mean of the daily difference between the €STR Reference Rate and the EDFR for each of the 30 TARGET Settlement Days immediately preceding the date on which the €STR Index Cessation Event occurs (the "**EDFR Spread**"). Provided further that, if both an ECB Recommended Rate Index Cessation Event and an ECB Recommended Rate Index Cessation Effective Date subsequently occur, then the rate for each TARGET Settlement Day in the relevant Observation Period occurring from and including that ECB Recommended Rate Index Cessation Effective Date will be determined as if references to "€STR" were references to the EDFR on such TARGET Settlement Day plus the arithmetic mean of the daily difference between the ECB Recommended Rate and the EDFR for each of the 30 TARGET Settlement Days immediately preceding the date on which the ECB Recommended Rate Index Cessation Event occurs.

- (3) If the Rate of Interest cannot be determined in accordance with the foregoing provisions the Rate of Interest shall be (i) that determined as at the last preceding Interest Determination Date (through substituting, where a different Margin, Maximum Rate of Interest and/or Minimum Rate of Interest (as the case may be) is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin or Maximum Rate of Interest and/or Minimum Rate of Interest (as the case may be) relating to the last preceding Interest Accrual Period); or (ii) if there is no such preceding Interest Determination Date, the initial Rate of Interest which would have been applicable to such Notes for the first Interest Accrual Period had the Notes been in issue for a period equal in duration to the scheduled first interest Accrual Period but ending on (and excluding) the Interest Commencement Date (including applying the Margin and any Maximum Rate of Interest or Minimum Rate of Interest applicable to the first Interest Accrual Period).
- (4) As used herein, an "**Interest Accrual Period**" means (i) each Interest Period and (ii) any other period (if any) in respect of which interest is to be calculated, being the period from (and including) the first day of such period to (but excluding) the day on which the relevant payment of interest falls due (which, if the relevant Notes become due and payable in accordance with Condition 11, shall be the date on which such Notes become due and payable).

If the relevant Notes become due and payable in accordance with Condition 11, the final Rate of Interest shall be calculated for the Interest Accrual Period to (but excluding) the date on which the Notes become so due and payable, and such Rate of Interest shall

continue to apply to the Notes for so long as interest continues to accrue thereon as provided in Condition 6(f).

- (5) As used in these Conditions: "**€STR Index Cessation Event**" means the occurrence of one or more of the following events:
- a. a public statement or publication of information by or on behalf of the ECB (or any successor administrator of €STR) announcing that it has ceased or will cease to provide €STR permanently or indefinitely, provided that, at the time of the statement or the publication, there is no successor administrator that will continue to provide €STR; or
  - b. a public statement or publication of information by the regulatory supervisor for the administrator of €STR, the central bank for the currency of €STR, an insolvency official with jurisdiction over the administrator of €STR, a Resolution Authority with jurisdiction over the administrator of €STR or a court or an entity with similar insolvency or Resolution Authority over the administrator of €STR, which states that the administrator of €STR has ceased or will cease to provide €STR permanently or indefinitely, provided that, at the time of the statement or publication, there is no successor administrator that will continue to provide €STR;

"**€STR Index Cessation Effective Date**" means, in respect of an €STR Index Cessation Event, the first date for which €STR is no longer provided by the ECB (or any successor administrator of €STR);

"**ECB Recommended Rate Index Cessation Event**" means the occurrence of one or more of the following events:

- a. a public statement or publication of information by or on behalf of the administrator of the ECB Recommended Rate announcing that it has ceased or will cease to provide the ECB Recommended Rate permanently or indefinitely, provided that, at the time of the statement or the publication, there is no successor administrator that will continue to provide the ECB Recommended Rate;
- b. a public statement or publication of information by the regulatory supervisor for the administrator of the ECB Recommended Rate, the central bank for the currency of the ECB Recommended Rate, an insolvency official with jurisdiction over the administrator of the ECB Recommended Rate, a Resolution Authority with jurisdiction over the administrator of the ECB Recommended Rate or a court or an entity with similar insolvency or Resolution Authority over the administrator of the ECB Recommended Rate, which states that the administrator of the ECB Recommended Rate has ceased or will cease to provide the ECB Recommended Rate permanently or indefinitely, provided that, at the time of the statement or publication, there is no successor administrator that will continue to provide the ECB Recommended Rate; and

"**ECB Recommended Rate Index Cessation Effective Date**" means, in respect of an ECB Recommended Rate Index Cessation Event, the first date for which the ECB Recommended Rate is no longer provided by the administrator thereof.

(c) *SOFR Determination For Floating Rate Notes referencing Compounded Daily SOFR*

- (1) Where Screen Rate Determination is specified in the applicable Final Terms as the

manner in which the Rate of Interest is to be determined and the Reference Rate in respect of the relevant Floating Rate Notes is specified in the applicable Final Terms as being "Compounded Daily SOFR", the Rate of Interest for an Interest Accrual Period will, subject to Condition 6(d), be Compounded Daily SOFR plus or minus (as specified in the applicable Final Terms) the applicable Margin.

**"Compounded Daily SOFR"** means, with respect to an Interest Accrual Period, the rate of return of a daily compound interest investment (with the Secured Overnight Financing Rate as the reference rate for the calculation of interest) and will be calculated by the Agent on the Interest Determination Date, as follows, and the resulting percentage will be rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards:

$$\left[ \prod_{i=1}^{d_o} \left( 1 + \frac{SOFR_{i-pUSBD} \times n_i}{360} \right) - 1 \right] \times \frac{360}{d}$$

where:

"d" is the number of calendar days in (where in the applicable Final Terms "Lag" or "Lock-out" is specified as the Observation Method) the relevant Interest Accrual Period or (where in the applicable Final Terms "Shift" is specified as the Observation Method) the relevant Observation Period;

"d<sub>o</sub>" is (where in the applicable Final Terms "Lag" or "Lock-out" is specified as the Observation Method) for any Interest Accrual Period, the number of U.S. Government Securities Business Days in the relevant Interest Accrual Period or (where in the applicable Final Terms "Shift" is specified as the Observation Method) for any Observation Period, the number of U.S. Government Securities Business Days in the relevant Observation Period;

"i" is a series of whole numbers from one to "d<sub>o</sub>", each representing the relevant U.S. Government Securities Business Day in chronological order from, and including, the first U.S. Government Securities Business Day (where in the applicable Final Terms "Lag" or "Lock-out" is specified as the Observation Method) in the relevant Interest Accrual Period or (where in the applicable Final Terms "Shift" is specified as the Observation Method) in relevant the Observation Period;

**"Observation Period"** means, in respect of each Interest Accrual Period, the period from and including the date falling "p" U.S. Government Securities Business Days preceding the first date in such Interest Accrual Period to but excluding the date "p" U.S. Government Securities Business Days preceding the Interest Payment Date for such Interest Accrual Period;

"p" means:

- a. where in the applicable Final Terms "Lag" is specified as the Observation Method, the number of U.S. Government Securities Business Days included in the Observation Look-back Period specified in the applicable Final Terms (or, if no such number is specified, five U.S. Government Securities Business Days); and

- b. where in the applicable Final Terms "Lock-out" is specified as the Observation Method, zero;

**"USBD"** means U.S. Government Securities Business Day; "

"**n<sub>i</sub>**" means, for any U.S. Government Securities Business Day "**i**", the number of calendar days from and including such U.S. Government Securities Business Day "**i**" up to but excluding the following U.S. Government Securities Business Day;

**"SOFR<sub>i-pUSBD</sub>"** means:

- a. where in the applicable Final Terms "Lag" is specified as the Observation Method, in respect of any U.S. Government Securities Business Day falling in the relevant Interest Period, the SOFR for the U.S. Government Securities Business Day falling "**p**" U.S. Government Securities Business Days prior to the relevant U.S. Government Securities Business Day "**i**"; or
  - b. where in the applicable Final Terms "Lock-out" is specified as the Observation Method, during each relevant Interest Accrual Period, the SOFR determined in accordance with paragraph (a) above, except that in respect of each U.S. Government Securities Business Day **i** falling on or after the "Lock-out date" specified in the applicable Final Terms (or, where no "Lock-out date" is specified, five U.S. Government Securities Business Days prior to each relevant Interest Payment Date) until the end of each relevant Interest Accrual Period, the SOFR determined in accordance with paragraph (a) above in respect of such "Lock-out date"; or
  - c. where in the applicable Final Terms "Shift" is specified as the Observation Method, SOFR<sub>i</sub>, where SOFR<sub>i</sub> is, in respect of any U.S. Government Securities Business Day **i** falling in the relevant SOFR Observation Period, the SOFR for such day.
- (2) Unless otherwise defined in these Terms and Conditions or unless the context otherwise requires, in these Terms and Conditions the following words shall have the following meanings:

**"New York City Banking Day"** means any day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in New York City;

**"OBFR Index Cessation Date"** means, following the occurrence of an OBFR Index Cessation Event, the date on which the FRBNY (or any successor administrator of the Overnight Bank Funding Rate), ceases to publish the Overnight Bank Funding Rate, or the date as of which the Overnight Bank Funding Rate may no longer be used, in each case as certified in writing by the Issuer to the Agent;

**"OBFR Index Cessation Event"** means the occurrence of one or more of the following events:

- a. public statement by the FRBNY (or a successor administrator of the Overnight Bank Funding Rate) announcing that it has ceased or will cease to publish or provide the Overnight Bank Funding Rate permanently or indefinitely, provided that, at that time, there is no successor administrator that will continue to publish or provide the Overnight Bank Funding Rate;

- b. the publication of information which reasonably confirms that the FRBNY (or a successor administrator of the Overnight Bank Funding Rate) has ceased or will cease to provide the Overnight Bank Funding Rate permanently or indefinitely, provided that, at that time, there is no successor administrator that will continue to publish or provide the Overnight Bank Funding Rate; or
- c. a public statement by a regulator or other official sector entity prohibiting the use of the Overnight Bank Funding Rate that applies to, but need not be limited to, fixed income securities and derivatives, to the extent that such public statement has been acknowledged in writing by ISDA as an "OBFR Index Cessation Event" under the 2006 ISDA Definitions as published by ISDA;

**"SOFR"** means the rate determined in accordance with the following provisions:

- a. the Secured Overnight Financing Rate that appears on the FRBNY's website at 5:00 p.m. (New York time) on a U.S. Government Securities Business Day;
- b. if the rate specified in (a) above does not so appear, and a SOFR Index Cessation Date has not occurred, then the Agent shall use the Secured Overnight Financing Rate published on the FRBNY's website for the first preceding U.S. Government Securities Business Day on which the Secured Overnight Financing Rate was published on the FRBNY's website;
- c. if a SOFR Index Cessation Date has occurred, the Agent shall calculate SOFR as if references to SOFR were references to the rate that was recommended as (and notified by the Issuer to the Agent) as being the replacement for the Secured Overnight Financing Rate by the Federal Reserve and/or the FRBNY or a committee officially endorsed or convened by the Federal Reserve and/or the FRBNY for the purpose of recommending a replacement for the Secured Overnight Financing Rate (which rate may be produced by a Federal Reserve Bank or other designated administrator, and which rate may include any adjustments or spreads). If no such rate has been recommended within one U.S. Government Securities Business Day of the SOFR Index Cessation Date, then the rate for any such U.S. Government Securities Business Day falling on or after the SOFR Index Cessation Date will be determined as if (i) references to the Secured Overnight Financing Rate were references to the Overnight Bank Funding Rate (published on the FRBNY's website at or around 5:00 p.m. (New York time) on the relevant New York City Banking Day); (ii) references to U.S. Government Securities Business Day were references to New York City Banking Day, (iii) references to SOFR Index Cessation Event were references to the OBFR Index Cessation Event and (iv) references to SOFR Index Cessation Date were references to OBFR Index Cessation Date; and
- d. if the Agent is required to use the Overnight Bank Funding Rate in paragraph (a) above and an OBFR Index Cessation Date has occurred, then for any Interest Payment Date after such OBFR Index Cessation Date, the Agent shall use the short-term interest rate target set by the Federal Open Market Committee and published on the Federal Reserve's website, or if the Federal Open Market Committee does not target a single rate, the mid-point of the short-term interest rate target range set by the Federal Open Market Committee and published on the Federal Reserve's website (calculated as the arithmetic average of the upper bound of the target range and the lower bound of the target range);

**"SOFR Index Cessation Date"** means following the occurrence of a SOFR Index Cessation Event, the date on which the FRBNY (or any successor administrator of the Secured Overnight

Financing Rate), ceases to publish the Secured Overnight Financing Rate, or the date as of which the Secured Overnight Financing Rate may no longer be used, in each case as certified in writing by the Issuer to the Agent;

**"SOFR Index Cessation Event"** means the occurrence of one or more of the following events:

- a. a public statement by the FRBNY (or a successor administrator of the Secured Overnight Financing Rate) announcing that it has ceased or will cease to publish or provide the Secured Overnight Financing Rate permanently or indefinitely, provided that, at that time, there is no successor administrator that will continue to publish or provide the Secured Overnight Financing Rate;
- b. the publication of information which reasonably confirms that the FRBNY (or a successor administrator of the Secured Overnight Financing Rate) has ceased or will cease to provide the Secured Overnight Financing Rate permanently or indefinitely, provided that, at that time, there is no successor administrator that will continue to publish or provide the Secured Overnight Financing Rate; or
- c. a public statement by a regulator or other official sector entity prohibiting the use of the Secured Overnight Financing Rate that applies to, but need not be limited to, fixed income securities and derivatives, to the extent that such public statement has been acknowledged in writing by ISDA as an "SOFR Index Cessation Event" under the 2006 ISDA Definitions as published by ISDA; and

**"U.S. Government Securities Business Day"** means any day except for a Saturday, Sunday or a day on which the Securities Industry and Financial Markets Association (or any successor thereto) recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities.

As used herein, an **"Interest Accrual Period"** means (i) each Interest Period and (ii) any other period (if any) in respect of which interest is to be calculated, being the period from (and including) the first day of such period to (but excluding) the day on which the relevant payment of interest falls due (which, if the relevant Notes become due and payable in accordance with Condition 11, shall be the date on which such Notes become due and payable).

If the relevant Notes become due and payable in accordance with Condition 11, the final Rate of Interest shall be calculated for the Interest Accrual Period to (but excluding) the date on which the Notes become so due and payable, and such Rate of Interest shall continue to apply to the Notes for so long as interest continues to accrue thereon as provided in Condition 6(f).

- (d) *Screen Rate Determination for Floating Rate Notes referencing Weighted Average SOFR*

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined and the Reference Rate in respect of the relevant Floating Rate Notes is specified in the applicable Final Terms as being "Weighted Average SOFR", the Rate of Interest for an Interest Accrual Period will, subject as provided in Condition 6(f), be Weighted Average SOFR with respect to such Interest Accrual Period plus or minus (as specified in the applicable Final Terms) the applicable Margin.

**"Weighted Average SOFR"** means, in relation to any Interest Accrual Period, the arithmetic mean of "SOFR<sub>i</sub>" in effect during such Interest Accrual Period and will be calculated by the Agent on each Interest Determination Date as follows, and the resulting percentage will be

rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards:

$$\left[ \frac{\sum_{i=1}^{d_o} SOFR_i \times n}{d} \right] \times \frac{360}{d}$$

where: "d", "d<sub>o</sub>", "i" and "n" have the meanings set out under Condition 6.(b)(ii)(c);

"n<sub>i</sub>" means, for any U.S. Government Securities Business Day the number of calendar days from and including such U.S. Government Securities Business Day up to but excluding the following U.S. Government Securities Business Day; and

"SOFR<sub>i</sub>" means, for any U.S. Government Securities Business Day i:

- a. where in the applicable Final Terms "Lag" is specified as the Observation Method, the SOFR in respect of the U.S. Government Securities Business Day i falling p U.S. Government Securities Business Days prior to such day;
- b. where in the applicable Final Terms "Lock-out" is specified as the Observation Method, during each relevant Interest Period, the SOFR determined in accordance with paragraph (a) above, except that in respect of each U.S. Government Securities Business Day i falling on or after the "Lock-out date" specified in the applicable Final Terms (or, where no "Lock-out date" is specified, five U.S. Government Securities Business Days prior to each relevant Interest Payment Date) until the end of each relevant Interest Period, the SOFR determined in accordance with paragraph (a) above in respect of such "Lock-out date"; or
- c. where in the applicable Final Terms "Shift" is specified as the Observation Method, the SOFR on the U.S. Government Securities Business Day i.

(e) *Screen Rate Determination for Floating Rate Notes – SONIA Reference rate*

- (1) Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined and the Reference Rate in respect of the relevant Series of Floating Rate Notes is specified in the applicable Final Terms as being "Compounded Daily SONIA", the Rate of Interest for an Interest Accrual Period will, subject as provided in Condition 6(f), be Compounded Daily SONIA with respect to such Interest Accrual Period plus or minus (as specified in the applicable Final Terms) the applicable Margin.

"**Compounded Daily SONIA**" means, with respect to an Interest Accrual Period, the rate of return of a daily compound interest investment during the Observation Period corresponding to such Interest Accrual Period (with the daily Sterling overnight reference rate as reference rate for the calculation of interest) and will be calculated by the Agent on the Interest Determination Date, as follows, and the resulting percentage will be rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards:

$$\left[ \prod_{i=1}^{d_o} \left( 1 + \frac{SONIA_{i-pLBD} \times n_i}{365} \right) - 1 \right] \times \frac{365}{d}$$

where:

**"d"** is the number of calendar days in (where in the applicable Final Terms "Lag" or "Lock-out" is specified as the Observation Method) the relevant Interest Accrual Period or (where in the applicable Final Terms "Shift" is specified as the Observation Method) the relevant Observation Period;

**"d<sub>o</sub>"** is (where in the applicable Final Terms "Lag" or "Lock-out" is specified as the Observation Method) for any Interest Accrual Period, the number of London Banking Days in the relevant Interest Accrual Period or (where in the applicable Final Terms "Shift" is specified as the Observation Method) for any Observation Period, the number of London Banking Days in the relevant Observation Period;

**"i"** is a series of whole numbers from one to "d<sub>o</sub>", each representing the relevant London Banking Day in chronological order from, and including, the first London Banking Day (where in the applicable Final Terms "Lag" or "Lock-out" is specified as the Observation Method) in the relevant Interest Accrual Period to, and including, the last London Banking Day in the relevant Interest Accrual Period or (where in the applicable Final Terms "Shift" is specified as the Observation Method) in relevant the Observation Period;

**"London Banking Day" or "LBD"** means any day on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in London;

**"n<sub>i</sub>"**, for any London Banking Day "i", means the number of calendar days from and including such London Banking Day "i" up to but excluding the following London Banking Day;

**"Observation Period"** means, in respect of each Interest Accrual Period, the period from and including the date falling "p" London Banking Days prior to the first day of the relevant Interest Accrual Period and ending on, but excluding, the date falling "p" London Banking Days prior to the end of such Interest Accrual Period (or the date falling "p" London Banking Days prior to such earlier date, if any, on which the Notes become due and payable);

**"p"** means:

- a. the whole number of London Banking Days included in the Observation Look-back Period, as specified in the applicable Final Terms, being no less than five London Banking Days;
- b. where in the applicable Final Terms "Lock-out" is specified as the Observation Method, zero;

**"SONIA<sub>i-pLBD</sub>"** means:

- a. where in the applicable Final Terms "Lag" is specified as the Observation Method, in respect of any London Banking Day "i" falling in the relevant Observation Period, the SONIA reference rate for the London Banking Day falling "p" London Banking Days prior to the relevant London Banking Day "i"; or
- b. where in the applicable Final Terms "Lock-out" is specified as the Observation Method, during each relevant Interest Accrual Period, the SONIA reference rate determined in accordance with paragraph (1) above, except that in respect of each London Banking Day i falling on or after the "Lock-out date" specified in the applicable Final Terms (or, where no "Lock-out date" is specified, five London

- Banking Days prior to each relevant Interest Payment Date) until the end of each relevant Interest Accrual Period, the SONIA reference rate determined in accordance with paragraph (1) above in respect of such "Lock-out date"; or
- c. where in the applicable Final Terms "Shift" is specified as the Observation Method,  $SONIA_i$ , where  $SONIA_i$  is, in respect of any London Banking Day "i" falling in the relevant Observation Period, the SONIA reference rate for such day; and

the "**SONIA reference rate**", in respect of any London Banking Day, is a reference rate equal to the daily Sterling Overnight Index Average ("**SONIA**") rate for such London Banking Day as provided by the administrator of SONIA to authorised distributors and as then published on the Relevant Screen Page or, if the Relevant Screen Page is unavailable, as otherwise published by such authorised distributors (on the London Banking Day immediately following such London Banking Day).

- (2) If, subject to Condition 6(f), in respect of any London Banking Day in the relevant Observation Period, the Agent determines that the applicable SONIA reference rate is not available on the Relevant Screen Page or has not otherwise been published by the relevant authorised distributors, the SONIA reference rate in respect of such London Banking Day shall be: (i) the BoE's Bank Rate (the "**Bank Rate**") prevailing at 5.00 p.m. (or, if earlier, close of business) on such London Banking Day; plus (ii) the mean of the spread of the SONIA reference rate to the Bank Rate over the previous five days on which a SONIA reference rate has been published, excluding the highest spread (or, if there is more than one highest spread, one only of those highest spreads) and lowest spread (or, if there is more than one lowest spread, one only of those lowest spreads) or (iii) if the Bank Rate is not published by the Bank of England at close of business on the relevant London Banking Day, the SONIA reference rate published on the Relevant Screen Page (or otherwise published by the relevant authorised distributors) for the first preceding London Banking Day on which the SONIA reference rate was published on the Relevant Screen Page (or otherwise published by the relevant authorised distributors).
- (3) Where the SONIA reference rate is being determined in accordance with Condition 6(b)(e)(2), if the BoE publishes guidance as to (i) how the SONIA reference rate is to be determined; or (ii) any rate that is to replace the SONIA reference rate, the Agent shall, subject to receiving written instructions from the Issuer and to the extent that it is reasonably practicable, follow such guidance in order to determine the SONIA reference rate for any London Banking Day "i" for the purpose of the relevant Series of Notes for so long as the SONIA reference rate is not available or has not been published by the authorised distributors.

To the extent that any amendments or modifications to the Conditions or the Agency Agreement are required in order for the Agent to follow such guidance in order to determine SONIA, the Agent shall have no obligation to act until such amendments or modifications have been made in accordance with the Conditions and the Agency Agreement.

If the Rate of Interest cannot be determined in accordance with the foregoing provisions by the Agent, subject to Condition 6(f), the Rate of Interest shall be (i) that determined as at the last preceding Interest Determination Date (though substituting, where a different Margin, Maximum Rate of Interest and/or Minimum Rate of Interest (as the case may be)

is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to the relevant Interest Accrual Period in place of the Margin, Maximum Rate of Interest and/or Minimum Rate of Interest (as the case may be) relating to that last preceding Interest Accrual Period); or (ii) if there is no such preceding Interest Determination Date, the initial Rate of Interest which would have been applicable to such Series of Notes for the first Interest Accrual Period had the Notes been in issue for a period equal in duration to the scheduled first Interest Accrual Period but ending on (and excluding) the Interest Commencement Date (including applying the Margin and any Maximum Rate of Interest or Minimum Rate of Interest applicable to the first Interest Accrual Period).

- (4) As used herein, an "**Interest Accrual Period**" means (i) each Interest Period and (ii) any other period (if any) in respect of which interest is to be calculated, being the period from (and including) the first day of such period to (but excluding) the day on which the relevant payment of interest falls due (which, if the relevant Series of Notes becomes due and payable in accordance with Condition 17, shall be the date on which such Notes become due and payable).

If the relevant Series of Notes becomes due and payable in accordance with Condition 17, the final Rate of Interest shall be calculated for the Interest Accrual Period to (but excluding) the date on which the Notes become so due and payable, and such Rate of Interest shall continue to apply to the Notes for so long as interest continues to accrue thereon as provided in Condition 6(f).

- (f) *Screen Rate Determination for Floating Rate Notes referencing a Reference Rate other than €STR, Compounded Daily SOFR, Weighted Average SOFR or SONIA*

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined and the Reference Rate is specified in the applicable Final Terms as being a Reference Rate other than €STR, SOFR or SONIA, the Rate of Interest for each Interest Period will, subject as provided below, be either:

- (1) the offered quotation (if there is only one quotation on the Relevant Screen Page); or
- (2) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.00005 being rounded upwards or, if the relevant Screen Rate is EURIBOR, to the third decimal place, with 0.0005 being rounded upwards) of the offered quotations, (expressed as a percentage rate per annum) for the Reference Rates which appears or appear, as the case may be, on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date, plus or minus (as specified in the applicable Final Terms) the Margin (if any), all as determined by the Agent. If five or more such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

The Agency Agreement contains provisions for determining the Rate of Interest pursuant to this subparagraph in the event that the Relevant Screen Page is not available or if, in the case

of (1) above, no such quotation appears or, in the case of (2) above, fewer than three such offered quotations appear, in each case as at the time specified in the preceding paragraph. The following summarises the most relevant provisions of the Agency Agreement with regard to this matter. In such an event the Agent shall request the principal London office of each of the Reference Banks (as defined below) to provide the Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate at approximately the Relevant Time on the relevant Interest Determination Date. If two or more of the Reference Banks provide the Agent with such offered quotations, the Rate of Interest for such Interest Period shall be the arithmetic mean (rounded if necessary to the fifth decimal place with 0.000005 being rounded upwards) of such offered quotations plus or minus (as appropriate) the Margin (if any), all as determined by the Agent.

The expression "**Reference Banks**" means, in the case of (1) above, those banks whose offered rates were used to determine such quotation when such quotation last appeared on the Relevant Screen Page and, in the case of (2) above, those banks whose offered quotations last appeared on the Relevant Screen Page when no fewer than three such offered quotations appeared.

(iii) **Minimum and/or Maximum Rate of Interest**

If the applicable Final Terms specify a Minimum Rate of Interest, for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (ii) above is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest.

If the applicable Final Terms specify a Maximum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (ii) above is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

(iv) **Determination of Rate of Interest and Calculation of Interest Amounts**

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

The Agent will calculate the Interest Amount payable on the Floating Rate Notes in respect of each Calculation Amount for the relevant Interest Period. Each Interest Amount shall be calculated by applying the Rate of Interest to each Calculation Amount, multiplying such sum by the applicable Floating Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention and multiplying such rounded up figure by a fraction equal to the Specified Denomination of such Note divided by the Calculation Amount.

**"Floating Day Count Fraction"** means, in respect of the calculation of an amount of interest for any Interest Period:

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

- (ii) if "**Actual/365 (Fixed)**" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;
- (iii) if "**Actual/360**" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;
- (iv) if "**30E/360**" or "**Eurobond Basis**" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

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

where:

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

"Y<sub>2</sub>" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

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

"M<sub>2</sub>" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

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

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

- (v) if "**30E/360 (ISDA)**" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

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

where:

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

"Y<sub>2</sub>" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

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

"M<sub>2</sub>" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

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

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

(v) **Notification of Rate of Interest and Interest Amounts**

The Agent will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer and any stock exchange on which the relevant Floating Rate Notes are for the time being listed and notice thereof to be published in accordance with Condition 15 as soon as possible after their determination but in no event later than the fourth London Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to each stock exchange on which the relevant Floating Rate Notes are for the time being listed and to the Noteholders in accordance with Condition 15. If the Calculation Amount is less than the minimum Specified Denomination the Agent shall not be obliged to publish each Interest Amount but instead may publish only the Calculation Amount and the Interest Amount in respect of a Note having the minimum Specified Denomination. For the purposes of this paragraph, the expression "**London Business Day**" means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in London.

(vi) **Certificates to be Final**

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 6(b) by the Agent shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, if applicable, the other Paying Agents and all Noteholders, Receiptholders and Couponholders and (in the absence as aforesaid) no liability to the Issuer, the Noteholders, the Receiptholders or the Couponholders shall attach to the Agent, if applicable, in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

**(c) Interest on Dual Currency Notes**

In the case of Dual Currency Notes, payments by the Issuer of interest and/or principal (as specified in the applicable Final Terms) will be made in another currency or currencies than the Specified Currency. Such currency or currencies and the exchange rate ("**Rate of Exchange**") used to calculate payments of interest or principal will be specified in the applicable Final Terms.

**(d) Replacement Reference Rate**

Notwithstanding the provisions above in this Condition 6, if the Agent or the Issuer determines at any time prior to, on or following any Interest Determination Date, that a Benchmark Event has occurred in relation to certain Notes, the Issuer may, after using reasonable endeavours to appoint and consult with an Independent Adviser (which the Issuer will do as soon as reasonably practicable and, if possible, at least 5 Business Days prior to the next relevant Interest Determination Date), determine in its sole discretion, acting in good faith

and in a commercially reasonable manner, whether a substitute, alternative or successor rate is available that is substantially comparable to the Reference Rate for purposes of determining the Rate of Interest on each Interest Determination Date falling on such date or thereafter, or whether a substitute, alternative or successor rate has been recommended or selected by the monetary authority or similar authority (or working group thereof) in the jurisdiction of the applicable currency, or widely recognised industry association or body, or whether a substitute, alternative or successor rate has developed or is expected to develop in an industry accepted rate for debt market instruments such as or comparable to the relevant Notes is available.

Without prejudice to the foregoing, if the Reference Rate is EURIBOR, the Issuer is expected to first explore the option of selecting €STR or a term rate based on €STR as the Replacement Reference Rate (as defined below). If the Reference Rate is US Dollar LIBOR, the Issuer is expected to first explore the option of selecting SOFR or a term rate based on SOFR as the Replacement Reference Rate. If the Reference Rate is Sterling LIBOR, the Issuer is expected to first explore the option of selecting SONIA or a term rate based on SONIA as the Replacement Reference Rate.

If the Issuer has determined a substitute, alternative or successor rate in accordance with the foregoing (such rate, the "**Replacement Reference Rate**") for purposes of determining the Rate of Interest on each relevant Interest Determination Date falling on or after such determination at least five business days after such determination, (A) the Issuer will, following consultation with the Independent Adviser (if appointed), also determine changes (if any) to the Business Day Convention, the definition of Business Day, the Interest Determination Date, the Day Count Fraction, relevant screen page, any method for calculating the Replacement Reference Rate, including any Adjustment Spread or other adjustment factor needed to make such Replacement Reference Rate comparable to the relevant Reference Rate, in each case in a manner that is consistent with any industry-accepted practices for such Replacement Reference Rate, although there is no guarantee that such an Adjustment Spread or other adjustment factor will be determined or applied, or that the application of any such factor will either reduce or eliminate economic prejudice to Noteholders; (B) the Issuer may, without the consent of any or all Noteholders, Receiptholders and Couponholders, (further) amend the Terms and Conditions of the Notes and/or amend or supplement the Agency Agreement, as necessary to ensure the proper operation of the foregoing; (C) references to the Reference Rate in these Conditions applicable to the relevant Notes will be deemed to be references to the relevant Replacement Reference Rate, including any alternative method for determining such rate as described in (A) above (including the Adjustment Spread); and (D) the Issuer will give notice as soon as reasonably practicable to the Noteholders, the Receiptholders and the Couponholders (in accordance with Condition 15), the Agent and the Paying Agent specifying the Replacement Reference Rate, as well as the details described in (A) above. The Agent will remain the party responsible for calculating the Rate of Interest and the Interest Amount by making use of the Replacement Reference Rate and the other matters referred to above.

For the avoidance of doubt if a Replacement Reference Rate is determined by the Issuer in accordance with this Condition 6(d), this Replacement Reference Rate will be applied to all relevant future payments on the relevant Notes, subject to Condition 6. This Condition 6(d) may be (re-)applied if a Benchmark Event has occurred in respect of the Replacement Reference Rate.

The determination of the Replacement Reference Rate and the other matters referred to above by the Issuer will (in the absence of manifest error) be final and binding on the Paying Agent, the Agent and the Noteholders, the Receiptholders and the Couponholders and no liability to any such person will attach to the Issuer in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes in the absence of bad faith or fraud. If the Issuer is unable to or otherwise does not determine a Replacement Reference Rate or any of the other matters referred to above, then the Reference Rate (as stated in the applicable Final Terms) will remain the rate in effect unchanged (but subject to the other

provisions of Condition 6, particularly Condition 6(a) and 6(b)) in respect of the relevant Interest Determination Date, and any subsequent Interest Determination Dates will remain subject to the operation of the provisions of this Condition 6. In such circumstances, the Issuer will be entitled (but not obliged), at any time thereafter, to elect to re-apply the provisions of this Condition 6(d), *mutatis mutandis*, on one or more occasions until a Replacement Reference Rate has been determined and notified in accordance with this Condition 6(d) (and, until such determination and notification (if any), the fallback provisions provided elsewhere in these Terms and Conditions will continue to apply).

For the avoidance of doubt, each Noteholder, Receiptholder and Couponholder shall be deemed to have accepted the Replacement Reference Rate and such other changes made pursuant to this paragraph (d) and no consent or approval of any Noteholder, Receiptholder or Couponholder shall be required.

Notwithstanding any other provision of this Condition 6, the Issuer may not adopt a Replacement Reference Rate, or make any other amendments to Terms and Conditions pursuant to this Condition 6(d), if and to the extent that, in the determination of the Issuer, the same could reasonably be expected,

with respect to the Subordinated Notes qualifying as Tier 2 Notes, to:

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

with respect to the Senior Preferred Notes, the Senior Non-Preferred Notes and Subordinated Notes qualifying as MREL Eligible Liabilities, to:

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

Any amendment to the Terms and Conditions of the Notes pursuant to this Condition 6(d) is subject to (i) the prior (written) permission of the Competent Authority and/or the relevant Resolution Authority, provided that, at the relevant time, such permission is required to be given (including, without limitation, pursuant to Article 77 CRR) and (ii) compliance with any other pre-conditions to, or requirements applicable to, such amendment as may be required by the Competent Authority, MREL Regulations or CRD or such other regulatory capital rules applicable to the Issuer at such time.

**(f) *Accrual of Interest***

Each Note (or in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from the date for its redemption unless, upon due presentation thereof, payment of principal is improperly withheld or refused. In such event, interest will continue to accrue until whichever is the earlier of:

- (1) the date on which all amounts due in respect of such Note have been paid; and

- (2) five days after the date on which the full amount of the moneys payable has been received by the Agent and notice to that effect has been given to the Noteholders in accordance with Condition 15 or individually.

**(g) Change of Interest Basis Option**

If "**Change of Interest Basis Option**" is specified in the applicable Final Terms, after having given notice to the stock exchange where the Notes are listed, the Issuer will have to give:

- (1) notice to the Noteholders in accordance with Condition 15, not less than the number of Business Days equal to the Interest Basis Option Period prior to the date on which the Change of Interest Basis Option shall be effective; and
- (2) notice to the Agent, not less than the number of Business Days equal to the Interest Basis Option Period prior to the date on which the Change of Interest Basis Option shall be effective, (both of which notices shall be irrevocable) exercise the Change of Interest Basis Option upon which exercise the Interest Basis of the Notes changes from the Initial Interest Basis (which shall cease to apply) to the Subsequent Interest Basis (which shall commence to apply), effective as of the Change of Interest Basis Option Date immediately following the date on which the notice referred to above is given.

**7. Payments**

**(a) Method of Payment**

Subject as provided below:

- (i) payments in a Specified Currency other than euro will be made by transfer to an account in the relevant Specified Currency maintained by the payee with, or by a cheque in such Specified Currency drawn on, a bank in the principal financial centre of the country of such Specified Currency (which, in the case of Australian dollars, shall be Sydney, in the case of New Zealand dollars, shall be Wellington, in the case of Hong Kong dollars, shall be Hong Kong and in the case of Japanese yen, shall be Tokyo); and
- (ii) payments in euro will be made by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or, at the option of the payee, by a euro cheque.

Payments will be subject in all cases to any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 9.

**(b) Presentation of Notes, Receipts and Coupons**

Payments of principal in respect of definitive Notes will (subject as provided below) be made in the manner provided in paragraph (a) above only against surrender of definitive Notes, and payments of interest in respect of definitive Notes will (subject as provided below) be made as aforesaid only against surrender of Coupons, in each case at the specified office of any Paying Agent outside the United States but for certain limited circumstances described below.

Payments of instalments of principal (if any), other than the final instalment, will (subject as provided below) be made in the manner provided in paragraph (a) above against presentation and surrender of the relevant Receipt. Payment of the final instalment will be made in the manner provided in paragraph (a) above against surrender of the relevant Note. Each Receipt must be presented for payment of the relevant instalment together with the definitive Note to which it appertains. Receipts presented without the definitive Note to which they appertain do not constitute valid obligations of the Issuer. Upon the date on which any definitive Note becomes due and repayable, unmatured Receipts (if any) relating thereto (whether or not attached) shall become void and no payment shall be made in respect thereof.

Fixed Rate Notes in definitive form (other than Dual Currency Notes and Long Maturity Notes (as defined below)) should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of five years after the date on which such principal first became due (whether or not such Coupon would otherwise have become void under Condition 10) or, if later, five years from the date on which such Coupon would otherwise have become due. Upon any Fixed Rate Note becoming due and repayable prior to its Maturity Date, all unmatured Receipts and Talons (if any) appertaining thereto will become void and no payments in respect of any such Receipts and no further Coupons in respect of any such Talons will be made or issued, as the case may be.

Upon the date on which any Floating Rate Note, Dual Currency Note or Long Maturity Note in definitive form becomes due and repayable, unmatured Receipts, Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof. Where any such Note is presented for redemption without all unmatured Receipts, Coupons or Talons relating to it, redemption shall be made only against the provision of such indemnity as the Issuer may require. A "**Long Maturity Note**" is a Fixed Rate Note (other than a Fixed Rate Note which on issue had a Talon attached) whose nominal amount on issue is less than the aggregate interest payable thereon provided that such Note shall cease to be a Long Maturity Note on the Interest Payment Date on which the aggregate amount of interest remaining to be paid after that date is less than the nominal amount of such Note.

If the due date for redemption of any definitive Note is not an Interest Payment Date, interest (if any) accrued in respect of such Note from (and including) the preceding Interest Payment Date or, as the case may be, the Interest Commencement Date shall be payable only against surrender of the relevant definitive Note.

Payments of principal and interest (if any) in respect of Notes represented by any global Note will (subject as provided below) be made in the manner specified above in relation to definitive Notes and otherwise in the manner specified in the relevant global Note against presentation or surrender, as the case may be, of such global Note to or to the order of any Paying Agent. On each occasion on which a payment of principal or interest is made in respect of a Classic Global Note, the payment is noted in a schedule thereto and in respect of a New Global Note the payment is entered pro rata in the record of Euroclear and Clearstream, Luxembourg.

The holder of a global Note shall be the only person entitled to receive payments in respect of Notes represented by such global Note and the Issuer will be discharged by payment to, or to the order of, the holder of such global Note in respect of each amount so paid. Each of the persons shown in the records of

Euroclear or Clearstream, Luxembourg as the beneficial holder of a particular nominal amount of Notes represented by such global Note must look solely to Euroclear or Clearstream, Luxembourg as the case may be, for his share of each payment so made by the Issuer to, or to the order of, the holder of such global Note. No person other than the holder of such global Note shall have any claim against the Issuer in respect of any payments due on that global Note. Notwithstanding the foregoing, U.S. dollar payments of principal and interest in respect of the Notes will be made at the specified office of a Paying Agent in the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia, its territories, its possessions and other areas subject to its jurisdiction)) if:

- (i) the Issuer has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment in U.S. dollars at such specified offices outside the United States of the full amount of principal and interest on the Notes in the manner provided above when due;
- (ii) payment of the full amount of such interest at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest in U.S. dollars; and
- (iii) such payment is then permitted under United States law without involving, in the opinion of the Issuer, adverse tax consequences to the Issuer.

**(c) *Payment Day***

If the date for payment of any amount in respect of any Note, Receipt or Coupon is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes "**Payment Day**" means any day which is:

- (i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in any Additional Financial Centre specified in the applicable Final Terms; and
- (ii) either (1) in relation to any sum payable in a Specified Currency (as specified in the applicable Final Terms) other than euro, a day on which commercial banks and foreign exchange markets settle payments in the principal financial centre of the country of the relevant Specified Currency and any Additional Financial Centre which, if the Specified Currency is (a) Australian dollars, shall be Sydney, (b) New Zealand dollars, shall be Wellington, (c) Hong Kong dollars, shall be Hong Kong and (d) Japanese yen, shall be Tokyo or (2) in relation to any sum payable in euro, a day on which the TARGET2 System is operating.

**(d) *Interpretation of Principal and Interest***

Any reference in these Terms and Conditions to principal in respect of the Notes shall be deemed to include, as applicable:

- (i) any additional amounts which may be payable with respect to principal under Condition 9;
- (ii) the Final Redemption Amount of the Notes;
- (iii) the Early Redemption Amount of the Notes;
- (iv) the Optional Redemption Amount(s) (if any) of the Notes;

- (v) in relation to Instalment Notes, the Instalment Amounts;
- (vi) in relation to Zero Coupon Notes, the Amortised Face Amount; and
- (vii) any premium and any other amounts which may be payable by the Issuer under or in respect of the Notes.

Any reference in these Terms and Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 9.

## **8. Redemption and Purchase**

### *(a) At Maturity*

Unless previously redeemed, written down, converted or purchased and cancelled as specified below, each Note will be redeemed by the Issuer at its Final Redemption Amount specified in the applicable Final Terms in the relevant Specified Currency on the Maturity Date or by instalments in the Instalment Amount(s) and on the Instalment Date(s) specified in the applicable Final Terms (in the case of a Note redeemable in instalments, an "Instalment Note").

### *(b) Redemption for Tax Reasons*

Unless specified otherwise in the applicable Final Terms, the Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' irrevocable notice to the Noteholders in accordance with Condition 15 if, on the occasion of the next payment due under the Notes, the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 9 or the Issuer will not obtain full or substantially full relief for the purposes of Dutch corporation tax for any interest payable as a result of any change in, or amendment to, the laws or regulations of 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 of such laws or regulations, which change or amendment becomes effective on or after the Issue Date of the first Tranche of Notes, except that the entering into effect of the Dutch Withholding Tax Act 2021 (*Wet bronbelasting 2021*) on 1 January 2021 is not considered a change in Dutch tax law for purposes of this Condition 8(b).

With respect to Subordinated Notes qualifying as Tier 2 Notes, the Issuer must (i) obtain the prior written permission of the Competent Authority provided that, at the relevant time, such permission is required to be given (including, without limitation, pursuant to Article 77 CRR), (ii) have demonstrated to the satisfaction of the Competent Authority that it meets the conditions in Article 78 CRR, which may include the replacement of the Subordinated Notes with own funds instruments of equal or higher quality at terms that are sustainable for the income capacity of the Issuer and (iii) compliance with any other pre-conditions to, or requirements applicable to, such redemption as may be required by the Competent Authority or CRD or such other regulatory capital rules applicable to the Issuer at such time. The Competent Authority may permit the Issuer to redeem the Subordinated Notes at any time within five years after the Issue Date if, without prejudice to this Condition 8(b), there is a change in the applicable tax treatment of the Subordinated Notes which the Issuer demonstrates to the satisfaction of the Competent Authority is material and was not reasonably foreseeable at the time of their issuance.

The redemption of any Senior Preferred Notes, Senior Non-Preferred Notes and/or Subordinated Notes qualifying as MREL Eligibilities, respectively, for Tax Reasons, shall be subject to (i) the prior (written) permission of the Competent Authority provided that at the relevant time such permission is required to be given (including, without limitation, pursuant to Article 77 CRR) and (ii) compliance with any other pre-

conditions to, or requirements applicable to, such redemption as may be required by the Competent Authority or the MREL Regulations at such time.

(c) *Redemption at the Option of the Issuer*

If the Issuer is specified in the applicable Final Terms as having an option to redeem, the Issuer may, having given:

- (i) not less than 15 nor more than 30 days' notice to the Noteholders or such other period of notice as is specified in the applicable Final Terms, in accordance with Condition 15; and
- (ii) not less than 15 days before the giving of the notice referred to in (i), notice to the Agent,

(both of which notices shall be irrevocable), redeem all or some only of the Notes then outstanding on the Optional Redemption Date(s) and at the Optional Redemption Amount(s) specified in the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date(s).

Additionally, if the Subordinated Notes qualify as Tier 2 Notes, the Issuer must (i) obtain prior (written) permission of the Competent Authority provided that at the relevant time such permission is required to be given (including, without limitation, pursuant to Article 77 CRR), (ii) have demonstrated to the satisfaction of the Competent Authority that it meets the conditions in Article 78 CRR, which may include the replacement of the Subordinated Notes with own funds instruments of equal or higher quality at terms that are sustainable for the income capacity of the Issuer and (iii) compliance with any other pre-conditions to, or requirements applicable to, such redemption as may be required by the Competent Authority or CRD or such other regulatory capital rules applicable to the Issuer at such time.

The redemption of any Senior Preferred Notes, Senior Non-Preferred Notes and/or Subordinated Notes qualifying as MREL Eligible Liabilities, respectively, at the Option of the Issuer, shall be subject to (i) the prior (written) permission of the Competent Authority provided that at the relevant time such permission is required to be given (including, without limitation, pursuant to Article 77 CRR) and (ii) compliance with any other pre-conditions to, or requirements applicable to, such redemption as may be required by the Competent Authority or the MREL Regulations at such time.

Any such redemption must be of a nominal amount equal to the Minimum Redemption Amount or the Maximum Redemption Amount, both as specified in the applicable Final Terms. In the case of a partial redemption of Notes, the Notes to be redeemed ("**Redeemed Notes**") will be selected individually by lot, in the case of Redeemed Notes represented by definitive Notes, and in accordance with the rules of Euroclear, Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor of a reduction in principal amount at their discretion) and/or Euroclear Nederland, in the case of Redeemed Notes represented by a global Note, in each case not more than 30 days prior to the date fixed for redemption (such date of selection being hereinafter called the "**Selection Date**"). In the case of Redeemed Notes represented by definitive Notes, a list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 15 not less than 15 days prior to the date fixed for redemption. The aggregate nominal amount of Redeemed Notes represented by definitive Notes shall bear the same proportion to the aggregate nominal amount of all Redeemed Notes as the aggregate nominal amount of definitive Notes outstanding bears to the aggregate nominal amount of the Notes outstanding, in each case on the Selection Date, provided that such first mentioned nominal amount shall, if necessary, be rounded downwards to the nearest integral multiple of the Specified Denomination, and the aggregate nominal amount of Redeemed Notes represented by a global Note shall be equal to the balance of the Redeemed

Notes. No exchange of the relevant global Note will be permitted during the period from and including the Selection Date to and including the date fixed for redemption pursuant to this sub-paragraph (d) and notice to that effect shall be given by the Issuer to the Noteholders in accordance with Condition 15 at least five days prior to the Selection Date.

- (d) *Redemption, substitution and variation for regulatory purposes of Senior Preferred Notes, Senior Non Preferred Notes and Subordinated Notes*

*Senior Preferred Notes, Senior Non-Preferred Notes and Subordinated Notes qualifying as MREL Eligible Liabilities*

If "Regulatory Call" is specified in the applicable Final Terms, the Issuer may upon the occurrence of an MREL Event (as defined below) redeem the Senior Preferred Notes, Senior Non-Preferred Notes and/or Subordinated Notes qualifying as MREL Eligible Liabilities, respectively, in whole but not in part, at any time, on giving not less than 30 nor more than 60 days' irrevocable notice to the holder of Senior Preferred Notes, Senior Non-Preferred Notes and/or Subordinated Notes qualifying as MREL Eligible Liabilities, or such other period of notice as is specified in the applicable Final Terms, in accordance with Condition 15. The Issuer will redeem the Senior Preferred Notes, Senior Non-Preferred Notes and/or Subordinated Notes qualifying as MREL Eligible Liabilities in accordance with the Terms and Conditions at the Optional Redemption Amount specified in the applicable Final Terms together with accrued interest (if any) to but excluding the date of redemption.

If "Variation or Substitution" is specified in the applicable Final Terms, the Issuer may upon the occurrence of an MREL Event and/or in respect of any Notes other than the Senior Preferred Notes (if ALAC Event is specified in the applicable Final Terms as being applicable), an ALAC Event (each as defined in Condition 8(d) of the Terms and Conditions of the Notes), at its option and at any time substitute the Senior Preferred Notes, Senior Non-Preferred Notes and/or Subordinated Notes qualifying as MREL Eligible Liabilities, respectively, in whole but not in part, or vary the terms of all (but not some only) of the Senior Preferred Notes, Senior Non-Preferred Notes and/or Subordinated Notes qualifying as MREL Eligible Liabilities, without any requirement for the consent or approval of the holders of Senior Preferred Notes, Senior Non-Preferred Notes and/or Subordinated Notes qualifying as MREL Eligible Liabilities in such a way that they are eligible for the purposes of the MREL Requirement and/or in respect of any Notes other than the Senior Preferred Notes (if ALAC Event is specified in the applicable Final Terms as being applicable), the ALAC of the Issuer (as defined in Condition 8(d) of the Terms and Conditions of the Notes) on giving not less than 30 nor more than 60 days' irrevocable notice to the holders of Senior Preferred Notes, Senior Non-Preferred Notes and/or Subordinated Notes qualifying as MREL Eligible Liabilities, or such other period of notice as is specified in the applicable Final Terms, in accordance with Condition 15. Such variation or substitution shall not result in terms that are materially less favourable to the interests of holders of Senior Preferred Notes, Senior Non-Preferred Notes and/or Subordinated Notes qualifying as MREL Eligible Liabilities, respectively. Following such variation or substitution, the resulting securities shall (1) have a ranking at least equal to that of the Senior Preferred Notes, Senior Non-Preferred Notes and/or Subordinated Notes qualifying as MREL Eligible Liabilities, (2) have at least the same interest rate and the same interest payment dates as those from time to time applying to the Senior Preferred Notes, Senior Non-Preferred Notes and/or Subordinated Notes qualifying as MREL Eligible Liabilities, (3) have the same Maturity Date and redemption rights as the Senior Preferred Notes, Senior Non-Preferred Notes and/or Subordinated Notes qualifying as MREL Eligible Liabilities, (4) preserve any existing rights under the Senior Preferred Notes, Senior Non-Preferred Notes and/or Subordinated Notes qualifying as MREL Eligible Liabilities to any accrued interest which has not been paid in respect of the period from (and including) the interest payment date last preceding the date of variation or substitution, (5) have assigned (or maintain) the same credit ratings as were assigned to the Senior

Preferred Notes, Senior Non-Preferred Notes and/or Subordinated Notes qualifying as MREL Eligible Liabilities immediately prior to such variation or substitution and (6) be listed on a recognised stock exchange if the Senior Preferred Notes, Senior Non-Preferred Notes and/or Subordinated Notes qualifying as MREL Eligible Liabilities were listed immediately prior to such variation or substitution.

The option of the Issuer of effectuating a "Regulatory Call" and/or "Variation or Substitution" as described in the previous paragraphs, shall be subject to (i) the prior (written) permission of the Competent Authority provided that at the relevant time such permission is required to be given (including, without limitation, pursuant to Article 77 CRR) and (ii) compliance with any other pre-conditions to, or requirements applicable to, such redemption, variation or substitution as may be required by the Competent Authority or the MREL Regulations at such time.

#### *Subordinated Notes*

If "Regulatory Call" is specified in the applicable Final Terms, the Issuer may upon the occurrence of a Capital Event (as defined below) redeem the Subordinated Notes qualifying as Tier 2 Notes, in whole but not in part, at any time, on giving not less than 30 nor more than 60 days' irrevocable notice to the Subordinated Noteholders, or such other period of notice as is specified in the applicable Final Terms, in accordance with Condition 15. Additionally, redemption of the Subordinated Notes is subject to (i) the prior (written) permission of the Competent Authority provided that at the relevant time such permission is required to be given (including, without limitation, pursuant to Article 77 CRR), (ii) the Issuer demonstrating to the satisfaction of the Competent Authority that it meets the conditions in Article 78 CRR, which may include requiring the replacement of the Subordinated Notes with own funds instruments of equal or higher quality at terms that are sustainable for the income capacity of the Issuer and (iii) compliance with any other pre-conditions to, or requirements applicable to, such redemption as may be required by the Competent Authority or CRD or such other regulatory capital rules applicable to the Issuer at such time. The Issuer will redeem the Subordinated Notes in accordance with the Terms and Conditions at the Optional Redemption Amount specified in the applicable Final Terms together with accrued interest (if any) to but excluding the date of redemption.

If "Variation or Substitution" is specified in the applicable Final Terms and if a Capital Event and/or a CRD Capital Event and/or in respect of any Notes other than the Senior Preferred Notes (if ALAC Event is specified in the applicable Final Terms as being applicable), an ALAC Event (each as defined in Condition 8(d) of the Terms and Conditions of the Notes) has occurred and is continuing, then the Issuer may, subject to (i) the prior (written) permission of the Competent Authority provided that at the relevant time such permission is required to be given (including, without limitation, pursuant to Article 77 CRR) and (ii) compliance with any other pre-conditions to, or requirements applicable to, such variation or substitution as may be required by the Competent Authority or CRD or such other regulatory capital rules applicable to the Issuer at such time (but without any requirement for the permission of the Subordinated Noteholders) and on giving not less than 30 nor more than 60 days' irrevocable notice in accordance with Condition 15 to the Subordinated Noteholders, either substitute all, but not some only, of the Subordinated Notes qualifying as Tier 2 Notes or vary the terms of the Subordinated Notes qualifying as Tier 2 Notes so that they remain or, as appropriate, become compliant with CRD or such other regulatory capital rules applicable to the Issuer at the relevant time and/or in respect of any Notes other than the Senior Preferred Notes (if ALAC Event is specified in the applicable Final Terms as being applicable), are eligible under the ALAC (as defined below) of the Issuer. Upon the expiry of the notice referred to above, the Issuer shall either vary the terms of, or substitute, the Subordinated Notes qualifying as Tier 2 Notes in accordance with this Condition 8(d), as the case may be, provided that such substitution or variation shall not result in terms that are materially less favourable to the

Subordinated Noteholders. For the avoidance of doubt, the Competent Authority has discretion as to whether or not it will permit any such variation or substitution of the Subordinated Notes.

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

**"ALAC Event"** means, at any time, a change in, clarification to or amendment of any relevant methodology of S&P (or in the interpretation of such methodology) which impacts the eligibility of a Subordinated Note and/or a Senior Non-Preferred Note, respectively, under the ALAC in such a way that the Subordinated Note and/or the Senior Non-Preferred Note is not, or to a lesser extent, eligible to count towards the ALAC of the Issuer.

A **"Capital Event"** shall occur if there is a change in the regulatory classification of a Subordinated Note that has resulted or would be likely to result in the Subordinated Note being excluded, in whole but not in part, from the Tier 2 Capital of the Issuer or reclassified as own funds of lower quality of the Issuer, which change in regulatory classification (or reclassification) (i) becomes effective on or after the Issue Date and, if redeemed within five years after the Issue Date, (ii) is considered by the Competent Authority to be sufficiently certain and (iii) was not reasonably foreseeable at the time of their issuance as demonstrated by the Issuer to the satisfaction of the Competent Authority as required by Article 78(4) CRR.

An **"MREL Event"** shall occur if there is a change in the regulatory classification of a Senior Preferred Note, Senior Non-Preferred Note and/or Subordinated Note qualifying as MREL Eligible Liabilities, respectively, that has in whole (or, only for the purposes of a "Variation or Substitution" specified in the applicable Final Terms, in part) resulted or would be likely to result in the Senior Preferred Note, Senior Non-Preferred Note and/or Subordinated Note qualifying as MREL Eligible Liabilities being excluded from eligibility for the purposes of the MREL Requirement applicable to the Issuer, provided that a MREL Event shall not occur where a Senior Preferred Note, Senior Non-Preferred Note and/or Subordinated Note qualifying as MREL Eligible Liabilities is excluded on the basis that the remaining maturity of such Note is less than any period prescribed by any applicable eligibility criteria under the MREL Requirement.

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

**"CRD Capital Event"** is deemed to have occurred if the whole of the outstanding nominal amount of the Subordinated Note can no longer be included in full in the Tier 2 Capital of the Issuer by reason of their non-

compliance with CRD or such other regulatory capital rules applicable to the Issuer at the relevant time (as such regulatory capital rules are interpreted and applied by the ECB, DNB, EBA or other competent authorities).

"**CRD**" means together, (i) the CRD Directive and ii) the CRR.

"**CRD Directive**" means Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC (as amended from time to time, including, without limitation, by virtue of Directive (EU) 2019/878).

"**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, including, without limitation, by virtue of Regulation (EU) 2019/876).

"**Future Capital Requirements Regulations**" means any regulatory capital rules implementing CRR or the CRD Directive which may from time to time be introduced, including, but not limited to, delegated or implementing acts (regulatory technical standards or implementing technical standards) adopted by the EC, national laws and regulations, and regulations and guidelines issued by ECB, DNB, EBA or other competent authority, which are applicable to the Issuer (on a solo or consolidated basis) and which lay down the requirements to be fulfilled by financial instruments for inclusion in the regulatory capital of the Issuer (on a solo or consolidated basis) as required by (i) the CRR or (ii) the CRD Directive.

(e) *Early Redemption Amounts*

For the purpose of paragraph (b) or (c) above and Condition 11, the Notes will be redeemed at the Early Redemption Amount calculated as follows:

- in the case of Notes with a Final Redemption Amount equal to the Issue Price, at the Final Redemption Amount thereof; or
- in the case of a Note (other than a Zero Coupon Note but including an Instalment Note) with a Final Redemption Amount which is or may be less or greater than the Issue Price or which is payable in a Specified Currency other than that in which the Notes are denominated at the amount specified in the applicable Final Terms or, if no such amount or manner is so specified in the applicable Final Terms, at its nominal amount;
- in the case of Zero Coupon Notes, at an amount (the "**Amortised Face Amount**") equal to the product of:
  - (a) the Reference Price; and
  - (b) the sum of the figure 1 and the Accrual Yield, raised to the power of x, where 'x' is a fraction the numerator of which is equal to the number of days (calculated on the basis of a 360-day year consisting of 12 months of 30 days each) from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Notes become due and repayable and the denominator of which is 360.

(f) *Instalments*

Instalment Notes will be repaid in the Instalment Amounts and on the Instalment Date. In the case of early redemption, the Early Redemption Amount will be determined pursuant to paragraph (g) above.

(g) *Purchases*

The Issuer or any of its subsidiaries may at any time purchase Notes (provided that, in the case of definitive Notes, all unmatured Receipts, Coupons and Talons appertaining thereto are purchased therewith) at any price in the open market or otherwise. Such Notes may be held, re-issued, resold or, at the option of the Issuer, surrendered to any Paying Agent for cancellation.

The purchase by the Issuer or any of its subsidiaries of Subordinated Notes qualifying as Tier 2 Notes shall be subject to (i) the prior (written) permission of the Competent Authority provided that at the relevant time such permission is required to be given (including, without limitation, pursuant to Article 77 CRR) and (ii) compliance with any other pre-conditions to, or requirements applicable to, such purchase as may be required by the Competent Authority or CRD or such other regulatory capital rules applicable to the Issuer at such time, and may not take place within five years after the Issue Date unless permitted under applicable laws and regulations (including CRD as then in effect). As a result of the direct or indirect purchase or other form of funding by the Issuer, its subsidiaries or any other undertaking in which the Issuer has participation in the form of ownership (direct or by way of control) of 20% or more of the voting rights or capital of that undertaking, of Tier 2 Notes, these Subordinated Notes may no longer qualify as Tier 2 Notes.

The purchase by the Issuer or any of its subsidiaries of Senior Preferred Notes, Senior Non-Preferred Notes and/or Subordinated Notes qualifying as MREL Eligible Liabilities shall be subject to (i) the prior (written) permission of the Competent Authority provided that at the relevant time such permission is required to be given (including, without limitation, pursuant to Article 77 CRR) and (ii) compliance with any other pre-conditions to, or requirements applicable to, such purchase as may be required by the Competent Authority or the MREL Regulations at such time. As a result of the direct or indirect purchase or other form of funding by the Issuer, its subsidiaries or any other undertaking in which the Issuer has participation in the form of ownership (direct or by way of control) of 20% or more of the voting rights or capital of that undertaking, of any such Notes, these Notes may no longer qualify as MREL Eligible Liabilities.

(h) *Cancellation*

All Notes which are redeemed will forthwith be cancelled (together with all unmatured Receipts and Coupons attached thereto or surrendered therewith at the time of redemption, if any). All Notes so cancelled and the Notes purchased and cancelled pursuant to paragraph (i) above (together with all unmatured Receipts and Coupons cancelled therewith) shall be forwarded to the Agent and cannot be re-issued or resold.

(i) *Late Payment on Zero Coupon Notes*

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to paragraph (a), (b), (c), (d) or (e) above or upon its becoming due and repayable as provided in Condition 11 is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in paragraph (g)(iii) above as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Note becomes due and repayable were replaced by references to the date which is the earlier of:

- (i) the date on which all amounts due in respect of such Zero Coupon Note have been paid; and

- (ii) five days after the date on which the full amount of the moneys payable has been received by the Agent and notice to that effect has been given to the Noteholders, in accordance with Condition 15.

(j) **Statutory Loss Absorption and Recapitalisation of Notes**

Notes may become subject to the determination by the Resolution Authority or (acting on the decisions and instructions by the Resolution Authority) the Issuer that, without the consent of the relevant Noteholder, (a) all or part of the nominal amount of the Notes, including accrued but unpaid interest in respect thereof, must be written down, reduced, or otherwise be applied to absorb losses, subject to write-up by the Resolution Authority (such loss absorption "**Statutory Loss Absorption**") or (b) all or part of the nominal amount of the Notes, including accrued but unpaid interest in respect thereof, must be converted into (claims which may give rights to) Common Equity Tier 1 instruments (such conversion "**Recapitalisation**"), all as prescribed by the Applicable Resolution Framework, provided that all other debt instruments and other obligations of the Issuer which are expressed to rank or which rank junior to the specific type of Note in the case of bankruptcy or liquidation of the Issuer have already fully absorbed losses of the Issuer to the extent determined or required by the Resolution Authority before any write-down or conversion of such Notes pursuant to the application of this provision.

Upon any such determination (i) the relevant proportion of the outstanding nominal amount of the Notes subject to Statutory Loss Absorption or Recapitalisation shall be written down, reduced or converted into (claims which may give rights to) Common Equity Tier 1 instruments or otherwise be applied to absorb losses, subject to write-up by the Resolution Authority, as prescribed by the Applicable Resolution Framework, (ii) such Statutory Loss Absorption or Recapitalisation shall not constitute an Event of Default and (iii) Noteholders will have no further claims in respect of the amount so written down or the amount subject to conversion or otherwise as a result of such Statutory Loss Absorption or Recapitalisation, including with respect to any accrued but unpaid interest on such written down, reduced or converted amounts.

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

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

Upon any write down, reduction or conversion of a proportion of the outstanding nominal amount of the Notes or as soon as the Issuer becomes aware that this may or will occur the Issuer shall promptly give notice to the Noteholders in accordance with Condition 15. Such notice will include details of the relevant (foreseen) write-down or conversion. Failure to provide such notice will not have any impact on the effectiveness of, or otherwise invalidate, any such Statutory Loss Absorption or give Noteholders any rights as a result of such failure.

In these Conditions:

**"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 intervention, 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 and the Dutch Intervention Act.

## **9. Taxation**

All payments in respect of the Notes, Receipts 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, unless such withholding or deduction is required by applicable law. However, if such withholding or deduction is imposed or levied by or on behalf of the Netherlands or any political subdivision or any authority thereof or therein having power to tax, the Issuer will, depending on which provision is specified in the applicable Final Terms, either:

- a) make the required withholding or deduction of such taxes, duties, assessments or governmental charges for the account of the holders of the Notes, Receipts or Coupons, as the case may be, and shall not pay any additional amounts to the holders of the Notes, Receipts or Coupons; or
- b) pay such additional amounts as shall be necessary in order that the net amounts received by the holders of the Notes, Receipts or Coupons after such withholding or deduction shall equal the amount which would otherwise have been receivable in respect of the Notes, except that no such additional amounts shall be payable with respect to any Note, Receipt or Coupon:
  - i. with respect to Senior Preferred Notes, Senior Non-Preferred Notes, Subordinated Notes qualifying as MREL Eligible Liabilities or Tier 2 Notes only, any withholding or deduction in respect of payments of principal under the Senior Preferred Notes, Senior Non-Preferred Notes, Subordinated Notes qualifying as MREL Eligible Liabilities or Tier 2 Notes;
  - ii. to a Noteholder, Receiptholder or Couponholder who is liable for such taxes or duties in respect of such Note, Receipt or Coupon by reason of his having some connection with the Netherlands other than the mere holding of such Note, Receipt or Coupon or the receipt of principal or interest in respect thereof;
  - iii. to a Noteholder, Receiptholder or Couponholder who would not be liable or subject to the withholding or deduction by making a declaration of residence, non-residence or other similar document or other evidence concerning nationality, residence or identity of the Noteholder, Receiptholder or Couponholder which is needed as a precondition to exemption from all or part of such taxes or to assess whether such taxes are applicable to the respective payment but only to the extent the holder is legally entitled to provide such

information or documentation or such information or documentation is otherwise reasonably requested by the Issuer;

- iv. as of 1 January 2021, in respect of any withholding or deduction required pursuant to the Dutch Withholding Tax Act 2021 (*Wet bronbelasting 2021*) as amended from time to time; or
- v. presented for payment, where presentation is required, 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.

For the avoidance of doubt, no additional amounts will be paid by the Issuer, any Paying Agent or any other person on account of any deduction or withholding from a payment on, or in respect of, the Notes, Receipts or Coupons where such deduction or withholding is required pursuant to an agreement described in Section 1471(b) of the Revenue Code or otherwise imposed pursuant to sections 1471 through 1474 of the Revenue Code, any regulations thereunder, any official interpretations thereof, any intergovernmental agreement with respect thereto or any law implementing, or relating to, an intergovernmental agreement ("**FATCA**").

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 Noteholders in accordance with Condition 15.

#### **10. Prescription**

The Notes, Receipts and Coupons will become void unless presented for payment within a period of five years after the Relevant Date (as defined in Condition 9) therefore.

There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition or Condition 7(b) or any Talon which would be void pursuant to Condition 7(b).

#### **11. Events of Default**

If any one or more of the following events (each an "**Event of Default**") shall have occurred and be continuing:

- (i) the Issuer is declared bankrupt; 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 or this involves a solvent liquidation,

then any Noteholder may, by written notice to the Issuer at the specified office of the Agent, effective upon the date of receipt thereof by the Agent, declare the Note held by the holder to be forthwith due and payable whereupon the same shall become forthwith due and payable at the Early Redemption Amount (as described

in Condition 8(e)), together with accrued interest (if any) to the date of repayment, without presentment, demand, protest or other notice of any kind, provided that (i) repayment of the Notes under this Condition will only be effected after the Issuer has (i) obtained the prior (written) permission of the Competent Authority provided that at the relevant time such permission is required to be given (including, without limitation, pursuant to Article 77 CRR) and (ii) complied with any other pre-conditions to, or requirements applicable to, such repayment as may be required by the Competent Authority or CRD or such other regulatory capital rules applicable to the Issuer at such time.

Noteholders may not themselves petition for the bankruptcy of the Issuer or for its dissolution. Save as provided above, the sole remedy available to Noteholders to enforce any term or condition binding on the Issuer under the Notes or the Coupons, respectively, shall be to institute proceedings against the Issuer to demand specific performance (*nakoming eisen*) of any such obligation of the Issuer under or arising from the Subordinated Notes, the Senior Preferred Notes and the Senior Non-Preferred Notes or the Coupons, including, without limitation, payment of any principal or premium or satisfaction of any interest payments in respect of the Subordinated Notes, the Senior Preferred Notes and the Senior Non-Preferred Notes or the Coupons, in each case when not satisfied for a period of 14 or more days after the date on which such payment is due, but in no event shall the Issuer, by virtue of the institution of any such proceedings, be obliged to pay any sum or sums, in cash or otherwise, sooner than the same would otherwise have been payable by it. No remedy against the Issuer, other than as referred to in this Condition 11, shall be available to the Subordinated Noteholders, the Senior Preferred Noteholders and the Senior Non-Preferred Noteholders, whether for the recovery of amounts owing in respect of the Subordinated Notes, the Senior Preferred Notes and the Senior Non-Preferred Notes or the Coupons or in respect of any breach by the Issuer of any of its other obligations under or in respect of the Subordinated Notes, the Senior Preferred Notes and the Senior Non-Preferred Notes or the Coupons.

The application of Statutory Loss Absorption or Recapitalisation as set out in Condition 8 in respect of the Notes does not constitute an Event of Default.

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

Should any Note, Receipt, 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 Notes, Receipts, 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 Notes 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;
- (iii) there will at all times be an Agent; and
- (iv) there will at all times be a Paying Agent with a specified office situated outside the Netherlands.

In addition, the Issuer shall forthwith appoint a paying agent having a specified office in New York City in the circumstances described in the final paragraph of Condition 7(b). 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 to the Noteholders in accordance with Condition 15.

#### **14. Exchange of Talons**

On and after the Interest Payment Date or the Specified Interest Payment Date or for the Specified Period, as appropriate, on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of the Agent or any other Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Note to which it appertains) a further Talon, subject to the provisions of Condition 10. Each Talon shall, for the purposes of these Terms and Conditions, be deemed to mature on the Interest Payment Date or the Specified Interest Payment Date or for the Specified Period (as the case may be) on which the final Coupon comprised in the relative Coupon sheet matures.

#### **15. Notices**

All notices regarding the Notes shall be published (i) if and for so long as the Notes are listed on Euronext in Amsterdam in at least one daily newspaper of wide circulation in the Netherlands, and (ii) if and for so long as the Notes are listed on the Luxembourg Stock Exchange, on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)). It is expected that such publication in a daily newspaper will be made in *Het Financieele Dagblad*. 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 or on the date of publication on the website of the Luxembourg Stock Exchange.

Until such time as any definitive Notes 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 Note(s) is or are held in its or their entirety with a depository or a common depository on behalf of Euroclear and Clearstream, Luxembourg and/or any other relevant clearing system or a common safekeeper be substituted for publication in some or all of the newspapers referred to above, the delivery of the relevant notice to Euroclear and Clearstream, Luxembourg and/or any other relevant clearing system for communication by them to the Noteholders. Any such notice shall be deemed to have been given to the Noteholders on the seventh day after the day on which the said notice was given to Euroclear and Clearstream, Luxembourg and/or any other relevant clearing system, except that, for so long as such Notes are admitted to trading on the Luxembourg Stock Exchange and it is a requirement of applicable law or regulations, such notices shall be published on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)).

Where the identity of all the Noteholders is known to the Issuer, the Issuer may (after consultation with the relevant Stock Exchange (where relevant)) give notice individually to such holders in lieu of publication as provided above, except that, so long as the Notes are listed on Euronext in Amsterdam and the rules of such stock exchange so require, such notices will also be published in a daily newspaper of general circulation in the Netherlands.

Notices to be given by any holder of the Notes shall be in writing and given by lodging the same, together with the relative Note or Notes, with the Agent. Whilst any of the Notes are represented by a global Note, such notice may be given by any holder of a Note to the Agent via Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system as the case may be, in such manner as the Agent and Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system as the case may be, may approve for this purpose.

#### **16. Meetings of Noteholders, Modification and Waiver**

The Agency Agreement contains provisions for convening meetings of the Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Notes, the Receipts, the Coupons or certain provisions of the Agency Agreement. Such meetings may be convened by the Issuer or Noteholders holding not less than 5% in a nominal amount of the Notes for the time being remaining outstanding. The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding or representing not less than 50% in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Noteholders whatever the nominal amount of the Notes so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Notes, Receipts or Coupons (including modifying the date of maturity of the Notes or any date for payment of interest thereof, reducing or cancelling the amount of principal or the Rate of Interest payable in respect of the Notes or altering the currency of payments on the Notes, Receipts 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 nominal amount of the Notes for the time being outstanding. An Extraordinary Resolution passed at any meeting of the Noteholders shall be binding on all the Noteholders, whether or not they are present at the meeting, and on all Receiptholders and Couponholders.

The Agent and the Issuer may agree, without the consent of the Noteholders, Receiptholders or Couponholders, to:

- (i) any modification (except as mentioned above) of the Agency Agreement which is not materially prejudicial to the interests of the Noteholders; or
- (ii) any modification of the Notes, the Receipts, the Coupons or the Agency Agreement which is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of the law of the jurisdiction in which the Issuer is incorporated.

The Issuer may agree, without the consent of the Noteholders, Receiptholders or Couponholders, to any substitution or variation of Notes pursuant to and in accordance with Condition 8(d).

Any such modification, substitution or variation shall be binding on the Noteholders, the Receiptholders and the Couponholders and any such modification, substitution or variation shall be notified to the Noteholders in accordance with Condition 15 as soon as practicable thereafter.

Any amendment to Condition 8(j) or which impacts the eligibility of the Subordinated Notes as Tier 2 Notes is subject to (i) the prior (written) permission of the Competent Authority (provided that, at the relevant time, such permission is required to be given, including, without limitation, pursuant to Article 77 CRR) and (ii) compliance with any other pre-conditions to, or requirements applicable to, such amendment as may be required by the Competent Authority or CRD or such other regulatory capital rules applicable to the Issuer at such time.

Any amendment to Condition 8(j) or which impacts the Senior Preferred Notes, Senior Non-Preferred Notes and/or Subordinated Notes qualifying as MREL Eligibilities, respectively, as being eligible for purposes of the Issuer's MREL Requirement is subject to (i) the prior (written) permission of the Competent Authority (provided that, at the relevant time, such permission is required to be given, including, without limitation, pursuant to Article 77 CRR) and (ii) compliance with any other pre-conditions to, or requirements applicable to, such amendment as may be required by the Competent Authority or MREL Regulations at such time.

#### **17. Further Issuances**

The Issuer shall be at liberty from time to time without the consent of the Noteholders, Receipholders or Couponholders to create and issue further notes having terms and conditions the same as the Notes or the same in all respects save for the amount and date of the first payment of interest thereon and so that the same shall be consolidated and form a single Series with the outstanding Notes.

#### **18. Substitution of the Issuer**

- (a) The Issuer may, without any further consent of the Noteholders or Couponholders being required, when no payment of principal of or interest on any of the Notes is in default and in case of Tier 2 Notes and Senior Preferred Notes, Senior Non-Preferred Notes and/or Subordinated Notes qualifying as MREL Eligible Liabilities, respectively, after (i) (written) permission of the Competent Authority, (provided that, at the relevant time, such permission is required to be given, including, without limitation, pursuant to Article 77 CRR) and (ii) compliance with any other pre-conditions to, or requirements applicable to, such replacement and substitution as may be required by the Competent Authority, MREL Regulations or CRD or such other regulatory capital rules applicable to the Issuer at such time, be replaced and substituted by any directly or indirectly wholly owned subsidiary of the Issuer (the "**Substituted Debtor**") as principal debtor in respect of the Notes and the related Receipts and Coupons provided that:
- (i) such documents shall be executed by the Substituted Debtor and the Issuer as may be necessary to give full effect to the substitution (the "**Documents**") and (without limiting the generality of the foregoing) pursuant to which the Substituted Debtor shall undertake in favour of each Noteholder and Couponholder to be bound by the Terms and Conditions of the Notes and the provisions of the Agency Agreement as fully as if the Substituted Debtor had been named in the Notes and the related Receipts and Coupons and the Agency Agreement as the principal debtor in respect of the Notes and the relevant Receipts and Coupons in place of the Issuer and pursuant to which the Issuer shall guarantee, which guarantee shall be unconditional and irrevocable, (the "**Guarantee**") in favour of each Noteholder and each holder of the related Receipts and Coupons the payment of all sums (including any additional amounts payable pursuant to Condition 9) payable in respect of the Notes and the related Receipts and Coupons;
  - (ii) where the Substituted Debtor is incorporated, domiciled or resident for taxation purposes in a territory other than the Netherlands, the Documents shall contain a covenant and/or such other provisions as

may be necessary to ensure that each Noteholder has the benefit of a covenant in terms corresponding to the provisions of Condition 9 with the substitution for the references to the Netherlands of references to the territory in which the Substituted Debtor is incorporated, domiciled and/or resident for taxation purposes. The Documents shall also contain a covenant by the Substituted Debtor and the Issuer to indemnify and hold harmless each Noteholder and Couponholder against all liabilities, costs, charges and expenses, which may be incurred by or levied against such holder as a result of any substitution pursuant to this Condition and which would not have been so incurred or levied had such substitution not been made (and, without limiting the foregoing, such liabilities, costs, charges and expenses shall include any and all taxes or duties which are imposed on any such Noteholder or Couponholder by any political sub-division or taxing authority of any country in which such Noteholder or Couponholder resides or is subject to any such tax or duty and which would not have been so imposed had such substitution not been made);

- (iii) the Documents shall contain a warranty and representation by the Substituted Debtor and the Issuer (a) that each of the Substituted Debtor and the Issuer has obtained all necessary governmental and regulatory approvals and consents for such substitution and the performance of its obligations under the Documents, and that all such approvals and consents are in full force and effect and (b) that the obligations assumed by each of the Substituted Debtor and the Issuer under the Documents are all valid and binding in accordance with their respective terms and enforceable by each Noteholder;
  - (iv) each stock exchange which has Notes listed thereon shall have confirmed that following the proposed substitution of the Substituted Debtor such Notes would continue to be listed on such stock exchange;
  - (v) the Substituted Debtor shall have delivered to the Agent or procured the delivery to the Agent of a legal opinion from a leading firm of lawyers in the jurisdiction in which the Substituted Debtor is situated to the effect that the Documents and the Substituted Debtor's obligations under the Notes, Receipts and Coupons will constitute legal, valid and binding obligations of the Substituted Debtor, such opinion to be dated not more than three days prior to the date of substitution of the Substituted Debtor for the Issuer and to be available for inspection by Noteholders and Couponholders at the specified office of the Agent;
  - (vi) the Issuer shall have delivered to the Agent or procured the delivery to the Agent of a legal opinion from a leading firm of Dutch lawyers to the effect that the Documents (including the Guarantee) will constitute legal, valid and binding obligations of the Issuer, such opinion to be dated not more than three days prior to the date of substitution of the Substituted Debtor for the Issuer and to be available for inspection by Noteholders and Couponholders at the specified office of the Agent; and
  - (vii) the Issuer shall have delivered to the Agent or procured the delivery to the Agent of a legal opinion from a leading firm of Dutch lawyers to the effect that the Documents (including the Guarantee) constitute legal, valid and binding obligations of the Substituted Debtor and the Issuer under Dutch law, such opinion to be dated not more than three days prior to the date of substitution of the Substituted Debtor for the Issuer and to be available for inspection by Noteholders and Couponholders at the specified office of the Agent.
- (b) In connection with any substitution effected pursuant to this Condition, neither the Issuer nor the Substituted Debtor need have any regard to the consequences of any such substitution for individual Noteholders or Couponholders resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory and no Noteholder or Couponholder, except as provided in Condition 18(a)(ii), shall be entitled to claim from the Issuer or any Substituted Debtor under the

Notes and the related Receipts and Coupons any indemnification or payment in respect of any tax or other consequences arising from such substitution.

- (c) In respect of any substitution pursuant to this Condition in respect of the Subordinated Notes of any Series, the Documents shall provide for such further amendment of the Terms and Conditions of the Subordinated Notes as shall be necessary to ensure that the Subordinated Notes of such Series constitute subordinated obligations of the Substituted Debtor and that the Guarantee constitutes a subordinated obligation of the Issuer, in each case subordinated to no greater than the same extent as the Issuer's obligations prior to its substitution to make payments of principal in respect of the Subordinated Notes of such Series under Condition 4 of the Terms and Conditions. In respect of any substitution pursuant to this Condition in respect of the Senior Non-Preferred Notes of any Series, the Documents shall provide for such further amendment of the Terms and Conditions of the Senior Non-Preferred Notes as shall be necessary to ensure that the Senior Non-Preferred Notes of such Series constitute any present and future claims in respect of unsubordinated and unsecured obligations of the Substituted Debtor, which have a lower ranking within the meaning of Article 212rb of the Dutch Bankruptcy Act (*Faillissementswet*) (or any other provision implementing Article 108 of Directive 2014/59/EU, as amended by the Article 108 Amending Directive, in the Netherlands), and that the Guarantee constitutes an unsubordinated and unsecured obligation of the Issuer with a similar ranking as those of the Substituted Debtor, in each case subordinated to no greater than the same extent as the Issuer's obligations prior to its substitution to make payments of principal in respect of the Senior Non-Preferred Notes of such Series under Condition 4 of the Terms and Conditions (unless it is not legally possible for the Guarantee to have such a similar ranking, in which case the Guarantee may constitute a subordinated obligation of the Issuer).
- (d) With respect to Subordinated Notes that qualify as Tier 2 Notes, the Issuer shall be entitled, after (i) (written) permission of the Competent Authority (provided that, at the relevant time, such permission is required to be given, including, without limitation, pursuant to Article 77 CRR) and (ii) compliance with any other pre-conditions to, or requirements applicable to, such waiver as may be required by the Competent Authority or CRD or such other regulatory capital rules applicable to the Issuer at such time, by notice to the Noteholders given in accordance with Condition 15, at any time either to effect a substitution which does not comply with paragraph (c) above provided that the terms of such substitution have been approved by an Extraordinary Resolution of the Noteholders or to waive all and any rights to effect a substitution of the principal debtor pursuant to this Condition. Any such notice of waiver shall be irrevocable. With respect to Senior Preferred Notes, Senior Non-Preferred Notes and/or Subordinated Notes qualifying as MREL Eligibilities, respectively, the Issuer shall be entitled, after (i) (written) permission of the Competent Authority ) (provided that, at the relevant time, such permission is required to be given, including, without limitation, pursuant to Article 77 CRR) and (ii) compliance with any other pre-conditions to, or requirements applicable to, such waiver as may be required by the Competent Authority or the MREL Regulations at such time, by notice to the Noteholders given in accordance with Condition 15, at any time either to effect a substitution which does not comply with paragraph (c) above provided that the terms of such substitution have been approved by an Extraordinary Resolution of the Noteholders or to waive all and any rights to effect a substitution of the principal debtor pursuant to this Condition. Any such notice of waiver shall be irrevocable.
- (e) Upon the execution of the Documents as referred to in paragraph (a) above, the Substituted Debtor shall be deemed to be named in the Notes and the related Receipts and Coupons as the principal debtor in place of the Issuer and the Notes and the related Receipts and Coupons shall thereupon be deemed to be amended to give effect to the substitution. The execution of the Documents shall operate to release the Issuer as issuer from all of its obligations as principal debtor in respect of the Notes and the related Receipts and Coupons save that any claims under the Notes and the related Receipts and Coupons prior to release shall inure for the benefit of Noteholders and Couponholders.

- (f) The Documents shall be deposited with and held by the Agent for so long as any Notes or Coupons remain outstanding and for so long as any claim made against the Substituted Debtor by any Noteholder or Couponholder in relation to the Notes or the related Receipts and Coupons or the Documents shall not have been finally adjudicated, settled or discharged. The Substituted Debtor and the Issuer shall acknowledge in the Documents the right of every Noteholder and Couponholder to the production of the Documents for the enforcement of any of the Notes or the related Receipts and Coupons or the Documents.
- (g) Not later than 15 Business Days after the execution of the Documents, the Substituted Debtor shall give notice thereof to the Noteholders in accordance with Condition 15.

**19. *Governing Law and Submission to Jurisdiction***

- (a) The Agency Agreement, the Notes, the Receipts and the Coupons are governed by, and shall be construed in accordance with, Dutch law, including the choice of court agreement set out below in Condition 19(b).
- (b) The Issuer submits for the exclusive benefit of the Noteholders, the Receiptholders and the Couponholders to the jurisdiction of the courts of Amsterdam, the Netherlands, judging in first instance, and in its appellate courts. Without prejudice to the foregoing, the Issuer further irrevocably agrees that any suit, action or proceedings arising out of or in connection with the Agency Agreement, the Notes, the Receipts and the Coupons may be brought in any other court of competent jurisdiction.

## PART 2: FORM OF FINAL TERMS

Copies of the Final Terms will be provided by the Issuer upon request. [In addition, in case of Notes listed on Euronext in Amsterdam, the Final Terms will be displayed on the website of Euronext Amsterdam (<https://www.euronext.com/>) and in case of Notes listed on the Luxembourg Stock Exchange, on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu))].

Set out below is the form of Final Terms which will be completed for each Tranche of Notes issued under the Programme.

### Final Terms

de Volksbank N.V.

*(incorporated under Dutch law as a public limited liability company and having its corporate seat in Utrecht)*

Legal Entity Identifier (LEI): 724500A1FNICHSDF2111

Issue of [up to] [Aggregate Nominal Amount of Tranche] [Title of Notes] (the "**Notes**") issued under the Debt Issuance Programme of de Volksbank.

dated [•]

This document constitutes the Final Terms of the issue of Notes under the Debt Issuance Programme (the "**Programme**") of de Volksbank N.V. (the "**Issuer**"), described herein for the purposes of Article 8 of Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"). It must be read in conjunction with the base prospectus pertaining to the Programme, dated 15 October 2020 (the "**Base Prospectus**") and any amendments or supplements thereto, which together constitute a base prospectus for the purposes of the Prospectus Regulation. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus and any amendments or supplements thereto. The Base Prospectus and any amendments and/or supplements thereto are available for viewing at [www.volksbank.nl](http://www.volksbank.nl) as well as at the office of the Issuer at Croeselaan 1, 3521 BJ, Utrecht, the Netherlands, where copies may also be obtained (free of charge). Any information contained in or accessible through any website, including [www.volksbank.nl](http://www.volksbank.nl), does not form a part of the Base Prospectus, unless specifically stated in the Base Prospectus, in any supplement hereto or in any document incorporated or deemed to be incorporated by reference in the Base Prospectus that all or any portion of such information is incorporated by reference in the Base Prospectus.

**PROHIBITION OF SALES TO EEA and UK RETAIL INVESTORS** - The Notes shall not be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (the "**EEA**") or in the United Kingdom (the "**UK**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the "**Insurance Distribution 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 Regulation). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA or in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA or in the UK may be unlawful under the PRIIPs Regulation.

*MiFID II Product governance / Professional investors and eligible counterparties only target market:*

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

*[The following language applies if the first Tranche of the Series of Notes is issued under the current base prospectus]*

[These Final Terms are to be read in conjunction with the Terms and Conditions of the Notes (the "**Terms and Conditions**") set forth in chapter 2, Part 1 of the Base Prospectus. The Terms and Conditions as completed by these Final Terms constitute the conditions (the "**Conditions**") of the Notes. Capitalised terms not defined herein will have the same meaning as in the Terms and Conditions. All references to numbered Conditions and sections are to Conditions and sections of the Terms and Conditions set forth in chapter 2, Part 1 of the Base Prospectus.]

*[The following alternative language applies if the first Series or Tranche of an issuance which is being increased was issued under a Base Prospectus with an earlier date.]*

[Terms used herein shall be deemed to be defined as such, to the extent they apply to the previously issued "Senior Notes" and/or Senior Preferred Notes (as may be the case), in [the terms and conditions as referred to on pages 100 up to and including 144 of the base prospectus of the Issuer relating to the Programme, dated 19 October 2018 (the "**2018 Terms and Conditions**") [the terms and conditions as referred to on pages 91 up to and including 135 of the base prospectus of the Issuer relating to the Programme, dated 17 October 2019 (the "**2019 Terms and Conditions**") which have been incorporated by reference in, and forms part of the base prospectus dated 15 October 2020[, as supplemented by the supplement to this base prospectus dated [insert date]] (the "**Base Prospectus**"). These Final Terms contain the final terms of the Notes and must be read in conjunction with the Base Prospectus, save in respect of the 2018 Terms and Conditions and the 2019 Terms and Conditions incorporated by reference therein which are attached hereto. Together, the Base Prospectus and these Final Terms constitute a base prospectus for the purposes of the Prospectus Regulation. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 8 of the Prospectus Regulation and must be read in conjunction with the Base Prospectus.]

*[Include whichever of the following apply or specify as 'Not Applicable' (N/A). Note that the numbering should remain as set out below, even if 'Not Applicable' is indicated for individual paragraphs or sub-paragraphs. Italics denote directions for completing the Final Terms.]*

*[When completing any final terms, consideration should be given as to whether such terms constitute 'significant new factors' and consequently trigger the need for a supplement to the Base Prospectus under Article 23 of the Prospectus Regulation, the publication of which would in turn trigger the investors' right to withdraw their acceptances within a period of two Business Days.]*

*[Consider whether a drawdown prospectus is necessary in order to issue fungible Notes where the first tranche was issued pursuant to a previous information memorandum/base prospectus. This could arise in circumstances where, for example, the Final Terms for the original tranche included information which is no longer permitted to be included in final terms under the Prospectus Regulation or pursuant to guidance issued by ESMA.]*

- (1) Issuer: de Volksbank N.V.
- (2) (i) Series Number: [ ]
- (ii) Tranche Number: [ ] *(If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible)*
- (iii) Date on which the Notes become fungible: [Not Applicable/The Notes shall be consolidated, form a single series and be interchangeable for trading purposes with the *[insert earlier Tranches]* on *[[insert date]/the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph 25 below [which is expected to occur on or about [insert date]].]*
- (3) Specified Currency or Currencies: [ ]
- (4) Aggregate Nominal Amount [ ]
- (i) Series : [Up to]
- (ii) Tranche: [Up to]
- (5) Issue Price of Tranche: [ ] per cent. of the Aggregate Nominal Amount [plus accrued interest from *[insert date]* (in the case of fungible issuances only, if applicable)]
- (6) (i) Specified Denominations: [ ]
- (Notes may not be issued in denominations less than €100,000 or the equivalent thereof in any other currency).*
- (Note – Please use the following sample wording: '[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000]. No Notes in definitive form will be issued with a denomination above [€199,000].')*
- (ii) Calculation Amount [ ] *(If only one Specified Denomination, insert the Specified Denomination. If more than one Specified Denomination, insert the highest common factor. Note: There must be a common factor in the case of two or more Specified Denominations.)*
- (7) (i) Issue Date: [ ]

- (ii) Interest Commencement Date (if different from the Issue Date): [Specify/Issue Date/ Not applicable]
- (8) Maturity Date: [Fixed rate – specify date/Floating rate – Interest Payment Date falling in or nearest to [specify month and year]]
- (9) Interest Basis: [[ ] per cent. Fixed Rate] [[LIBOR/EURIBOR/€STR/ Compounded Daily SOFR/ Weighted Average SOFR/SONIA] +/- [ ] per cent. Floating Rate]  
 [Dual Currency Interest]  
 [Zero Coupon]  
 [Non-interest bearing]  
 (further particulars specified below)
- (10) Redemption/Payment Basis: [Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at 100 per cent. of their nominal amount.]  
 [Dual Currency Redemption]  
 [Instalment]
- (11) Change of Interest Basis Option: [Applicable/Not Applicable]  
 (If not applicable, delete the remaining sub paragraphs of this paragraph)
- (i) Interest Basis Option Period: [ ] Business Days
- (ii) Change of Interest Basis Option Period Date: [ ]/Each Interest Payment Date]
- (iii) Initial Interest Basis: [[ ] per cent. Fixed Rate]  
 [Floating Rate][LIBOR/EURIBOR/€STR/Compounded Daily SOFR/ Weighted Average SOFR/SONIA] +/- [ ] per cent.  
 [Zero Coupon]  
 [Non-interest bearing]
- (iv) Subsequent Interest Basis: [[ ] per cent. Fixed Rate]  
 [Floating Rate][LIBOR/EURIBOR/€STR/Compounded Daily SOFR/ Weighted Average SOFR/SONIA] +/- [ ] per cent.  
 [Zero Coupon]  
 [Non-interest bearing]
- (12) Put/Call Options: [Issuer Call]  
 [Regulatory Call (only if Condition 8(d) applies)]  
 [Not Applicable]  
 [(further particulars specified below)]

- (13) Status of the Notes: [Senior Preferred/Senior Non-Preferred/Subordinated [Tier 2] Notes]
- (14) Method of distribution: [Syndicated/Non-syndicated/Not applicable]
- (i) If syndicated, names and addresses of Dealers: [*insert names and addresses/Not applicable*]
- (ii) If non-syndicated, name and address of relevant Dealer: [*insert names and addresses/Not applicable*]

#### PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

- (15) Fixed Rate Note Provisions [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub- paragraphs of this paragraph)*
- (i) Rate(s) of Interest: [ ] per cent. per annum [payable [annually/semi-annually/quarterly] in arrear]
- [From (and including) [ ] up to (but excluding) [ ]] [[ ] per cent. per annum] [the aggregate of [spread of issuance of [ ] per cent. and the Mid Swap Rate [per annum] [determined by the Agent]] [payable [annually/semi-annually/quarterly/monthly/other (specify)] in arrear on each Interest Payment Date [from (and including) [ ] up to (but excluding) [ ]].]
- ["Mid Swap Rate" means the annual mid swap rate for [Euro] [US dollar] swap transactions with a maturity of [ ] years, expressed as a percentage, displayed on Reuters screen page as [ICESWAP2][ ]<sup>6</sup> (or such other page as may replace that page on Reuters, or such other service as may be designated by the [Manager(s)/Dealer(s)] in consultation with the Issuer)] at [ ] [a.m./p.m.] ([ ] time) on the [second] Business Day prior to [ ].]
- (ii) Interest Payment Date(s): [ ] in each year
- (NB: This will need to be amended in the case of long or short coupons)*
- (iii) Interest Period [ ]
- (iv) Fixed Coupon Amount(s): [ ] per Calculation Amount

---

<sup>6</sup> Dealers to indicate which other mid swap rates are commonly used.

- (v) Broken Amount(s): [ ] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [ ] / [Not Applicable]
- (vi) Business Day Convention
- Business Day Convention [Following Business Day Convention/Modified Following Business Day Convention/No adjustment/Preceding Business Day Convention]
  - Adjustment or Unadjustment for Interest Period [Adjusted] or [Unadjusted]
  - Additional Business Centre(s) [ ]/Not Applicable]
- (vii) Fixed Day Count Fraction: [Actual/Actual (ICMA)]
- (viii) Interest Determination Date(s): [[ ] in each year/Not Applicable]
- (Insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon)*
- NB: This will need to be amended in the case of regular interest payment dates which are not of equal duration.*
- NB: Only relevant where Day Count Fraction is Actual/Actual (ICMA)*
- (16) Floating Rate Note Provisions [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Specified Period(s): [ ]*[only applicable if no Specified Interest Payment Dates are set out]*
  - (ii) Specified Interest Payment Dates: [ ]
  - (iii) Business Day Convention:
    - Business Day Convention [Floating Rate Convention/ Following Business Day Convention/ Modified Following Business Day Convention/No adjustment/ Preceding Business Day Convention]
    - Adjustment or Unadjustment for Interest Period [Adjusted] or [Unadjusted]

- (iv) Additional Business Centre(s): /[Not Applicable]
- (v) Manner in which the Rate of Interest and Interest Amount is to be determined: [Screen Rate Determination/ISDA Determination]
- (vi) Party responsible for calculating the Rate of Interest and interest Amount (if not the Agent):
- (vii) Screen Rate Determination: [Applicable/Not Applicable] *(if not applicable, delete the remaining sub-paragraphs of this paragraph)*
- Reference Rate: [LIBOR/EURIBOR/€STR/Compounded Daily SOFR/Weighted Average SOFR/SONIA
  - Interest Determination Date(s):  [London Banking Days / U.S. Government Securities Business Days / TARGET Settlement Days] [prior to the [end][start] of each] [Interest Accrual Period/Interest Period]

*(Second London Business Day prior to the start of each Interest Period if LIBOR (other than Sterling LIBOR) first day of each Interest Period if Sterling LIBOR and the second day on which the TARGET2 System is operating prior to the start of each Interest Period if EURIBOR or any other inter-bank offered rate prevailing in a country in which the TARGET2 System does not apply)*
  - Observation Method: [Not Applicable/Lag/Lock-out/Shift], where Lock-out date means the date 5 [London Banking Days][U.S. Government Securities Business Days][TARGET Settlement Days] prior to the applicable Interest Payment Date]
  - Observation Look-back Period: [specify number] [London Banking Days]/[TARGET Settlement Days]/[U.S. Government Securities Business Days]

*(being no less than 5 TARGET Settlement Days or 5 U.S. Government Securities Business Days):*
  - Relevant Screen Page:
- (subject to the fallback provisions set out in Condition 6(d))
- (In the case of EURIBOR, if not Reuters EURIBOR 01 ensure it is a page which shows a composite rate)*

- Relevant Time: [ ] (For example, 11.00 a.m. London time/ Amsterdam time)
- (viii) ISDA Determination: [Applicable/Not Applicable]
  - Floating Rate Option: [ ]
  - Designated Maturity: [ ]
  - Reset Date: [ ]
- (ix) Margin(s): [+/-] [ ] per cent. per annum
- (x) Minimum Rate of Interest: [ ] per cent. per annum
- (xi) Maximum Rate of Interest: [ ] per cent. per annum
- (xii) Floating Day Count Fraction: [Actual/Actual (ISDA) Actual/365 (Fixed) Actual/360 30E/360 or Eurobond Basis 30E/360 (ISDA)]
- (17) Zero Coupon Note Provisions [Applicable/Not Applicable]
 

*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

  - (i) Accrual Yield: [ ] per cent. per annum
  - (ii) Reference Price: [ ]
- (18) Dual Currency Note Provisions [Applicable/Not Applicable]
 

*(If not applicable, delete the remaining sub paragraphs of this paragraph)*

  - (i) Rate of Exchange [Give details]
  - (ii) Party responsible for calculating the Rate of Interest and interest Amount (if not the Agent): [ ]
  - (iii) Person at whose option Specified Currency(ies) is/are payable: [ ]

- (19) Statement on benchmark[s]: [Amounts payable under the Notes may be calculated by reference to *[specify benchmark]*, which is provided by *[administrator legal name]* *[[repeat as necessary]*. As at the date of this Prospectus, *[[administrator legal name]* *[appears]/[does not appear]* *[repeat as necessary]* on the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 of the Benchmark Regulation. [As far as the Issuer is aware, *administrator legal name*], as administrator of *[specify benchmark]* *[[repeat as necessary]* *[is / are]* not required to be registered by virtue of Article 2 of that regulation] OR [the transitional provisions in Article 51 of the Benchmark Regulation apply], such that *[legal name of administrator(s)]* *[is/are]* not currently required to obtain authorisation or registration (or, if located outside the European Union or the United Kingdom, recognition, endorsement or equivalence).] *[[Not Applicable]*

#### PROVISIONS RELATING TO REDEMPTION

- (20) Issuer Call: [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Optional Redemption Date(s): [ ]
- (ii) Optional Redemption Amount(s): [ ] per Calculation Amount
- (iii) If redeemable in part:
- (a) Minimum Redemption Amount: [ ] per Calculation Amount
- (b) Maximum Redemption Amount: [ ] per Calculation Amount
- (iv) Notice period (if other than as set out in the Conditions): [ ] days (N.B. If setting notice periods which are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent)
- (21) Regulatory Call: [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Optional Redemption Amount(s): [ ] per Calculation Amount

- (ii) Notice Period (if other than as set out in the Conditions): [ ] days (N.B. If setting notice periods which are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent)
- (22) Final Redemption Amount [[ ] per Calculation Amount]
- (23) Early Redemption Amount(s) payable on redemption for taxation reasons[, redemption for illegality reasons[ or on event of default and/or the method of calculating the same (if required): [ ] per Calculation Amount
- (24) Variation or Substitution: [Applicable/Not Applicable]  
(If not applicable, delete the sub-paragraph of this paragraph)
- (i) [ALAC Event:] [Applicable/Not Applicable]

**GENERAL PROVISIONS APPLICABLE TO THE NOTES**

- (25) Form of Notes: [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes only upon the occurrence of an Exchange Event [and in case of a Temporary Global Note deposited with Euroclear Nederland only in the limited circumstances, as described in the Dutch Securities Giro Transfer Act (*Wet giraal effectenverkeer*) (as amended from time to time)]]
- [Temporary Global Note exchangeable for a Permanent Global Note which is not exchangeable for Definitive Notes upon the occurrence of an Exchange Event.]\*
- [Temporary Global Note exchangeable for Definitive Notes on and after the Exchange Date.]\*\*
- [Permanent Global Note exchangeable for Definitive Notes only upon the occurrence of an Exchange Event [and in case of a Permanent Global Note deposited with Euroclear Nederland only in the limited circumstances, as described in the Dutch Securities Giro Transfer Act (*Wet giraal effectenverkeer*) (as amended from time to time)]]
- [Permanent Global Note not exchangeable for Definitive Notes]\*\*\*

- (26) New Global Note form: [Applicable/Not Applicable]  
[Please refer to item 39(v) if applicable]
- (27) Additional Financial Centre(s) or other special provisions relating to payment Dates: [Not Applicable/give details]  
(Note that this item relates to the date and place of payment and not Interest Period end dates to which items 15(ii) and 16(ii) relate)
- (28) Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): [Yes (give details) /No]
- (29) Details relating to Instalment Notes; amount of each instalment, date on which each payment is to be made: [Applicable (give details)/ Not Applicable]
- (30) Redenomination:  
(i) Day Count Fraction applicable to Redenomination calculation: [Applicable/Not Applicable]  
[ ]
- (31) Taxation  
Whether Condition 9 first paragraph under (a) of the Notes applies (in which case Condition 8(b) of the Notes will not apply) or whether Condition 9 first paragraph under (b) of the Notes applies (in which case Condition 8(b) of the Notes will apply): [Condition 9 first paragraph under (a) applies and Condition 8(b) does not apply] [Condition 9 first paragraph under (b) applies and Condition 8(b) applies]

**OTHER PROVISIONS**

- (32) Whether TEFRA D or TEFRA C rules [TEFRA D/TEFRA C/TEFRA not applicable]
- (33) Stabilising Manager (if any): [Applicable (*give legal name*)/Not Applicable]
- (34) Listing
- (i) Listing [Euronext in Amsterdam/Luxembourg Stock Exchange]
- (ii) Admission to trading: [Application has been made for the Notes to be admitted to trading on [Euronext in Amsterdam/Luxembourg Stock Exchange regulated market] with effect from [\_\_\_], [Not Applicable].  
(Where documenting a fungible issue need to indicate that original securities are already admitted to trading.) [\_\_\_]]
- (iii) Estimate of total expenses related to admission to trading: [ ]
- (iv) Green Exchange [Application has been made for display to the Luxembourg Green Exchange] [Not Applicable]
- (35) Ratings: The Notes to be issued [have [not] been rated/are expected to be rated]:  
 [Moody's France SAS: [ ]]  
 [Fitch Ratings Ltd: [ ]]  
 [[Other]: [ ]]  
 [and endorsed by [*insert details including full legal name of credit rating agency/ies*]]

*(The above disclosure should reflect the rating allocated to Notes of the type issued under the Programme generally or, where the issue has been specifically rated, that rating.)*

Insert one (or more) of the following options, as applicable:

[*Insert full legal name of credit rating agency/ies*] [is]/[are] established in the EEA and [has]/[have each] applied for registration under Regulation (EC) No 1060/2009 (the "**CRA Regulation**"), although notification of the corresponding registration decision has not yet been provided by the [relevant competent authority]. [[*Insert full legal name of credit rating agency/ies*] [is]/[are] established in the EEA and registered under Regulation (EC) No 1060/2009 (the "**CRA Regulation**").] [[*Insert full legal name of credit rating agency/ies*] [is]/[are] not established

in the EEA and is not certified under Regulation (EU) No 1060/2009, as amended (the "**CRA Regulation**") and the rating it has given to the Notes is not endorsed by a credit rating agency established in the EEA and registered under Regulation (EC) No 1060/2009 (the "**CRA Regulation**").]

- (36) Notification
- The Netherlands Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten*) (the "**AFM**") [has been requested to provide/has provided – include first alternative for an issuance which is contemporaneous with [the update of] the Programme and the second alternative for subsequent issuances] the [names of competent authorities of host Member States] with a notification that the Base Prospectus (including any supplements thereto) has been drawn up in accordance with the Prospectus Regulation.]
- (37) Interests of Natural and Legal Persons Involved in the Issue
- [Save for any fees payable to the Dealers, so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. – *Amend as appropriate if there are other interests*]
- (38) Yield (Fixed Rate Notes only)  
Indication of yield:
- [ ]  
[The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]
- (39) Operational Information
- (i) ISIN Code: [ ]
- (ii) Common Code: [ ]
- (iii) WKN Code: [ ] [Not Applicable]
- (iv) Other relevant code: [ ] [Not Applicable]
- (v) New Global Note intended to be held in a manner which would allow Eurosystem eligibility:
- [Yes. Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intraday credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]
- [No. Whilst the designation is specified as "no" at the date of these Final Terms, should the Eurosystem eligibility

criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intraday credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]

- (vi) Offer Period: [The offer of the Notes is expected to open at [ ] hours ([ ] time) on [ ] and close at [ ] hours ([ ] time) on [ ] or such earlier or later date or time as the Issuer may determine, following consultation with the relevant Dealer where practical.] (and announce)] *[If not applicable, delete this sub-paragraph]*
- (vii) Delivery: Delivery [against/free of] payment
- (viii) Clearing System: [Euroclear / Clearstream Luxembourg / Euroclear Nederland / other alternative clearing system]
- (40) Names and address(es) of initial Paying Agent(s) (if any): [[ ] / Not Applicable]
- (41) Name and address of Additional paying agent (if any): [[ ] / Not Applicable]
- (42) Use of proceeds: [General corporate purposes][specify other][In case Green Bonds are issued, the category of Green Projects must be specified.]

### Responsibility

The Issuer declares that, the information contained herein is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import. The Issuer accepts responsibility for the information contained in these Final Terms. *[[Insert third party information]* has been extracted from [ ]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [ ], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of the Issuer:

By:

Duly authorised

By:

Duly authorised

Notes:

- \* Do not use for Temporary Global Note deposited with Euroclear Nederland.
- \*\* If selected in combination with Euroclear Nederland as clearing system, further legal advice is required.
- \*\*\* Do not use for Permanent Global Note deposited with Euroclear Nederland.

*- applicable Terms and Conditions to be attached -*

**REGISTERED OFFICE OF THE ISSUER**

**de Volksbank N.V.**

Croeselaan 1  
3521 BJ Utrecht  
The Netherlands

**AGENTS**

|  |   |
|--|---|
| <b>Banque Internationale à<br/>Luxembourg SA</b>   | <b>Coöperatieve Rabobank<br/>U.A.</b>               |
| 69 Route d'Esch<br>L-2953 Luxembourg<br>Luxembourg | Croeselaan 18<br>3521 CB Utrecht<br>The Netherlands |

**LEGAL ADVISERS**

To the Issuer  
**NautaDutilh N.V.**  
Beethovenstraat 400  
1082 PR Amsterdam  
The Netherlands

To the Dealer  
**Clifford Chance LLP**  
Droogbak 1A  
1013 GE Amsterdam  
The Netherlands

**AUDITOR TO THE ISSUER**

**Ernst & Young Accountants LLP**  
Antonio Vivaldistraat 150  
1083 HP Amsterdam  
The Netherlands

**AMSTERDAM LISTING AGENT**

**de Volksbank N.V.**  
Croeselaan 1  
3521 BJ Utrecht  
The Netherlands

**LUXEMBOURG LISTING AGENT**

**Banque Internationale à Luxembourg SA**

69 Route d'Esch  
L-2953 Luxembourg  
Luxembourg

**ARRANGER**

**Coöperatieve Rabobank U.A.**

Croeselaan 18  
3521 CB Utrecht  
The Netherlands

**DEALER**

**Coöperatieve Rabobank U.A.**

Croeselaan 18  
3521 CB Utrecht  
The Netherlands