ABN AMRO Bank N.V.

(incorporated in The Netherlands with its statutory seat in Amsterdam and registered in the Commercial Register of the Chamber of Commerce under number 34334259)

US$25,000,000,000 Program for the Issuance of Senior/Subordinated Medium Term Notes

Under this Debt Issuance Program (the "**Program**"), U.S. Senior Medium Term Notes (the "**Senior Notes**") and Subordinated Medium Term Notes (the "**Subordinated Notes**"; and the Senior Notes together with the Subordinated Notes herein collectively referred to as the "**Notes**") are being offered on a continuous basis by ABN AMRO Bank N.V. ("**ABN AMRO Bank**" or the "**Issuer**") from time to time through one or more of the agents appointed by the Issuer from time to time (for so long as each shall so remain, an "**Agent**" and, collectively, the "**Agents**"). The aggregate principal amount of Notes outstanding at any one time may not exceed US$25,000,000,000 (or its equivalent based upon the applicable exchange rate at the time of issuance, if any Notes are denominated in one or more non-U.S. currencies or currency units), subject to increase as described in this base prospectus (the "**Base Prospectus**"). The Senior Notes will be unsecured and unsubordinated obligations and will rank *pari passu* without any preference among themselves and with all other present and future unsecured and unsubordinated obligations, save for those preferred by mandatory and/or overriding provisions of law. The Subordinated Notes will constitute unsecured obligations of the Issuer and will rank (i) *pari passu* without any preference among themselves and with all other present and future unsecured and subordinated obligations of the Issuer (other than those subordinated obligations expressed by their terms to rank lower than the Subordinated Notes) and (ii) junior to those obligations expressed by their terms to rank in priority to the Subordinated Notes and those preferred by mandatory and/or overriding provisions of law. The Senior Notes and the Subordinated Notes are governed by the laws of The Netherlands. The Agents have agreed to use reasonable best efforts to solicit purchasers of such Notes. The Issuer may sell Notes to an Agent acting as principal for its own account for resale to investors and other purchasers. The Issuer has also reserved the right to sell, and may solicit and accept offers to purchase, Notes directly on its own behalf. The terms of each particular issue of Notes will be established by the Issuer and specified in the applicable Pricing Term Sheet and/or Final Terms (each as defined in "*Important Information*"). The Notes have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") or any U.S. state securities law, and are being offered and sold, (A) within the United States to "qualified institutional buyers" ("**QIBs**") as defined in Rule 144A under the Securities Act ("**Rule 144A**") in reliance upon the exemption from the registration requirements of the Securities Act provided by Rule 144A or another exemption from, or in a transaction not subject to, the registration requirements of the Securities Act, and (B) in an offshore transaction to a non-U.S. person within the meaning of Regulation S in accordance with Rule 903 or 904 of Regulation S under the Securities Act ("**Regulation S**"), in each case in accordance with applicable securities laws of any state of the United States. Prospective purchasers are hereby notified that the seller of the Notes may be relying on an exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A. The Issuer reserves the right to withdraw, cancel or modify the offer made hereby without notice. The Issuer or the Agents may reject any offer to purchase Notes, in whole or in part. See "*Plan of Distribution*".

Application has been made to Euronext Amsterdam N.V. for certain Notes issued under the Program for the period of 12 months from the date of this Base Prospectus to be admitted to listing and trading on Euronext Amsterdam, the regulated market of Euronext Amsterdam N.V. ("**Euronext Amsterdam**"). In addition, Notes issued under the Program may be listed or admitted to trading, as the case may be, on any other stock exchange or market specified in the applicable Pricing Term Sheet and/or Final Terms. The Issuer may also issue unlisted Notes under the Program.

Prospective investors should carefully consider the risks described under the section headed "*Risk Factors*" beginning on page 12 of this Base Prospectus prior to making an investment decision with respect to the Notes.

EACH INITIAL AND SUBSEQUENT PURCHASER OF THE NOTES OFFERED HEREBY IN MAKING ITS PURCHASE WILL BE DEEMED TO HAVE MADE CERTAIN ACKNOWLEDGMENTS, REPRESENTATIONS AND AGREEMENTS AS SET FORTH IN THIS BASE PROSPECTUS INTENDED TO RESTRICT THE RESALE OR OTHER TRANSFER OF NOTES AND MAY IN CERTAIN CIRCUMSTANCES BE REQUIRED TO PROVIDE CONFIRMATION OF COMPLIANCE WITH SUCH RESALE OR TRANSFER RESTRICTIONS DESCRIBED IN "*NOTICE TO PURCHASERS*" AND "*PLAN OF DISTRIBUTION*".

The Notes will be issued in registered, book-entry form only and will be eligible for clearance through the facilities of The Depository Trust Company ("**DTC**") and its direct and indirect participants, including Euroclear Bank S.A./N.V. ("**Euroclear**") and Clearstream Banking, *société anonyme* ("**Clearstream, Luxembourg**") or directly through Euroclear and Clearstream, Luxembourg.

Notes issued under this Program may be rated or unrated. Where an issue of Notes is rated, its rating may not necessarily be the same as the rating applicable to this Program. In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the European Community and registered under Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies (the "**CRA Regulation**") unless the rating is provided by a credit rating agency operating in the European Community before 7 June 2010 which has submitted an application for registration in accordance with the CRA Regulation and such registration is not refused. Each of Moody's Investors Service, Limited ("**Moody's**"), Standard & Poor's Credit Market Services France SAS, a division of The McGraw-Hill Companies, Inc. ("**S&P**"), Fitch Ratings Ltd. ("**Fitch**") and DBRS Rating Limited ("**DBRS**") are credit rating agencies established and operating in the European Community prior to 7 June 2010 and have submitted an application for registration in accordance with the CRA Regulation and are registered under the CRA Regulation. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency.

ABN AMRO Bank **Morgan Stanley**

BofA Merrill Lynch **Citigroup** **Goldman, Sachs & Co.** **J.P. Morgan**

BASE PROSPECTUS DATED 23 APRIL 2015

TABLE OF CONTENTS

OVERVIEW 1
RISK FACTORS 12
IMPORTANT INFORMATION 50
DOCUMENTS INCORPORATED BY REFERENCE 54
AVAILABLE INFORMATION 56
FORWARD-LOOKING STATEMENTS 57
ENFORCEMENT OF CIVIL LIABILITIES; SERVICE OF PROCESS 59
EXCHANGE RATE AND CURRENCY INFORMATION 60
USE OF PROCEEDS 61
PRESENTATION OF FINANCIAL INFORMATION 62
THE ISSUER 63
1. ABN AMRO BANK N.V. 63
2. SHAREHOLDER, GROUP AND CONTROL 90
3. MANAGEMENT AND GOVERNANCE 95
4. OPERATING AND FINANCIAL REVIEW 102
5. SELECTED STATISTICAL INFORMATION 156
BOOK ENTRY, DELIVERY, FORM AND SETTLEMENT 169
FORM OF SENIOR NOTES FINAL TERMS 179
TERMS AND CONDITIONS OF THE SENIOR NOTES 193
FORM OF SUBORDINATED NOTES FINAL TERMS 235
TERMS AND CONDITIONS OF THE SUBORDINATED NOTES 248
SPECIAL PROVISIONS RELATING TO FOREIGN CURRENCY NOTES 292
TAXATION 293
BENEFIT PLAN INVESTOR CONSIDERATIONS 304
PLAN OF DISTRIBUTION 306
LEGAL MATTERS 313
GENERAL INFORMATION 314
SELECTED DEFINITIONS AND ABBREVIATIONS 318

NOTICE TO PURCHASERS

THE ISSUER HAS NOT REGISTERED THE NOTES NOR DOES THE ISSUER INTEND TO, OR HAVE ANY OBLIGATION TO, REGISTER THE NOTES PURSUANT TO THE SECURITIES ACT OR UNDER THE SECURITIES LAWS OF ANY STATE AND THE NOTES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION (THE "**SEC**"), ANY STATE SECURITIES COMMISSION IN THE UNITED STATES OR ANY OTHER U.S. REGULATORY AUTHORITY. NEITHER THE SEC NOR ANY OF THE FOREGOING AUTHORITIES HAS PASSED UPON THE ACCURACY OR ADEQUACY OF THIS BASE PROSPECTUS OR ANY SUPPLEMENT HERETO. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE IN THE UNITED STATES. THE NOTES ARE BEING OFFERED AND SOLD TO QIBS IN RELIANCE UPON THE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT PROVIDED BY RULE 144A OR ANOTHER EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, AND IN AN OFFSHORE TRANSACTION TO A NON-U.S. PERSON WITHIN THE MEANING OF REGULATION S IN ACCORDANCE WITH RULE 903 OR 904 OF REGULATION S UNDER THE SECURITIES ACT.

This Base Prospectus has been prepared by ABN AMRO Bank solely for use in connection with the proposed offering of Notes described in this Base Prospectus. Each initial and subsequent purchaser of a Note or Notes offered hereby in making its purchase will be deemed to have acknowledged, represented and agreed as follows:

1. The Notes have not been and will not be registered under the Securities Act or any other applicable securities law and, accordingly, none of the Notes may be offered, sold, transferred, pledged, encumbered or otherwise disposed of unless either registered pursuant to, or in a transaction not subject to the registration requirements under, the Securities Act and any other applicable securities law.

2. It acknowledges that this Base Prospectus has been prepared in accordance with the rules and regulations of Euronext Amsterdam, the Dutch *Stichting Autoriteit Financiële Markten* ("**AFM**"), the Dutch Financial Markets Supervision Act (*Wet op het financieel toezicht*) and its subordinate and implementing decrees and regulations ("**Wft**") and Article 5.4 of Directive 2003/71/EC, as amended or supplemented from time to time (the "**Prospectus Directive**"), which have disclosure requirements that are different from those of the United States. In particular, this Base Prospectus does not include certain statistical disclosures in the form that would be required in offerings registered under the Securities Act.

3. It acknowledges that the financial information included or incorporated by reference in this Base Prospectus has been prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("**IFRS-EU**"), and thus may not be comparable to financial information of U.S. companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the United States ("**U.S. GAAP**"). In particular, initial and subsequent purchasers acknowledge the disclosures related to ABN AMRO Bank set out in the sections entitled "*Risk Factors*" and "*Presentation of Financial Information*" relating to the financial information included or incorporated by reference in this Base Prospectus.

4. Either (A) it is a QIB and is purchasing for its own account or solely for the account of one or more accounts for which it acts as a fiduciary or agent, each of which account is a QIB, and such purchaser acknowledges that it is aware that the seller may rely upon the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A or (B) it is a purchaser acquiring such Notes in an offshore transaction within the meaning of Regulation S and that it is

not a "**U.S. Person**" (as defined in Regulation S) and is not acquiring such Notes for the account or benefit of a U.S. Person.

5. It agrees on its own behalf and on behalf of any institutional account for which it is purchasing Notes, to offer, sell or otherwise transfer such Notes (A) only in minimum principal amounts of US$200,000 or, in the case of Notes not denominated in U.S. dollars ("**Foreign Currency Notes**"), the equivalent thereof in such foreign currency, rounded down to the nearest 100,000 units of such foreign currency, and integral multiples of US$1,000 or, in the case of Foreign Currency Notes, 1,000 units of such foreign currency in excess thereof, provided that in no event the minimum denomination will be lower than EUR 100,000 or the equivalent thereof at the date of issue of the relevant Notes and (B) prior to the date that is one year (or such shorter period of time as permitted by Rule 144(b) under the Securities Act) after the later of (i) the original issue date of such Notes (or any subsequent reopening) and (ii) the last date on which the Issuer thereof or any affiliate of the Issuer was the beneficial owner of such Notes (or any predecessor of such Notes) only (a) pursuant to the exemption from the registration requirements of the Securities Act provided by either Rule 144A or Regulation S, (b) to the Issuer or any of its subsidiaries or an Agent that is a party to the Private Placement Agreement dated 9 November 2010, as amended and restated on 23 April 2015, referred to in this Base Prospectus or (c) pursuant to an exemption from such registration requirements as confirmed in an opinion of counsel satisfactory to the Issuer. It acknowledges that each Note will contain a legend substantially to the effect of the foregoing paragraph 1 and this paragraph 5.

6. It acknowledges that the Registrar referred to herein will register the transfer of any Definitive Note resold or otherwise transferred by such purchaser pursuant to clauses (a) or (c) of the foregoing paragraph 5 only: (A) in the case of a sale or other transfer pursuant to such clause (a), upon receipt from the transferor of a certificate to the effect that the person making such certification is acquiring such Note (or beneficial interest) for its own account or one or more accounts with respect to which it exercises sole investment discretion and that it and each such account is a QIB; (B) in the case of a sale or other transfer pursuant to such clause (c), upon receipt of an opinion of counsel satisfactory to the Issuer.

7. Either (A) it is not (i) an employee benefit plan subject to Title I of the U.S. Employee Retirement Income Security Act of 1974, as amended ("**ERISA**"), (ii) a plan subject to Section 4975 of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**"), (iii) an entity whose underlying assets include, or are deemed for purposes of ERISA or the code to include "plan assets" by reason of such plan investment in the entity, or (iv) a governmental, church or other plan ("**non-ERISA arrangement**") subject to provisions under applicable federal, state, local or non-U.S. law that are similar to the requirements of section 404 of ERISA or Section 4975 of the Code ("**similar law**") or (B) its purchase and holding of such Notes will not constitute or result in a non-exempt prohibited transaction under Section 404 of ERISA or 4975 of the Code or, in the case of a non-ERISA arrangement, its purchase and holding of such Notes will not constitute or result in a non-exempt violation of the provisions of any similar law.

8. It acknowledges that the Issuer, any Agents and others will rely upon the truth and accuracy of the foregoing acknowledgments, representations and agreements and it agrees that, if any of the acknowledgments, representations or warranties deemed to have been made by it in connection with its purchase of Notes are no longer accurate, it shall promptly notify the Issuer and, if applicable, any Agent through which it purchased any Notes. If it is acquiring any Notes as a fiduciary or agent for one or more institutional accounts, it represents that it has sole investment discretion with respect to each such institutional account and that it has full power to make the

foregoing acknowledgments, representations and agreements on behalf of each such institutional account.

Each person receiving this Base Prospectus and any supplement (including any applicable Pricing Term Sheet and/or the Final Terms (each as defined in "*Overview—The Program and Terms and Conditions of the Notes*"), as the case may be) acknowledges that (i) such person has been afforded an opportunity to request from the Issuer and to review, and has received, all additional information considered by it to be necessary to verify the accuracy and completeness of the information contained herein, (ii) it has not relied on any Agent or any person affiliated with any Agent in connection with its investigation of the accuracy and completeness of such information or its investment decision and (iii) no person has been authorized to give any information or to make any representation concerning the Issuer or the Notes offered hereby other than those contained herein or incorporated by reference and, if given or made, such other information or representation should not be relied upon as having been authorized by the Issuer or any Agent.

By accepting delivery of this Base Prospectus, each person receiving it agrees not to make any photocopies of this Base Prospectus or any documents referred to herein and not to use any information herein for any purpose other than considering an investment in the Notes.

This Base Prospectus and any Pricing Term Sheet and/or Final Terms, as the case may be, do not constitute, and are not being used by the Issuer, any Agent or any affiliate and may not be used for the purposes of, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation, and no action is being taken to permit an offering of the Notes or the distribution of this Base Prospectus or any Pricing Term Sheet and/or Final Terms, as the case may be, in any jurisdiction where such action is required.

Notwithstanding anything to the contrary contained herein, a holder (and each employee, representative, or other agent of a Noteholder) may disclose to any and all persons, without limitation of any kind, the tax treatment and tax structure of the transactions described in this Base Prospectus and all materials of any kind that are provided to the holder relating to such tax treatment and tax structure (as such terms are defined in Treasury Regulation section 1.6011-4). This authorization of tax disclosure is retroactively effective to the commencement of discussions with holders regarding the transaction contemplated herein.

NOTICE TO NEW HAMPSHIRE RESIDENTS

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENCE HAS BEEN FILED UNDER CHAPTER 421 B OF THE NEW HAMPSHIRE REVISED STATUTES WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENCED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE OF NEW HAMPSHIRE THAT ANY DOCUMENT FILED UNDER RSA 421 B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSONS, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE OR CAUSE TO BE MADE TO ANY PROSPECTIVE PURCHASER, CUSTOMER OR CLIENT, ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

OVERVIEW

This overview must be read as an introduction to this Base Prospectus and any decision to invest in any Notes should be based on a consideration of this Base Prospectus as a whole, including the documents incorporated by reference herein. Due to the complex nature of ABN AMRO's recent corporate history, selected definitions are used throughout this Overview (see "Selected Definitions and Abbreviations—Definitions" on page 318 for a concise overview of selected definitions used throughout this Base Prospectus).

The Bank

ABN AMRO is a full-service bank, with a primary focus on The Netherlands and selective operations internationally, serving retail private and corporate banking clients based on an in-depth financial expertise and extensive knowledge of numerous industry sectors. ABN AMRO is also internationally active in a number of specialized activities such as Energy, Commodities & Transportation ("**ECT**") and Clearing, private banking and asset based lending in a select number of countries.

History and recent developments

The formation of ABN AMRO is the result of various legal and operational separations, combinations and restructurings arising from the acquisition of ABN AMRO Holding N.V. by the Consortium in October 2007. In October 2008, the Dutch State acquired Fortis Bank Nederland (Holding) N.V. ("**FBN**"). In December 2008, the Dutch State directly acquired FBN's interest in RFS Holdings B.V. This interest comprised Dutch commercial clients (small and medium enterprises ("**SMEs**") and corporates), Dutch consumer clients and Dutch and international private clients (including the international diamonds and jewellery business) of the Former ABN AMRO Group.

As a result of the Legal Demerger and Legal Separation, ABN AMRO Bank was formally separated from the Former ABN AMRO Group and transferred to ABN AMRO Group N.V. by 1 April 2010. Effective 1 July 2010, FBN and ABN AMRO Bank merged to form the new ABN AMRO Bank N.V., a wholly-owned subsidiary of ABN AMRO Group N.V.

EC Remedy

On 1 April 2010, ABN AMRO completed the sale of the EC Remedy Businesses to Deutche Bank. This sale was a prerequisite set by the European Commission for the integration of the Dutch State acquired businesses and FBN into the new ABN AMRO Bank. The operational separation of the EC Remedy Businesses was finalized in 2012. The sale of the EC Remedy Businesses to Deutsche Bank included a financial guarantee that covered part of the potential credit losses on the portfolio existing at the time of the closing of the transaction (the "**Credit Umbrella**") and a cross liability with New HBU II N.V. In 2012, the Credit Umbrella was terminated.

State Ownership and the role of NLFI

The Dutch State keeps all options open for a return to the private market for ABN AMRO, but has indicated it favors an Initial Public Offering ("**IPO**"). In August 2013, the Dutch Minister of Finance sent a letter to Parliament, stating, amongst others that an IPO is the most realistic exit strategy for ABN AMRO and that the final decision will depend on four prerequisites: (a) the financial sector is stable, (b) the market is ready, (c) ABN AMRO is ready and (d) the intention is to recover as much as possible of the total investments. In the meantime, ABN AMRO has started IPO preparations. A decision on the timing of the IPO has not yet been taken as of the date of this Base Prospectus, and *Stichting*

administratiekantoor beheer financiële instellingen (trade name NL Financial Investments, "**NLFI**") remains the sole shareholder of ABN AMRO until the IPO.

Figures at a glance

In 2014, ABN AMRO's results of operations are presented based on underlying results. Underlying results are non-IFRS measures and have not been audited or reviewed. Management believes these underlying results provide a better understanding of the underlying trends in financial performance. The underlying results have been derived by adjusting the reported results, which are reported in accordance with IFRS, for defined Special Items (see "*The Issuer—4. Operating and Financial Review*").

Furthermore, ABN AMRO adopted the amended pension accounting standard IAS 19 as from 1 January 2013. As a result, all 2012 disclosed figures have been adjusted accordingly for comparison purposes. For 2014 and 2013, accrued interest is presented as part of the relevant balance sheets accounts, versus the separate line items (i) accrued income and prepaid expenses and (ii) accrued expenses and deferred income in previous years. This change has no impact on equity, total assets or net profit. All 2012 disclosed figures have been adjusted accordingly for comparison purposes.

In 2014, ABN AMRO generated underlying net profit of EUR 1,551 million (2013: underlying net profit of EUR 752 million), had an underlying cost/income ratio of 60% (2013: 64% underlying), assets under management ("**AuM**") of EUR 190.6 billion (as at 31 December 2013: EUR 168.3 billion), total assets of EUR 386.9 billion (as at 31 December 2013: EUR 372.0 billion), risk exposure amount of EUR 109.6 billion (as at 31 December 2013: EUR 109.0 billion) and a Tier 1 ratio of 14.6% phase–in (as at 31 December 2013: 14.3% phase-in).

Selected consolidated financial information

	Year ended 31 December	
	2014	**2013**
	(in millions of euros)	
Net interest income	6,023	5,380
Net fee and commission income	1,691	1,643
Other operating income [1]	341	423
Operating income	*8,055*	*7,446*
Personnel expenses	2,396	2,320
Other expenses	2,453	2,413
Operating expenses	*4,849*	*4,733*
Operating result	***3,206***	***2,713***
Impairment charges on loans and other receivables	1,171	1,667
Profit/(loss) before tax	***2,035***	***1,046***
Income tax expense	484	294
Underlying profit/(loss) for the period	**1,551**	**752**
Special items	**(417)**	**408**
Reported profit/(loss) for the period	**1,134**	**1,160**

	Year ended 31 December	
	2014	**2013**
Underlying cost/income ratio	60%	64%
Underlying return on average Equity (EU IFRS)	10.9%	5.5%
Underlying net interest margin (in bps)	153	134
Underlying cost of risk [2] (in bps)	45	63

	As at 31 December	
	2014	**2013**
Assets under Management (in EUR billion)	190.6	168.3
FTEs	22,215	22,289

The Program and Terms and Conditions of the Notes

Issuer:	ABN AMRO Bank N.V.
Risk Factors:	There are certain factors that may affect the Issuer's ability to fulfill its obligations under the Notes and certain other risks related to the Notes issued under the Program. These factors and risks include risks relating to the Issuer (see "*Risk Factors—Risks relating to the Issuer's business and industry*") and factors which are material for the purpose of assessing the market risks associated with Notes issued under the Program, including in relation to the structure of a particular issue of Notes (see "*Risk Factors—Factors which are material for the purpose of assessing the market risks associated with the Notes issued under the Program*" and "*Risk Factors—Risks related to the structure of a particular issue of Notes*"). These are set out under "*Risk Factors*" below and include the fact that the Issuer's results can be adversely affected by (i) general economic conditions and other business conditions, (ii) competition, (iii) regulatory change and (iv) general banking risks including changes in interest and foreign exchange rates and operational, credit, market, liquidity and legal risks.
Program Description:	Debt Issuance Program for the issuance of Senior Medium Term Notes and Subordinated Medium Term Notes.
Arrangers:	ABN AMRO Bank and Morgan Stanley & Co. LLC.
Agents:	ABN AMRO Bank (outside U.S. only), Morgan Stanley & Co. LLC, Citigroup Global Markets Inc., Goldman, Sachs & Co., J.P. Morgan Securities LLC and Merrill Lynch, Pierce, Fenner & Smith Incorporated.
Fiscal Agent and Transfer Agent	The Bank of New York Mellon, London Branch.
U.S. Paying Agent and U.S. Registrar	The Bank of New York Mellon, New York.
European Paying Agent and European Registrar	The Bank of New York Mellon (Luxembourg) S.A.

Trustee:	None.
Size:	The aggregate principal amount (or, in the case of Notes issued at a discount from the principal amount, the aggregate initial offering price) of Notes outstanding at any time shall not exceed US$25,000,000,000 or the approximate equivalent thereof in another currency calculated as at the issue date of the relevant Notes.
Distribution:	The Issuer is offering the Notes from time to time to or through the Agents. The Issuer may also sell Notes to the Agents acting as principals for resale to QIBs and to certain persons that are not U.S. persons (as defined in Regulation S) and may sell Notes directly on its own behalf. See "*Notice to Purchasers*" and "*Plan of Distribution*". The method of distribution of each Tranche will be stated in the applicable Final Terms and/or Pricing Term Sheet.
Currencies:	Notes will be denominated in U.S. dollars unless otherwise specified in the applicable Final Terms. Subject to any applicable legal or regulatory restrictions, the Issuer may also issue Notes denominated in such currencies as may be agreed between the Issuer and the relevant Agent (if any), including, without limitation, Australian dollars, Canadian dollars, Euro, Hong Kong dollars, New Zealand dollars, Sterling, Swiss francs and Japanese yen. See "*Special Provisions Relating to Foreign Currency Notes*".
Maturities:	Any maturity, subject to applicable laws, regulations and restrictions and subject, in the case of Senior Notes, to a minimum maturity of one month.
Issue Price:	Notes may be issued at any issue price which is at par or at a discount to, or premium over, par.
Use of Proceeds:	The net proceeds from each issuance of Senior Notes will be used for the general corporate purposes of ABN AMRO. The net proceeds from each issuance of Subordinated Notes may be used to strengthen or replace the capital base of ABN AMRO and/or to support the continuing growth of its business. If in respect of any particular issue of Notes, there is a particular identified use of proceeds, this will be stated in the applicable Pricing Term Sheet and/or Final Terms, as the case may be, together with the expenses of the issuance (if applicable).
Issuance in Series:	Notes will be consecutively numbered and issued in series (each a "**Series**"). Each Series may comprise one or more tranches ("**Tranches**" and each a "**Tranche**") issued on different dates. The Notes of each Series will all be subject to identical terms, whether as to currency, interest, maturity or otherwise, or terms which are identical except that the issue dates, the amount of the first payment of interest and/or the denomination thereof may be different. The Notes of each Tranche will all be subject to identical terms in all respects except that a Tranche may comprise Notes of different denominations.

Form of Notes and Clearance:

The Notes may be offered (i) within the United States to QIBs in reliance on the exemption from the registration requirements of the Securities Act provided by Rule 144A or another exemption from, or transaction not subject to, the registration requirements of the Securities Act or (ii) in an offshore transaction to a non U.S. person within the meaning of Regulation S in accordance with Rule 903 or Rule 904 of Regulation S under the Securities Act, in each case in accordance with any applicable securities laws of any state of the United States.

Depending on where the relevant Notes are offered, the Notes will clear through one or more of DTC, Euroclear and Clearstream, Luxembourg or any successor thereto. Notes sold pursuant to an offering under the Program will be issued in global registered form (each, a "**Global Certificate**"). Notes sold pursuant to an offering made within the United States only will be issued in global registered form and will clear through DTC. Such Notes will be represented by one or more Global Certificates deposited with the U.S. Registrar as custodian for, and registered in the name of a nominee of, DTC (each, a "**Rule 144A Global Certificate**"). Notes represented by DTC Global Certificates will trade in DTC's Same-Day Funds Settlement System and secondary market trading activity in such Notes will therefore settle in immediately available funds. Except as described below, Notes sold pursuant to an offering made outside the United States only will be issued in global registered form and may clear through one or more of Euroclear and Clearstream, Luxembourg. Such Notes will be represented by one or more Global Certificates (each, a "**Euro Regulation S Global Certificate**"), (i) delivered, where such Euro Regulation S Global Certificate is held under the New Safekeeping Structure ("**NSS**"), with a common safekeeper for Euroclear and Clearstream, Luxembourg, and registered in the name of, or the name of a nominee of, the common safekeeper or (ii) deposited, where such Euro Regulation S Global Certificate is not held under the NSS, with a common depositary for, and registered in the name of, or the name of a nominee of the common depository of, Euroclear or Clearstream, Luxembourg, as the case may be or such other clearing system as may be identified in the applicable Final Terms and/or Pricing Term Sheet. Notes sold pursuant to an offering made in and outside the United States simultaneously as part of a global offering will be issued in global registered form and may (i) in the case of Notes not held under the NSS, clear through one or more of DTC, Euroclear and Clearstream, Luxembourg, or (ii) in the case of Notes held under the NSS, clear through either Euroclear or Clearstream, Luxembourg, as specified in the applicable Pricing Term Sheet and/or Final Terms. Such Notes may be represented either (i) solely by one or more Rule 144A Global Certificates registered in respect of Notes sold in the United States and one or more Global Certificates deposited with the U.S. Registrar as custodian for, and registered in the name of a nominee of, DTC, registered in respect of Notes sold outside the United States (each, a "**DTC Regulation S Global Certificate**", and, together with any Rule 144A Global Certificate, each a "**DTC Global Certificate**", such arrangement referred to herein as a "**Single Global Note Issue**")

or (ii) alternatively, by one or more Rule 144A Global Certificates so deposited and registered in respect of Notes sold in the United States, and a separate Euro Regulation S Global Certificate (a) delivered, where such Euro Regulation S Global Certificate is held under the NSS, with a common safekeeper for Euroclear and Clearstream, Luxembourg, and registered in the name of, or the name of a nominee of, the common safekeeper or (b) deposited, where such Euro Regulation S Global Certificate is not held under the NSS, with a common depositary for, and registered in the name of, or the name of a nominee of, Euroclear or Clearstream, Luxembourg, as the case may be, in respect of Notes sold outside the United States. Such arrangement is referred to herein as a "**Dual Global Note Issue**".

Ownership of beneficial interests in Global Certificates will be evidenced only by, and transfers thereof will be effected only through, records maintained by the relevant clearing system through which such interests are held and its direct and indirect participants. Owners of beneficial interests in Global Certificates will not be entitled to receive physical delivery of Notes in individual definitive certificated registered form except in certain limited circumstances, including closure of the relevant clearing system(s). Any interests in a Global Certificate will be transferable only in accordance with the rules and procedures for the time being as in effect from time to time of DTC, Euroclear and/or Clearstream, Luxembourg or such other applicable clearing system as the case may be.

Fixed Rate Notes: Fixed interest will be payable in arrears on the date or dates specified in the applicable Final Terms and/or Pricing Term Sheet and on redemption, and will be calculated on the basis of such Day Count Fraction as may be agreed between the Issuer and any relevant Agent (as indicated in the applicable Final Terms and/or Pricing Term Sheet).

Floating Rate Notes: Floating Rate Notes will bear interest either (a) at a rate determined on the same basis as the floating rate under a notional interest-rate swap transaction in U.S. dollars or, if in any currency other than U.S. dollars (the "**Specified Currency**"), 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 (b) 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 Agent (as indicated in the applicable Final Terms and/or Pricing Term Sheet).

The Margin (if any) relating to such floating rate will be specified in the applicable Final Terms and/or Pricing Term Sheet.

Other provisions in relation to Floating Rate Notes 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 any relevant Agent (if any), 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 Agent (if any) (as indicated in the applicable Final Terms and/or Pricing Term Sheet).

Zero Coupon Notes: Senior Notes specified to be Zero Coupon Notes will be offered and sold at a discount to their nominal amount or at par and will not bear interest other than in the case of late payment as may be specified in the applicable Final Terms and/or Pricing Term Sheet.

Redemption: The applicable Final Terms and/or Pricing Term Sheet will indicate either that the Notes cannot be redeemed prior to their stated maturity (other than in specified installments (see below), if applicable, or for taxation reasons or following an Event of Default) or that such Notes will be redeemable at the option of the Issuer and/or the Noteholders upon giving not less than 30 nor more than 60 days' irrevocable notice (or such other notice period (if any) as is indicated in the applicable Final Terms and/or Pricing Term Sheet) 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 indicated in the applicable Final Terms and/or Pricing Term Sheet.

Regulatory Call Option in respect of Subordinated Notes

If Regulatory Call of Subordinated Notes is specified in the applicable Final Terms and/or Pricing Term Sheet in respect of Subordinated Notes such Notes will be redeemable at the option of the Issuer upon the occurrence of a Capital Event at the amount and on the date(s) specified in the applicable Final Terms and/or Pricing Term Sheet subject to (i) the prior written permission of the Relevant Regulator provided that at the relevant time such permission is required to be given pursuant to article 77 CRD IV Regulation and (ii) the Issuer demonstrating to the satisfaction of the Relevant Regulator that the Issuer complies with article 78 CRD IV Regulation, which may include the replacement of the Subordinated Notes with own funds instruments of equal or higher quality at terms that are sustainable for the income capacity of the Issuer, and upon giving not less than 30 nor more than 60 days' irrevocable notice.

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

"**Capital Event**", **CRD IV Regulation**" and **Relevant Regulator**" have the meanings ascribed thereto in Condition 6 (*Redemption and Purchase*) of the Terms and Conditions of the Subordinated Notes.

Denomination of Notes: The Notes will be issued in minimum denominations of US$200,000 or, in the case of Foreign Currency Notes, the equivalent thereof in

such foreign currency, rounded down to the nearest 100,000 units of such foreign currency, and integral multiples of US$1,000 or, in the case of Foreign Currency Notes, 1,000 units of such foreign currency in excess thereof, provided that in no event the minimum denomination will be lower than EUR100,000 or the equivalent thereof at the date of issue of the relevant Notes.

See "*Special Provisions Relating to Foreign Currency Notes*" for additional information regarding Foreign Currency Notes.

Payments: Except as otherwise set forth in the applicable Pricing Term Sheet and/or Final Terms, the Issuer will be obligated to make payments of principal and premium, if any, and interest on the Notes in the currency in which such Notes are denominated. Except as otherwise set forth herein or in the applicable Pricing Term Sheet and/or Final Terms, any such amounts to be paid by the Issuer in respect of DTC Global Certificates denominated in currencies other than in U.S. Dollars will, unless otherwise specified in the applicable Pricing Term Sheet and/or Final Terms, or unless the holder of a Foreign Currency Note elects to receive payments in the Specified Currency, be converted into U.S. Dollars for payment to the holders thereof, in each case as described under Condition 5 (*Payments*).

Taxation: As specified in the applicable Final Terms and/or Pricing Term Sheet, payments in respect of the Notes will be made without withholding or deduction for or on account of taxes levied in The Netherlands, unless such withholding or deduction is required by law. In that event, the Issuer will either (i) not pay any additional amounts or (ii) pay such additional amounts as will be necessary in order that the net amounts received by holders of the Notes after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Notes as the case may be, in the absence of such withholding or deduction, all as provided in Condition 7 (*Taxation*).

Negative Pledge: None.

Cross Default: None.

Status of the Senior Notes: The Senior Notes will constitute unsecured and unsubordinated obligations of the Issuer and will rank *pari passu* without any preference among themselves and with all other present and future unsecured and unsubordinated obligations of the Issuer save for those preferred by mandatory and/or overriding provisions of law.

Status and Subordination Terms of the Subordinated Notes: Status and subordination

The Subordinated Notes will constitute unsecured subordinated obligations of the Issuer and will rank (i) *pari passu* without any preference among themselves and with all other present and future unsecured and subordinated obligations of the Issuer (other than those

subordinated obligations expressed by their terms to rank lower than the Subordinated Notes) and (ii) junior to those 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, the claims of the holders of the Subordinated Notes of each Series (the "**Subordinated Noteholders**") against the Issuer will:

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

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

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

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

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 consent of the Relevant Regulator.

Subordinated Notes may qualify as Tier 2 capital ("**Tier 2 Notes**") as specified in the applicable Final Terms and/or Pricing Term Sheet for the purposes of the regulatory capital rules applicable to the Issuer from time to time.

Variation or Substitution

Variation or Substitution of the Subordinated Notes will be as specified in the applicable Final Terms and/or Pricing Term Sheet.

If the applicable Final Terms and/or Pricing Term Sheet indicate that the Subordinated Notes will be subject to Variation or Substitution and if a CRD IV Capital Event or a Capital Event has occurred and is continuing, then the Issuer may, subject to the prior written permission of the Relevant Regulator provided that at the relevant time such

permission is required to be given (but without any requirement for the consent or approval of the Subordinated Noteholders) and having given not less than 30 nor more than 60 days' notice (which notice shall be irrevocable), either substitute all, but not some only, of the Subordinated Notes or vary the terms of the Subordinated Notes so that they remain or, as appropriate, become compliant with CRD IV or such other regulatory capital rules applicable to the Issuer at the relevant time, provided that such variation or substitution shall not result in terms that are materially less favorable to the Subordinated Noteholders and that 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 Subordinated Notes.

"**CRD IV**" and "**CRD IV Capital Event**" and "**Capital Event**" have the meanings ascribed thereto in Condition 6(d) (*Redemption, substitution and variation for regulatory purposes of Subordinated Notes*) of the Terms and Conditions of the Subordinated Notes.

Statutory Loss Absorption

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

"**Resolution Authority**", "**Applicable Resolution Framework**" and "**Statutory Loss Absorption**" have the meanings ascribed thereto in Condition 6(h) (*Statutory Loss Absorption of Subordinated Notes*) of the Terms and Conditions of the Subordinated Notes.

Listing and admission to trading:

Application has been made to Euronext Amsterdam N.V. for the Notes to be issued under the Program to be admitted to trading and listed on Euronext Amsterdam. The Notes may also be listed on such other or further stock exchange or stock exchanges as may be agreed between the Issuer and the relevant Agent (if any) in relation to each issue. Unlisted Notes may also be issued. The applicable Final Terms and/or Pricing Term Sheet will state whether or not the Notes are to be listed

or admitted to trading, as the case may be, and, if so, on which exchange(s) and/or market(s).

Substitution of the Issuer: The Issuer may, if certain conditions have been fulfilled, with the consent of the Noteholders which will be deemed to have been given in respect of each issue of Senior Notes on which no payment of principal of or interest on any of the Senior Notes is in default, be replaced and substituted by either (a) any directly or indirectly wholly-owned subsidiary of the Issuer or (b) ABN AMRO Group N.V. as principal debtor in respect of the Senior Notes.

If so specified in the applicable Final Terms and/or Pricing Term Sheet the Issuer may, if certain conditions have been fulfilled, with the consent of the Subordinated Noteholders which will be deemed to have been given in respect of each issue of Subordinated Notes on which no payment of principal of or interest on any of the Subordinated Notes is in default and after written approval of the Relevant Regulator, be replaced and substituted by any directly or indirectly wholly-owned subsidiary of the Issuer as principal debtor in respect of the Subordinated Notes.

Governing Law: The Senior Notes, the Senior Notes Agency Agreement, the Subordinated Notes and the Subordinated Notes Agency Agreement are governed by, and shall be construed and interpreted in accordance with, the laws of The Netherlands.

Selling Restrictions: The Notes may be offered (i) in the United States only, (ii) outside the United States only or (iii) in and outside the United States simultaneously as part of a global offering and, in each case, the offering and distribution of the Notes will be subject to certain restrictions. In particular, restrictions on the offering and distribution of the Notes and this Base Prospectus will apply to sales made in certain other countries, including the United States, the EEA, the United Kingdom, and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Notes. See "*Plan of Distribution*".

RISK FACTORS

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

The materialization of the risks described below could have a material adverse effect on the Issuer's future business, operating results or financial position. Additional risks not currently known to the Issuer or that the Issuer now views as immaterial may also have a material adverse effect on the Issuer's future business, operating results on financial position and affect an investment in Notes issued under the Program. 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.

Words and expressions defined in the sections headed "The Issuer", "Book Entry, Delivery, Form and Settlement", "Terms and Conditions of the Senior Notes" and "Terms and Conditions of the Subordinated Notes" below shall have the same meaning in this section, except "the Issuer" which in this section throughout is used as a reference to ABN AMRO Bank and its consolidated subsidiaries and the other group companies (including ABN AMRO Group N.V.).

Risks relating to the Issuer's business and industry

1. Conditions in the global financial markets and economy may materially adversely affect the Issuer's business financial position, results of operations and prospects.

The outlook for the global economy over the near to medium term remains challenging. Results of operations in the past have been, and in the future may continue to be, materially affected by many factors of a global nature, including political, economic and market conditions; changes in consumer spending; investment and saving habits; monetary and interest rate policies of the European Central Bank ("**ECB**") and G7 central banks; the availability and cost of capital; the liquidity of global markets; the level and volatility of equity prices, commodity prices and interest rates; currency values and other market indices; technological changes and events; the availability and cost of credit; inflation or deflation; the stability and solvency of states, financial institutions and other companies; investor sentiment and confidence in the financial markets; or a combination of these or other factors. The business operations of the Issuer, its third party service providers and clients are also vulnerable to epidemics, weather or other forms of natural disasters, and other disasters caused by people which are wholly or partially beyond its control such as acts of terrorism, fire, acts of war, civil unrest and heightened geopolitical tension. These factors have resulted, or may in the future result in, a reduced demand for financial products and services, a deterioration in asset quality of the Issuer and increases in loan impairment charges. Moreover, a market downturn or a worsening of the Dutch, European or global economies may negatively impact the value of the Issuer's assets, the ability of its clients to meet financial obligations and could cause the Issuer's loan impairment charges to rise, reduce the Issuer's fee and commission income or cause the Issuer to incur further mark-to-market losses which could have a material adverse effect on the Issuer's business, financial position and results of operation.

A revival of financial market tensions related to eurozone sovereign debt concerns may lead to renewed stress in sovereign and bank funding markets. Dutch GDP growth lagged behind average eurozone growth and showed declines through 2012 and 2013 and limited growth in 2014. Market conditions remain vulnerable and risks remain. As a result, there is a possibility that the Issuer may have insufficient access to, or incur higher costs associated with, funding alternatives, which could have a material adverse effect on the Issuer's business, financial position, results of operations and prospects. In addition, economic conditions remain challenging. The economy remains particularly vulnerable to a renewed rise

in financial market tensions or new economic shocks, which could lead to a more severe economic downturn.

Any of the above factors may materially adversely affect the Issuer's business, financial position, results of operations and prospects.

2. Volatility in, and the position of, financial markets, liquidity disruptions or market dislocations can adversely affect the Issuer's banking and funding activities.

The securities and other financial markets can experience sustained periods of high volatility, unpredictable market movements, severe market dislocations and illiquidity or other liquidity disruptions. These market conditions can cause a reduction in the value of assets or collateral held by the Issuer, a decline in the profitability of certain assets, an increase in unrealized losses in the Issuer's various (asset) portfolios, a reduction in unrealized gains in the Issuer's various (asset) portfolios or in the demand for some of the Issuer's banking services and products and may impede the Issuer's timely or cost-efficient access to funding on the capital markets. In addition, financial markets are susceptible to severe events evidenced by rapid depreciation in asset values accompanied by a reduction in asset liquidity. Moreover, under these conditions market participants are particularly exposed to trading strategies employed by many market participants simultaneously and on a large scale, which may further exacerbate such rapid decreases in asset values, collateral or liquidity disruptions.

Since the start of the financial crisis in 2007, both the debt and the equity securities markets have been very volatile. Under these extreme 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 common 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 modeling, 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 war, acts of terrorism, natural disasters or other similar events outside the Issuer's control, please also see risk factor "*1. Conditions in the global financial markets and economy may materially adversely affect the Issuer's business financial position, results of operations and prospects*". There is no assurance that market volatility will not result in a prolonged market decline, or 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.

3. *Changes in interest rates and foreign exchange rates may adversely affect the Issuer's business, financial position, results of operations and cash flows.*

Fluctuations in interest rates and foreign exchange rates influence the Issuer's performance. The results of the Issuer's banking operations are affected by the Issuer's management of interest rate and foreign exchange rate sensitivity. Interest rate sensitivity refers to the relationship between changes in market interest rates and changes in net interest income. If the yield on the Issuer's interest-earning assets does not increase at the same time or to the same extent as its cost of funds, or if its cost of funds does not decline at the same time or to the same extent as the decrease in yield on its interest-earning assets, the Issuer's net interest income and net interest margin may be adversely impacted. Interest rate, margin and spread changes, to the extent not hedged, may lead to mismatches in funding costs and interest income.

Any of these events could have a material adverse effect on the Issuer's business, financial position, results of operations and current and future cash flows.
The Issuer's business and performance are affected by prevailing interest rates and the shape of the interest rate curve. The current interest rate environment with a sustained downward pressure on interest rates and low inflation may impact the interest rate margin of the bank. A prolonged period of flatter than usual interest rate curves, and even negative interest rates, could have an adverse impact on the business model of the bank. Furthermore, the effect of a prolonged period of low inflation and/or deflation could affect client behavior and may thereby impact the Issuer's financial position and results of operations.

In addition, the Issuer publishes the Issuer's consolidated annual financial statements in euros. Fluctuations in the foreign exchange rates used to translate other currencies into euros affect the Issuer's reported consolidated financial position, results of operations and cash flows from period to period. The Issuer also attracts its capital and funding mostly in euros, but also in a variety of other currencies. To the extent the non-euro funding is not used to provide loans in the same currency, not hedged or not adequately hedged this causes exposure to foreign exchange rate risk, which could have a material adverse effect on the Issuer's business, financial position, results of operations and cash flows.

4. Lack of liquidity is a risk to the Issuer's business and its ability to access sources of liquidity.

Liquidity risk is the risk that actual (and potential) payments or collateral posting and other obligations cannot be met on a timely basis. The Issuer discerns two types of liquidity risk. Funding liquidity risk is the risk of not being able to meet both expected and unexpected current and future cash outflows and collateral needs without affecting either daily operations or the financial position of the bank. Market liquidity risk is the risk that the bank cannot sell an asset without significantly affecting the market price due to (i) insufficient market depth (insufficient supply and demand), (ii) market disruption, (iii) changes in the applicable haircuts and market value or (iv) uncertainty about the time required to realize the liquidity value of the assets. See also the risk factor "*2. Volatility in, and the position of, financial markets, liquidity disruptions or market dislocations can adversely affect the Issuer's banking and funding activities*" above.

Liquidity risk is inherent in banking operations and can be increased by a number of enterprise-specific factors, including an over-reliance on a particular source of funding (including, for example, short-term and overnight funding), changes in credit ratings or market-wide phenomena such as economic conditions, market dislocations or major disasters.

Like many banking groups, the Issuer relies on customer deposits to meet a considerable portion of its funding. However, such deposits are subject to fluctuation due to certain factors, such as a loss of confidence, increasing competitive pressures or the encouraged or mandated repatriation of deposits by foreign wholesale or central bank depositors, which could result in a significant outflow of deposits within a short period of time. An inability to grow, or any material decrease in, the Issuer's deposits could, particularly if accompanied by one of the other factors described above, have a negative impact on the Issuer's ability to satisfy its liquidity needs.

In addition to the use of deposits, the Issuer also relies on the availability of wholesale funding. In periods of liquidity stress the Issuer may need to seek funds from alternative sources, potentially at higher costs of funding than has previously been the case.

In addition, the funding of the Issuer may be hindered by market circumstances. The ability of the Issuer to fund its operations is strongly dependent on market factors and market developments. The risk exists that market circumstances may limit desired steering of the funding profile of the Issuer.

Any of the above factors may materially adversely affect the Issuer's funding ability, financial position and results of operations.

5. Reductions or potential reductions in the Issuer's credit ratings could have a significant impact on its borrowing ability and liquidity management through reduced funding capacity and collateral triggers, and on the access to capital and money markets as well as adversely affect the Issuer's business and results of operations.

Rating agencies assess the creditworthiness of the Issuer and its operating environment and assign a rating to the Issuer and some of the financial instruments it has issued. This information is available to investors, clients and counterparties of the Issuer. There can be no assurance that a credit rating agency will not downgrade any such credit rating or change the outlook on any such credit rating.

In addition, rating agencies may change their methodology from time to time, which may also result in a downgrade or a change in the outlook on any such credit rating.

Any downgrade or potential downgrade in the Issuer's ratings may increase its borrowing costs, require the Issuer to replace funding lost due to the (potential) downgrade (e.g., customer deposits), limit the Issuer's access to capital and money markets and trigger additional collateral requirements in derivatives contracts and other secured funding arrangements. In addition, a rating downgrade or potential downgrade of the Issuer could, among other things, limit the Issuer's opportunities to operate in certain business lines and adversely affect certain other business activities.

As a result, any reductions in the Issuer's credit ratings could have a negative impact on the Issuer's business, results of operations, prospects, financial position, borrowing costs, ability to raise funding and capital and competitive position.

6. The regulatory environment to which the Issuer is subject gives rise to significant legal and financial compliance costs and management time, and non-compliance could result in monetary and reputational damages, all of which could have an adverse effect on the Issuer's business, financial position and results of operations

The Issuer conducts its business in an environment that is highly regulated by financial services laws and regulations, corporate governance and administrative requirements and policies, in most or all of the locations in which it operates or enters into transactions with clients or other parties. In various jurisdictions in which the Issuer operates supervisory authorities may impose additional restrictions and conditions on the Issuer, including but not limited to capital, liquidity, corporate governance requirements and behavioural requirements. Interpretation of requirements by supervisory authorities and courts may change over time. For further information on legal and regulatory laws and regulation the Issuer is subject to, see chapter "*The Issuer—1. ABN AMRO Bank N.V. —1.7 Regulation*".

When expanding its business to other jurisdictions or offering new products in jurisdictions the Issuer is already active in, the Issuer may become subject to other and additional legislation and regulatory requirements. The local businesses will not only need to comply with the local laws and regulations, but also with certain laws and regulations with worldwide application, including certain European legislation and the U.S. Foreign Account Tax Compliance ("**FATCA**") regime (see for a description of FATCA the risk factor "7. *The financial services industry is subject to intensive regulation. Major changes in laws and regulations as well as enforcement action could adversely affect the Issuer's business, financial position, results of operations and prospects*" and "*The Issuer—1. ABN AMRO Bank N.V. —1.7 Regulation*"). The above requires the businesses to liaise in a timely manner with the Issuer's central legal and compliance departments.

The financial services industry continues to be the focus of significant regulatory scrutiny in many of the countries in which the Issuer operates. This has led to a more intensive approach to supervision and oversight, increased expectations, enhanced requirements and enforcement, and an increasing frequency and amount of data requests and visits from competent supervisory authorities. Implementing and monitoring compliance with applicable requirements means that the Issuer must continue to have a large staff dedicated to these activities and to spend monetary and management resources and to create

sufficient awareness with the business staff of the products and services the Issuer offers and the rules applicable to them. Furthermore, the Issuer will also need to continue monitoring compliance of products and services that the Issuer no longer offers, which may be more complex than for products and services that are currently offered. If the Issuer is unable to 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.

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 or other potential regulatory restrictions on the Issuer's business, enforced suspension of operations and in extreme cases, withdrawal of licences or authorisations to operate particular businesses, or criminal prosecution in certain circumstances. In addition to non-compliance by the Issuer itself, the Issuer has in the past suffered and may in the future suffer negative consequences of non-compliance by its clients that have direct access to its systems. The Issuer may also suffer negative consequences of clients 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. The Issuer may be required to make greater expenditures and devote additional resources and management time to addressing these liabilities and requirements, which could have an adverse effect on the Issuer's business, financial position and results of operations.

As result of the introduction of the Single Supervisory Mechanism ("**SSM**") on 4 November 2014, the European Central Bank ("**ECB**") has become the primary prudential supervisory authority of the Issuer. For certain matters the Issuer will remain subject to supervision by local supervisory authorities such as the Dutch Central Bank (*De Nederlandsche Bank N.V.*, "**DNB**") and the Netherlands Authority for the Financial Markets in The Netherlands (*Stichting Autoriteit Financiële Markten*, "**AFM**"). The transition of prudential supervision from DNB to ECB may for the years to come have a significant impact on supervision of the Issuer. It cannot be excluded that the ECB, as the new prudential supervisory authority, will collect and adopt best practices in the Eurozone, which may impact and change local practices as they currently exist. This may result in a change in the interpretation of regulations. As the relationship between the Issuer and the ECB will likely be different from the Issuer's relationship with DNB, the Issuer may be forced to significantly invest in resources to familiarise the new supervisory authority with the Issuer's business and financial position and to adapt to the new supervisory approach.

The Issuer believes that oversight and scrutiny by supervisory authorities have increased significantly in recent years. This has in general led to more regulatory investigations and enforcement actions as well as an increase in the amount of fines. 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. Fines and settlement amounts paid by financial institutions in the recent past have been particularly high in the United States where the Issuer also has operations. If this trend were to continue or to occur in jurisdictions in which the Issuer operates its business, the negative effect to the Issuer of non-compliance could be more pronounced in the future than a similar event of non-compliance would have had in the past. Non-compliance with applicable regulation may also lead to civil liability towards affected clients and, increasingly, third parties.

The regulatory environment to which the Issuer is subject gives rise to significant legal and financial compliance costs and management time, which could have an adverse effect on the Issuer's business, financial position and results of operations.

7. The financial services industry is subject to intensive regulation. Major changes in laws and regulations as well as enforcement action could adversely affect the Issuer's business, financial position, results of operations and prospects.

Since 2009, as many emergency government programs slowed or wound down, global regulatory and legislative focus has generally moved to a next phase of broader reform and a restructuring of financial regulation. Legislators and supervisory authorities, predominantly in Europe and in the United States but also elsewhere, are currently introducing and implementing a wide range of proposals that could result in major changes to the way the Issuer's global operations are regulated and could have adverse consequences for its business, business model, financial position, results of operations, reputation and prospects. These changes could materially impact the profitability of the Issuer's businesses, the value of its assets or the collateral available for its loans, require changes to business practices or force the Issuer to discontinue businesses and expose the Issuer to additional costs, taxes, liabilities, enforcement actions and reputational risk and are likely to have a material impact on the Issuer. Recent and ongoing prudential, conduct of business and more general regulatory initiatives include:

- New regulatory capital requirements proposed by the Basel Committee on Banking Supervision (the "**Basel Committee**"), including its proposals set out in its paper released on 16 December 2010 (revised in June 2011) and press release of 13 January 2011 (the "**Basel III Final Recommendations**"), which are being implemented in the European Union through the Capital Requirements Directive (2013/36/EU) known as "**CRD IV**" and Capital Requirements Regulation ((EU) No 575/2013) known as "**CRR**", resulting, inter alia, in the Issuer becoming subject to stricter capital and liquidity requirements and will also affect the scope, coverage, or calculation of capital. See also the risk factor "8. *As a result of capital and/or liquidity requirements, the Issuer may not be able to manage its capital and liquidity effectively, which may adversely affect its business performance*" below.

- The Deposit Guarantee Schemes Directive (2014/49/EU) ("**DGSD**") being transposed into national law in July 2015, which will require the funding of the current Deposit Guarantee Scheme ("**DGS**") to be changed from an ex-post funded system to a partially ex-ante funded system.

- The European regulation establishing uniform rules and a uniform procedure for the resolution of banks and certain investment firms in the framework of the Single Resolution Mechanism (Regulation 806/2014) (the "**SRM**"), which was published in the Official Journal of the European Union on 30 July 2014 and entered into force on 19 August 2014, providing for a single resolution framework, a single resolution board ("**Resolution Board**") and a single resolution fund ("**Resolution Fund**").

- The European Market Infrastructure Regulation ("**EMIR**") having introduced new obligations relevant for the Issuer, which are (i) central clearing for certain classes of OTC derivatives, (ii) the application of risk mitigation techniques for non-centrally cleared OTC derivatives and (iii) reporting of both exchange traded and OTC derivative transactions..

- The revised EU Directive on Markets in Financial Instruments ("**MiFID**") and the accompanying regulation "**MiFIR**" (together "**MiFID II**"), which replaces, extends and improves existing European rules on markets in financial instruments, giving more extensive powers to supervisory authorities, increasing market infrastructure and reporting requirements, more robust investor protection, increasing both equity and non-equity market transparency, introducing a harmonised position-limits regime for commodity derivatives and introducing the possibility to impose higher fines in case of infringement of its requirements.

- A regulation on key information documents for packaged retail and insurance-based investment products (Regulation 1286/2014) ("**PRIIPS**") requiring a key information document ("**KID**") to be provided when offering PRIIPS to certain clients.
- The Mortgage Credit Directive 2014/17/EU on credit agreements for consumers relating to residential immovable property adopted on 4 February 2014 (the "**Mortgage Credit Directive**") aiming to afford high level consumer protection throughout the EEA.
- A proposed new payment services directive ("**PSD II**") which may impose additional requirements on the Issuer with respect to payment services in the EEA and support the emergence of new players and the development of innovative mobile and internet payments in Europe.
- In the United States, the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "**Dodd-Frank Act**"), enacted in July 2010, covering a broad range of regulations and requirements for financial services including a new framework of regulations and requirements for OTC derivative transactions, markets and participants.
- A banking tax introduced by the Dutch government for all entities that are authorised to conduct banking activities in The Netherlands.
- A proposed directive for a common Financial Transaction Tax ("**FTT**") to be implemented in 11 participating Member States, being Austria, Belgium, Estonia, France, Germany, Greece, Italy, Portugal, Slovakia, Slovenia and Spain, which would together constitute the FTT-zone.
- Based on sections 1471-1474 of the United States Internal Revenue Code of 1986 and Treasury Regulations thereunder, a 30% withholding tax may be imposed on U.S. source payments to a non-U.S. (foreign) financial institution (FATCA).
- Various international and EU initiatives on automatic exchange of information (such as the OECD Common Reporting Standard, EU Savings Directive, amended EU Directive on Administrative Cooperation), which, when implemented, may have considerable impact on client on-boarding and administrative processes of the Issuer.
- A proposal adopted by the European Commission on 29 January 2014 for a regulation which would give banks' supervisors the power to require banks to separate certain potentially risky trading activities from their deposit-taking business if the pursuit of such activities compromises financial stability, accompanied by a proposal for a regulation on reporting and transparency of securities financing transactions.
- Legislation introduced by the Dutch government banning referral fees relating to specific complex financial products and services, such as mortgages, life insurance and pension insurance, reducing fee and commission income.
- Restrictions applicable to the Dutch principal residence mortgage loan market for individuals, including a reduction in the maximum loan amount for government-guaranteed mortgage loans (*Nationale Hypotheekgarantie*, "**NHG**"), a reduction of the maximum permissible amount of a mortgage loan relative to the value of the property and a reduction on tax deductibility of new mortgages loans, expected to put further downward pressure on the total outstanding volume of mortgages in The Netherlands which could decrease the size of the Issuer's mortgage portfolio and to have an effect on the house prices and the rate of economic recovery which may result in an increase of defaults, prepayments and repayments.

The mortgage lending rules and the restrictions to mortgage interest relief, applicable to the principal residence mortgage market, may have a particular impact on the Issuer's principal residence mortgage business. These measures might have a negative impact on the sale of the Issuer's principal residence

mortgage products and therefore on the aggregate loan portfolio of the Issuer, on the interest margins that it is able to earn on new and existing principal residence mortgages, as well as on the ability of its clients to pay amounts due in time and in full. See also the risk factor "*12. The Issuer's operations and assets are located primarily in The Netherlands. Deterioration or long-term persistence of a difficult economic environment could have a negative effect on the Issuer's results of operations and financial position*" below.

The tax regime applicable to the Issuer is 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.

For further information on laws and regulation the Issuer is subject to, see chapter "*The Issuer—1. ABN AMRO Bank N.V. —1.7 Regulation*". The timing and full impact of new laws and regulations, including the initiatives described above, cannot be determined yet and are beyond the Issuer's control. The introduction of these and other new rules and requirements could significantly impact the manner in which the Issuer operates, particularly in situations where regulatory legislation can interfere with or even set aside national private law. New requirements may adversely affect the Issuer's business, capital and risk management strategies and may result in the Issuer deciding to modify its legal entity structure, capital and funding structures and business mix or exit certain business activities altogether or determine not to expand in certain business areas despite their otherwise attractive potential.

The large number of legislative initiatives requires constant attention from the Issuer's senior management and consume significant levels of resources to identify and analyse the implications of these initiatives. The Issuer may have to adapt its strategy, operations and businesses, including policies, procedures and documentation, to comply with these new legal requirements. Especially in view of the volume of existing initiatives, it cannot be excluded that certain new requirements will not be implemented in a timely fashion or implemented without errors or in a manner satisfactory to the applicable regulatory authority, resulting in non-compliance and possible associated negative consequences. Additionally, the Issuer may be forced to cease to serve certain types of clients or offer certain services or products as a result of new requirements. Any of the other above factors, events or developments may materially adversely affect the Issuer's businesses, financial position and results of operations and prospects.

8. As a result of capital and/or liquidity requirements, the Issuer may not be able to manage its capital and liquidity effectively, which may adversely affect its business performance.

Effective management of the Issuer's capital and/or liquidity is critical to its ability to operate its businesses, to grow organically and to pursue its strategy. The Issuer is required by regulators in The Netherlands, the ECB or regulators in other jurisdictions in which it undertakes regulated activities, to maintain adequate capital resources and liquidity, as such regulator may deem appropriate. The maintenance of adequate capital and liquidity is also necessary for the Issuer's financial flexibility in the face of continuing turbulence and uncertainty in the global economy.

The Basel Committee has proposed a number of reforms to the regulatory capital and the liquidity framework for internationally active banks, the principal elements of which are set out in the Basel III Final Recommendations. Most notably these reforms are intended to increase the quality and quantity of capital, to build up additional capital buffers in good times that can be drawn upon in periods of stress, to impose (temporary) systemic risk buffers, strengthen the risk coverage of the capital framework in relation to derivative positions, and to introduce a new liquidity framework under which banks must gradually meet a liquidity coverage ratio and report on their net stable funding, and to introduce reporting requirements on leverage ratio. In the future, reporting requirement on stable funding and leverage ratio might be replaced or complemented by a requirement for banks to use stable sources of funding and meet a minimum leverage ratio. The envisaged required minimum percentage is unknown but likely to be set at 3%. The Dutch government aims for a higher percentage of 4% for institutions that have systemic

relevance, and is lobbying for this higher percentage within the European Union. If the Issuer would become subject to a minimum leverage ratio of 4%, or more, the Issuer may be required to raise additional regulatory capital to meet the required leverage ratio. See "*Annual Report 2014 - Risk & Capital Report"*, which has been incorporated by reference into this Base Prospectus, for information on the Issuer's capital and liquidity position under Basel III rules known as at 31 December 2014. The Basel III framework was implemented in the EEA through CRD IV and CRR. CRD IV replaced the preceding capital requirements directives (directives with numbers 2006/48/EC and 2006/49/EC ("**CRD I**"), amendment directive with number 2009/111/EC ("**CRD II**") and amendment directive with number 2010/76/EC ("**CRD III**")) and was transposed into Dutch law by the "Implementing law CRD IV and CRR (*Implementatiewet richtlijn en verordening kapitaalvereisten*) and entered into force on 1 August 2014. CRR applies from 1 January 2014. There can be no assurance, however, that the Basel Committee will not amend or supplement the Basel III framework. Further, the Basel III framework may be implemented in a manner that is different from that which is currently envisaged or may impose more onerous requirements on the Issuer.

The Basel Committee is conducting further work on systemically important financial institutions and contingent capital in close coordination with the Financial Stability Board. The Basel Committee has stated that measures may include capital surcharges, contingent capital and bail-in debt (which could be introduced by statute, possibly impacting existing as well as future issues of debt and exposing them to the risk of conversion into equity and/or write-down of principal amount). Such measures would be in addition to proposals for the write-off of Tier 1 and Tier 2 debt (and its possible conversion into ordinary shares) if a bank becomes non-viable. The Issuer has been designated by DNB as a financial institution with systemic relevance for The Netherlands. As a result, the Issuer will need to progressively build up extra capital buffers. These buffers will become applicable in phases in the period from 2016 to and including 2019. The Issuer will be required to maintain this buffer on top of the minimum CET1 capital ratio of 4.5% it is required to meet, as well as a capital conservation buffer of 2.5%, and a counter-cyclical buffer ranging from 0-2.5%. As at the date hereof, the combined buffer requirement is set at 5.5 % of CET1 capital above the minimum regulatory CET 1 Requirement of 4.5% (or 10% in aggregate) on a full phase-in basis. However, in the future the Issuer may need to comply with a higher combined buffer requirement. For example, the relevant regulator may impose a higher systemic risk buffer or introduce a countercyclical capital buffer.

The changes to capital adequacy and liquidity requirements in the jurisdictions in which it operates described above or any future changes may also 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. If the Issuer is unable to raise the requisite regulatory capital, it may be required to further reduce the amount of its risk exposure amount or business levels, 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 be attractive to the Issuer. In addition, if the Issuer is not able to meet the applicable combined buffer requirements, this could have an adverse effect on the market's trust in respect of the long term viability of the Issuer, which could, for example, result in liquidity outflows that could ultimately have an adverse effect on the going concern viability of the Issuer.

As a result of stricter liquidity requirements or higher liquidity buffers, the Issuer may be required to optimise its funding composition which may result in higher funding costs for the Issuer, and in having to maintain buffers of liquid assets which may 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, if a net stable funding requirement or leverage coverage ratio is implemented in the future, the Issuer might be required to attract additional stable sources of funding, which may result in higher funding costs for the Issuer.

The variety of capital and liquidity requirements of supervisory authorities in different jurisdictions may prevent the Issuer from managing its capital and liquidity positions in a centralised manner, which may impact the efficiency of its capital and liquidity management. Also, if internal processes are not sufficiently robust, this may result in higher than strictly necessary required capital and liquidity levels and increased costs.

As the SSM was introduced on 4 November 2014 and the ECB has become the single supervisor for the prudential supervision of credit institutions in participating Member States that qualify as "significant credit institutions", including the Issuer, the ECB is responsible for, among other things, market access and will supervise capital requirements, liquidity requirements as provided for by CRD IV and CRR and governance. As a result, the Issuer may be subject to different interpretations or methods for calculating risk exposure amount and capital instruments, may be subject to higher capital add on requirements, or may be required to hold additional liquidity buffers.

The above changes and any other changes that limit the Issuer's ability to manage effectively its balance sheet, liquidity position and capital resources going forward (including, for example, reductions in profits and retained earnings as a result of write-downs or otherwise, increases in risk exposure amount, delays in the disposal of certain assets or the inability to syndicate loans as a result of market conditions or otherwise) or to access funding sources, could have a material adverse impact on its financial position, regulatory capital position and liquidity provision.

9. *Proposals for resolution regimes may 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*.

Dutch Intervention Act

The Dutch government has adopted banking legislation dealing with ailing banks (Special Measures Financial Institutions Act, *Wet bijzondere maatregelen financiële ondernemingen*, the "**Dutch Intervention Act**"). Pursuant to the Dutch Intervention Act, substantial new powers are granted to DNB and the Dutch Minister of Finance enabling them to deal with, *inter alia*, ailing Dutch banks prior to insolvency. The Dutch Intervention Act empowers DNB or the Minister of Finance, as applicable, to commence proceedings leading, *inter alia*, to:

(a) transfer of all or part of the business (including deposits) of the relevant bank to a private sector purchaser;

(b) transfer of all or part of the business of the relevant bank to a "bridge bank"; and

(c) public ownership (nationalization) of the relevant bank and expropriation of debt securities.

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

The national framework for intervention by DNB is likely to be amended by the law implementing the resolution framework set out in the BRRD (as defined below). However, the powers granted to the Dutch Minister of Finance under the Dutch Intervention Act are likely to remain. The Dutch Minister of Finance may, take measures or expropriate assets or securities issued by or with the consent of a financial firm (*financiële onderneming*) or its parent, in each case if it has its corporate seat in The Netherlands, if in the Minister of Finance's opinion the stability of the financial system is in serious and immediate danger as a result of the situation in which the firm finds itself.

On 12 June 2014, a directive providing for the establishment of a European-wide framework for the recovery and resolution of credit institutions and investment firms (2014/59/EU, "**BRRD**") was published in the Official Journal of the European Union. The BRRD is currently in force and EU Member States were required to adopt and publish the laws, regulations and administrative provisions necessary to comply with the BRRD by 31 December 2014. The majority of the measures set out in the BRRD should have been implemented in national law with effect from 1 January 2015, with the bail-in power for other eligible liabilities to apply from 1 January 2016, at the latest. At the date of this Base Prospectus the implementation of the BRRD into Dutch law has not yet been completed. It is expected that a draft legislative proposal will be presented to the Dutch Parliament during the course of 2015.

The BRRD sets out a common European recovery and resolution framework which is composed of three pillars: preparation (by requiring banks to draw up recovery plans and resolution authorities to draw up resolution plans), early intervention powers and resolution powers. The measures of this directive apply since 1 January 2015 with the exception of the bail-in resolution tool which may be applied as from 1 January 2016 at the latest. The stated aim of BRRD is, similar to the Dutch Intervention Act, to provide relevant authorities with common tools and powers to address banking crises pre-emptively in order to safeguard financial stability and minimize taxpayers' exposure to losses.

Recovery and resolution plans

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

The resolution authorities responsible for a resolution in relation to the Issuer will draw up the Issuer's resolution plan providing for resolution actions it may take if the Issuer would fail or would be likely to fail. In drawing up the Issuer's resolution plan, the resolution authorities will identify any material impediments to the Issuer's resolvability. Where necessary, the resolution authorities may require the Issuer to remove such impediments. This may lead to mandatory legal restructuring of the Issuer, which could lead to high transaction costs, or could make the Issuer's business operations or its funding mix to become less optimally composed or more expensive. The Resolution Board (as defined below) may also require the Issuer to issue additional liabilities. This may result in higher capital and funding costs for the Issuer, and as a result adversely affect the Issuer's profits and its ability to pay dividends.

Early intervention

If the Issuer does not comply with or, due to a rapidly deteriorating financial position, would be likely not to comply with capital or liquidity requirements in the near future, the supervisory authorities will have the power to impose early intervention measures. A rapidly deteriorating financial position could, for example, occur in the case of a deterioration of the Issuer's liquidity situation, increasing level of leverage and non-performing loans. Intervention measures include the power to require changes to the legal or operational structure of the Issuer, the power to make changes to the Issuer's business strategy, and the power to require the Issuer's managing board to convene a general meeting of shareholders, set the agenda and require certain decisions to be considered for adoption by the general meeting.

Resolution measures

If the Issuer were to reach a point of non-viability, the resolution authority could take pre-resolution measures. These measures include the write down and cancelation of shares, and the conversion of capital instruments into shares. A write down or conversion of capital instruments into shares could adversely

affect the rights and effective remedies of holders of Notes and the market value of their Notes could be negatively affected.

BRRD provides resolution authorities with broader powers to implement resolution measures with respect to banks which reach non-viability, which may include (without limitation) the sale of the bank's business, the separation of assets, the replacement or substitution of the bank as obligor in respect of debt instruments, modifications to the terms of debt instruments and discontinuing the listing and admission to trading of financial instruments. BRRD contemplates that such measures apply since 1 January 2015, except for certain provisions which may affect the Notes as described in the risk factor "*49. Proposed and new banking legislation dealing with ailing banks give regulators resolution powers (including powers to write down debt)*" below.

Single Resolution Mechanism

The BRRD is complemented by the directly binding 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 (the "**SRM**"). The primary scope of the SRM is the euro area and SRM will, once applicable, be applied to the Issuer as a primary recovery and resolution code instead of the Dutch implementation measures relating to the BRRD. The SRM establishes a single European resolution board (the "**Resolution Board**") having resolution powers over the institutions that are subject to the SRM, thus replacing or exceeding the powers of the national authorities. The Resolution Board will draw up and adopt a resolution plan for the entities subject to its powers, including the Issuer. It will also determine, after consultation with competent authorities, a minimum requirement for own funds and eligible liabilities subject to write-down and conversion powers which the Issuer will be required to meet at all times. The Resolution Board will also use the powers of early intervention as set forth in the SRM, including the power to require an institution to contact potential purchasers in order to prepare for resolution of institution. The Resolution Board will have the authority to exercise the specific resolution powers pursuant to the SRM similar to those of the national authorities under the BRRD. The resolution tools available for the Resolution Board include the sale of business tool, the bridge institution tool, the asset separation tool and the bail-in tool as further specified in the SRM. The use of one or more of these tools will be included in a resolution plan to be adopted by the Resolution Board.

Pursuant to the SRM, the bail-in tool may be applied to recapitalise an institution to restore its ability to comply with the licensing conditions and to sustain market confidence in the institution or to convert claims or debts to equity or reduce their principal amount. The bail-in tool covers bonds and notes issued by the institution subject to resolution measures, but certain defined instruments are excluded from the scope, such as covered bonds.

The provisions relating to resolution plans and cooperation between the Resolution Board and the national authorities are in effect as of 1 January 2015. The resolution powers of the Resolution Board will take effect from 1 January 2016.

The SRM provides for a Resolution Fund that will be financed by banking groups included in the SRM. The Issuer will only be eligible for contribution by the single resolution fund after a resolution action is taken if shareholders, the holders of relevant capital instruments and other eligible liabilities have made a contribution (by means of a write down, conversion or otherwise) to loss absorption and recapitalization equal to an amount not less than 8% of the total liabilities (including own funds and measured at the time of the resolution action). This means that the Issuer must hold on to sufficient own funds and liabilities eligible for write down and conversion in order to have access to the single resolution fund in case of a resolution. This may have an impact on the Issuer's capital and funding costs. Application of the uniform

rules is set to be implemented in four stages: 19 August 2014, 1 November 2014, 1 January 2015 and 1 January 2016.

State Aid

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

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

10. The Issuer is subject to stress tests and other regulatory enquiries, the outcome which could negatively impact the Issuer's reputation, financing costs and trigger enforcement action by supervisory authorities. Stress tests could also bring to the surface information which may result in additional regulatory requirements or measures being imposed or taken which could have a negative impact on the Issuer's business, results of operations, profitability or reputation.

The banking sector is subject to periodic stress testing and other regulatory enquiries in respect of the resilience of banks to adverse market developments. Such stress tests are initiated and coordinated by the EBA. Stress tests and the announcements of their results by supervisory authorities can destabilise the banking or financial services sector and lead to a loss of trust with regard to individual banks or 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.

11. The Issuer operates in markets that are highly competitive. If the Issuer is unable to perform effectively, its business and results of operations will be adversely affected.

There is substantial competition for the types of banking and other products and services that the Issuer provides in the regions in which the Issuer conducts large portions of its business, especially in The Netherlands. The competition for some of these products and services consists of traditional large banks, smaller banks, insurance companies, niche financial companies, non-financial companies that offer credit and savings products (such as car lease companies), as well as new entrants and parties that develop new business models, such as payment service providers, new mobile payment systems, mobile wallets and crowd funding. As a result, the Issuer's strategy is to maintain customer loyalty and retention. In other international markets, the Issuer faces competition from the leading domestic and international institutions active in the relevant national and international markets.

Furthermore, the intensity of competition is influenced by many factors beyond the Issuer's control (including conditions in the financial markets, loss of trust in banks following the financial crises, consumer demand, reputation and brand recognition, prices and characteristics of products and services, distribution powers, the impact of consolidation, technological changes, emerging non-traditional competitors, regulatory action, competitive advantages of certain competitors and many other factors). In addition, the Issuer must comply with regulatory requirements that may not apply to non-banks or certain foreign competitors and which may create an unequal competitive environment. This unequal competitive environment can be reflected by the costs involved for banks, including costs and resources required for compliance with such regulatory requirements.

Moreover, government involvement and/or ownership in banks, including in the Issuer, may have an impact on the competitive landscape in the major markets in which the Issuer operates.

The European Commission has also imposed certain conditions in order to approve the support package and restructuring plan for the Issuer that restrict it from conducting certain activities, including acquisitions, which could adversely affect the Issuer's competitive position, market share, results of operations, prospects and financial position.

Furthermore, the Issuer also faces and may continue to face competition with respect to attracting capital or funding from its retail, private and corporate clients and/or investors. Competition may cause increases in funding costs which may not be recoverable from borrowers and could therefore result in declining margins which would negatively affect the Issuer's profitability and financial performance.

Competitive pressures could result in increased pricing pressures on a number of the Issuer's products and services, higher capital or funding costs or could result in loss of market share and may harm the Issuer's ability to maintain or increase profitability.

12. The Issuer's operations and assets are located primarily in The Netherlands. Deterioration or long-term persistence of a difficult economic environment could have a negative effect on the Issuer's results of operations and financial position.

As of 31 December 2014, 81% of the Issuer's operating income was generated in The Netherlands and a majority of its aggregate credit exposure is also located in The Netherlands (approximately 75% as of 31 December 2014). Accordingly, the Issuer is largely dependent upon the prevailing economic, political and social conditions in The Netherlands, particularly those which impact the mortgage market and small and medium business enterprises, which recently has been subject to major regulatory changes. Accordingly, deterioration or long-term persistence of the difficult economic environment in The Netherlands could have a negative effect on the Issuer's results of operations and financial position. Efforts by the Issuer to diversify, limit or hedge its portfolio against concentration risks may not be successful and any concentration risk could increase potential losses in its portfolio; this risk is mainly manifested through business and credit risk.

13. The Issuer is subject to significant counterparty risk exposure and exposure to systemic risks which may have an adverse effect on the Issuer's results.

The Issuer's businesses are subject to general credit and country risks, including credit risks of borrowers and other counterparties. Risks arising from changes in credit quality and the recoverability of loans and amounts due from counterparties are inherent in a wide range of the Issuer's businesses. Third parties that owe the Issuer money, securities or other assets may not pay or perform under their obligations. These parties include borrowers (under loans), the issuers whose securities the Issuer holds, customers, trading counterparties, counterparties under swaps and credit and other derivative contracts, clearing agents, exchanges, clearing houses and other financial intermediaries. These parties may default on their obligations to the Issuer due to bankruptcy, lack of liquidity, downturns in the economy, financial markets or real estate values, operational failure or other reasons. Further, collateral posted may prove insufficient or inadequate. This is particularly predominant in businesses and operations of the Issuer that rely on

sufficient collateral, such as in relation to its securities financing operations, asset-based financing business (Commercial Finance and Lease), diamonds and jewellery credit portfolio, clearing activities or Energy, Commodities & Transportation ("**ECT**") credit portfolio. In the past few years, the Issuer has seen adverse changes in the credit quality of its borrowers and counterparties, for example, as a result of their inability to refinance their indebtedness. The Issuer has seen increasing delinquencies, defaults and insolvencies across a range of sectors (such as small and medium sized enterprises, commercial real estate, construction and (inland) shipping) and in a number of geographies. This trend has in the past led to and may continue to lead to impairment charges for the Issuer.

While the Issuer's operations and assets are located primarily in The Netherlands, it does have a number of branches, offices, business and operations located internationally as well as clients who operate in other jurisdictions, which exposes the Issuer to country risks.

The Issuer also has outsourcing arrangements with a number of third parties, notably in respect of IT, and certain services operations, such as cash centres, cash transportation, servicing of ATMs, and back office activities, for example in human resources operations. Accordingly, the Issuer is at risk of these third parties not delivering on their contractual obligations. There can be no guarantee that the suppliers selected by the issuer will be able to provide the functions for which they have been contracted, either as a result of them failing to have the relevant capabilities, products or services, or due to inadequate service levels set by, or ineffective monitoring by, the Issuer.

In view of the current global economic outlook, the Issuer may continue to see adverse changes in the credit quality of its borrowers and counterparties, for example, as a result of their inability to refinance their indebtedness, with increasing delinquencies, defaults and insolvencies across a range of sectors (such as the personal, banking and financial institution sectors) and in a number of geographies. This trend has led to and may continue to lead to further impairment charges, higher costs, additional write-downs and losses for the Issuer.

The Issuer is one of a limited number of international lenders in the diamond and jewellery industry which has experienced reduced liquidity, with various banks leaving the industry or reducing their exposure. As of 2012, the Issuer also decided to reduce its exposure to this industry. To the extent that clients of the Issuer have insufficient access to liquidity, their creditworthiness may negatively be affected, which may adversely affect the quality of the Issuer's credit portfolio in this industry. Furthermore, the diamond and jewellery industry perceive the Issuer as a leading bank in financing of the industry given its previous exposure. Market participants and representative bodies in the industry might expect the Issuer to continue to provide liquidity to the market. If the Issuer does not provide this liquidity, this may damage the Issuer's reputation.

The financial and/or commercial soundness of many financial institutions may be closely interrelated as a result of credit, trading, clearing or other relationships between the institutions. As a result, concerns about, or a default, or threatened default by one institution could affect the banking system and lead to significant market-wide liquidity problems and financial losses at many financial institutions. It may even lead to further defaults of other financial institutions, which is referred to as "systemic risk". A systemic risk event may also adversely affect financial intermediaries, such as clearing agencies, clearing houses, banks, securities firms and exchanges, to which the Issuer is exposed. The systemic risk of the global financial industry is still at an elevated level. High sovereign indebtedness, low capital levels at many banks and the high interconnectivity between the largest banks and certain economies are important factors that contribute to this systemic risk. A default by, or even concerns about a default by, one or more financial services institutions could lead to significant systemic liquidity problems, or losses or defaults by other financial institutions.

The above factors may lead to material losses for the Issuer and may have an adverse effect on the Issuer's business, financial position, results of operations and prospects.

14. The Issuer may be subject to increases in allowances for loan losses.

The Issuer's banking businesses establish provisions for loan losses, which are reflected in the impairment charges on loans and other receivables provisions on the Issuer's income statement, in order to maintain the Issuer's allowance for loan losses at a level that is deemed to be appropriate by management based upon an assessment of prior loss experiences, the volume and type of lending being conducted by the Issuer, industry standards, past due loans, economic conditions and other factors related to the collectability of the Issuer's loan portfolio. Although management uses its best efforts to establish the allowances for loan losses, that determination is subject to significant judgment which, along with the underlying risk management models and methods could be inaccurate and the Issuer may have to increase its allowances for loan losses in the future as a result of increases in non-performing assets or for other reasons. Any increase in the allowances for loan losses, any loan losses in excess of the previously determined provisions with respect thereto or changes in the estimate of the risk of loss inherent in the portfolio of non-impaired loans could have an adverse effect on the Issuer's results of operations, profitability and financial position.

15. The Issuer depends on the accuracy and completeness of information about customers, counterparties and itself. The Issuer's business operations require meticulous documentation, recordkeeping and archiving.

In deciding whether to extend credit or enter into other transactions with customers and counterparties, the Issuer may rely on information furnished to the Issuer by or on behalf of the customers and counterparties, including financial statements and other financial information. The Issuer also may rely on the audit report covering those financial statements. The Issuer's financial position and results of operations could be negatively affected by relying on such information or on financial statements that do not comply with generally accepted accounting principles or that are materially misleading. If information about clients and counterparties turns out to be materially inaccurate, incomplete or misleading, this could lead to fines or regulatory action, violation of rules and regulations, engagement in incorrect commercial transactions.

The Issuer is also responsible for performing know your customer checks to prevent tax evasion or avoidance. However, it may not be apparent to the Issuer whether a client is engaged in tax evasion, because of the complex structure of many of these transactions. Tax evasion or avoidance by the client may be attributed to the Issuer even though it has not actively assisted clients in tax evasion or avoidance if the Issuer fails to adequately satisfy its know your customer obligations. Failure to manage tax risks could lead to reputational damage or regulatory fines and penalties.

Also, the Issuer has a monitoring duty in relation to transactions outstanding, including on client positions being either in-the-money or out-of-the-money, or the amount having been borrowed by clients being lower or higher than the value of property or security or the corresponding derivative. This monitoring allows the Issuer, amongst other things, to take appropriate commercial decisions and to verify continued suitability of the product for certain retail clients and compliance with legal requirements of the Issuer. Monitoring a large number of different products, including discontinued products that are still outstanding, is complex and it could become more difficult or even impossible if the Issuer should fail to properly document transactions or archive documentation.

The Issuer's business operations require meticulous documentation, recordkeeping and archiving. Incomplete documentation, documentation not properly executed by counterparties, inadequate recordkeeping or archiving, and the loss of documentation could materially adversely affect the Issuer's business operations in a number of ways.

Technical limitations, human mistakes, system failures and underperforming third party service providers (including where the business continuity and data security of such third parties proves to be inadequate), may all lead to incomplete or inappropriate documentation, or the loss of documentation. The fact that the

constituent parts of the Issuer have historically documented legal acts and transactions with clients differently, and, in consequence, different procedures, models and IT systems have been applied to similar transactions, increases this risk. If legal acts or transactions are not properly documented or the paperwork is inadequately stored, this could lead to failure to comply with legal and regulatory requirements on administrative and other record keeping requirements, delays in accessing data required to comply with regulatory requests and requirements, inability to and for making the right commercial decisions and could have an impact on providing information or evidence in regulatory and other investigations, procedures or litigation in which the Issuer may be involved.

Management requires adequate information about the Issuer, its clients and counterparties and about the state of financial markets and market data in order to make appropriate and informed commercial and strategic decisions. If management data on the Issuer's credit portfolios is inadequate, this could lead to the Issuer exceeding its concentration risk guidelines and incurring more risk than would be prudent or than is permitted pursuant to applicable rules and regulations. Also, the strategic decisions that the Issuer takes are to a large extent dependent on accurate data. If the quality of data available to the Issuer's management is insufficient, because it is incomplete, not up-to-date, unavailable or not available in a timely fashion or because it contains mistakes or because its significance is not properly evaluated, this could have a material adverse effect on the Issuer's business, results of operations and reputation.

16. The Issuer is exposed to regulatory scrutiny and potentially significant claims for violation of the duty of care owed by it to clients and third parties.

Due to their position in society (*maatschappelijke functie*) and specific expertise, financial institutions in The Netherlands owe a duty of care (*zorgplicht*). Financial institutions must also comply with duty of care rules in 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. The duty of care does not always end at the moment when the client has purchased a given product or service, but the financial institution may have to take action upon (known) changes in circumstances affecting the client, in particular if the product or service has a long life. The scope of the rules and standards referred to above differs depending on the type of service rendered or product sold, and the nature of (the activities of) the clients and third parties affected. If a duty of care is violated, claims may be based on general principles of contract, tort or securities law, including for violation of standards of reasonableness and fairness, error, wrongful treatment or faulty due diligence. Actions may be brought individually by persons that suffered losses or damages, or on behalf of a large number of – sometimes initially unnamed persons – in class-action style proceedings. Proceedings may be brought in court and before the Dutch financial institute for out of court settlement of financial disputes "Kifid" (*Klachteninstituut Financiele Dienstverlening*).

A number of proceedings have been initiated against the Issuer for violation of its duty of care and a larger number of claims are threatened. Also, a number of class action groups are actively soliciting plaintiffs for mass litigation proceedings. Accordingly, there can be no assurance that additional proceedings will not be brought. Current proceedings are still pending and their outcome is uncertain, as is the timing of reaching any finality on these legal claims and proceedings. These uncertainties are likely to continue for some time. As a result, although the consequences could be substantial for the Issuer, with a potentially material adverse effect on the Issuer's reputation, results of operations, financial position and prospects, it is not possible to reliably estimate or quantify the Issuer's exposure at this time.

European and national regulations, for example, increasingly require financial institutions to provide elaborate disclosure to clients on services and products, such as through the proposed key investor information document, to permit clients to more reliably assess the service or product and to enable them to compare it with similar services or products offered by other providers. Increased price transparency

rules have entered into force or are envisaged by proposed European regulations for various services and products, such as those based on MiFID II and PRIIPs. In the Dutch market, the AFM and Dutch banks have agreed upon providing (non-professional) clients increased price transparency as of 1 January 2015 in anticipation of similar rules seth forth in MiFID II. These rules impose obligations on financial institutions to make clear to potential clients what a service or product costs and when prices may be changed.

After the global financial crisis, 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 these trends 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.

Most recently, Dutch courts have held that also non-profit organisations, public and semi-public institutions, and small and medium-sized enterprises may benefit from a duty of care more similar to that previously applicable to non-professional clients only, for example with respect to interest rate swap transactions. During the past few years, many of the (interest) derivatives sold to SME and (semi-)public institutions, such as housing corporations (*woningcorporaties*), educational institutions (*onderwijsinstellingen*), (governmental) agencies dealing with water management (*waterschappen*), healthcare institutions, municipalities and provinces, have shown a negative value as a result of a sharp fall in interest rates. This development has received negative attention in the Dutch media, in Parliament and from the AFM.

The AFM is currently investigating derivatives offered to SMEs. The sale of derivatives to these clients has led to complaints and to court cases against financial institutions who sold the derivatives, including the Issuer. Clients of the Issuer have claimed, among other things, that the products sold to them contained risks that were not, or not sufficiently, disclosed to them, that the products sold to them were not suited for their circumstances or that the Issuer owed them a duty of care which the Issuer had breached. The demise of housing corporation Vestia in connection with a substantial derivatives portfolio has for example been prominently publicised and multiple proceedings are ongoing to recover losses and other damages. In addition, in these matters, supervisory and other authorities have taken and may take measures against or impose fines on the parties involved, including the Issuer.

Following the extensive media attention in relation to Vestia in general, a public and political discussion was initiated as to whether SME and (semi-)public institutions can considered as professional clients or whether they should benefit from a higher level of protection. The AFM expressed the view that clients should be classified not only pursuant to the statutory rules regarding client classification, but also on the basis of information provided by the client in respect of its actual level of knowledge and experience with the relevant service or product. Policy guidelines on the use of financial derivatives by (semi-)public institutions of the Dutch Minister of Finance (*Beleidskader inzake het gebruik van financiële derivaten door (semi-)publieke instellingen*) published on 17 September 2013 prescribe among other things that (semi-)public institutions may only enter into financial derivatives with an investment firm if it has classified them as a non-professional client. Although the Issuer has re-classified all housing corporations, educational institutions and care institutions as non-professional clients, this may not protect it from claims for services rendered or products sold prior to the re-classification.

The developments described above are complex and could have substantial consequences for the Issuer, including an increase in claims by customers and increased costs and resources. Also, it cannot be excluded that additional sector-wide measures will be imposed by supervisory authorities or the legislator

which can have a negative impact on the Issuer. All these developments may have a material adverse effect on the Issuer's business, reputation, results of operations, financial position and prospects.

17. The Issuer is subject to operational risks that could adversely affect its business.

The Issuer is exposed to many types of operational risk, being the risk of loss resulting from inadequate or failed internal processes, and systems, or from external events. Categories of risks identified by the Issuer as operational risks are: client, product and business practices, execution, delivery and process management, technology and infrastructure failures, malicious damage (terrorism), disasters and public safety and employee practices and workplace safety. This includes the risk of internal and external fraud, cybercrime or other types of misconduct by employees or third parties, unauthorized transactions by employees and operational errors, including clerical or record keeping errors or errors resulting from faulty computer or telecommunications systems. In the area of payments, over the past several years the Issuer has been subject to cybercrime fraud in the form of phishing and malware. The Issuer believes that there is a growing threat of attacks on information technology systems from individuals and groups via the internet, including the IT systems of the Issuer that contain client and Issuer information and transactions processed through these systems).

The Issuer may also be subject to disruptions of the Issuer's operating systems, arising from events that are wholly or partially beyond the Issuer's control (including, for example, computer viruses or electrical or telecommunication outages), which may give rise to losses in service to customers and to loss or liability to the Issuer, including potentially large costs to both rectify the issue and possibly reimburse losses to the client. The Issuer is further exposed to the risk that external vendors may be unable to fulfill their contractual obligations to the Issuer, and to the risk that their business continuity and data security systems prove to be inadequate. The Issuer is currently re-engineering and simplifying its IT and operations landscape. There can be no assurance that the Issuer will realise the anticipated benefits associated with this re-engineering programme in the timeframe planned, or at all. In addition, there can be no assurance that the total implementation cost currently anticipated will not be exceeded. Technological advances between now and full implementation of the programme may be faster than the re-engineering programme anticipates, resulting in the risk that the Issuer may need to make further investments in its IT landscape.

Also, the quality of data available to management may, at times, be insufficient or the data might not be available in a timely fashion. This may cause management to make improper decisions which in turn could influence the Issuer's results of operations or financial position adversely. Furthermore, the Issuer faces the risk that the design of the Issuer's controls and procedures prove to be inadequate or are circumvented. Technological efficiency and automation is an important factor for the control environment of the Issuer. Inadequate technology in the control environment may, for example, lead to delayed or late detection or reporting, or no detection or reporting at all, of errors, fraud, incidents, risks or the materialisation thereof, which may lead to losses, fines, claims, regulatory action and reputational damage. Although the Issuer has implemented risk controls and loss mitigation measures, and substantial resources are devoted to developing efficient procedures, to identify and rectify weaknesses in existing procedures and to train staff, it is not possible to be certain that such actions have been or will be effective in controlling each of the operational risks faced by the Issuer.

Any weakness in these systems or controls, or any breaches or alleged breaches of applicable laws or regulations, could have a materially negative impact on the Issuer's business, financial position, reputation and results of operations.

18. The Issuer's risk management methods may leave the Issuer exposed to unidentified, unanticipated or incorrectly quantified risks, which could lead to material losses or material increases in liabilities (tail risk).

The Issuer uses various models, duration analysis, scenario analysis and sensitivity analysis as well as other risk assessment methods. Nonetheless, a chance always remains that the Issuer's risk management techniques and strategies may not be fully effective in mitigating the Issuer's risk exposure in all economic market environments or against all types of risk, including risks that the Issuer fails to identify or anticipate. Some of the Issuer's tools and metrics for managing risk are based upon the use of observed historical market behavior. The Issuer applies statistical and other tools to these observations to arrive at quantifications of risk exposures. These tools and metrics may fail to predict future risk exposures. The Issuer's losses, thus, could be significantly greater than the Issuer's measures would indicate. In addition, the Issuer's quantified modelling may not take all risks into account. The Issuer's more qualitative approaches to managing risks takes into account a broader set of risks, but is less precise than quantified modelling and could prove insufficient. Unanticipated or incorrectly quantified risk exposures could result in material losses in the Issuer's banking businesses.

19. Failure to comply with anti-money-laundering, anti-bribery laws or international sanctions could lead to fines or harm the Issuer's reputation and could disrupt the Issuer's business and result in a material adverse effect on the Issuer's business, financial position and results of operations.

Combating money laundering, bribery and terrorist financing, and the enforcement of compliance with economic sanctions has been a major focus of government policy relating to financial institutions in recent years (most notably for the Issuer's operations in the United States and the European Union). These laws and regulations impose obligations on the Issuer to maintain appropriate policies, procedures and controls to detect and prevent money laundering and terrorist financing, report unusual transactions and suspicions of money laundering and terrorist financing, comply with economic sanctions and combat bribery. Even though staff is regularly trained on these subjects and appropriate measures are implemented to support staff, the Issuer depends on sufficient awareness and compliance by its staff of these relevant laws and regulations for the execution of its policies, procedures and controls.

Despite the Issuer's compliance programs and internal control policies and procedures, a risk remains that the Issuer's clients, employees or agents might commit reckless or negligent acts, or that they might violate laws, regulations or policies.

The legislation, rules and regulations which establish sanctions regimes are often broad in scope and complex, and in recent years, governments have increased and strengthened such regimes. As a consequence, the Issuer may be forced to restrict certain business operations or unwind certain ongoing transactions or services, which may cause material losses and affect the Issuer's ability to expand.

In addition, the extra-territorial reach of U.S. and EU regulations in respect of economic sanctions requires the Issuer to establish effective controls and procedures in order to prevent violations of United States and EU sanctions against designated foreign countries, nationals, entities and others. The Issuer's operations and the products and services it offers bring it within the scope of these sanctions regimes. For example, the recent crisis in the region of Crimea and related events has led to sanctions for certain transactions in relation to Russia. Should the crisis in Crimea continue or new or escalated tensions between Russia and Ukraine or other countries emerge, or should economic or other sanctions in response to such crises or tensions be imposed, this could have a further adverse effect on the economies in the region, including the Russian economy, and could lead to further sanctions being imposed. This could have a negative effect on Issuer's operations and the products and services it offers in relation to such regions.

Failure by the Issuer to implement and maintain adequate programmes to combat money laundering, bribery and terrorist financing or to ensure economic sanctions compliance could lead to fines or harm the Issuer's reputation and could disrupt the Issuer's business and result in a material adverse effect on the Issuer's business, financial position, results of operations and prospects.

20. The Issuer is subject to changes in financial reporting standards or policies, including as a result of choices made by the Issuer, which could materially adversely affect Issuer's reported results of operations and financial condition and may have a corresponding impact on capital ratios.

The Issuer's consolidated financial statements are prepared in accordance with IFRS, 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, could change the current accounting treatment that applies to its consolidated financial statements and that such changes could have a material adverse effect on Issuer's results of operations and financial condition. For example, the final version on Phase II of IFRS 9 on financial instruments (IFRS 9: impairments), which will replace IAS 39, will result in significant changes to the Issuer's consolidated financial statements. The main objective of IFRS 9 is to provide users of financial statements with more useful information about the Issuer's expected credit losses in its financial assets and its commitments to extend credit. As a result of IFRS 9, the Issuer will have to more timely recognise credit losses on loans and other financial instruments which is expected to lead to higher loan loss allowances, and corresponding lower capital on implementation. In addition, Phase II of IFRS 9 will lead to significant changes in financial instrument disclosures. This contemplated accounting change will become effective for annual periods beginning on or after 1 January 2018. Further changes in financial reporting standards or policies, including as a result of choices made by the Issuer, could have a material adverse effect on the Issuer's reported results of operations and financial condition and may have a corresponding impact on capital ratios.

21. The value of certain financial instruments recorded at fair value is determined using financial models incorporating assumptions, judgements and estimates that may change over time or may ultimately not turn out to be accurate.

The value of certain financial instruments, such as (i) financial instruments classified as 'held-for-trading' or 'designated as at fair value through income', and (ii) financial assets classified as 'available-for-sale' recorded at fair value is determined using financial models incorporating assumptions, judgements and estimates that may change over time or may ultimately not turn out to be accurate. Generally, to establish the fair value of these instruments, the Issuer relies on quoted market prices or, where the market for a financial instrument is not sufficiently active, internal valuation models that utilize observable market data.

In certain circumstances, the data for individual financial instruments or classes of financial instruments utilized by such valuation models may not be available or may become unavailable due to changes in market conditions. In such circumstances, the Issuer's internal valuation models require the Issuer to make assumptions, judgements and estimates to establish fair value. Given the nature of instruments, these internal valuation models are complex, and the assumptions, judgements and estimates the Issuer is required to make often relate to matters that are inherently uncertain, such as expected cash flows, the ability of borrowers to service debt, residential and commercial property price appreciation and depreciation, and relative levels of defaults and deficiencies. Such assumptions, judgements and estimates may need to be updated in the face of changing facts, trends and market conditions. The resulting change in the fair values of the financial instruments has had and may have a material adverse effect on the Issuer's results of operations and financial position.

22. The Issuer is subject to legal risk, which may have an adverse impact on the Issuer's business, financial position, results of operations and prospects.

In the ordinary course of business the Issuer is involved in a number of legal proceedings. The Issuer's business is subject to the risk of litigation by customers, borrowers, employees, shareholders or others through private actions, class actions, administrative proceedings, regulatory actions or other litigation. It is inherently difficult to predict or quantify the outcome of many of the litigations, regulatory proceedings and other adversarial proceedings involving the Issuer and its businesses. The cost to defend current and future actions may be significant. There may also be adverse publicity associated with litigation that could decrease customer acceptance of the Issuer's services, regardless of whether the allegations are valid or whether the Issuer is ultimately found liable. See also the risk factor "*16. The Issuer is exposed to regulatory scrutiny and potentially significant claims for violation of the duty of care owed by it to clients and third parties*" above and the risk factor "*23. The Issuer is subject to reputational risk*" below. As a result, litigation may adversely affect the Issuer's business. See "*The Issuer—1. ABN AMRO Bank N.V. — 1.8 Legal and arbitration proceedings*".

In presenting the consolidated annual financial statements, management may make estimates regarding the outcome of legal, regulatory and arbitration matters and takes a charge to income when losses with respect to such matters are probable and can be reasonably estimated. . If the provisions made turn out not to be sufficient, the Issuer is at risk of incurring losses that have not or not sufficiently been provided for Such losses may occur potentially years after the event that caused them. Changes in estimates may have an adverse effect on the Issuer's business, financial position, results of operations and prospects.

23. The Issuer is subject to reputational risk.

Reputational risk exists in many forms in all of the Issuer's activities. Examples are the failure or perceived failure to comply with legal and regulatory rules, laws, regulations and other requirements, principles or codes of conduct (including but not limited to the code of conduct on sustainability) by the Issuer, its customers, or other third parties linked to the Issuer, anti-money laundering, bribery or anti-corruption measures, anti-terrorist financing procedures, the quality and transparency of products sold to clients or the conduct of its employees. Reputational risk is, for example, generally perceived to be significant in the diamond and jewellery business, in which business the Issuer is one of a limited number of international lenders. In addition, the Issuer's reputation could also be harmed as a result of negative external publicity over which the Issuer has no or minimal control (such as social media). These factors may adversely affect the Issuer's operating results, prospects and financial position.

24. The Issuer's ability to retain and attract qualified employees is critical to the success of its business and the failure to do so may adversely affect the Issuer's performance.

Employees are one of the Issuer's most important resources and competition for qualified employees is intense. In order to attract and retain qualified employees, the Issuer seeks to compensate such employees at market levels. Higher compensation costs or the inability to attract and retain qualified employees could have a material adverse effect on the Issuer's performance.

The financial industry has implemented new rules and regulations on remuneration policies such as those included in the changes to the Capital Requirements Directives known as CRD III and CRD IV, which have been implemented in the Remuneration Policy Decree (*Besluit beheerst beloningsbeleid Wft*), the Bonus Prohibition Act (*Wet Bonusverbod*) and the governance rules and guidelines as embedded in the Dutch Banking Code (*Code Banken*).

Under Dutch and European law, remuneration of employees active in the financial sector is restricted. The Dutch rules ("*Wet beloningsbeleid financiële ondernemingen*", that entered into force as of 7 February 2015) essentially include a cap on variable remuneration of 20% of the fixed salary for employees of a Dutch financial institution that are employed in The Netherlands, 100% for employees of a Dutch financial institution that are employed elsewhere in Europe and 200% for employees of a Dutch

financial institution that are employed outside of Europe. Pursuant to transitional regulations, financial institutions will only be allowed to pay variable remuneration exceeding the relevant bonus caps until 1 January 2016, provided that the obligation to pay this remuneration results from an agreement concluded prior to 1 January 2015.

Furthermore, the new Dutch rules introduce a ban on any variable remuneration for any Dutch financial institution that has received a form of state aid. State aid includes, amongst other things, capital support, guarantees by the government and nationalisation of a financial institution in order to stabilise the financial system. As a result of this new ban, members of the Managing Board as well as certain categories of senior management are not permitted to receive any variable remuneration or increases in the base salary other than increase reflecting collective adjustments, such as increases based on collective labour agreements.

The financial industry may experience additional restrictions on employee compensation, or employee compensation may be made subject to special taxation, which could have an adverse effect on the Issuer's ability to hire or retain the most qualified employees in the future. Regulations or taxations on employee compensation may also become more restrictive for the Issuer and other Dutch financial institutions than for some of its competitors in other jurisdictions or markets, which could have an additional adverse effect on the Issuer's ability to hire or retain the most qualified employees in the jurisdictions or markets where the bank operates or intends to operate.

25. The Issuer's clearing business may incur losses or may be subject to regulatory actions and fines that could negatively affect the Issuer's result of operations, prospects and financial position as well as negatively affect the Issuer's reputation.

ABN AMRO Clearing Bank N.V. ("**ABN AMRO Clearing**") is active in clearing of securities and other financial instruments and one of a limited number of firms offering market access and clearing services.

ABN AMRO Clearing's business operates on the basis of extensive and complex IT systems. If these systems fail to operate properly, and in particular if this would result in trades not being settled or not being settled in time, the Issuer, as well as its clients and other third parties could incur substantial losses. This may also be the case where the reason for the interruption is external. As a result, the Issuer could also suffer reputational damage and clients could decide to take their business elsewhere. A relatively small number of ABN AMRO Clearing's clients represent a large part of its operating income. The loss of one or more of these clients could have a material adverse effect on ABN AMRO Clearing's and therefore the Issuer's results of operations and financial position.

ABN AMRO Clearing is a member of a number of central counterparties ("**CCPs**"). Consequently, ABN AMRO Clearing may be liable for a portion of the obligations incurred by a CCP as a result of the default of other clearing members. In accordance with the applicable rules, ABN AMRO Clearing contributes to the default fund of these CCPs. Furthermore, ABN AMRO Clearing is exposed to counterparty risk in respect of the CCP itself. A default by another clearing member or a CCP could also negatively affect securities prices and therefore the value of collateral held by ABN AMRO Clearing. Any default or other failure by a clearing member or CCP could materially impact ABN AMRO Clearing's results of operations, prospects and financial position.

ABN AMRO Clearing offers its clients global execution services. This means that clients who use and trade via ABN AMRO Clearing have direct market access and can engage in automated trading, which enables them to place orders directly on certain markets and stock exchanges in the name of ABN AMRO Clearing. Any breaches by clients or by ABN AMRO Clearing itself of applicable laws, rules and regulation, including market abuse prohibitions and reporting obligations, may result in regulatory actions taken against or fines being imposed on ABN AMRO Clearing. Furthermore, if a client fails to perform its obligations under any contract entered into in the name of ABN AMRO Clearing, ABN AMRO

Clearing may be held liable. ABN AMRO Clearing may fail to effectively perform pre-trade and post-trade controls, to exercise timely risk-monitoring and transaction surveillance or to employ a device to manually stop trading activities or to perform reporting obligations, and may therefore not be successful in preventing erroneous trading, such as "fat thumb errors", or misconduct by its clients. This risk is particularly relevant in respect of clients who employ their own systems instead of ABN AMRO Clearing's infrastructure. Although ABN AMRO Clearing may have recourse to its clients for any of such breaches or non-performance, there remains a risk that ABN AMRO Clearing is not able to recover amounts paid. ABN AMRO Clearing may also incur reputational damage. Client conduct may therefore have a material adverse effect on ABN AMRO Clearing's reputation, results from operations and its financial position.

ABN AMRO Clearing depends for most of its financing on the Issuer. As such the Issuer will have a substantial credit exposure to ABN AMRO Clearing at all times. ABN AMRO Clearing seeks to mitigate its exposure to clients through the maintenance of collateral. Often, collateral consists of securities the value of which may fluctuate greatly in very short periods of time. A sudden drop in the value of these collateral securities may result in ABN AMRO Clearing holding insufficient collateral. ABN AMRO Clearing and thereby the Issuer can accordingly be exposed to credit risk from ABN AMRO Clearing's clients. Furthermore, if a client's collateral becomes insufficient ABN AMRO Clearing may not be able to immediately take remedial action, which may result in additional costs or liabilities. If ABN AMRO Clearing does take remedial action, it may face a claim from its client. If a client goes bankrupt or becomes insolvent, ABN AMRO Clearing may become involved in disputes and litigation with various parties, including CCPs, the client's bankruptcy estate and other creditors, or may become involved in regulatory investigations. This could increase ABN AMRO Clearing's and thereby the Issuer's operational and litigation costs and may result in losses if collateral received by ABN AMRO Clearing declines in value.

Each of the above events can negatively affect ABN AMRO Clearing's, and thereby the Issuer's, results of operations, prospects and financial position as well as negatively affect the Issuer's reputation.

26. The 403 Declaration of ABN AMRO Group N.V. may provide limited economic benefit or recourse to investors.

The 403 Declaration constitutes a guarantee by ABN AMRO Group N.V. for, *inter alia*, debt securities issued by the Issuer. If the Issuer should default, creditors impacted by such default, including holders of the financial instruments issued by the Issuer, may claim against the Issuer and/or ABN AMRO Issuer N.V as the guarantor.

However, since ABN AMRO Group N.V. is a holding company with no significant activities of its own, it would have to look at its operating subsidiaries to satisfy a claim brought against it by a holder of a financial instrument issued by the Issuer or any other creditor of the Issuer on the basis of the 403 Declaration. As ABN AMRO Group N.V.'s only direct subsidiary is the Issuer, a holder of a financial instrument issued by the Issuer must be aware that a claim under the 403 Declaration may not result in additional material recourse.

ABN AMRO Group N.V. may revoke the 403 Declaration at any time, including with retroactive effect subject to certain criteria.

27. The Issuer is subject to additional risk exposure as a consequence of the Legal Demerger, Legal Separation, EC Remedy and Legal Merger that could adversely affect its business.

The execution of the Legal Demerger, Legal Separation (including in relation to the EC Remedy) and Legal Merger have created risks for the Issuer's business and stability.

Following completion of a legal demerger, creditors only have recourse to the entity to which the relevant assets and liabilities have been transferred for payments in respect of issued financial instruments. Under the Dutch Civil Code, however, each of RBS N.V. and the Issuer remains liable to creditors for certain monetary obligations of the other that existed at the date of the Legal Demerger in the event that the other cannot meet such obligations. In each case, this liability relates only to obligations existing at the date of the Legal Demerger and is limited to the amount of equity acquired at the Legal Demerger.

At the date of the Legal Demerger, the obligations of RBS N.V. exceeded the equity of ABN AMRO Bank N.V. Therefore the contingent liability of ABN AMRO Bank N.V. to creditors of RBS N.V. is limited to the amount of equity acquired at the date of the Legal Demerger.

The Issuer has made arrangements to mitigate the risks of liability to the creditors which transferred to RBS N.V. upon the Legal Demerger. RBS N.V. has also made arrangements to mitigate the risks of liability to the creditors that transferred from RBS N.V. to the Issuer. Both RBS N.V. and the Issuer hold the level of regulatory capital agreed upon with DNB for purposes of covering any residual risks. There is no assurance that the mitigating arrangements taken by the Issuer are sufficient to satisfy all claims of creditors transferred to RBS N.V. See "*The Issuer—1. ABN AMRO Bank N.V.—1.1 History and recent developments—EC Remedy*".

On 7 August 2008, the EC Remedy part of ABN AMRO Bank N.V. was demerged to New HBU II N.V., giving rise to similar cross liabilities as described. In the event that New HBU II N.V. fails to meet its obligations, ABN AMRO Bank N.V. remains liable to its creditors in respect of obligations that existed at the New HBU II N.V. demerger date. This liability is limited to the equity retained at the legal demerger date.

In addition, the Issuer is subject to several risks, including financial, liquidity, operational, legal, compliance, and reputational risk as a result of the Legal Demerger, Legal Separation and EC Remedy Risks in connection with the Legal Demerger, Legal Separation and EC Remedy have been identified and managed from the start of these processes and risk tolerance levels have been set. However, risk exposure increases as a result of a demerger, separation or merger process and the Issuer may be exposed to large, unexpected events.

The above factors may have an impact on the execution of the Issuer's strategy and/or materially adversely affect the Issuer's results of operations, prospects and financial position.

28. Termination of Dutch State Ownership of the Issuer may result in increased perception of risk by investors, depositors and customers.

On 29 September 2011, direct control of ABN AMRO was transferred to the NLFI, see "*The Issuer—2. Shareholder, Group and Control"*. The Dutch State keeps all options open for a return to the private market for ABN AMRO, but has indicated it favors an IPO. In August 2013, the Dutch Minister of Finance sent a letter to Parliament, stating, amongst others that an IPO is the most realistic exit strategy for ABN AMRO and that the final decision will depend on four prerequisites: (a) the financial sector is stable, (b) the market is ready, (c) ABN AMRO is ready and (d) the intention is to recover as much as possible of the total investments. In the meantime, ABN AMRO has started IPO preparations. A decision on the timing of the IPO has not yet been taken as of the date of this Base Prospectus, and Stichting administratiekantoor beheer financiële instellingen (trade name NL Financial Investments, "NLFI") remains the sole shareholder of ABN AMRO until the IPO.

The timing and the form in which a change in the ownership of the Issuer may take is uncertain and may result in increased perception of risk by investors, depositors and customers which could adversely affect the market price of the Issuer's securities and its business, financial position and results of operations.

29. The European Commission has imposed certain conditions on the Issuer that could adversely affect the Issuer's competitive position, its business and results of operations.

The European Commission has imposed certain conditions in order to approve the support package and restructuring plan for ABN AMRO Group N.V. that restrict the Issuer from conducting certain activities. Examples are a ban on acquisitions above a certain amount, price leadership conditions and other restrictions.

Most measures were implemented for three years, starting from 5 April 2011. The restrictions imposed on acquisitions and advertising State ownership will apply until 5 April 2016 or, if earlier, the moment on which the Dutch State holds less than 50% of the Ordinary Shares.

Any of these restrictions could have a negative impact on the Issuer's competitive position. Since the markets in which the Issuer operates are expected to remain highly competitive in all areas, these conditions could adversely affect the Issuer's market share, results of operations, prospects and financial position.

Factors which are material for the purpose of assessing the market risks associated with Notes issued under the Program

30. The Notes may not be a suitable investment for all investors.

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 and the information contained or incorporated by reference in this Base Prospectus or any applicable supplement;

(ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the 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 behavior of any relevant indices and financial markets; and

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

Some Notes are complex financial instruments. 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 which are complex financial instruments 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.

Risks related to the structure of a particular issue of Notes

A wide range of Notes may be issued under the Program. A number of these Notes may have features which contain particular risks for potential investors.

31. The Notes may be subject to optional redemption by the Issuer.

The Final Terms and/or Pricing Term Sheet of any issue of a Series of Notes under the Program may specify that such Notes are subject to redemption at the option of the Issuer. Any optional redemption 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 also may be true prior to any redemption period.

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

32. Fixed/Floating Rate Notes may be converted at the discretion of the Issuer.

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

33. 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.

34. The market value of Inverse Floating Rate Notes are more volatile than market values of other conventional floating rate debt securities.

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

35. The price of Notes issued at a substantial discount or premium may be more volatile.

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

Risks related to Subordinated Notes

36. Holders of Subordinated Notes have limited rights to accelerate.

The Issuer may issue Notes under the Program which are subordinated to the extent described in Condition 3 (*Status and Terms relating to Subordinated Notes*) of the Terms and Conditions of the Subordinated Notes. Any such Subordinated Notes will constitute unsecured obligations of the Issuer and will rank (i) *pari passu* without any preference among themselves and with all other present and future unsecured and subordinated obligations of the Issuer (other than those subordinated obligations expressed by their terms to rank lower than the Subordinated Notes) and (ii) junior to those 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 or in the event of a Moratorium (as defined in Condition 3 (*Status and Terms relating to Subordinated Notes*) of the Terms and Conditions of the Subordinated Notes) with respect to the Issuer, the claims of Subordinated Noteholders against the Issuer will be subordinated to (a) the claims of depositors (other than in respect of those whose deposits are expressed by their terms to rank equally to or lower than the Subordinated Notes), (b) unsubordinated claims with respect to the repayment of borrowed money, (c) other unsubordinated claims and (d) subordinated claims expressed by their terms to rank in priority to the Subordinated Notes. By virtue of such subordination, payments to a Subordinated Noteholder will, in the event of liquidation or bankruptcy of the Issuer or in the event of a Moratorium with respect to the Issuer, only be made after, and any set-off by a Subordinated Noteholder shall be excluded until, all obligations of the Issuer resulting from higher-ranking deposits, unsubordinated claims with respect to the repayment of borrowed money, other unsubordinated claims and higher ranking subordinated claims have been satisfied. A Subordinated Noteholder may therefore recover less than the holders of deposit liabilities or the holders of other unsubordinated liabilities of the Issuer. Furthermore, the Conditions do not limit the amount of the liabilities ranking senior to any Subordinated Notes which may be incurred or assumed by the Issuer from time to time, whether before or after the issue date of the relevant Subordinated Notes.

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

Subordinated Noteholders will only have limited rights to accelerate repayment of the principal amount of Subordinated Notes. See Condition 9 (*Events of Default*) of the Terms and Conditions of the Subordinated Notes, which limits the events of default to (i) the Issuer being declared bankrupt, or a declaration in respect of the Issuer being made under article 3:163(1)(b) of the Wft and (ii) an order being made or an effective resolution being passed for the winding up or liquidation of the Issuer (unless this is done in connection with a merger, consolidation or other form of combination with another company and such company assumes all obligations contracted by the Issuer in connection with the Subordinated Notes). Accordingly, if the Issuer fails to meet any interest payment or other obligation under the Subordinated Notes, such failure will not give the Holder any right to accelerate repayment of the principal amount of the Subordinated Notes.

Although Subordinated Notes may pay a higher rate of interest than comparable Notes which are not subordinated, there is a real risk that an investor in Subordinated Notes will lose all or some of his investment should the Issuer become insolvent. See also the risk factor "*37. There is a redemption risk in respect of certain issues of Subordinated Notes*" below.

37. There is a redemption risk in respect of certain issues of Subordinated Notes.

If the applicable Final Terms and/or Pricing Term Sheet in respect of Subordinated Notes indicates that such Notes are redeemable at the option of the Issuer if there is a change in the regulatory classification of the Subordinated Notes that has resulted or would be likely to result in the Subordinated Notes being excluded, in whole but not in part, from the Tier 2 capital (within the meaning of the CRD IV Regulation as defined in the Conditions of the Subordinated Notes) of the Issuer or reclassified as a lower quality form of own funds of the Issuer, which change in regulatory classification (or reclassification) (i) becomes effective on or after the Issue Date and, if redeemed within five years after the Issue Date (ii) is

considered by the Relevant Regulator to be sufficiently certain and (iii) the Issuer has demonstrated to the satisfaction of the Relevant Regulator was not reasonably foreseeable at the time of their issuance as required by Article 78(4) CRD IV Regulation, and provided the Issuer has notified the holders of the relevant Notes accordingly, the Issuer may redeem the relevant Notes at the amount and on the date(s) specified in the applicable Final Terms and/or Pricing Term Sheet.

38. There is variation or substitution risk in respect of certain Series of Subordinated Notes.

If Variation or Substitution is specified in the applicable Final Terms and/or Pricing Term Sheet and if a CRD IV Capital Event or a Capital Event (as defined in Condition 6(d) (*Redemption, substitution and variation for regulatory purposes of Subordinated Notes*) of the Terms and Conditions of the Subordinated Notes) has occurred and is continuing, then the Issuer may, subject to the prior written permission of the Relevant Regulator if required at the relevant time (but without any requirement for the consent or approval of the Subordinated Noteholders), substitute the Subordinated Notes or vary the terms of the Subordinated Notes in order to ensure that they remain or, as appropriate, become compliant with CRD IV or such other regulatory capital rules applicable to the Issuer at the relevant time. The terms and conditions of such varied or substituted Subordinated Notes may have terms and conditions that contain one or more provisions that are substantially different from the terms and conditions of the original Subordinated Notes. However, the Issuer cannot make changes to the terms of the Subordinated Notes or substitute the Subordinated Notes for securities that are materially less favorable to the Subordinated Noteholders. 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 Subordinated Notes. Nonetheless, no assurance can be given as to whether any of these changes will negatively affect any particular Subordinated Noteholder. In addition, the tax and stamp duty consequences of holding such varied or substituted Notes could be different for some categories of Subordinated Noteholders from the tax and stamp duty consequences of their holding the Subordinated Notes prior to such variation or substitution. See Condition 6(d) (*Redemption, substitution and variation for regulatory purposes of Subordinated Notes*) of Terms and Conditions of the Subordinated Notes for further details.

The Relevant Regulator has discretion as to whether or not it will approve any substitution or variation of the Subordinated Notes. Any such substitution or variation which is considered by the Relevant Regulator to be material shall be treated by it as the issuance of a new instrument. Therefore, the Subordinated Notes, as so substituted or varied, must be eligible as Tier 2 capital in accordance with the then prevailing regulatory capital rules applicable to the Issuer, which may include a requirement that (save in certain prescribed circumstances) the Subordinated Notes may not be redeemed or repurchased prior to five years after the effective date of such substitution or variation.

39. Statutory loss absorption of Subordinated Notes could have an adverse effect on the market price of the relevant Subordinated Notes.

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

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

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

See also the risk factor "*49. Proposed and new banking legislation dealing with ailing banks give regulators resolution powers (including powers to write down debt)*" below.

40. No limitation to issue senior or pari passu ranking Notes.

The Conditions of the Notes do not restrict the amount of securities which the Issuer may issue and which rank senior or pari passu in priority of payments with the Subordinated Notes.

The issue of any such securities may reduce the amount recoverable by Subordinated Noteholders on a winding-up of the Issuer. Accordingly, in the winding-up of the Issuer and after payment of the claims of senior creditors and of depositors, there may not be a sufficient amount to satisfy the amounts owing to the Subordinated Noteholders.

Risks related to the Notes generally

Set out below is a brief description of certain risks relating to the Notes generally:

41. Each Noteholder must act independently as Noteholders do not have the benefit of a trustee.

Because the Notes will not be issued pursuant to an indenture, Noteholders will not have the benefit of a trustee to act upon their behalf and each Noteholder will be responsible for acting independently with respect to certain matters affecting such Noteholder's Note, including accelerating the maturity thereof upon the occurrence of an event of default, enforcing any covenants contained therein and responding to any requests for consents, waivers or amendments. See Condition 9 (*Events of Default*).

42. The Notes are subject to modification, waivers and substitution.

The conditions of the Notes contain provisions for soliciting the consent of Noteholders in respect of 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 or did vote and Noteholders who voted in a manner contrary to the majority.

The conditions of the Notes also provide that an 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 and/or overriding 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 15 (*Substitution of the Issuer*) or (iv) the variation or substitution of certain Subordinated Notes in the circumstances described in Condition 6(d) (*Redemption, substitution and variation for regulatory purposes of Subordinated Notes*) of the Terms and Conditions of the Subordinated Notes.

43. The EU Savings Directive may require the collection of withholding tax.

If a payment of interest were to be made or collected through a Member State which has opted for a withholding system under EC Council Directive 2003/48/EC and an amount in respect of tax were consequently to be withheld from that payment (see "*Taxation—EU Council Directive on Taxation of Savings Income*"), none of the Issuer or any Paying Agent or any other person would be obliged to pay additional amounts with respect to any Note as a result of the imposition of such withholding tax. The Issuer is required to maintain a Paying Agent in a Member State that is not obliged to withhold or deduct tax pursuant to the Prospectus Directive.

44. Tax consequences of holding the Notes may be complex.

Potential investors should consider the tax consequences of investing in the Notes and consult their tax adviser about their own tax situation. In particular, depending on which provision is specified in the applicable Pricing Terms Sheet or Final Terms, the Issuer may either (i) make the required withholding or deduction of such taxes, duties, assessments or governmental charges for the account of the holders of the Notes and shall not pay any additional amounts to the holders of the Notes, if such withholding or deduction is required by law or (ii) pay such additional amounts as shall be necessary in order that the net amounts received by the holders of the Notes after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Notes as the case may be, in the absence of such withholding or deduction. See further "*Taxation*".

45. Noteholders may be subject to withholding tax under FATCA.

Under FATCA, payments may be subject to withholding if the payment is either U.S. source, or a foreign pass thru payment. The Netherlands has concluded an agreement with the United States of America to Improve International Tax Compliance and to Implement FATCA, a so-called IGA. Under this agreement, parties are committed to work together, along with other jurisdictions that have concluded an IGA, to develop a practical and effective alternative approach to achieve the FATCA objectives of foreign pass thru payment and gross proceeds withholding that minimizes burden. The issuer is established and resident in The Netherlands and therefore benefits from this IGA.

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

46. Notes held in global form are reliant on the Registrar and other third parties.

Notes issued under the Program may be represented by one or more Global Certificates. Such Global Certificates (as defined in "*Book Entry, Delivery, Form and Settlement—Form of the Notes and registration*") will be deposited with a custodian for and registered in the name of a nominee of DTC or, if applicable, with a common depository for Euroclear and Clearstream, Luxembourg (each as defined in "*Book Entry, Delivery, Form and Settlement—Form of the Notes and registration*"). Except in the circumstances described in the relevant Global Certificates, investors will not be entitled to receive Definitive Notes. DTC, or, if applicable, Euroclear, and Clearstream, Luxembourg will maintain records of the beneficial interests in the Global Certificates (see further "*Book Entry, Delivery, Form and Settlement—Exchange of Global Certificates for Definitive Notes*"). While the Notes are represented by one or more Global Certificates, investors will be able to trade their beneficial interests only through DTC, or, if applicable, Euroclear or Clearstream, Luxembourg.

While the Notes are represented by one or more Global Certificates, the Issuer will discharge its payment obligations under the Notes by making payments to the custodian for DTC or, as appropriate, the common depositary, for distribution to their account holders. Holders of beneficial interests in the Global Certificates will not have a direct right against the Issuer and must rely on the procedures of DTC or, if applicable, Euroclear and Clearstream, Luxembourg, to receive payments under the relevant Notes. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Certificates.

Holders of beneficial interests in the Global Certificates will not have a direct right to vote in respect of the relevant Notes. Instead, such holders will be permitted to act only to the extent that they are enabled by DTC or, if applicable, Euroclear and Clearstream, Luxembourg or their relevant account holders to appoint appropriate proxies. Finally, in any claim or suit brought in the Dutch courts, holders of beneficial interests may be required to act through their relevant account holder prior to being granted standing to pursue a claim.

47. The Base Prospectus must be read together with applicable Final Terms and/or Pricing Term Sheet.

Each of the terms and conditions of the Senior Notes and the terms and conditions of the Subordinated Notes included in this Base Prospectus apply to the different types of Notes which may be issued under the Program. The full terms and conditions applicable to each Tranche of Notes can be reviewed by reading the applicable master Terms and Conditions as set out in full in "*Terms and Conditions of the Senior Notes*" and "*Terms and Conditions of the Subordinated Notes*", which constitute the basis of all Notes to be offered under the Program, together with the relevant Pricing Term Sheet and/or Final Terms which applies and/or disapplies, supplements and/or amends the master Terms and Conditions of the Program in the manner required to reflect the particular terms and conditions applicable to the relevant Series of Notes (or Tranche thereof). Copies of the legal documentation relating to the Program and copies of the Pricing Term Sheet and/or Final Terms relating to each issue of Notes are available for inspection as described in "*General Information*".

48. Change of law may impact the Notes.

The Senior Notes, the Senior Notes Agency Agreement, the Subordinated Notes and the Subordinated Notes Agency Agreement are governed by the laws of The Netherlands, in effect as at the date of this Base Prospectus.

No assurance can be given as to the impact of any possible change to Dutch, European or any applicable laws, regulations or administrative practices after the date of this Base Prospectus. Such changes in law may include, but are not limited to, the introduction of a variety of statutory resolution and loss absorption tools which may affect the rights of Noteholders. Such tools may include the ability to write down sums otherwise payable on such Notes (see the risk factors "*49. Proposed and new banking legislation dealing with ailing banks give regulators resolution powers (including powers to write down debt)*" below and "*39. Statutory loss absorption of Subordinated Notes could have an adverse effect on the market price of the relevant Subordinated Notes*" above for further information).

Prospective investors should note that the courts of Amsterdam, The Netherlands and any state or federal court in the Borough of Manhattan, The City New York, New York shall have exclusive jurisdiction in respect of any disputes involving any Series of Notes. The terms of the Notes do not permit Noteholders to take any suit, action or proceedings arising out of or in connection with the Notes against the Issuer in any other court.

The laws of The Netherlands may be materially different from the equivalent law in the home jurisdiction of prospective investors in its application to the Notes. In addition to any subordination requirements applicable to the Issuer and the Notes of any series (which may wholly or partially limit an investor's ability to receive payment on the Subordinated Notes of any series), it is possible that the courts of

Amsterdam, The Netherlands or any state or federal court in the Borough of Manhattan, The City New York, New York applying the civil code and laws of The Netherlands would decline to enforce an obligation of the Issuer in circumstances where such courts applying the laws of the State of New York would be prepared to do so.

49. Proposed and new banking legislation dealing with ailing banks give regulators resolution powers (including powers to write down debt).

Pursuant to the Dutch Intervention Act, substantial new powers are granted to DNB and the Dutch Minister of Finance enabling them to deal with, *inter alia*, ailing Dutch banks prior to insolvency (as described under the risk factor "*9. Proposals for resolution regimes may 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). These powers (including the transfer of liabilities), if exercised with respect to ABN AMRO, may impact the Notes and will, subject to certain exceptions, lead to counterparties of ABN AMRO (including Noteholders) not being entitled to invoke events of default or set off their claims.

In addition to the tools currently in the Dutch Intervention Act, BRRD and SRM (see the risk factor "*9. Proposals for resolution regimes may 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) provide resolution authorities the power to ensure that capital instruments (such as the Subordinated Notes) and eligible liabilities (such as the Senior Notes) absorb losses at the point of non-viability of the issuing institution, through the write-down or conversion to equity of such instruments (the "**Bail-In Tool**").

However, resolution authorities are expected to be required to exercise the Bail-In Tool in a way that results in (i) common equity Tier 1 instruments being written down first in proportion to the relevant losses and (ii) thereafter, the principal amount of other capital instruments (including Tier 2 instruments such as the Subordinated Notes) being written down or converted into common equity Tier 1 on a permanent basis and (iii) thereafter, eligible liabilities (which the Senior Notes are likely to be) being written down or converted in accordance with a set order of priority. The point of non-viability under BRRD is the point at which the national resolution authority determines that an institution meets the condition for resolution, defined as:

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

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

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

Furthermore, resolution authorities could take pre-resolution actions and apply the Bail-In Tool with respect to capital securities (including Subordinated Notes qualifying as Tier 2 instruments) before the conditions for resolutions are met.

Application of the Bail-In Tool, as described above, shall not constitute an Event of Default under the Notes and Noteholders will have no further claims in respect of the amount so written down or subject to conversion or otherwise as a result of the Bail-In Tool. Accordingly, if the Bail-In Tool is in effect and

the resolution authority decides to exercise the write down power, this may result in claims of Noteholders being written down or converted into equity. Furthermore, it is possible that pursuant to BRRD, SRM or the Dutch Intervention Act or other resolution or recovery rules which may in the future be applicable to the Issuer, new powers may be given to DNB or another relevant authority which could be used in such a way as to result in the debt instruments of the Issuer absorbing losses in the course of any resolution of the Issuer.

In addition to the Bail-In Tool, BRRD provides resolution authorities with broader powers to implement other resolution measures with respect to banks which reach non-viability, which may include (without limitation) the sale of the bank's business, the separation of assets, the replacement or substitution of the bank as obligor in respect of debt instruments, modifications to the terms of debt instruments (including altering the maturity and/or the amount of interest payable and/or imposing a temporary suspension on payments) and discontinuing the listing and admission to trading of financial instruments. Except for the Bail-In Tool with respect to eligible liabilities (such as the Senior Notes), which is expected to apply as from 1 January 2016, BRRD stipulates that the measures set out therein, including the Bail-In Tool with respect to capital instruments such as the Subordinated Notes, apply as from 1 January 2015.

Rules relating to BRRD and the SRM

There remains uncertainty regarding the ultimate nature and scope of these powers and, when implemented, how they would affect the Issuer. Accordingly, it is not yet possible to assess the full impact of the BRRD or the SRM. The Notes may however be part of the claims and debts in respect of which the resolution authorities, including the Resolution Board, could use the bail-in powers to write-down or convert the principal of the Notes. There can be no assurances that, once the SRM becomes applicable or the BRRD is implemented, the fact of its application/implementation or the taking of any actions currently contemplated (including any earlier application (in relation to requirements under the SRM) or implementation (in relation to requirements under the BRRD), as applicable, of such requirements in The Netherlands (including retrospectively, if and to the extent the BRRD is implemented retrospectively so as to apply to the Notes)) would not adversely affect the price or value of an investment in Notes subject to the provisions of the BRRD or the SRM and/or the ability of the Issuer to satisfy its obligations under such Notes. Until fully implemented, the Issuer cannot predict the precise effects of the bail-in power and the write-down and conversion power and its use in relation to the Notes. Prospective investors in the Notes should consult their own advisors as to the consequences of the SRM and the implementation of the BRRD.

The Dutch Intervention Act and BRRD or the SRM could negatively affect the position of certain categories of the Issuer's bondholders and the credit rating attached to certain categories of debt instruments then outstanding, in particular if and when any of the above proceedings would be commenced against the Issuer. The rights and effective remedies of the holders of the Notes, as well as their market value, may be affected by any such proceedings.

FSB Proposals for Total Loss-Absorbing Capacity

In November 2014, the Financial Stability Board (the "**FSB**") published a consultation document on policy proposals intended to enhance the loss-absorbing capacity of global systemically important banks ("**G-SIBs**") in resolution. The FSB proposals seek to ensure that G-SIBs will have sufficient loss absorbing capacity available in a resolution of such an entity, in order to minimise any impact on financial stability, ensure the continuity of critical functions and avoid exposing taxpayers to loss. The FSB's proposals also include a specific termsheet for total loss-absorbency capacity (or "**TLAC**") which attempts to define an internationally agreed standard. The FSB's proposals were endorsed at the G20's Brisbane conference in November 2014.

The FSB's proposals would, if implemented, require all G-SIB's to maintain a minimum Pillar 1 level of TLAC eligible capital within the range of 16-20% of risk exposure amount (alongside minimum regulatory capital requirements), and at a minimum of twice the relevant Basel III leverage requirement, with effect from 1 January 2019. The proposals also suggest that G-SIB's will be required to pre-position such loss-absorbing capacity amongst material subsidiaries on an intra-group basis. The FSB has also proposed that the minimum TLAC requirement should be satisfied before any surplus common equity is available to satisfy CRD IV buffers and the consultation document provides the possibility for local regulators to impose a Pillar II TLAC requirement over and above the Pillar 1 minimum. Based on the most recently updated FSB list of G-SIB's published in November 2014, ABN AMRO does not currently constitute a G-SIB. However, the EU or Dutch legislator could impose similar requirements on non-G-SIBs.

According to the consultation document, TLAC may comprise Tier 1 and Tier 2 capital (for the purposes of CRD IV), along with other TLAC-eligible liabilities which can be effectively written down or converted into equity during the resolution of the G-SIB. All TLAC is required to be subordinated to "excluded liabilities", which includes insured deposits and any other liabilities that cannot be effectively written down or converted to equity by the relevant resolution authority.

EBA Consultation Paper on the minimum requirement for own funds and eligible liabilities under BRRD.

On 28 November 2014, the European Banking Authority (the "**EBA**") published a consultation paper setting out draft regulatory technical standards ("**RTS**") on the criteria for determining the minimum requirement for own funds and eligible liabilities ("**MREL**") under BRRD. In order to ensure the effectiveness of bail-in and other resolution tools introduced by BRRD, BRRD requires that all institutions must meet an individual MREL requirement, calculated as a percentage of total liabilities and own funds and set by the relevant resolution authorities, with effect from 1 January 2016 (or if earlier, the date of national implementation of BRRD). The draft RTS provide for resolution authorities to allow institutions a transitional period of up to four years to reach the applicable MREL requirements.

Unlike the FSB's proposals, the RTS do not set a minimum EU-wide level of MREL, and the MREL requirement applies to all credit institutions, not just to those identified as being of a particular size or of systemic importance. Each resolution authority is required to make a separate determination of the appropriate MREL requirement for each resolution group within its jurisdiction, depending on the resolvability, risk profile, systemic importance and other characteristics of each institution.

The MREL requirement for each institution will be comprised of a number of key elements, including the required loss absorbing capacity of the institution (which will, as a minimum, equate to the institution's capital requirements under CRD IV, including applicable buffers), and the level of recapitalisation needed to implement the preferred resolution strategy identified during the resolution planning process. Other factors to be taken into consideration by resolution authorities when setting the MREL requirement include: the extent to which an institution has liabilities in issue which are excluded from contributing to loss absorption or recapitalisation; the risk profile of the institution; the systemic importance of the institution; and the contribution to any resolution that may be made by deposit guarantee schemes and resolution financing arrangements.

Items eligible for inclusion in MREL will include an institution's own funds (within the meaning of CRD IV), along with "**Eligible Liabilities**", meaning liabilities which, inter alia, are issued and fully paid up, have a maturity of at least one year (or do not give the investor a right to repayment within one year), and do not arise from derivatives.

Whilst there are a number of similarities between the MREL requirements and the FSB's proposals or TLAC, there are also certain differences, including the express requirement that TLAC be subordinated to insured deposits (which is not specifically the case for MREL eligible liabilities), and the timescales for implementation. The EBA consultation paper suggests that the MREL requirements can nevertheless be implemented for G-SIBs in a manner that is "consistent with" the international framework, and contemplates a possible increase in the MREL requirement over time in order to provide for an adequate transition to compliance with the TLAC requirements (which are currently projected to apply from January 2019). It remains to be seen whether there will be any further convergence in the detailed requirements of the two regimes.

Risks relating to the FSB and EBA proposals

Both the FSB's and the EBA's proposals are in draft form, and may therefore be subject to change. As a result, it is not possible to give any assurances as to the ultimate scope and nature of any resulting obligations, or the impact that they will have on the Issuer once implemented. If the FSB's and EBA's proposals are implemented in their current form however, it is possible that the Issuer may have to issue a significant amount of additional TLAC and MREL eligible liabilities in order to meet the new requirements within the required timeframes. If the Issuer were to experience difficulties in raising TLAC or MREL eligible liabilities, it may have to reduce its lending or investments in other operations which would have a material adverse effect on the Issuer's business, financial position and results.

50. Definitive Notes where denominations involve integral multiples may be subject to minimum denomination considerations.

In relation to any issue of Notes which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Notes may be traded in amounts that are not integral multiples of such minimum Specified Denomination. In such a case a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system at the relevant time 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.

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

51. No limitation on the incurrence of indebtedness ranking pari passu with or senior to the claims of Noteholders.

The Conditions of the Notes do not limit the Issuer's ability or the ability of any group entity to incur additional indebtedness, including indebtedness that ranks senior or *pari passu* in priority of payment to the Notes.

Any such additional indebtedness may reduce the amount recoverable by Noteholders on a winding-up of the Issuer. Accordingly, in the winding-up of the Issuer and after payment of the claims ranking senior to the Noteholders (such as secured claims), there may not be a sufficient amount to satisfy the amounts owing to the Noteholders.

Risks related to the market generally

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

52. A secondary market may not develop for the Notes.

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.

53. The Notes are subject to 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 (i) the Investor's Currency-equivalent yield on the Notes, (ii) the Investor's Currency-equivalent value of the principal payable on the Notes and (iii) 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.

54. The prices of notes are affected by changes in interest rates.

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.

55. The credit ratings of the Notes or the Issuer may not reflect all risks.

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.

In general, European regulated investors are restricted under the CRA Regulation from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the EU and registered under the CRA Regulation (and such registration has not been withdrawn or suspended), subject to transitional provisions that apply in certain circumstances whilst the registration application is pending. Such general restriction will also apply in the case of credit ratings issued by non-EU credit rating agencies, unless the relevant credit ratings are endorsed by an EU-registered credit rating agency or the relevant non-EU rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended). Certain information with respect to the credit rating agencies and ratings will be disclosed in the Final Terms.

56. An investor's investment in the Notes may be subject to restrictions and qualifications.

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (i) Notes are legal investments for it, (ii) Notes can be used as collateral for various types of borrowing and (iii) 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.

57. An investor may be unable to enforce U.S. civil judgments against the Issuer.

The Issuer is a company incorporated under the laws of The Netherlands. A substantial part of its assets are located outside the United States. In addition, substantially all of its officers and directors reside outside the United States and a substantial part of the assets of these persons are located outside the United States. As a result, it may not be possible for investors to effect service of process within the United States upon the Issuer or such persons or to enforce against any of them judgments obtained in United States courts, including judgments predicated upon the civil liability provisions of the securities laws of the United States or any State or territory within the United States.

IMPORTANT INFORMATION

This Base Prospectus constitutes a base prospectus for the purposes of Article 5.4 of Directive 2003/71/EC (as amended, including by Directive 2010/73/EU, and includes any relevant implementing measures in the Relevant Member State, the "**Prospectus Directive**"). This document does not constitute a prospectus for the purposes of Section 12(a)(2) of, or any other provision of or rule under, the Securities Act.

Responsibility statement

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

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

Before making an investment decision with respect to any Notes, prospective investors should carefully consider all of the information set out in this Base Prospectus, the Pricing Term Sheet and/or Final Terms as well as their own personal circumstances. Prospective investors should also carefully consider, among other matters, the risks described under the section headed "*Risk Factors*" in this Base Prospectus.

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

THIS BASE PROSPECTUS SHOULD BE READ AND CONSTRUED WITH ANY AMENDMENT OR SUPPLEMENT THERETO AND, IN RELATION TO ANY PARTICULAR ISSUANCE OF THE NOTES, SHOULD BE READ AND CONSTRUED TOGETHER WITH THE RELEVANT FINAL TERMS. IN ADDITION, THE ISSUER AND THE AGENTS MAY, IN CONNECTION WITH ANY PARTICULAR ISSUANCE OF NOTES, PREPARE AND SEND TO INVESTORS A PRICING TERM SHEET AT THE TIME SALES OF SUCH NOTES ARE CONFIRMED AND, WHENEVER THE DEFINED TERM "FINAL TERMS" IS USED IN THIS BASE PROSPECTUS SUCH TERM SHALL BE DEEMED TO INCLUDE ANY SUCH PRICING TERM SHEET, UNLESS THE CONTEXT OTHERWISE REQUIRES.

The full terms and conditions of each Tranche of Notes can be reviewed by reading the relevant master Terms and Conditions as set out in full in this Base Prospectus in "*Terms and Conditions of the Senior Notes*" and "*Terms and Conditions of the Subordinated Notes*", which constitute the basis of all Notes to be offered under the Program. The applicable Pricing Term Sheet and/or Final Terms (each as defined below) for each offering of Notes will contain the specific terms and conditions of the Notes to be sold in that offering and any other information relevant to that offering. Accordingly, investors should carefully review the information contained in both this Base Prospectus (including the relevant master Terms and Conditions) and the applicable Pricing Term Sheet and/or Final Terms (including any description of the method of calculating interest on any Note) which applies and/or disapplies, supplements and/or amends the applicable master Terms and Conditions in the manner required to reflect the particular terms and conditions applicable to the relevant Series of Notes (or Tranche thereof).

References in this Program to Notes being "listed" (and all related references) shall mean that such Notes have been admitted to trading and have been listed on Euronext Amsterdam, unless expressly specified otherwise. Euronext Amsterdam is a regulated market for the purposes of Directive 2004/39/EC (the Markets in Financial Instruments Directive).

The Issuer may agree with any relevant Agent that Notes may be issued in a form not contemplated by the Terms and Conditions herein, in which case a supplementary prospectus, if required, will be made available which will describe the effect of the agreement reached in relation to such Notes.

Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and any other terms and conditions not contained herein which are applicable to each Tranche of Notes to be sold in the United States will be set forth in a pricing term sheet relating to such Tranche (the "**Pricing Term Sheet**") and with respect to Notes to be listed on Euronext Amsterdam, a final terms document (the "**Final Terms**") substantially in the form set out herein which, will be delivered to Euronext Amsterdam on or before the date of issue of Notes of such Tranche. There can be no assurance that the Notes offered as described in this Base Prospectus will be sold or that there will be a secondary market for the Notes. See "*Risk Factors*".

This Base Prospectus, which (save as described below) is to be read in conjunction with all documents which are deemed to be incorporated herein by reference (see "*Documents Incorporated by Reference*"), has been prepared for use in connection with the Program.

Subject as provided in the applicable Final Terms and/or Pricing Term Sheet, the only persons authorized to use this Base Prospectus in connection with an offer of Notes are the persons named in the applicable Final Terms and/or Pricing Term Sheet as any relevant Agent and the persons named in or identifiable following the applicable Final Terms and/or Pricing Term Sheet as the Financial Intermediaries, as the case may be.

No person has been authorized to give any information or to make any representation not contained in or not consistent with this Base Prospectus, the applicable Final Terms and/or Pricing Term Sheet, the applicable Pricing Term Sheet (if any) or any document incorporated by reference herein or therein, or any other information supplied in connection with the Program or the Notes and, if given or made, such information or representation must not be relied upon as having been authorized by the Issuer, or any Agent.

The Notes are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under the Securities Act and applicable U.S. state securities laws pursuant to registration thereunder or exemption therefrom. Prospective purchasers should be aware that they might be required to bear the financial risks of an investment in the Notes for an indefinite period of time.

This Base Prospectus and any supplement to the Base Prospectus will be valid for listing Notes on Euronext Amsterdam and/or any other exchange in the EEA in an aggregate nominal amount up to US$25,000,000,000 or the approximate equivalent thereof in another currency calculated as at the issue date of the relevant Notes, subject to any duly authorized increase or decrease.

ABN AMRO Group N.V.'s Annual Report 2013 and ABN AMRO Group N.V.'s Annual Report 2014 (both incorporated by reference into this Base Prospectus, as described in "*Documents Incorporated by Reference*") are available at http://www.abnamro.com/ir. The other information included on or linked to through this website or on any website referred to in any document incorporated by reference into this Base Prospectus is not a part of this Base Prospectus.

All references in this Base Prospectus to websites, any supplement hereto or in any document incorporated or deemed to be incorporated by reference in this Base Prospectus are, unless the Issuer expressly states otherwise, intended to be inactive textual references for information only as at the date of this Base Prospectus, any supplement hereto or in any document incorporated or deemed to be incorporated by reference in this Base Prospectus, as applicable. Any information contained in or accessible through any website, including http://www.abnamro.com/ir, does not form a part of this Base Prospectus, unless specifically stated in this 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 this Base Prospectus.

Neither this Base Prospectus nor any other information supplied in connection with the Program should be considered as a recommendation by the Issuer, the Arrangers, or any Agent that any recipient of this Base Prospectus or any other information supplied in connection with the Program should purchase any Notes. Accordingly, no representation, warranty or undertaking, express or implied, is made by the Arranger or any Agent in their capacity as such. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer.

Neither the delivery of this Base Prospectus nor the offering, sale or delivery of any Notes shall in any circumstances imply that the information contained herein concerning the Issuer is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Program or the Notes is correct as of any time subsequent to the date indicated in the document containing the same. The Agents (if any) expressly do not undertake to review the financial condition or affairs of the Issuer during the life of the Program. Investors should review, *inter alia*, the most recent financial statements of the Issuer and ABN AMRO Group N.V. incorporated into this Base Prospectus (see "*Documents Incorporated by Reference*") and those that are published after the date of this Base Prospectus, when deciding whether or not to purchase any Notes.

The Issuer, the Arrangers, and any Agent do not 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. In particular, no action has been taken by the Issuer, the Arrangers, or any Agent appointed under the Program which is intended to permit a public offering of the Notes or distribution of this document in any jurisdiction where action for that purpose is required. Accordingly, the Notes may not be offered or sold, directly or indirectly, and neither this Base Prospectus, together with its attachments, nor any advertisement or other offering material may be distributed or published in any jurisdiction where such distribution and/or publication would be prohibited and each Agent (if any) will be required to represent that all offers and sales by it will be made on these terms.

The distribution of this Base Prospectus and the offer or sale of Notes may be restricted by law in certain jurisdictions. Persons into whose possession this Base Prospectus or any Notes come must inform themselves about, and observe, any such restrictions. See "*Notice to Purchasers*" and "*Plan of Distribution*".

This Base Prospectus has been prepared on the basis that any offer of Notes in any Member State of the EEA which has implemented the Prospectus Directive (each, a "**Relevant Member State**") will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Notes. Accordingly any person making or intending to make an offer of the Notes may only do so in circumstances in which no obligation arises for the Issuer or any Agent to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. Neither the Issuer nor any Agent has authorized, nor do they authorize, the making of any offer of Notes in any other circumstances

Stabilization

In connection with the issue of any Tranche of Notes, the Agent or Agents (if any) named as the Stabilizing Manager(s) (or persons acting on behalf of any Stabilizing Manager(s)) in the applicable Final Terms and/or Pricing Term Sheet may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilizing Manager(s) (or persons acting on behalf of a Stabilizing Manager) will undertake stabilization action. Any stabilization action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any

stabilization action or over-allotment must be conducted by the relevant Stabilizing Manager(s) (or person(s) acting on behalf of any Stabilizing Manager(s)) in accordance with all applicable laws and rules.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents published or issued on or prior to the date hereof shall be deemed to be incorporated in, and to form part of, this Base Prospectus:

(a) The articles of association of the Issuer;

(b) ABN AMRO Group N.V.'s publicly available audited consolidated annual financial statements for the financial year ended 31 December 2014 (as set out on pages 258 to 265 in relation to the financial statements 2014, including the notes to the financial statements as set out on pages 266 to 372, pages 87 to 210 (certain information in the Risk & Capital Report), and the auditors' report thereon on pages 376 to 382, all as included in ABN AMRO Group N.V.'s Annual Report 2014, the "**Annual Report 2014**") (the "**Consolidated Annual Financial Statements 2014**");

(c) the Section "*Strategic Priorities*" of the Strategic Report on pages 17 to 21, the Sections "*Business Review*" and "*Financial Review*" of the Business Report on pages 31 to 75, the Risk & Capital Report on pages 87 to 210, the Section "*Definitions of important terms*" on pages 383 to 388, the Section "*Abbreviations*" on pages 389 and 390 and the Section "*Cautionary statements*" on page 392, all as included in the Annual Report 2014;

(d) ABN AMRO Group N.V.'s publicly available audited consolidated annual financial statements for the financial year ended 31 December 2013 (as set out on pages 243 through 251 in relation to the financial statements 2013, including the notes to the financial statements as set out on pages 252 through 366 and the information marked as audited in Chapter 15 (*Risk management*) on pages 132 through 213, in Chapter 16 (*Capital management*) on pages 214 through 222, in Chapter 17 (*Liquidity & funding*) on pages 223 through 237 and in Chapter 18 (*Securitisation*) on pages 238 through 242 and the auditors' report thereon on pages 370 through 373, all as included in ABN AMRO Group N.V.'s Annual Report 2013, the "**Annual Report 2013**") (the "**Consolidated Annual Financial Statements 2013**" and together with the Consolidated Annual Financial Statements 2014, the "**Consolidated Annual Financial Statements**");

(e) Chapter 10 (*Strategy*) on pages 60 through 66, Chapter 14 (*Introduction to Risk & Capital management*) on pages 125 through 131, Chapter 15 (*Risk management*) on pages 132 through 213, Chapter 16 (*Capital management*) on pages 214 through 222, Chapter 17 (*Liquidity & funding*) on pages 223 through 237, Chapter 18 (*Securitisation*) on pages 238 through 242, Chapter 22 (*Definitions of important terms*) on pages 382 through 387, Chapter 23 (*Abbreviations*) on pages 388 through 390 and Chapter 24 (*Cautionary statement on forward-looking statements*) on pages 391 and 392 of the Annual Report 2013,

(f) ABN AMRO Bank N.V.'s publicly available audited consolidated annual financial statements for the financial year ended 31 December 2014, as set out on pages 257 to 265 in relation to the financial statements 2014, including the notes to the financial statements as set out on pages 266 to 371, pages 87 to 210 (certain information in the Risk & Capital Report), and the auditors' report thereon on pages 377 to 383, all as included in ABN AMRO Bank N.V.'s Annual Report 2014;

(g) the Issuer's publicly available unaudited abbreviated statutory financial statements 2013 for the financial year ended 31 December 2013 prepared on the basis of article 2:403 of the Dutch Civil Code (*Burgerlijk Wetboek*); and

(h) the terms and conditions (including the form of final terms) set out on pages 178-220 and 220-276 of the base prospectus prepared by the Issuer in connection with the Programme dated 28 April 2014 (the "**2014 Conditions**"),

save that any statement contained in a document which is incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Base Prospectus to the extent that a statement

contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise).

Any information contained in any of the documents specified above which is not incorporated by reference in this Base Prospectus is either not relevant to investors or is covered elsewhere in this Base Prospectus. Any statements on the Issuer's competitive position included in a document which is incorporated by reference herein and where no external source is identified are based on the Issuer's internal assessment of generally available information.

The Issuer will provide, without charge, to each person to whom a copy of this Base Prospectus has been delivered, upon the request of such person, a copy of any or all of the documents deemed to be incorporated herein by reference. Requests for such documents should be directed to the Issuer (at its registered office at: Gustav Mahlerlaan 10, 1082 PP Amsterdam, The Netherlands, by telephone: +31 20 6282282 or by e-mail: investorrelations@nl.abnamro.com).

AVAILABLE INFORMATION

ABN AMRO Bank has agreed that, so long as any Notes are "restricted securities" within the meaning of Rule 144(a)(3) of the Securities Act, the Issuer will, during any period in which it is neither subject to Section 13 or 15(d) of the United States Securities Exchange Act of 1934, as amended (the "**Exchange Act**") nor exempt from reporting thereunder pursuant to Rule 12g3-2(b) under the Exchange Act, provide to any holder or beneficial owner of any such "restricted security", or to any prospective purchaser of such restricted security designated by such holder or beneficial owner, the information specified in, and meeting the requirements of, Rule 144A(d)(4) of the Securities Act upon the request of such holder or beneficial owner.

ABN AMRO Bank will, in the event of any significant new factor, material mistake or inaccuracy relating to the information included in this Base Prospectus which is capable of affecting the assessment of any Notes, prepare a supplement to this Base Prospectus or publish a new base prospectus for use in connection with any subsequent issue of Notes. If the terms of this Program are modified or amended in a manner which would make this Base Prospectus, as supplemented, inaccurate or misleading, a new base prospectus will be prepared.

If the terms of the Program are modified or amended in a manner which would make this Base Prospectus, as so modified or amended, inaccurate or misleading, a new prospectus or a supplement to this Base Prospectus will be prepared.

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

FORWARD-LOOKING STATEMENTS

Certain statements in this Base Prospectus, including certain statements set forth under the headings "*Risk Factors*" and "*The Issuer*" are based on the beliefs of the management of the Issuer, as well as assumptions made by and information currently available to management of the Issuer, and such statements may constitute forward looking statements. These forward looking statements (other than statements of historical fact) regarding the Issuer's future results of operations, financial condition, cash flows, business strategy, plans and objectives of the Issuer's management for future operations can generally be identified by terminology such as "targets", "believes", "estimates", "expects", "aims", "intends", "plans", "seeks", "will", "may", "anticipates", "would", "could", "continues" "projects", "should", "desire", "strive", "optimistic", "Value-at-Risk ('VaR')" or similar expressions or the negatives thereof.

Such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause the actual results, performance or achievements of the Issuer, or industry results, to differ materially from any future results, performance or achievements expressed or implied by such forward looking statements.

In particular, such risks, uncertainties and other important factors include, among other things, potential exposures to various types of operational, credit and market risk, such as counterparty risk, interest rate risk, foreign exchange rate risk and commodity and equity price risk.

These forward-looking statements are not historical facts and represent only the Issuer's beliefs regarding future events, many of which by their nature are inherently uncertain and beyond the bank's control. Other factors that could cause actual results to differ materially from those anticipated by the forward-looking statements contained in this document include, but are not limited to:

- The extent and nature of future developments and continued volatility in the credit and financial markets and their impact on the financial industry in general and ABN AMRO in particular;
- The effect on ABN AMRO's capital of write-downs in respect of credit exposures;
- Risks related to ABN AMRO's merger, separation and integration process;
- General economic, social and political conditions in The Netherlands and in other countries in which ABN AMRO has significant business activities, investments or other exposures, including the impact of recessionary economic conditions on ABN AMRO's performance, liquidity and financial position;
- Macro-economic and geopolitical risks;
- Reductions in the Issuer's credit ratings;
- Actions taken by the EC, governments and their agencies to support individual banks and the banking system;
- Monetary and interest rate policies of the ECB and G20 central banks;
- Inflation or deflation;
- Unanticipated turbulence in interest rates, foreign currency exchange rates, commodity prices and equity prices;
- Liquidity risks and related market risk losses;
- Potential losses associated with an increase in the level of substandard loans or non-performance by counterparties to other types of financial instruments, including systemic risk;

- Changes in Dutch and foreign laws, regulations (including capital and/or liquidity requirements and/or bank resolution regimes), policies and taxes;
- Changes in competition and pricing environments;
- Inability to hedge certain risks economically;
- Adequacy of loss reserves and impairment allowances;
- Technological changes;
- Changes in consumer spending, investment and saving habits;
- Effective capital and liquidity management;
- Inaccuracy or incompleteness of information about customers and counterparties;
- Operational risks;
- Changes in financial reporting standards;
- Inaccuracy of, or changes in, financial models incorporating assumptions, judgments and estimates used to determine the value of certain financial instruments at fair value;
- Outcome of legal proceedings (legal risk);
- Reputational damage;
- Inability to retain and attract qualified employees; and
- The success of ABN AMRO in managing the risks involved in the foregoing.

Should one or more of these risks or uncertainties materialize, or should any underlying assumptions prove to be incorrect, the Issuer's actual financial condition or results of operations could differ materially from that described herein as anticipated, believed, estimated or expected. The Issuer urges investors to read the sections of this Base Prospectus entitled "*Risk Factors*" and "*The Issuer*" for a more complete discussion of the factors that could affect the Issuer's future performance and the industry in which the Issuer operates.

These forward-looking statements speak only as of the date of this Base Prospectus (or any supplement hereto) or as of such earlier date at which such statements are expressed to be given. The Issuer does not intend, and does not assume any obligation, to update any forward-looking statements contained herein, except as may be required by law. All subsequent written and oral forward looking statements attributable to the Issuer or to persons acting on its behalf are expressly qualified in their entirety by the cautionary statements referred to above and contained elsewhere in this Base Prospectus.

ENFORCEMENT OF CIVIL LIABILITIES; SERVICE OF PROCESS

The Issuer is a company incorporated under the laws of The Netherlands. A substantial part of its assets are located outside the United States. In addition, substantially all of its officers and directors reside outside the United States and a substantial part of the assets of these persons are located outside the United States. As a result, it may not be possible for investors to effect service of process within the United States upon the Issuer or such persons or to enforce against any of them judgments obtained in United States courts, including judgments predicated upon the civil liability provisions of the securities laws of the United States or any State or territory within the United States.

EXCHANGE RATE AND CURRENCY INFORMATION

In this Base Prospectus, references to "**US$**", "**U.S. dollar**", "**U.S. dollar**", "**USD.**" or "**$**" are references to the lawful currency of the United States, references to "**euro**", "**Euro**", "**EUR**" or "**€**" are references to the currency introduced at the start of the third stage of European economic and monetary union, and as defined in Article 2 of Council Regulation (EC) No 974/98 of May 3, 1998 on the introduction of the euro, as amended.

ABN AMRO publishes its financial statements in euros.

The following table sets out, for the periods indicated, certain information concerning the exchange rate expressed in U.S. Dollars per Euro, obtained by using the Historical Price function in Bloomberg. These translations should not be construed as representations that the Euro amounts actually represent such U.S. Dollar amounts or could be converted into U.S. Dollars at the rate indicated. On 14 April 2015 (end of day), the exchange rate translated to EUR 1 = USD 1.0659 (source: Bloomberg).

ABN AMRO makes no representation that the amounts referred to above could have been or could be converted into the foregoing currencies at any particular rate or at all.

These rates are provided solely for the convenience of the reader and are not necessarily the rates used in the preparation of the Issuer's financial statements. No representation is made by the Issuer that the U.S. dollar amounts could have been converted into the Euro at the rates shown or at any other rate for such periods or at such dates.

The currency information presented under this section entitled "*Exchange Rate and Currency Information*" is based on data published by Bloomberg, and such information has been accurately reproduced and, as far as the Issuer is aware and is able to ascertain from such information, no facts have been omitted which would render the information inaccurate or misleading.

U.S. Dollar to Euro exchange rates (U.S. Dollars per Euro)

	At period end	**Average rate**	**High**	**Low**
October 2014	1.2531	1.2677	1.2825	1.2513
November 2014	1.2435	1.2474	1.2550	1.2388
December 2014	1.2100	1.2312	1.2509	1.2100
January 2015	1.1288	1.1633	1.2099	1.1255
February 2015	1.1195	1.1348	1.1471	1.1195
March 2015	1.0728	1.0834	1.1201	1.0492
April 2015 (through 14 April)	1.0659	1.0780	1.0994	1.0582
31 December 2012	1.3197	1.2859	1.3463	1.2053
31 December 2013	1.3789	1.3283	1.3804	1.2772
31 December 2014	1.2100	1.3285	1.3925	1.2100

Source: Bloomberg

USE OF PROCEEDS

The net proceeds from each issuance of Senior Notes will be used for the general corporate purposes of ABN AMRO. The net proceeds from each issuance of Subordinated Notes may be used to strengthen or replace the capital base of ABN AMRO and/or to support the continuing growth of its business. If in respect of any particular issue, there is a particular identified use of proceeds, this will be stated in the applicable Pricing Term Sheet and/or Final Terms, as the case may be, together with the expenses of the issuance (if applicable).

PRESENTATION OF FINANCIAL INFORMATION

Pursuant to Regulation 1606/2002/EC of the European Parliament and the Council of July 19, 2002 and related regulations, effective January 1, 2005, ABN AMRO Group N.V. has adopted IFRS as endorsed by the European Union (IFRS-EU). The audited financial statements for the years ended as at December 31, 2014 and 2013 (including the auditors' report thereon and notes thereto) of ABN AMRO Group N.V., which in each case include comparative information as at and for the previous period, respectively, have been prepared in accordance with IFRS-EU (see "*The Issuer—4. Operating and Financial Review—4.1 Presentation of Financial Information*"). The unaudited abbreviated statutory financial statements of the Issuer for the years ended as at December 31, 2014 and 2013, have been presented by the Issuer in accordance with Title 9 of Book 2 of the Dutch Civil Code. Measurement and valuation of financial performance and the financial position however is based on ABN AMRO Group N.V.'s accounting principles.

IFRS-EU and Dutch GAAP differ in certain significant respects from U.S. GAAP. No financial statements or financial information included herein have been prepared or presented in accordance with U.S. GAAP or the accounting rules and regulations adopted by the SEC ("**SEC Rules and Regulations**"). As a result, the financial information included herein may differ substantially from financial information prepared in accordance with U.S. GAAP and the SEC Rules and Regulations. It is not practicable for the Issuer to prepare its financial statements in accordance with U.S. GAAP and the SEC Rules and Regulations or to prepare any reconciliation of its consolidated annual financial statements and related footnotes. In making an investment decision, investors must rely upon their own examination of the Issuer's financial position, operation and cash flows, the terms of the offering and the financial information presented herein. Potential investors are urged to consult their own professional advisors for an understanding of the differences between IFRS-EU and U.S. GAAP, and of how those differences might affect the financial information presented herein.

Please refer to "*The Issuer—4. Operating and Financial Review—4.1 Presentation of Financial Information*" for a more detailed discussion of the financial information included and incorporated by reference in this Base Prospectus.

The financial information set forth in a number of tables in this Base Prospectus has been rounded to the nearest whole number. Accordingly, in certain instances, the sum of the numbers in a column may not conform exactly to the total figure given for that column.

In 2014, ABN AMRO's results of operations are presented based on underlying results. Underlying results are non-IFRS measures and have not been audited or reviewed. Management believes these underlying results provide a better understanding of the underlying trends in financial performance. The underlying results have been derived by adjusting the reported results, which are reported in accordance with IFRS, for defined Special Items (see "*The Issuer—4. Operating and Financial Review*").

THE ISSUER

1. ABN AMRO BANK N.V.

ABN AMRO is a full-service bank with a primary focus on The Netherlands and selective operations internationally, serving retail private and corporate banking clients based on an in-depth financial expertise and extensive knowledge of numerous industry sectors. ABN AMRO is also internationally active in a number of specialized activities such as Energy, Commodities & Transportation (ECT) and Clearing, private banking, and asset based lending in a select number of countries.

All results are presented on an underlying basis for 2014, 2013 and 2012.

1.1 History and recent developments

The formation of ABN AMRO is the result of various legal and operational separations, combinations, and restructurings arising from the acquisition of ABN AMRO Holding N.V. by the Consortium in October 2007. In October 2008, the Dutch State acquired FBN. In December 2008, the Dutch State directly acquired FBN's interest in RFS Holdings B.V. This interest comprised Dutch commercial clients (SMEs and corporates), Dutch consumer clients and Dutch and international private clients (including the international diamonds and jewellery business) of the Former ABN AMRO Group.

As a result of the Legal Demerger and Legal Separation, ABN AMRO Bank was formally separated from the Former ABN AMRO Group and transferred to ABN AMRO Group N.V. by 1 April 2010. Effective 1 July 2010, FBN and ABN AMRO Bank merged to form the new ABN AMRO Bank N.V., a wholly-owned subsidiary of ABN AMRO Group N.V.

EC Remedy

On 1 April 2010, ABN AMRO completed the sale of the EC Remedy Businesses to Deutche Bank. This sale was a prerequisite set by the European Commission for the integration of the Dutch State acquired businesses and FBN into the new ABN AMRO Bank. The operational separation of the EC Remedy Businesses was finalized in 2012. The sale of the EC Remedy Businesses to Deutsche Bank included the Credit Umbrella and a cross liability with New HBU II N.V. In 2012, the Credit Umbrella was terminated.

State Ownership and the role of NLFI

The Dutch State keeps all options open for a return to the private market for ABN AMRO, but has indicated it favors an IPO. In August 2013, the Dutch Minister of Finance sent a letter to Parliament, stating, amongst others that an IPO is the most realistic exit strategy for ABN AMRO and that the final decision will depend on four prerequisites: (a) the financial sector is stable, (b) the market is ready, (c) ABN AMRO is ready and (d) the intention is to recover as much as possible of the total investments. In the meantime, ABN AMRO has started IPO preparations. A decision on the timing of the IPO has not yet been taken as of the date of this Base Prospectus and NLFI remains the sole shareholder of ABN AMRO until the IPO.

European Commission Conditions

In connection with the acquisition of Fortis Bank Nederland Holding and certain other transactions, the Dutch State provided state aid to the ABN AMRO. In April 2011, the European Commission approved this support package (as well as a proposed restructuring) subject to a number of conditions. The following two conditions (both market conduct measures) continue to apply at this time:

- a ban on acquisitions above a certain amount with the exception of acquisitions in the area of private equity and ECT (subject to certain conditions); and
- a ban on advertising state ownership.

1.2 Business description

ABN AMRO is organized into Retail Banking, Private Banking, Corporate Banking and Group Functions. Each member of the Managing Board is responsible for either a business segment or a support unit within Group Functions. The Chairman of the Managing Board oversees the general management of ABN AMRO and is responsible for Group Audit and the Corporate Office.

In 2014, ABN AMRO amended its business segmentation to present the aforementioned reporting segments. For comparative purposes, the historical figures for the years 2013 and 2012 have also been adjusted to this new segmentation. The new segmentation has no effect on the historical overall group results or financial position of the bank. The main changes are listed below:

- Commercial & Merchant Banking has been renamed Corporate Banking. Corporate Banking comprises three sub-segments: Commercial Clients, International Clients and Capital Markets Solutions:
    - Commercial Clients serves business clients with revenues from EUR 1 million up to EUR 250 million, and clients active in Commercial Real Estate (excluding publicly listed companies). ABN AMRO's Lease and Commercial Finance activities are also part of this sub-segment;
    - International Clients serves business clients with revenues exceeding EUR 250 million, as well as Energy, Commodities & Transportation (ECT) clients, Diamond & Jewelry Clients (previously named International Diamond & Jewelry Group), Financial Institutions and Listed Commercial Real Estate clients;
    - Capital Market Solutions serves clients by providing products and services related to financial markets. This sub-segment also includes ABN AMRO Clearing;
- Diamond & Jewelry Clients, previously part of Private Banking, is now a part of International Clients, as this client group requires similar products and services;
- YourBusiness Banking clients (SMEs with revenues up to EUR 1 million) are now served by Retail Banking instead of Commercial Clients;
- To improve the collateral management and strengthen the bank-wide liquidity function, the Securities Financing activities have been moved to ALM/Treasury (part of Group Function).

1.3 Retail Banking

Business scope and clients

Retail Banking renders services to approximately five million retail clients in The Netherlands with investable assets of up to EUR 1 million and approximately 300,000 small businesses in The Netherlands with an annual turnover of up to EUR 1 million. The YourBusiness Banking service model allows small businesses to conduct their banking affairs through the channel of their choice: online, by telephone with an advisor, or face-to-face with a YourBusiness Banking specialist.

Retail Banking offers a wide variety of banking and insurance products and services through the Issuer's branch network, online, via contact centers and through subsidiaries.

Main subsidiaries

The following subsidiaries[1] of ABN AMRO Bank relate to Retail Banking:

ABN AMRO Hypotheken Groep

ABN AMRO Hypotheken Groep B.V. ("**AAHG**") is the supplier of all ABN AMRO-labeled residential mortgage products. AAHG is the legal and economic owner of the residential mortgage portfolios of its Florius brand.

MoneYou

MoneYou B.V. ("**MoneYou**") operates as an internet bank offering savings accounts to consumers and commercial clients and residential mortgages in The Netherlands, Belgium and Germany.

Alfam

Alfam Holding N.V. ("**Alfam**") is ABN AMRO's competence center for consumer finance. Alfam sells consumer loans via intermediaries under four different labels: Alpha Credit Nederland, Credivance, Defam and Green Loans.

International Card Services

International Card Services B.V. ("**ICS**") is ABN AMRO's credit card specialist. ICS issues, promotes, manages and processes more than 25 different credit cards in partnership with companies, including credit card transactions and offers other financial services, such as revolving credit facilities. ICS is active in The Netherlands and Germany.

ABN AMRO Verzekeringen

Delta Lloyd ABN AMRO Verzekeringen Holding B.V. ("**ABN AMRO Verzekeringen**") is an associate of ABN AMRO Bank N.V. (49%). Delta Lloyd N.V. holds 51% interest. ABN AMRO Verzekeringen offers life and non-life insurance products to consumers and commercial clients under the ABN AMRO brand. ABN AMRO acts as an intermediary for ABN AMRO Verzekeringen by selling and providing advice on a comprehensive range of life and non-life insurance products, for which ABN AMRO receives commission payments. ABN AMRO Verzekeringen is able to offer a complete package of insurance products to clients.

ABN AMRO Pensions

APG-ABN AMRO Pensioeninstelling N.V. ("**ABN AMRO Pensions**") is a joint venture of ABN AMRO (70%) with APG Groep N.V. ("**APG**") (30%), the largest pension institution in The Netherlands. ABN AMRO Pensions is a Premium Pension Institution which offers pension schemes without insurance based on long life or death.

---

[1] Unless explicitly indicated otherwise, all subsidiaries are wholly-owned by ABN AMRO.

1.4 Private Banking

Business scope and clients

Private Banking provides total solutions to its clients' global wealth management needs and offers an array of products and services designed to address their individual situation. Private Banking operates under the brand name ABN AMRO MeesPierson in The Netherlands and internationally under ABN AMRO Private Banking and local brands such as Banque Neuflize OBC in France and Bethmann Bank in Germany.

Private Banking globally managed EUR 190.6 billion assets under management as of 31 December 2014, primarily in the eurozone.

ABN AMRO offers private banking services to clients with freely investable assets exceeding EUR 1 million (or USD 1 million in Asia). Client service teams offer different service models according to client wealth bands:

- ***High Net Worth Individuals*** with AuM in excess of EUR 1 million (Private Banking);
- ***Ultra High Net Worth Individuals*** with AuM in excess of EUR 25 million (Private Wealth Management).

Within these two main client groups, ABN AMRO offers a comprehensive set of tailored services to suit the particular needs of specific client segments, such as:

- ***Family money*** provides specific services tailored to the needs of families, including wealth transfer to the next generation;
- ***Entrepreneurs and their enterprises*** advises entrepreneurs and family businesses, where business and personal needs are often interlinked;
- ***Charities and Institutions*** offers dedicated expertise to foundations and charitable organizations.

In Germany, ABN AMRO acquired in 2011 LGT Deutschland into its subsidiary Bethmann Bank, which is in alignment with the bank's strategy, brings new clients, assets and capabilities, and secured Bethmann Bank's top-five position in the important German private banking market.[2] In 2013, Bethmann Bank signed an agreement to acquire the domestic private banking activities of Credit Suisse in Germany through an asset and liability transaction, which acquisition was completed in 2014.

In France, Banque Neuflize OBC offers a private banking model based on an integrated approach to private and commercial wealth articulated around a dedicated advisory and products offer. Banque Neuflize OBC and its subsidiaries cover a range of activities including traditional banking services, asset management and discretionary portfolio management (through Neuflize OBC Investissements, Neuflize Private Assets, its leading asset managers), life insurance (with Neuflize Vie) and advisory services: estate planning, financial engineering, corporate finance, art advisory and real estate.

In The Netherlands, the Institutions & Charities dedicated client teams address the specific needs of fundraising, religious, public and institutional clients.

---

[2] Scorpio Private Banking Benchmark Report 2013

Private Banking is also expanding its business in Asia, building client service teams by recruiting private bankers, investment advisors and other key specialists to enhance its relationship management-focused offering.

Main subsidiaries

The following subsidiaries[3] of ABN AMRO Bank relate to Private Banking:

Banque Neuflize OBC

Banque Neuflize OBC S.A. ("**Banque Neuflize OBC**") is 99.9%-owned by ABN AMRO Bank N.V. It operates 11 branches in main French cities. Banque Neuflize OBC provides an integrated approach to private and commercial wealth while also offering specialist services such as art advisory.

Neuflize Vie

Neuflize Vie S.A. ("**Neuflize Vie**") is a joint venture between Banque Neuflize OBC (60%) and AXA (40%). Neuflize Vie is a life insurance company and was created to offer life insurance products for (ultra) high net worth individuals and has developed customized solutions with a focus on unit-linked contracts.

Bethmann

Bethmann Bank AG, ("**Bethmann**") a wholly-owned subsidiary of ABN AMRO Bank, enjoys a strong local heritage and brand recognition in the German market. Bethmann covers all major regions of Germany. Bethmann offers Private Banking and Private Wealth Management related services.

1.5 Corporate Banking

Business scope and clients

Corporate Banking offers corporate clients a broad range of standard and tailor made products and services based on in-depth sector knowledge.

ABN AMRO's primary focus is on The Netherlands, where it offers a comprehensive range of products and services to commercial clients. Internationally, ABN AMRO serves its Dutch client base abroad through local Dutch Desks in selected markets where their international activities take place. Clients have access to the bank’s international network including the ten largest financial and logistics hubs in the world. Internationally, Corporate Banking offers selected specialized activities where it holds or can achieve a leading position: serving clients that are internationally active in the energy, commodities and transportation sectors ("**ECT**"), clearing activities on more than 85 exchanges globally (ABN AMRO Clearing Bank N.V.) and asset based financing through ABN AMRO Commercial Finance and ABN AMRO Lease.

Basel III imposes stricter requirements on capital buffers and liquidity ratios of banks and institutional parties, who are looking for investments that offer greater yields than high-grade government bonds, and clients want to be less reliant on bank loans by seeking alternative sources of funds. Corporate Banking intends to play an active role in this disintermediation trend by providing alternative liquidity sources to

[3] Unless explicitly indicated otherwise, all subsidiaries are wholly-owned by ABN AMRO.

its clients, including syndicated loans and capital markets solutions. Corporate Banking aims to pursue this approach based on its strategic relationship with clients, in-depth knowledge of client sectors and relationships with investors.

Commercial Clients

Commercial Clients serves Netherland based clients with annual turnover between EUR 1 million and EUR 250 million, as well as mid-sized to large professional clients in the Dutch real estate and certain public sectors. In addition, Commercial Clients offers asset-based financing to clients in The Netherlands, Belgium, France, Germany and the United Kingdom through its subsidiaries ABN AMRO Commercial Finance and ABN AMRO Lease. Commercial Clients has set up agreements with partner banks to offer services to clients in countries where ABN AMRO is not present.

International Clients

International clients offers integrated financial and strategic advice and solutions to Netherlands-based corporate clients with annual turnover exceeding EUR 250 million. International Clients also serves ECT clients, financial institutions and diamond & jewellery clients internationally.

Capital Markets Solutions

Capital Markets Solutions consists of Sales and Trading and ABN AMRO Clearing Bank. Sales and trading supports Commercial Clients and International Clients by providing capital markets products to these business lines. ABN AMRO Clearing Bank intermediates in the international capital markets with a client base of investors and liquidity providers to the markets.

International Diamond & Jewelry Group

International Diamond & Jewelry Group is an important global player in the financing of the diamond and jewelry industry, offering financial services to internationally active businesses. Its position is underpinned by a footprint in eight key diamond centres, innovative global trade services and financing solutions such as lending and trade finance-based products. As a founding member of the Responsible Jewellery Council, ABN AMRO aims to promote the highest standards in the diamond industry.

Main subsidiaries

The following subsidiaries[4] of ABN AMRO Bank are related to Corporate Banking:

ABN AMRO Lease

ABN AMRO Lease N.V. ("**ABN AMRO Lease**") delivers asset-based solutions (equipment lease and finance) to SMEs, a broad range of national and international operating corporates and the public sector. ABN AMRO Lease provides lease finance for their customers (vendor finance) to manufacturers of equipment. ABN AMRO Lease is active in The Netherlands, Belgium, Germany and the United Kingdom with dedicated sales teams operating in close cooperation with the C&MB clients segments, Commercial Banking International and ABN AMRO Commercial Finance.

[4] Unless explicitly indicated otherwise, all subsidiaries are wholly-owned by ABN AMRO.

ABN AMRO Commercial Finance

ABN AMRO Commercial Finance B.V. ("**AACF**") provides working capital funding on debtors and inventory. Its present client portfolio comprises a wide range of clients. AACF is active in The Netherlands, France, Germany and the United Kingdom.

ABN AMRO Clearing Bank

ABN AMRO Clearing Bank N.V. ("**ABN AMRO Clearing Bank**") is a global leader in derivatives and equity clearing and is one of the few providers currently able to offer global market access and clearing services on more than 85 of the world's leading exchanges. ABN AMRO Clearing Bank operates from several locations across the globe and offers an integrated package of direct market access, clearing and custody services covering, options, equity, commodities, energy and fixed income. ABN AMRO Clearing operations are carried out via ABN AMRO Clearing Bank which has a banking license and is regulated and supervised by DNB.

1.6 Group Functions

Group Functions supports ABN AMRO's businesses by delivering services in the areas of audit, corporate governance, finance, risk, human resources, legal, compliance, communication, change management, technology, operations, property management, sustainability, and housing. Group Functions is organized into four areas, each of them headed by a Managing Board member: Technology, Operations & Property Services ("**TOPS**"), Finance ("**Finance**"), Risk Management & Strategy ("**RM&S**"), and People, Regulations & Identity ("**PR&I**"). Group Audit and the Corporate Office are also part of Group Functions. Group Audit reports directly to the Chairman of the Managing Board and the Chairman of the Audit Committee. The Company Secretary holds an independent position under joint supervision of the Chairman of both the Managing Board and the Supervisory Board.

Technology, Operations & Property Services

TOPS supports the business by providing services in the areas of IT (software and hardware), operations, facility management and office space, information security, procurement and program/project management.

Finance

Finance is the primary supplier of management and reporting information to ABN AMRO's businesses and to external stakeholders. Finance plays an independent role in delivering management information and challenging business decisions. It provides a financial control environment and ensures compliance with accounting standards and requirements set by the regulatory authorities. Finance includes ALM/Treasury ("**ALM/T**"), which also has a reporting line to RM&S (as defined below), Financial Accounting, Internal Controls and Tax. ALM/T is responsible for managing the level of capital, interest rate risk and liquidity (banking book) available to the Issuer as well as the treasury function.

Risk Management & Strategy

Risk Management, Group Economics and Strategy (including Corporate Development and Investor Relations) have been combined into one organisation, RM&S. The IPO Programme is part of the RM&S organisation and is responsible for the preparations and execution of a potential IPO of ABN AMRO. ALM/T is also closely aligned to RM&S to ensure that ABN AMRO's risk appetite is in line with the bank's corporate strategy and capital position, taking into consideration the economic outlook.

ABN AMRO has a diversified balance sheet with primarily client-driven assets and liabilities, limited exposure to 'toxic' assets (*e.g.* it does not hold third-party collateralised loan obligations or third-party asset backed securities), and it has limited European Union peripheral exposures. ABN AMRO's investment banking and capital markets activities are directed towards serving the basic needs of clients in the Commercial Banking and International Clients business lines.

People, Regulations & Identity

The primary responsibility of PR&I is to help the bank's businesses put their clients centre stage. PR&I consists of five departments: Human Resources, Compliance & Conduct, Legal, Security & Intelligence Management and Communications & Sustainability.

1.7 Regulation

Regulation and supervision in the European Union

The European Union is working on a broad range of measures aimed at bringing more stability and transparency to the European financial sector. Major developments include Basel III/CRD IV, the creation of a banking union, the European Market Infrastructure Regulation (EMIR), the revised Markets in Financial Instruments Directive and Markets in Financial Instruments Regulation (together, MiFID II), the Bank Recovery and Resolution Directive (BRRD), a renewed Deposit Guarantee Scheme Directive (DGS), the Packaged Retail Investment Products (PRIIPS) Regulation, the Mortgage Credit Directive, the proposed new Payment Services Directive (PSD 2) and the Data Protection Regulation.

New proposals are continuously being introduced at global, European and national level. Regulations are becoming more stringent and supervision stricter. Implementing the new laws and regulations may be costly and could have an impact on ABN AMRO's business. ABN AMRO will need to allocate a significant amount of resources to prepare for these changes.

Solvency Supervision

ABN AMRO is subject to an evolving regulatory landscape with respect to the supervision of its solvency and capital adequacy.

Capital adequacy framework (Basel)

In 2004, the Basel Committee endorsed the publication of the "International Convergence of Capital Measurement and Capital Standards: a Revised Framework", commonly referred to as Basel II. The Capital Requirements Directive, representing the translation of Basel II to EU legislation, was approved by the European Parliament in 2005. This acceptance by the European Parliament cleared the way for the implementation of the Capital Requirements Directive in Europe, with a published compliance date of 1 January 2007. The process of implementing Basel II into Dutch legislation (through the Wft) and regulation was completed in December 2006, when DNB published its supervisory rules.

Basel II provides for three approaches of increasing sophistication for the calculation of credit risk capital: the Standardized Approach; the Internal Ratings Based Foundation Approach; and the Advanced Internal Ratings Based Approach. Basel II also introduced capital requirements for operational risk for the first time.

Basel II is structured around three "pillars":

- Pillar 1 sets out minimum regulatory capital requirements, namely the minimum amount of capital banks must hold against credit, operational and market risks.

- Pillar 2 sets out the key principles for supervisory review of an institution's risk management framework and, ultimately, its capital adequacy. It also sets out specific oversight responsibilities for the board and senior management, thus reinforcing principles of internal control and other corporate governance practices. Pillar 2 requires each institution to conduct an internal capital adequacy assessment process ("**ICAAP**").

- Pillar 3 aims to bolster market discipline through enhanced disclosure by banks.

ABN AMRO transitional agreement and current compliance with the Basel II capital adequacy framework

Basel II Pillar 1

The Pillar 1 capital requirement is the absolute minimum amount of capital required of a bank to cover the three major risk types that a bank faces: credit risk, operational risk and market risk as determined in the Basel II, Pillar 1 framework.

For credit risk the Advanced Internal Ratings-Based (AIRB) method is used for large SME, retail and most of the specialized lending portfolios except for a small real estate portfolio for which the slotting criteria approach is used. Foundation Internal Ratings-Based (FIRB) approach is used for sovereign portfolio and the Standardized Approach (SA) is used for financial institutions, commercial real estate and large corporates. ABN AMRO obtained formal Advanced Internal Ratings-Based (AIRB) approval from the regulator in 2013.

At present, ABN AMRO uses the SA for market risk, except for the equity portfolio and some smaller portfolios, which are reported under the Internal Models Approach (IMA). The bank is preparing for the implementation of the IMA method for calculating market risk capital in the future.

ABN AMRO currently uses the SA for operational risk. The bank is preparing to implement the Advanced Measurement Approach (AMA) framework for operational risk.

Basel II Pillar 2

ABN AMRO's capital requirement under Pillar 2 is based on internal models for economic capital and the view of the regulator, as expressed in the ICAAP and Supervisory Review and Evaluation Process (SREP). The economic capital models were integrated in 2011 to ensure suitability for the merged bank. Economic capital requirements are monitored monthly and reported in quarterly Capital Adequacy Assessments Reports and in the yearly ICAAP statement. ABN AMRO also delivers an Internal Liquidity Adequacy Assessment Process (ILAAP) report to the regulator on an annual basis.

In addition to regulatory capital, ABN AMRO also calculates economic capital (EC) and uses it as the key metric for internal risk measurement and management. Economic capital is the amount of capital ABN AMRO needs to hold to achieve a sufficient level of protection against large unexpected losses that could result from extreme market conditions. Economic capital is used for risk aggregation to determine the required capital, for capital allocation, ex-post performance measurement (RARORAC) and risk appetite setting, e.g. industry concentration risk limits. Economic capital figures are also used at the transactional level in loan pricing tools. These tools serve as a decision-making mechanism for assessing the attractiveness of a new transaction, in terms of risk-adjusted return on capital. Economic capital is based

on internal assessments and requirements. For the calculation of economic capital, ABN AMRO has internal models. With these models economic capital is calculated on a 99.95% confidence level and a one-year time horizon.

Stress testing is an important management instrument used by ABN AMRO. The main objective of stress testing is to ensure that ABN AMRO operates within its moderate risk appetite, to increase risk awareness throughout the bank and to safeguard business continuity by means of proactive management and the review of potential future scenarios. The bank applies stress testing on a regular basis to assess the effect of potential plausible but unlikely events and developments on the bank. These events may be systemic (e.g. multi-year macro-economic stress) or ABN AMRO-specific. Bank-wide stress testing, as applied by ABN AMRO, takes into account all material risks the entire bank is exposed to. The following types of stress tests are executed:

- Sensitivity analysis to identify the sensitivity between specific risk drivers and ABN AMRO's financials;

- Scenario analysis to gain insight into potential scenarios that are considered relevant;

- Reverse stress testing to gain insight into events that would break ABN AMRO's minimum capital and liquidity ratios, results of which are used in contingency planning.

ABN AMRO's Group Risk & Compliance Committee is extensively involved in bank-wide stress testing. The Group Risk & Compliance Committee discusses and decides on scenario development, impact determination and management actions. As part of the overall risk management framework, ABN AMRO performs internal stress tests to assess the capital and liquidity adequacy based on internally developed stress testing scenarios and identified risk factors. In the stress scenario, it has been assumed that the economy is hit by several shocks simultaneously. The scenario variables include, amongst others, GDP, unemployment rate, property prices, interest rates, inflation and equity prices.

Based on the stress test results no additional capital actions were required in 2014. The stress test results have been incorporated into capital planning by taking into account the minimum capital levels under stress. Besides bank-wide stress testing, ABN AMRO performs stress testing by focusing on specific portfolios or business lines. Furthermore, ABN AMRO participates in ad hoc stress test exercises as requested by regulatory bodies, such as DNB and EBA.

Basel II Pillar 3

Since 2012 ABN AMRO integrates the Pillar 3 report in its Annual Report.

New Basel regulation

The bank has implemented CRD III (the European Union implementation of Basel 2.5). The impact on capital has been limited as the bank currently applies the standardized approach to the large majority of market risk.

CRD IV (the European Union implementation of Basel III) has led to an increase in REA, mainly due to an increase in the capital requirement for the treatment of mark-to-market counterparty risk losses through the Credit Value Adjustment (CVA) capital charge.

CRD

The Capital Requirements Directives ("**CRD**") came into force on 1 January 2007 and was introduced as a supervisory framework in the European Union, designed to ensure the financial soundness of credit institutions. The Directive reflects the Basel II rules on capital measurement and capital standards.

In response to the global crisis, the Basel Committee on Banking Supervision has implemented a number of changes to the Basel II framework. These changes are implemented in the EU through modifications to the CRD.

CRD II

The first modifying directive, CRD II, was adopted in 2009, and the changes became effective in The Netherlands in December 2010. CRD II included changes regarding the classification of hybrid capital instruments, the introduction of a retention requirement for own securitizations, new requirements for liquidity risk management, and technical changes of the credit risk requirement.

CRD III

The second modifying directive, CRD III, was adopted by the European Union on 14 December 2010. CRD III includes changes to remuneration rules, increased capital requirements for the trading book, increased capital requirements for re-securitization (securitizations that have underlying securitization positions), enhanced disclosure of securitization exposures and other technical amendments.

Basel III/CRD IV

As a financial company, certain reform proposals under consideration, including the proposals of the Basel Committee as set out in the Basel III Final Recommendations, which are being implemented in the European Union through CRD IV, result in the Issuer becoming subject to stricter capital requirements and affects the scope, coverage, or calculation of capital, all of which require the Issuer to reduce business levels or restrict certain activities or to raise capital. Regulatory reform proposals could also result in the imposition of additional restrictions on the Issuer's activities if it were to no longer meet certain capital requirements at the level of the financial holding company.

CRD IV replaced its predecessor capital requirements directives (CRD I, II and III). The proposals became effective as of 1 January 2014.

The Basel Committee proposed a number of reforms to the regulatory capital and the liquidity framework for internationally active banks, the principal elements of which are set out in the Basel III Final Recommendations. Most notably these reforms are intended to increase the quality and quantity of capital, to build up additional capital buffers in good times that can be drawn upon in periods of stress, to impose (temporary) systemic risk buffers, to strengthen the risk coverage of the capital framework in relation to derivative positions and to introduce a new liquidity framework and a leverage ratio.

The Basel Committee is conducting further work on systemically important financial institutions and contingent capital in close coordination with the Financial Stability Board. The Basel Committee has stated that measures may include capital surcharges, contingent capital and bail-in debt (which could be introduced by statute, possibly impacting existing as well as future issues of debt and exposing them to the risk of conversion into equity and/or write-down of principal amount). Such measures would be in addition to proposals for the write-off of Tier 1 and Tier 2 debt (and its possible conversion into ordinary shares) if a bank were to become non-viable. The changes to capital adequacy and liquidity requirements

in the jurisdictions in which it operates described above or any future changes may also require the Issuer to raise additional regulatory capital or hold additional liquidity buffers. Furthermore, the variety of capital and liquidity requirements of regulators in different jurisdictions may prevent the Issuer from managing its capital and liquidity positions in a centralized manner, which may impact the efficiency of its capital and liquidity management. If the Issuer is unable to raise the requisite regulatory capital, it may be required to further reduce the amount of its risk exposure amount or business levels, 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 be attractive to the Issuer. If the Issuer is unable to adequately manage its liquidity position, this may prevent it from meeting its short-term financial obligations.

Banking Union

The EU banking union consists of three pillars: the Single Supervisory Mechanism ("**SSM**"), the Single Resolution Mechanism ("**SRM**") and the Single Rulebook ("**SR**").

- Single Supervisory Mechanism
Under the SSM, the ECB has become the single supervisor for the prudential supervision of credit institutions in participating Member States that qualify as "significant credit institutions" as of 4 November 2014. In the European Union, around 130 credit institutions are identified as significant banks, and ABN AMRO is one of them. The ECB will be responsible for market access, among other things, and will supervise capital requirements and governance.

In advance of the SSM, the ECB carried out a comprehensive assessment which comprised a supervisory risk assessment, an asset quality review and a stress test. The supervisory risk assessment was to review (quantitatively and qualitatively) key risks, including liquidity, leverage and funding. The asset quality review was to enhance the transparency of bank exposures by reviewing the quality of banks' assets, including the adequacy of asset and collateral valuation and related provisions. Finally the stress test was to examine the resilience of banks' balance sheets to stress scenarios.

- Single Resolution Mechanism
On 19 August 2014, the European Regulation (EU) No 86/2014 establishing uniform rules and a uniform procedure for the resolution of banks and certain investment firms in the framework of the Single Resolution Mechanism and a Single Resolution Fund (the "**SRM**") entered into force. The SRM provides for a single resolution framework, a single resolution board ("**Resolution Board**") and a single resolution fund ("**Resolution Fund**").

The primary scope of the SRM is the euro area and SRM will, once applicable, be applied to the Issuer as a primary recovery and resolution code instead of the Dutch implementation measures relating to the BRRD. The Resolution Board has resolution powers over the institutions that are subject to the SRM, thus replacing or exceeding the powers of the national authorities. The Resolution Board will draw up and adopt a resolution plan for the entities subject to its powers, including the Issuer. It will also determine, after consultation with competent authorities, a minimum requirement for own funds and eligible liabilities subject to write-down and conversion powers which the Issuer will be required to meet at all times. The Resolution Board will also use the powers of early intervention as set forth in the SRM, including the power to require an institution to contact potential purchasers in order to prepare for resolution of institution. The Resolution Board will have the authority to exercise the specific resolution powers pursuant to the SRM similar to those of the national authorities under the BRRD. The resolution tools available to the Resolution Board include the sale of business tool, the bridge institution tool, the asset separation tool and the bail-in tool as further specified in the SRM. The use of one or more of these tools will be included in a resolution plan to be adopted by the Resolution Board.

Pursuant to the SRM, the bail-in tool may be applied to recapitalise an institution to restore its ability to comply with the licensing conditions and to sustain market confidence in the institution or to convert claims or debts to equity or reduce their principal amount. The bail-in tool covers bonds and notes issued by the institution subject to resolution measures, but certain defined instruments are excluded from the scope, such as covered bonds.
The provisions relating to resolution plans and cooperation between the Resolution Board and the national authorities are in effect as of 1 January 2015. The resolution powers of the Resolution Board will take effect from 1 January 2016.

The Issuer will only be eligible for contribution by the Resolution Fund after a resolution action is taken if shareholders or the holders of relevant capital instruments and other eligible liabilities have made a contribution (by means of a write down, conversion or otherwise) to loss absorption and recapitalization equal to an amount not less than 8% of the total liabilities (including own funds and measured at the time of the resolution action). See for further information on the Resolution Fund "*Issuer - 4. Operating and Financial Review - 4.2 Key factors affecting results of operations*".

- Single Rule Book
The key pillars of the SR are the rules on stronger prudential requirements of CRD IV, the deposit guarantee scheme and a framework for bank recovery and resolution.

- *CRD IV*
  CRD IV transposes the Basel III Final Recommendations into the EU legal framework. CRD IV applies from 1 January 2014 and sets stronger prudential requirements for banks. The new rules will make EU banks more solid and will strengthen their capacity to adequately manage the risks linked to their activities and absorb losses they may incur in doing business. Furthermore, these new rules will strengthen the requirements regarding banks' corporate governance arrangements and processes, for example regarding diversity within management and rules on bonuses. We expect the European Banking Authority (EBA) to continue to introduce a large number of technical standards, guidelines and recommendations in the course of 2015, further defining EU banks' obligations.

- *EU Deposit Guarantee Scheme Directive*
  On 15 April 2014, the European Parliament adopted the new EU Deposit Guarantee Scheme ("**DGS**") Directive which was published in the Official Journal of the EU on 12 June 2014. The DGS is required to be transposed into national law by 3 July 2015. The DGS continues to guarantee repayment of certain client deposits up to EUR 100,000 held at European banks in the event of bankruptcy or resolution. The funding of the current DGS will be amended from an ex-post funded system to a partially ex-ante funded system. This means that participating financial institutions will have to contribute to the scheme on a periodic basis rather than facing charges only when an actual insolvency event occurs requiring them to compensate the clients of the affected financial institutions. The new ex-ante funding system is to be implemented by 3 July 2015, however the requirement for relevant DGS to have available means at the target level of 0,8% of the amount of covered deposits held with its members, including the Issuer, must be achieved by 3 July 2024. Contributions will be based on the covered deposits of the bank and risk based contributions but The Netherlands may also impose minimum contributions. The ex-ante funding system is expected to increase the Issuer’s expenses in connection with the DGS. In addition, if the available financial means of the relevant DGS is insufficient to repay depositors when deposits become unavailable, an additional contribution may be required, which will in principle not exceed 0,5% of the covered deposits held with Issuer per calendar year. Additional

requirements of the DGS Directive include a broadening of the scope of clients for whom the deposit guarantee will be available (in addition to consumer deposits, deposits of businesses will be included, whereas currently only companies who published abridged annual accounts fall within its scope), information requirements to customers and the shortening of the period for making payments under the DGS Directive from 20 working days (until 31 December 2018) to 7 working days (from 1 January 2024). Based on national legislation (*Besluit Bijzondere Prudentiële maatregelen, beleggerscompensatie en depositogarantie Wft*) the information requirements (i.e., pre contractual information and the provision of information at least once a year on deposits that are covered by DGS) apply as of 1 January 2015.

- *Banks Recovery and Resolution Directive*
  On 12 June 2014, a directive providing for the establishment of a European-wide framework for the recovery and resolution of credit institutions and investment firms (2014/59/EU, "**BRRD**") was published in the Official Journal of the European Union. EU Member States were required to adopt and publish the laws, regulations and administrative provisions necessary to implement the BRRD by 31 December 2014 and to apply their implementing measures from 1 January 2015, with the bail-in power for other eligible liabilities to apply from 1 January 2016, at the latest. At the date of this Base Prospectus the BRRD implementation into Dutch law has not yet been completed. It is expected that a draft legislative proposal will be presented to the Dutch Parliament during the course of 2015.

  The BRRD sets out a common European recovery and resolution framework which is composed of three pillars: preparation (by requiring banks to draw up recovery plans and resolution authorities to draw up resolution plans), early intervention powers and resolution powers. The stated aim of BRRD is, similar to the Dutch Intervention Act, to provide relevant authorities with common tools and powers to address banking crises pre-emptively in order to safeguard financial stability and minimize taxpayers' exposure to losses. It also provides for a national, prefunded resolution fund that each Member State will have to establish and build up. All banks will have to pay into these funds, and contributions will be higher for banks that take more risks.

  Recovery and resolution plans

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

  The resolution authorities responsible for a resolution in relation to the Issuer will draw up the Issuer's resolution plan providing for resolution actions it may take if the Issuer would fail or would be likely to fail. In drawing up the Issuer's resolution plan, the resolution authorities will identify any material impediments to the Issuer's resolvability. Where necessary, the resolution authorities may require the Issuer to remove such impediments. This may lead to mandatory legal restructuring of the Issuer, which could lead to high transaction costs, or could make the Issuer's business operations or its funding mix to become less optimally composed or more expensive. The resolution authority may also require the Issuer to issue additional liabilities. This may result in higher capital and funding costs for the Issuer, and as a result adversely affect the Issuer's profits and its ability to pay dividends.

Early intervention

If the Issuer does not comply with or, due to a rapidly deteriorating financial position, would be likely not to comply with capital or liquidity requirements in the near future, the resolution authorities will have the power to impose early intervention measures. A rapidly deteriorating financial position could, for example, occur in the case of a deterioration of the Issuer's liquidity situation, increasing level of leverage and non-performing loans. Intervention measures include the power to require changes to the legal or operational structure of the Issuer, the power to make changes to the Issuer's business strategy, and the power to require the Issuer's managing board to convene a general meeting of shareholders, set the agenda and require certain decisions to be considered for adoption by the general meeting.

Resolution measures

If the Issuer were to reach a point of non-viability, the resolution authority could take pre-resolution measures. These measures include the write down and cancelation of shares, and the conversion of capital instruments into shares. A write down or conversion of capital instruments into shares could adversely affect the rights and effective remedies of holders of Notes and the market value of their Notes could be negatively affected.

BRRD provides resolution authorities with broader powers to implement resolution measures with respect to banks which reach non-viability, which may include (without limitation) the sale of the bank's business, the separation of assets, the replacement or substitution of the bank as obligor in respect of debt instruments, modifications to the terms of debt instruments and discontinuing the listing and admission to trading of financial instruments. As detailed above, under the heading – *Single Resolution Mechanism*, once the SRM applies, the Resolution Board will take on many of the powers and responsibilities assigned to resolution authorities in the BRRD.

MiFID II

In April 2004, the Markets in Financial Instruments Directive 2004/39/EC ("**MiFID**") came into force. MiFID regulates the provision of investment services and investment activities and replaced the Investment Services Directive 1993/22/EEC, which established the single European passport for investment firms. MiFID provides a harmonized regime for investment services and investment activities and aims to increase competition and reinforce investor protection. It streamlines supervision on the basis of home country control and enhances the transparency of markets. Furthermore, MiFID harmonized conduct of business rules, including best execution, conflict of interest, customer order handling rules and rules on inducements. MiFID abolishes the concentration rule, creating a more competitive regime between order execution venues. It furthermore imposes market transparency rules on investment firms, regulated markets and multilateral trading systems for both pre- and post-trading for, inter alia, equities.

On 15 April 2014 the European Parliament adopted updated rules for markets in financial instruments, after an agreement in principle was reached with the Council on 14 January 2014. The new rules, which were published in the Official Journal of the European Union on 12 June 2014, consist of a Directive ("**MiFID II Directive**") and a Regulation with direct force in the EU ("**MiFIR**") (together: "**MiFID II**"). The rules of the MiFID II Directive must be transposed into EU Member State law by 3 July 2016 and the EU Member States must apply most of these rules as from 3 January 2017. The update covers topics such as market infrastructure, more robust investor protection and strengthened supervisory powers. MiFID II increases equity market transparency and, for the first time, establishes a principle of transparency for non-equity instruments such as bonds and derivatives. Investment firms operating an internal matching

system which executes client orders in financial instruments on a multilateral basis may in future be required to seek authorisation as a Multilateral Trading Facility ("**MTF**") or Organised Trading Facility ("**OTF**"), a new category of multilateral trading venue through which transactions in non-equity instruments may be executed. To meet the G20 commitments, MiFID II provides for strengthened supervisory powers and a harmonised position limits regime for commodity derivatives to improve transparency, support orderly pricing and prevent market abuse. A new framework will improve conditions for competition in the trading and clearing of financial instruments. MiFID II introduces trading controls for algorithmic trading activities. Stronger investor protection is achieved by introducing better organisational requirements, such as client asset protection or product governance. MiFID II strengthens the existing regime to ensure effective and harmonised administrative sanctions. A harmonised regime for granting access to EU markets for firms from third countries is based on an equivalence assessment of third country jurisdictions by the European Commission. As MiFID II significantly extends not only the scope but also the detail of existing (MiFID) regulations, the Issuer will have to review existing activities and, where necessary, may need to adjust the manner in which it operates. The Issuer is also likely to have to provide more information to its clients, such as about the costs and charges involved in providing investment services.

EMIR

Regulation (EU) 648/2012 of 4 July 2012, the European Market Infrastructure Regulation ("**EMIR**"), on over-the-counter ("**OTC**") derivatives, central counterparties and trade repositories entered into force on 16 August 2012. Regulatory technical standards supplementing EMIR entered into force on 15 March and 15 September 2013. Further regulatory technical standards supplementing EMIR are to be expected. EMIR introduces new requirements to improve transparency and reduce the risks associated with the derivatives market. EMIR also establishes common organisational, conduct of business and prudential standards for central counterparties ("**CCPs**") and trade repositories. The main obligations relevant for ABN AMRO under EMIR are (i) central clearing for certain classes of OTC derivatives, (ii) the application of risk mitigation techniques for non-centrally cleared OTC derivatives and (iii) reporting of both exchange traded and OTC derivatives transactions. EMIR will apply directly to any entity (financial as well as non-financial) established in the EU that has entered into a derivative contract, and applies indirectly to non-EU counterparties trading with EU parties.

For non-centrally cleared OTC derivatives, ABN AMRO will need to comply with certain operational risk management requirements, including timely confirmation, portfolio reconciliation, record keeping and (in future) the increased exchange of collateral. The implementation of EMIR increases ABN AMRO's reporting requirements on outstanding and new derivative contracts. As from 12 February 2014, ABN AMRO is obliged to report both exchange traded and OTC derivative transactions to an authorised or recognised trade repository or (where no trade repository is available to record the details of a derivative contract) to ESMA.

Packaged Retail and Insurance-based Investment Products

Packaged Retail and Insurance-based Investment Products ("**PRIIPS**") are investment products offered to retail clients in 'packaged' form, which are exposed to investment risks irrespective of whether the products in question are securities, insurance or banking-based. Investors do not invest directly in the underlying investment products; instead, the provider of the investment product combines, includes or groups together different assets in the packaged product. Such packaged products can be complex for investors to understand. Those selling these products can also face conflicts of interest since they are often remunerated by the product manufacturers rather than directly by the retail investors. A complex patchwork of regulation has developed to address these risks, and inconsistencies and gaps in the patchwork have raised concerns as to the overall effectiveness of the regulatory regime, both in relation to

its capacity to protect investors and its ability to ensure the markets work efficiently. These concerns have been further heightened by the impact of the financial crisis.

A regulation on key information documents for packaged retail and insurance-based investment products requires a key information document ("**KID**") to be provided when offering PRIIPS to certain clients. This document must include information on the features, risks and costs. The PRIIPS regulation covers, among other products, insurance-based investment products, structured investment products and collective investment schemes. The PRIIPS regulation entered into force on 29 December 2014 and it will apply directly in all Member States from 31 December 2016.

Mortgage Credit Directive

The European Parliament has adopted new mortgage lending rules: the Mortgage Credit Directive 2014/17/EU on credit agreements for consumers relating to residential immovable property adopted on 4 February 2014 (the "**Mortgage Credit Directive**"). The Mortgage Credit Directive aims to afford high level consumer protection throughout the EEA. The directive applies to secured credit and home loans. The main provisions of the directive include consumer information requirements. In the pre-contractual phase, certain standardised information must be included in any advertising for credit agreements detailing information on the interest rate or indicating figures relating to costs. In addition, banks are required to ensure that consumers are provided with personalised information needed to compare mortgage products available in the market. The directive would oblige banks to conduct a documented creditworthiness assessment before granting the loan. The directive also imposes requirements on early repayment. Consumers must have the right to discharge fully or partially their obligations under a credit agreement prior to its expiry. In such cases, the consumer shall be entitled to a reduction in the total cost of the credit, such reduction consisting of the interest and the costs for the remaining duration of the contract. The changes referred to above may adversely impact the Issuer's business model and may force the Issuer to make substantial investments to meet the above requirements. The rules pursuant to the Mortgage Credit Directive will ultimately enter into force in March 2016.

PSD 2 and Multilateral Interchange Fees Regulation

On 24 July 2013, the European Commission adopted a legislative package in the field of the EU payments framework. The package proposes a revised Payment Services Directive ("**PSD 2**") and a Regulation on Interchange Fees for card-based payment transactions. The PSD 2 will replace the PSD which was required to be transposed into member state law on 1 November 2009 and required updating, i.e. inclusion of new entrants in the payments market such as third-party payment service providers and mobile payment services.

The main objectives of the legislative package (PSD 2) are, *inter alia*, (i) to make cross-border payments in the European Union as easy, efficient and secure as domestic payments, (ii) improve the level playing field (including new players), (iii) improve consumer protection and (iv) facilitate the emergence of common technical standards and interoperability. The main objective of the Interchange Fees Regulation is to create a level playing field by removing barriers between national payment markets and allowing new entrants to enter the market, driving down the fees that retailers pay their banks and ultimately allowing consumers to benefit from lower retail prices.

Key elements of the PSD 2 that could impact ABN AMRO are: (i) access to payment accounts by other parties than the bank where the customer holds an account (Third Party Access), (ii) non-refundable direct debit and (iii) security requirements. Third Party Access as described in the proposal of the European Commission may 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 commoditized transactional components to banks which could lead to disintermediation. The non-refundable direct debit is an opportunity for banks as this product improves the predictability of the cash flow of creditors (corporate customers). Security is and will remain a core element in the service offering of banks whereby it is important that the security requirements in the PSD 2 strike the right balance between ease of use and risk. Key elements of the Interchange Fees Regulation that could impact ABN AMRO are (i) the permillage based fee for debit card transactions and (ii) transparency requirements on interchange fees to merchants (detailed invoice). Retailers in The Netherlands are used to paying a fixed fee per debit card transaction. A change in this practice could have an impact on revenue of banks as retailers will not be inclined to pay a much higher fee for a high value debit card transaction and the transparency requirements will increase the cost base of banks.

Data Protection Regulation

In 2012 the European Commission presented its proposal to reform the general EU legal framework on the protection of personal data. The main policy objectives in this reform are to: (i) modernise the EU legal system for the protection of personal data, in particular to meet the challenges resulting from globalisation and the use of new technologies, (ii) strengthen individuals' rights and at the same time reduce administrative formalities to ensure a free flow of personal data within the EU and beyond, (iii) improve the clarity and coherence of the EU rules for personal data protection and achieve consistent and effective implementation of the privacy rules and application of the fundamental right to the protection of personal data in all areas of the EU's activities. The European Commission intends to achieve this by substituting the current EU Data Protection Directive of 1995 for a new EU General Data Protection Regulation that will apply directly and uniformly throughout the European Union. This reform will have a major impact on the private sector and provides for significant fines, with fines that could amount to 5% of the worldwide turnover of a company or EUR 100 million, whichever one is higher. The text of the regulation is however not yet final, as the European Commission, the European Parliament and Council will first need to enter into the tripartite negotiations about the final text. The regulation is expected to be adopted some time in 2016 with it entering into force possibly in 2017. In parallel with EU legislative amendments to strengthen privacy protection, there are a number of Dutch initiatives in this field: (i) an amendment of the Dutch Data Protection Act imposing the obligation to report data leaks, with fines up to EUR 450,000 for non-compliance, and (ii) the new power of the Dutch privacy regulator to impose fines of up to EUR 810,000 or 10% of the annual turnover per infringement. Both acts are expected to entry into force as from 1 July 2015.

Financial Transaction Tax

In February 2013, the EC published a proposed directive for a common Financial Transaction Tax ("**FTT**") to be implemented in 11 participating Member States, being Austria, Belgium, Estonia, France, Germany, Greece, Italy, Portugal, Slovakia, Slovenia and Spain, which would together constitute the FTT-zone. As at the date of this Prospectus, it has not been proposed that The Netherlands become a participating Member State. On 27 January 2015 ministers of 10 EU Member States (still excluding The Netherlands) issued a joint statement in which they reiterated their commitment to reach an agreement on a financial transaction tax, but no further details were provided. The proposed directive has a very broad scope. Under the proposed directive, the FTT could if introduced in the form proposed in February 2013, inter alia, levy a tax on transactions in financial instruments by financial institutions if at least one of the parties to the transaction is located in the FTT-zone. A financial institution may be, or be deemed to be, established in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State. Joint statements issued by the eleven participating Member States indicated an intention to implement the FTT

progressively, such that it would initially apply to shares and certain derivatives, with this initial implementation occurring by 1 January 2016. However, full details are not yet available. As of the date of this Prospectus, it is unclear when the FTT will come into force, if at all, and it is unclear what the scope of the FTT would be. If the FTT were to come into force and to the extent the FTT were to apply, the Issuer could incur significant additional costs.

Other developments include a proposal adopted by the European Commission on 29 January 2014 for a regulation which would give banks' supervisors the power to require banks to separate certain potentially risky trading activities from their deposit-taking business if the pursuit of such activities compromises financial stability. In addition, the European Commission has adopted an accompanying proposal for a regulation on reporting and transparency of securities financing transactions.

Regulation and supervision in The Netherlands

General

The Dutch regulatory system applicable to ABN AMRO is a comprehensive system based on the provisions of the Wft which came into effect on 1 January 2007. The Wft sets out rules regarding prudential supervision (by DNB) and supervision of conduct (by the AFM). Prudential supervision focuses on the solidity of financial undertakings and contributes to the stability of the financial sector. Supervision of conduct focuses on orderly and transparent financial market processes, clear relations between market participants and due care in the treatment of clients (including supervision of the securities and investment businesses).

In addition to the supranational regulatory developments described above, the Dutch government and regulators have proposed a number of measures such as the introduction of a bank tax, an intervention act, a ban on referral fees and changes to the system of the Dutch Deposit Guarantee Scheme.

Prudential Supervision

The ECB is formally the competent authority responsible for the supervision of the Issuer's compliance with the prudential requirements including (i) the own funds requirements, securitisation, large exposure limits, liquidity coverage ratio and net stable funding requirements, the leverage ratio and the supervisory reporting and public disclosure of information on those matters and (ii) the requirement to have in place robust governance arrangements, including the fit and proper requirements for the persons responsible for the management of the Issuer, remuneration policies and practices and effective internal capital adequacy assessment processes, and for the carrying out of supervisory reviews and stress tests to determine whether a sound management and coverage of risks are ensured by the Issuer's arrangements, strategies, processes and mechanisms as well as for the carrying out of supervisory tasks in relation to recovery plans and early intervention. The ECB is also the competent authority to assess notifications of the acquisition of qualifying holdings in banks and to grant a declaration of no objection for such holdings.

Supervision by DNB

DNB is required to assist the ECB with the preparation and implementation of any acts relating to the supervisory tasks of the ECB and must follow instructions given by the ECB in that respect. In addition, DNB has remained the competent authority in respect of prudential requirements not having a basis in EU law such as the requirements in respect of customer due diligence and the liquidity requirements other than the liquidity coverage ratio and net stable funding requirements provided for by the CRR. DNB has also remained the competent authority under other supervisory laws and regulations relevant to the Group's business, such as anti-money laundering legislation.

As part of the Supervisory Review and Evaluation Process ("**SREP**") ECB and DNB may perform an analysis of the Issuer's business model and strategy, and form a view on its viability and sustainability. If necessary, they may take measures to address any problems and concerns. Such measures may include the requirement to make changes to the business plan and strategy, or require the Issuer to reduce risks that are inherent in certain products by requiring changes to the offering of these products or improvements of the governance and control arrangements around product development and maintenance. They may also include measures to reduce risks inherent to the Issuer's systems by requiring improvements of its systems or require the Issuer to raise additional regulatory capital. Such measures may adversely impact the Issuer's business and may force the Issuer to make substantial investments to meet the above requirements.

Emergencies

The Wft contains an emergency regulation (*noodregeling*) which can be declared in respect of a credit institution by a Dutch court at the request of DNB if such credit institution is in a position which requires special measures for the protection of its creditors. As of the date of the emergency, only the court appointed administrators have the authority to exercise the powers of the representatives of the credit institution. Furthermore, the emergency regulation provides for special measures for the protection of the interests of the creditors of the credit institution. A credit institution can also be declared in a state of bankruptcy by the court.

Dutch Intervention Act

In anticipation of the EC proposal for a crisis management framework, the Dutch Intervention Act entered into force in June 2012 (with retrospective effect to January 2012). The Dutch Intervention Act provides a framework ensuring timely and orderly resolution of financial institutions in the event of serious problems, without the necessity to enter into bankruptcy proceedings. It grants substantial new powers to

DNB and the Dutch Minister of Finance, enabling them to deal with ailing Dutch banks prior to insolvency. The Dutch Intervention Act empowers DNB or the Minister of Finance, as applicable, to commence proceedings leading to:

- transfer of all or part of the business (including deposits) of the relevant bank to a private sector purchaser;
- transfer of all or part of the business of the relevant bank to a "bridge bank"; and
- public ownership (nationalization) of the relevant bank and expropriation of debt securities.

Subject to certain exceptions, once any of these proposed proceedings have been initiated by DNB or the Minister of Finance, the relevant counterparties of such bank would not be entitled to invoke events of default or set off their claims against the bank.

On 1 February 2013, the Dutch Minister of Finance announced the nationalization of SNS Reaal N.V., acting under powers granted to him under the Dutch Intervention Act.

The national framework for intervention by DNB is likely to be amended by the law implementing the resolution framework set out in the BRRD (as defined below). However, the powers granted to the Dutch Minister of Finance under the Dutch Intervention Act are likely to remain. The Dutch Minister of Finance may take measures or expropriate assets or securities issued by or with the consent of a financial firm (*financiële onderneming*) or its parent, in each case if it has its corporate seat in The Netherlands, if in the Minister of Finance's opinion the stability of the financial system is in serious and immediate danger as a result of the situation in which the firm finds itself.

Dutch Deposit Guarantee Scheme

The Dutch government has announced the introduction of a new financial levy intended to pre-fund the Dutch Deposit Guarantee Scheme. This scheme guarantees client deposits at Dutch banks up to a maximum amount of EUR 100,000 in the event of bankruptcy. The duty will be levied on risk-bearing liabilities that fall under the Deposit Guarantee Scheme. The levy was initially planned to come into force on 1 July 2013. However, the Minister of Finance has suggested in his letter to Parliament in connection with the nationalization of SNS Reaal N.V. on 1 February 2013 that effectiveness be postponed for another two years. Under the new Deposit Guarantee Scheme, banks will be required to pay a quarterly contribution into a fund for the Deposit Guarantee Scheme. If the scheme is invoked, the fund will pay out. If the fund is insufficient, the costs arising from the shortfall will be divided among the banks in line with the present system. The new pre-funding system is expected to increase ABN AMRO's expenses for the Deposit Guarantee Scheme. The new Dutch Deposit Guarantee Scheme implements the DGS Directive and is expected to become effective from 1 July 2015.

Financial Markets Amendment Act 2013

By the end of 2012, the final versions of the Financial Markets Amendment Act 2013 and the Financial Markets Amendment Decree 2013 were published. Most of the rules of the 2013 Amendment Act and Decree entered into effect as of 1 January 2013. They introduced both new and additional rules to existing law, in respect of (i) the mandatory product approval process, (ii) the oath/solemn affirmation for the financial sector (or what is often referred to as the 'bankers' oath'), (iii) requirements with respect to professional competences of advisors with client contact and (iv) a ban on commission payments.

Financial Markets Amendment Act 2014

The final Financial Markets Amendment Act 2014 was published on 5 December 2013 and the Financial Markets Amendment Decree 2014 was published on 17 December 2013. The 2014 Amendment Act and Decree came into effect on 1 January 2014 and contains amendments to a number of existing acts and decrees. Among other things, these amendments relate to (i) a general duty of care for financial services providers, (ii) the inducement ban for investment firms for investment services to non-professional clients, (iii) supervision of clearing and settlement institutions, (iv) the bank housing savings deposits and related debt becoming offsettable if the bank becomes insolvent, and (v) the asset segregation for investment institutions and UCITS.

Finally, the 2014 amendments introduce a national discretion deriving from CRD IV to impose (temporary) additional systemic relevance buffers (*systeemrelevantiebuffer*). The Dutch central bank is to determine the amount of the systemic relevance buffer depending on the likelihood of an institution's situation disrupting the stability of the Dutch financial system. This could lead to additional Tier 1 capital add-ons of 1-2% relative to risk exposure amount. The relevant additional buffers will need to be accrued from 2016 onwards and fully implemented by the end of 2018. ABN AMRO was designated as a systemically important financial institution in 2011.

Financial Markets Amendment Act 2015

The Financial Markets Amendment Act 2015 was published on 5 December 2014 and the Financial Markets Amendment Decree 2015 was published on 19 December 2014. The 2015 Amendment Act and Decree came into effect on 1 January 2015. Two of the important changes relate to the extension of the scope of the suitability and integrity test for daily policymakers (such as executive board members) and internal supervisors (such as supervisory board members) of licensed financial undertakings, and the extension of the scope of the so-called bankers' oath to a broader group of people active in the financial sector. In addition, the Financial Markets Amendment Act 2015 addresses the abolition of government contribution to funding of supervision of the financial markets, modernisation of the right of collection of premium contribution by insurance brokers and new rules on registered covered bonds.

Financial Markets Amendment Act 2016

A consultation document for the Financial Markets Amendment Act 2016 was published on 26 June 2014 and a consultation document for the Financial Markets Amendment Decree 2016 was published on 31 March 2015. The 2016 Amendment Act and Decree are expected to enter into force on 1 January 2016. Three of the important suggested changes relate to the introduction of early intervention powers to temporarily dismiss board members of financial institutions should there be doubts about their suitability, the introduction of protection for derivatives transactions counterparties against bankruptcy of intermediaries and the implementation of the conclusions of a review of the Dutch Intervention Act.

Mortgage Lending Rules

In The Netherlands, additional restrictions apply to the principal residence mortgage loan market for individuals. These restrictions have been introduced against the background of a stagnant Dutch economy and in an environment of decreasing house prices and a significant reduction in the volume of houses sold. The maximum loan amount for government-guaranteed mortgage loans (*Nationale Hypotheekgarantie*, "**NHG**") has been capped at EUR 265,000 as from 1 July 2014. It has been proposed to further reduce this amount to EUR 245,000 as per 1 July 2015, and again to EUR 225,000 as per 1 July 2016. Thereafter, the cap is proposed to be related to the average value of houses. In addition, the Dutch government has further restricted the maximum permissible amount of a mortgage loan to 103%

(including 2% transfer tax) of the value of the property as from 1 January 2015 and this maximum will gradually be reduced further by 1% per year to 100% as from 1 January 2018. The lowering of this loan-to-value rate is expected to put further downward pressure on the total outstanding volume of mortgages in The Netherlands which could decrease the size of the Issuer's mortgage portfolio.

In The Netherlands, subject to a number of conditions, mortgage loan interest payments used to be fully deductible from the income of the borrower for income tax purposes. However, new legislation on tax deductibility of new mortgages loans took effect on 1 January 2013. To be eligible for tax deductibility, new mortgage loans must be redeemed fully (100%) during the term of the loan based on an annuity or linear scheme. Existing mortgage loans are not impacted. However, for all mortgage loans, new and existing, tax deductibility will be gradually reduced by 0.5% per year from the current maximum of 51% to a maximum of 38% in 2042. This percentage will however not be reduced below the third bracket (which is 42% in 2015) for income tax purposes in any given year. Changes to the deductibility of interest payments may, amongst other things, have an effect on the house prices and the rate of economic recovery on mortgage loans for mortgage loan providers (such as the Issuer) and may result in an increase of defaults, prepayments and repayments of mortgage loans.

Furthermore, rules have been introduced for paid advisory services in the mortgage market. Clients will have to pay for the mortgage advice provided, and referral fees will no longer be allowed. New transparency rules have been introduced to promote competition in the mortgage market. These rules require mortgage lenders to publish their fees on their websites and to provide specific information on offers and renewal offers to new and existing clients.

Ban on referral fees and bonuses

On 1 January 2013, the Dutch government introduced a ban on referral fees relating to specific complex financial products, such as mortgages, life insurance and pension insurance. The goals are to increase transparency for consumers and ensure that the interests of consumers and their advisors are aligned. Financial advisors are required to provide transparency related to costs, terms of service and relations with relevant third parties and referral fees are prohibited for these products.

A similar ban on referral fees came into effect into effect as of 1 January 2014 in relation to certain investment services, including, but not limited to, (i) individual portfolio management, (ii) investment advice and (iii) execution-only services, all in relation to financial instruments. The prohibition affects for instance inducement fees which used to be paid by investment funds to distributors. Under the new rules, only the client itself is allowed to pay commissions to the investment services provider. ABN AMRO has in response introduced new investment products in The Netherlands, which include advisory fees for investment advisory services and fees for execution only services. As of 1 January 2014, all clients who use these services must pay these fees. As of 1 January 2014, the majority of the funds held in discretionary portfolio management do not involve inducements or distribution fees. For the remaining minority of clients (primarily where clients wish to continue their investments in particular funds), ABN AMRO passes on amounts received to the individual clients.

The Dutch government has introduced new rules restricting the payment of bonuses by financial institutions that receive State support. The rules target both companies that will receive state support in the future as well as companies that have received state support in the past. The rules include a ban on performance-related variable remuneration (i.e. bonuses) as well as restrictions on other parts of the remuneration paid to managing directors and/or to persons determining the day-to-day policy of the financial institution. The new rules also apply to institutions that do not receive state aid directly but are part of a state-aided group.

Conduct of business supervision

The Wft provides a comprehensive framework for the conduct of securities trading in or from The Netherlands. The body responsible for carrying out conduct of business supervision in The Netherlands is the AFM.

Conduct-of-business supervision focuses on ensuring orderly and transparent financial market processes, proper relationships between market participants and the exercise of due care by financial undertakings in dealing with clients.

Dutch bank tax

As of 1 October 2012, the Dutch government introduced a banking tax for all entities that are authorised to conduct banking activities in The Netherlands. The tax is based on the amount of the total liabilities on the balance sheet of the relevant bank as at the end of such bank's preceding financial year, with exemptions for equity, for deposits that are covered by the Deposit Guarantee Scheme and for certain liabilities relating to the insurance business. The levy on short-term funding liabilities is 0.044% and the levy on long-term funding liabilities is 0.022%.

Due to the introduction of the bank tax, ABN AMRO incurred a EUR 112 million surcharge in 2012, a EUR 106 million surcharge in 2013 and a EUR 91 million surcharge in 2014, increasing expenses and the cost/income ratio. This measure will lead to costs in subsequent years.

Temporary Resolution Act

The Temporary Resolution Levy Act introduced a one-off bank levy to make banks contribute to a compensation scheme in connection with the nationalization of SNS REAAL on 1 February 2013. The levy was charged on the first, second and third quarter of 2014. The impact of this levy on ABN AMRO's results was EUR 201 million in total.

Regulation in the rest of the world

ABN AMRO's operations elsewhere in the world are subject to regulation and control by local supervisory authorities, and its offices, branches and subsidiaries in such jurisdictions are subject to certain reserve, reporting and control and other requirements imposed by the relevant central banks and regulatory authorities.

Dodd-Frank Act

The Dodd-Frank Act was passed into U.S. law on 21 July 2010. The Dodd-Frank Act has been hailed as the most sweeping financial services regulatory reform legislation in the U.S. since 1933. The legislation covers a broad spectrum of issues ranging from systematic supervision, changes to the regulation of investment advisors and regulation of OTC derivatives, to measures aimed at improving consumer protection. Most of the impact on ABN AMRO's businesses is expected to result from the rules on OTC derivatives that are primarily used in the Markets business. For example, various provisions, such as mandatory clearing of swaps, trade execution through swap execution facilities, and reporting of OTC derivatives, will apply to the Issuer when transacting with U.S. persons. Other provisions will apply only if ABN AMRO is required to register as a swap entity with the applicable U.S. regulator.

Currently, there are two main regulatory agencies that are expected to issue further implementing rules: the U.S. Commodity Futures Exchange Commission ("**CFTC**") and the SEC. The CFTC has issued

almost all of its rules and regulations, while the SEC has not. The major remaining outstanding rules of the CFTC are those relating to capital of registered swap entities and margin for uncleared swaps. Based on the information gathered to date, the Issuer has not registered as a swap dealer with the CFTC. The SEC has not published registration rules and as of year-end 2014, there was no registered swap entity for those derivatives under its jurisdiction. The Issuer is monitoring legal developments and OTC derivatives volumes to determine the need for registration.

FATCA

FATCA was enacted by U.S. authorities in March 2010. The objective of FATCA is to increase the ability to detect U.S. persons evading tax by holding accounts with non-U.S. (foreign) financial institutions ("**FFI**"). Based on sections 1471-1474 of the United States Internal Revenue Code of 1986 and Treasury Regulations thereunder, FATCA imposes a 30% withholding tax on U.S. source payments to an FFI, unless the FFI either concludes an agreement with the United States Internal Revenue Service (the "**IRS**"), under which an FFI agrees to comply with certain reporting, client due diligence and withholding requirements (an "**FFI Agreement**") or is based in certain so-called IGA jurisdictions, where the local government has concluded an inter-governmental agreement with the U.S. to facilitate the implementation of FATCA (an "**IGA**"). On 18 December 2013, the U.S. and The Netherlands entered into an IGA. All jurisdictions in which the Issuer operates have substantially concluded an IGA with the U.S.

ABN AMRO intends to become fully FATCA compliant, and expects FATCA to continue having an impact on client on-boarding processes, client administration and reporting systems. In addition, clients may receive requests to provide additional or updated information and documentation.

Information exchange and reporting

There are various international and EU initiatives on automatic exchange of information (such as the OECD Common Reporting Standard, EU Savings Directive, amended EU Directive on Administrative Cooperation). These initiatives call on jurisdictions to obtain information from financial institutions such as the Issuer. The information so obtained will be automatically exchanged with other jurisdictions. These initiatives, when implemented, will have considerable impact on client on-boarding and administrative processes of the Issuer. Increasingly, countries in which the Issuer operates request the Issuer to report information in greater detail than had been required, including information related to deposits held, and dividends and interests received, by clients. The manner and detail of reporting requirements differs from country to country. Accordingly, an increasing number of requests are made to the Issuer and entering into relationships with new clients is becoming more complex. Therefore, the Issuer may be required to make significant investments in money and time in order to be able to continue to operate in all countries where it operates.

1.8 Legal and arbitration proceedings

ABN AMRO is involved in a number of governmental, legal and arbitration proceedings in the ordinary course of its business in a number of jurisdictions, including those set out in this section. However, on the basis of information currently available, and having taken legal counsel with advisors, ABN AMRO is of the opinion that it is not, nor has it been, involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which ABN AMRO or the Issuer is aware) during the 12 months preceding the date of this Base Prospectus which may have, or have had in the recent past, significant effects on the financial position or profitability of ABN AMRO, the Issuer and/or its subsidiaries.

Settlement with Ageas

In 2009, ageas SA/NV (formerly known as "Fortis SA/NV") and ageas N.V. (formerly known as "Fortis N.V.") (together, "**Ageas**") initiated legal proceedings against ABN AMRO Capital Finance Ltd, ABN AMRO Bank and the Dutch State claiming EUR 363 million compensation for which Ageas was liable on the cash settlement date. Furthermore, on 7 December 2010 and in accordance with the transaction documentation, the EUR 2 billion of 8.75% Mandatory Convertible Securities converted into ordinary Ageas shares and the final (semi-annual) coupon was paid. Ageas claimed it was entitled to receive EUR 2 billion of ABN AMRO ordinary shares by way of compensation. On 28 June 2012, however, ABN AMRO Group N.V., ABN AMRO Bank and Ageas agreed to settle all disputes, including the proceedings initiated by Ageas regarding the two aforementioned claims, between ABN AMRO Group N.V., ABN AMRO Bank, the Dutch State and Ageas in relation to the equity transactions which resulted in the takeover of the Dutch activities of the former Fortis group by the Dutch State on 3 October 2008. Previously, the EUR 2.0 billion liability resulting from the MCS was retained in the balance sheet, of which EUR 1.75 billion continued to qualify as Tier 1 capital. Under IFRS this obligation was required to be classified as a liability instead of equity since the number of shares to be issued by ABN AMRO, if any, for the conversion of the liability was unclear as the contract did not stipulate a fixed amount of shares to be delivered. After the settlement, core Tier 1 capital increased by EUR 1.6 billion, being the sum of the EUR 2.0 billion liability and the one-off settlement amount of EUR 400 million as paid by ABN AMRO to Ageas. As a result, Tier 1 and total capital decreased by EUR 150 million.

The MCS-related Hedge Fund Claims of EUR 1.75 billion plus 8.75% coupon until 7 December 2030 are not included in the settlement. The related proceedings initiated by certain hedge funds in Belgium against the four issuers of the MCS are still pending. On 23 March 2012, the Commercial Court in Brussels (Belgium) rejected all claims of the hedgefunds. This verdict underlines the verdict in the summary proceedings (*kort geding*) of November 2010 that the MCS holders could not unilaterally amend the terms and conditions of the contract. Certain hedge funds have filed an appeal against the verdict. ABN AMRO remains confident that the MCS holders do not have the unilateral power to amend the terms and conditions of the MCS and therefore also continues to be positive about the outcome of the appeal proceedings.

Madoff fraud

ABN AMRO Bank, certain of its subsidiaries and some of their client funds had exposure to funds that suffered losses (in some cases, significant losses) as a result of the Madoff fraud. In some instances, ABN AMRO Bank and/or a subsidiary made collateralized loans to client funds that had indirect exposure to Bernard L. Madoff Investment Securities ("**BLMIS**"). In other instances, a subsidiary of ABN AMRO Bank entered into total return swap transactions with client funds that were indirectly exposed to BLMIS, and also purchased reference portfolio interests in funds that were exposed to BLMIS. If those BLMIS exposed funds remain impaired, ABN AMRO Bank estimates that its and its subsidiaries' losses could amount to EUR 922 million as provisionally provided for in 2008. In addition, certain subsidiaries of ABN AMRO Bank provided other services (including custodial and administration services) to client funds that had exposure to BLMIS. The provision of the custodial services has resulted in a number of legal claims, including by BLMIS' trustee in bankruptcy (Irving Picard), and liquidators of certain funds, as they pursue legal actions in attempts to recover payments made as a result of the Madoff fraud and/or to make good their alleged losses. ABN AMRO Bank subsidiaries are defending themselves in these proceedings to which they are defendants. In light of the preliminary status of those claims and other arrangements that may mitigate litigation exposure, it is not possible to estimate the total amount of ABN AMRO Bank subsidiaries' potential liability, if any. ABN AMRO Bank and its relevant subsidiaries are continuing to investigate and implement strategies for recovering the losses suffered.

As previously reported, a total amount of EUR 16 million (exclusive of costs) was recovered in the first half of 2009. In 2011, 2012 and 2013, one of ABN AMRO Bank's subsidiaries was able to sell shares and limited partnership interests that were provided to it as collateral or which it had bought to hedge its exposure in the context of the collateralized loans and total return swap transactions referred to above. These sales resulted in proceeds of EUR 52 million, EUR 78 million and EUR 253 million, respectively, and an equivalent amount provided for in 2008 was subsequently released.

1.9 Recent developments

Due to the implementation of the Bonus Prohibition Act, the variable compensation element that formed part of the agreed and benchmarked remuneration package was abolished with effect from the 2011 performance year. After careful consideration and with due observance of the one-off transition arrangement included in the Bonus Prohibition Act, the Supervisory Board decided in 2012 to award the members of the Managing Board a temporary fixed allowance. This was approved by the ordinary shareholder on 16 May 2012.

This allowance of EUR 100,000 applied effectively as from 1 January 2012. The Chairman of the Managing Board is not entitled to this allowance. The six eligible Managing Board members waived their entitlement to this allowance during 2012 and 2013. In June 2014, it was decided to pay out this allowance, effective from 1 January 2014. On 29 March 2015, the six eligible Managing Board members have renounced the EUR 100,000 allowance paid to them, and the related pension contributions. This refund and reduction in remuneration will be recognised by ABN AMRO in 2015.

On 31 March 2015, Mr Wakkie resigned from ABN AMRO's Supervisory Board with immediate effect. Mr Wakkie was Vice-Chairman of the Supervisory Board and Chairman of the Remuneration, Selection and Nomination Committee.

2. SHAREHOLDER, GROUP AND CONTROL

2.1 Shareholder

ABN AMRO Group N.V. is ABN AMRO Bank's sole shareholder. ABN AMRO Bank is the only direct subsidiary of ABN AMRO Group N.V. and ABN AMRO Group N.V. has no significant activities other than holding the shares in ABN AMRO Bank.

As of the date of this Base Prospectus, all shares in the capital of ABN AMRO Group N.V. are held by NLFI. NLFI holds a total voting interest of 100% in ABN AMRO Group N.V. NLFI is responsible for managing the shares in ABN AMRO Group N.V. and exercising all rights associated with these shares under Dutch law, including voting rights. Material or principal decisions require the prior approval of the Dutch Minister of Finance, who can also give binding voting instructions with respect to such decisions. NLFI is not permitted to dispose of or encumber the shares, except pursuant to an authorization from and on behalf of the Dutch Minister of Finance.

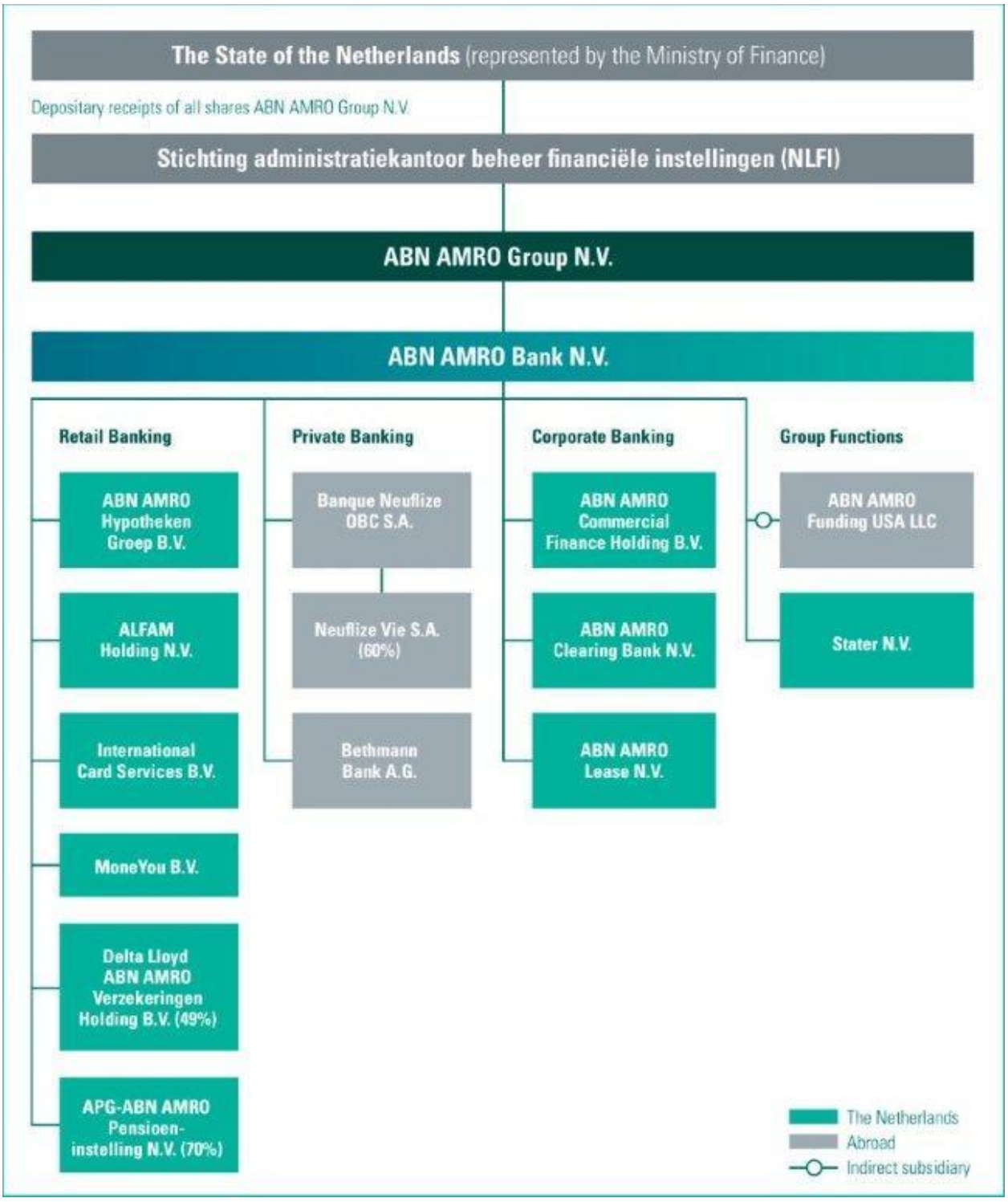
NLFI issued exchangeable depositary receipts for shares (without the cooperation of ABN AMRO Group N.V.) to the Dutch State. As sole holder of all issued exchangeable depositary receipts, the Dutch State holds an indirect economic interest of 100% in ABN AMRO Group N.V.

2.2 Group Governance

ABN AMRO Group N.V. is a public company with limited liability incorporated on 18 December 2009 under the laws of The Netherlands. The company has a two-tier board consisting of a Supervisory Board and a Managing Board. As noted in "The Issuer—3. Management and Governance", the memberships of the Supervisory Boards of ABN AMRO Group N.V. and ABN AMRO Bank are the same as are the memberships of the Managing Boards of ABN AMRO Group N.V. and ABN AMRO Bank and the committees of these boards.

2.3 Structure

Set out below is a diagram of the legal structure of ABN AMRO Bank and its main direct and indirect subsidiaries as at the date of this Base Prospectus:



2.4 Control

Until 29 September 2011, the Dutch State had direct control over ABN AMRO, however, the Dutch State was not involved in the day-to-day management of ABN AMRO. On 29 September 2011, all shares in the capital of ABN AMRO Group N.V. held by the Dutch State were transferred to NLFI, as described above. While it retains all options, the Dutch State has indicated that it favors an IPO.

The Dutch State keeps all options open for a return to the private market for ABN AMRO, but has indicated it favors an Initial Public Offering ("**IPO**"). In August 2013, the Dutch Minister of Finance sent a letter to Parliament, stating, amongst others that an IPO is the most realistic exit strategy for ABN AMRO and that the final decision will depend on four prerequisites: (a) the financial sector is stable, (b) the market is ready, (c) ABN AMRO is ready and (d) the intention is to recover as much as possible of the total investments. In the meantime, ABN AMRO has started IPO preparations. A decision on the timing of the IPO has not yet been taken as of the date of this Base Prospectus, and *Stichting administratiekantoor beheer financiële instellingen* (trade name NL Financial Investments, "**NLFI**") remains the sole shareholder of ABN AMRO until the IPO. NLFI is responsible for managing the shares in ABN AMRO Group N.V. and exercising the rights associated with these shares under Dutch law, including voting rights. Moreover, material or principal decisions require the approval of the Dutch Minister of Finance, who will also be able to provide binding voting instructions with respect to such decisions. NLFI's objectives exclude disposing of or encumbering the shares, expect pursuant to an authorization from and on behalf of the Dutch Minister of Finance.

On 11 March 2013, ABN AMRO Group N.V. exercised the call option to repurchase EUR 210 million preference shares in the share capital of ABN AMRO Group N.V. held by ABN AMRO Preferred Investments B.V. in accordance with the announcement made on 1 March 2013. The transaction was settled that same day. ABN AMRO Group N.V. cancelled the repurchased shares in May 2013. These class A non-cumulative preference shares were already excluded from ABN AMRO's regulatory capital position. The exercise of the call therefore has no impact on the capital ratios reported per 31 December 2012 and 2013. The repurchase of the preference shares resulted in a simplification of the shareholder structure of ABN AMRO Group N.V. As a result of the transaction, NLFI remains the sole shareholder of ABN AMRO Group N.V. by holding all ordinary shares in its share capital until the IPO.

The depositary receipts for the shares in the capital of ABN AMRO Group N.V. have been issued without its cooperation. As a matter of Dutch law, the Dutch State, as the holder of the depositary receipts, will not have certain statutory rights applicable had the depositary receipts been issued with the cooperation of ABN AMRO Group N.V., including the general right to attend and speak at shareholders' meetings. This is in keeping with the intended commercial, non-political management of the shares. The general terms of administration (*administratievoorwaarden*) provide for the exchangeability of the depositary receipts into ordinary shares in anticipation of the exit of the Dutch States as a shareholder of ABN AMRO Group N.V.

The Minister of Finance remains responsible for selling the shares held by NLFI. NLFI's objects therefore exclude disposing of and encumbering the shares, except pursuant to authorization from the Minister of Finance. One of NLFI's objects is to advise the Minister of Finance on the Dutch State's sale of the shares (the "**exit strategy**").

In addition, pursuant to the articles of association of NLFI, the Minister of Finance establishes the conditions for administration and custody of the shares. Any principal and material decisions of NLFI require the prior approval of the Minister of Finance. The Minister of Finance is able to provide binding voting instructions with respect to material and principal decisions.

2.5 403 Statement

On 1 April 2010, ABN AMRO Group N.V. issued a statement of joint and several liability within the meaning of Article 403, subsection 1, paragraph f, Book 2 of the Dutch Civil Code (*Burgerlijk Wetboek*) (the "**403 Declaration**") in relation to ABN AMRO Bank. Pursuant to the 403 Declaration, ABN AMRO Group N.V. is jointly and severally liable with ABN AMRO Bank for debts resulting from legal acts of it.

The 403 Declaration is part of the Dutch company law provisions designed to enable subsidiaries of parent companies which publish consolidated annual accounts to obtain an exemption from the requirements to separately publish their own annual accounts. One of the conditions for obtaining such exemption is that a 403 Declaration is issued by the parent company and deposited with the Commercial Register of the Chamber of Commerce. The statutory provisions relating to 403 Declarations are contained in Article 2:403 and following of the Dutch Civil Code.

The 403 Declaration may provide limited economic benefit or recourse to investors. The 403 Declaration constitutes a guarantee by ABN AMRO Group N.V. for Notes issued by ABN AMRO Bank. If ABN AMRO Bank should default, creditors impacted by such default, including holders of the Notes, may claim against ABN AMRO Bank and/or ABN AMRO Group N.V as the guarantor. The obligation of ABN AMRO Group N.V. under the 403 Declaration is unconditional and is not limited in amount or by the type of ABN AMRO Bank obligation resulting from its legal acts. However, a legal defense available to ABN AMRO Bank against a creditor of ABN AMRO Bank would likewise be available to ABN AMRO Group N.V. as well. Furthermore, since ABN AMRO Group N.V. is a holding company with no significant activities of its own, it would have to look at its operating subsidiaries to satisfy a claim brought against it by a holder of a Note or any other creditor of ABN AMRO Bank on the basis of the 403 Declaration. Finally, ABN AMRO Group N.V. may revoke the 403 Declaration at any time, including with retroactive effect subject to certain criteria.

2.6 Share capital of ABN AMRO Group N.V. and ABN AMRO Bank

The authorized share capital of ABN AMRO Group N.V. amounts to EUR 3,751 million, divided into 3,750 million ordinary shares of EUR 1 each and 100 million class B ordinary shares of EUR 0.01 each.

The issued and paid-up share capital of ABN AMRO Group N.V. is EUR 940,000,001, consisting of 940,000,001 ordinary shares of EUR 1 each.

The authorized and issued share capital (ordinary and preference shares) and share premium reserve were impacted by the conversion of the EUR 2 billion liability resulting from the MCS into equity (see "*The Issuer—1. ABN AMRO Bank N.V.—1.8 Legal and arbitration proceedings—Settlement with Ageas*"). In connection with the Ageas settlement, ABN AMRO Group N.V. issued one class A ordinary share (nominal value of EUR 1.00) to NLFI in June 2012.

The 2012 movements in Share Capital and Share premium were all due to the conversion of the Mandatory Convertible Securities and the settlement with Ageas.

On 11 March 2013, ABN AMRO Group N.V. exercised the call option to repurchase EUR 210 million preference shares in the share capital of ABN AMRO Group N.V. held by ABN AMRO Preferred Investments B.V. in accordance with the announcement made on 1 March 2013. The transaction was settled that same day. ABN AMRO Group N.V. cancelled the repurchased shares in May 2013. These class A non-cumulative preference shares were already excluded from ABN AMRO's regulatory capital position. The exercise of the call therefore has no impact on the capital ratios reported per 31 December 2012 and 2013. The repurchase of the preference shares resulted in a simplification of the shareholder

structure of ABN AMRO Group N.V. As a result of the transaction, NLFI remains the sole shareholder of ABN AMRO Group N.V. by holding all ordinary shares in its share capital until the IPO.

ABN AMRO Bank's authorized capital amounts to EUR 2,000,000,000 and is divided into 2,000,000,000 ordinary shares of EUR 1 (one euro) each. The issued and paid capital amounts to EUR 800,000,000.

3. MANAGEMENT AND GOVERNANCE

ABN AMRO Group N.V. is a public company with limited liability incorporated on 18 December 2009 under the laws of The Netherlands. The company has a two-tier board governance consisting of a Supervisory Managing Board and a Managing Supervisory Board. As noted above and in this section, the memberships of the Supervisory Boards of ABN AMRO Group and ABN AMRO Bank are the same, as are the memberships of the Managing Boards of ABN AMRO Group and ABN AMRO Bank and the committees of these boards.

3.1 Supervisory Board of ABN AMRO Group N.V. and ABN AMRO Bank N.V.

Responsibilities of the Supervisory Board

ABN AMRO's supervisory board (the "**Supervisory Board**") supervises ABN AMRO's managing board (the "**Managing Board**"), as well as ABN AMRO's general course of affairs and its business. In addition, it is charged with assisting and advising management. In performing their duties, the members of the Supervisory Board are guided by the interests and continuity of ABN AMRO and its enterprise and take into account the relevant interests of ABN AMRO's stakeholders. Certain powers are vested with the Supervisory Board, including the approval of certain resolutions of the Managing Board.

In accordance with the best practice provisions of the Dutch Corporate Governance Code, Supervisory Board members at ABN AMRO are appointed for a maximum of three four-year terms. The current tenures of the members of the Supervisory Board will terminate in accordance with the retirement and reappointment schedule prepared by the Board.

Composition of the Supervisory Board

The following persons are appointed as members of the Supervisory Board, together with an indication of their principal activities outside of ABN AMRO[5]:

Name	Appointment date	Positions held	Principal affiliations outside ABN AMRO which are significant with respect to ABN AMRO
Rik van Slingelandt, *Chair*	27 October 2010 Reappointed on 10 April 2014 for a period of 2 years as member and Chairman of the Supervisory Board	*Last position:* Member of the Managing Board of Rabobank	Supervisory Director, Kahn Scheepvaart B.V. Member of Board, Stichting Neijenburg
Hans de Haan,	18 December	*Last position:*	Member of Board, Stichting) Trustee

[5] Except for their principal functions in ABN AMRO or its subsidiaries, directors' other functions within ABN AMRO or its subsidiaries have not been included. Each member of the Supervisory Board is also member of the Supervisory Board of ABN AMRO Group N.V.

Vice-Chairman	2009 Reappointed on 13 April 2015 for a period of 1 year	Chartered accountant and partner with Ernst & Young Accountants	Achmea Hypotheekbank Chairman of Board, Stichting Lehman Brothers Treasury Co B.V.
Steven ten Have	30 March 2010 Reappointed on 10 April 2014 for a period of 4 years	*Current position:* Partner with Ten Have Change Management and professor of Strategy & Change at Vrije Universiteit in Amsterdam	Chairman, Software Improvement Group (SIG). Vice-Chair of Supervisory Board, Stichting Cito Instituut voor Toetsontwikkeling (Foundation Cito Institute for Educational Testing Development) Chairman, Postgraduate Study Change Management, Vrije Universiteit, Amsterdam Member of Board, Stichting INK (Instituut Nederlandse Kwaliteit) (Institute for Netherlands Quality) Chairman, Foundation Center for Evidenced Based Management
Bert Meerstadt	30 March 2010 Reappointed on 10 April 2014 for a period of 4 years	*Current position:* CEO Baarsma Wine Group Holding	Member of Supervisory Board, Lucas Bols Holding N.V. Non executive director, Talgo Chairman of Board, Friends of Concertgebouw and Royal Concertgebouw Orchestra Member of Board, Society for Prevention and Saving of Drowning Victims Chairman of Board, StichtingBlinden-Penning (Foundation for the Blind and Visually Impaired)
Marjan Oudeman	1 April 2010 Reappointed on 10 April 2014 for a period of 4 years	*Current position:* President of Executive Board of Utrecht University	Member of Supervisory Board, Statoil ASA Member of Board, SHV Holdings N.V. Member of the Board, Koninklijke Ten Cate N.V.

			Member of Supervisory Board, Rijksmuseum Member of Board of Directors, Concertgebouw N.V. Governor of Nationaal Comite 4 en 5 mei (the National Committee 4 and 5 May)
Annemieke Roobeek	30 March 2010 Reappointed on 10 April 2014 for a period of 3 years	*Current position:* Professor of Strategy and Transformation Management (Nyenrode Business University) and director and owner of MeetingMoreMinds B.V., Open Dialogue B.V. and co-owner XL Labs B.V.	Member of Supervisory Board, Abbott Healthcare Products B.V. Member of Supervisory Board, KLM N.V. Member Advisory Board Koninklijke Horeca Nederland Member PGGM Advisory Board for Responsible Investment Chairperson Vereniging REFILL Chairperson of Stichting INSID, Foundation for sustainability and innovation realisation directed by His Royal Highness Prince Carlos de Bourbon Parma Member of Board, Foundation of the Medical Centre of the Vrije Universiteit, Amsterdam Member Raad van Eigen Wijzen CPI Governance Member, Siruis Leading Expert for Excellence in Higher Education
Olga Zoutendijk	1 July 2014	*Last position:* Group Head of wholesale banking at Standard Chartered Bank.	No principal affiliations outside ABN AMRO which are significant with respect to the Issuer

On 31 March 2015, Peter Wakkie resigned from ABN AMRO's Supervisory Board with immediate effect. Mr. Wakkie was Vice-Chairman of the Supervisory Board and Chairman of the Remuneration, Selection and Nomination Committee.

Activities of the Supervisory Board

The Supervisory Board of ABN AMRO has three committees and has installed a special committee relating to the preparation of a possible IPO:

Audit Committee

The Audit Committee is tasked with direct supervision of all matters relating to the bank's financial strategy and performance, including selection of and relationship with the external auditor, the effectiveness of the accounting systems, financial disclosures and relation aspects of internal risk management and internal control. The committee is also tasked with supervision of the bank's capital and liquidity position and its funding. The committee consists of Hans de Haan (Chair), Bert Meerstadt, Olga Zoutendijk and Rik van Slingelandt.

Remuneration, Selection & Nomination Committee

The responsibilities of the Remuneration, Selection & Nomination Committee include preparation of the selection, nomination and re-nomination of the members of the Supervisory and Managing Boards. To this end, the committee is involved in drafting selection criteria and appointment procedures, and in preparing and periodically reviewing succession plans of these Boards. The committee periodically assesses the performance of the members of both Boards. Its remuneration-related tasks include advising the Supervisory Board on remuneration for members of the Managing Board and advising on remuneration for members of the Managing Board and advising on remuneration of selected members of senior management responsible for the control functions and reward policies for other Identified Staff. The committee consists of Steven ten Have, Marjan Oudeman and Rik van Slingelandt (chair).

Risk & Compliance Committee

The Risk & Compliance Committee advises the Supervisory Board on subjects relating to risk management and risk control and prepares the Supervisory Board's decision-making in these areas. The committee is in charge of the annual approval of the bank's risk appetite; the periodical profile; the assessment of its risk management functions and the testing of its risk framework. The committee periodically discusses legal and compliance-related matters. The committee consists of Rik van Slingelandt (co-chair), Olga Zoutendijk (co-chair), Hans de Haan and, Annemieke Roobeek.

IPO Special Committee

In order to obtain advice on recurring topics regarding the possible IPO and to prepare related decision-making, the Supervisory Board appointed an additional committee from amongst its members, currently consisting of: Rik van Slingelandt, Hans de Haan and Steven ten Have.

3.2 Managing Board of ABN AMRO Group N.V. and ABN AMRO Bank N.V.

Responsibilities of the Managing Board

The members of the Managing Board collectively manage ABN AMRO and are responsible for its strategy, structure and performance. In carrying out their duties, the members of the Managing Board are guided by the interests and continuity of ABN AMRO and its businesses taking into due consideration the interests of all of ABN AMRO's stakeholders, such as its clients and employees, its shareholders and society at large. The Managing Board is accountable for the performance of its duties to the Supervisory Board and the General Meeting of Shareholders. The Managing Board has installed a number of committees that are responsible for decision-making on certain subjects and advising the Managing Board on certain matters.

Managing Board members are appointed for a period of four years and may be reappointed for a term of four years at a time.

Composition of the Managing Board

The following persons are appointed as members of the Managing Board, together with an indication of their principal activities outside of ABN AMRO[6] :

Name	Date of Appointment	Principal activities performed by them outside ABN AMRO which are significant with respect to ABN AMRO
Gerrit Zalm, *Chairman*	1 April 2010 Reappointed on 10 April 2014 for a period of 4 years	Non-executive Director, Royal Dutch Shell Chairman Advisory Council, "Wigo-4it", a cooperative effort of the social welfare organizations of the four largest cities in The Netherlands Member of Board, Dutch Banking Association Chairman, Board of Governors National Academy for Finance and Economics
Johan van Hall, *Chief Operating Officer & Vice-Chairman*	18 December 2009 Reappointed on 10 April 2014 for a period of 4 years	Member of Supervisory Board, Equens SE (pan-European processor of payments and cards) Member of Board, Nyenrode Europe India Institute Member, Central Commission for Statistics (CCS) Chairman, Foundation ABN AMRO Support for Support
Kees van Dijkhuizen, *Chief Financial Officer*	1 May 2013 Appointed for a period of 4 years	Member of Board, Duisenberg School of Finance Member, AFM Capital Market Commission Chairman of Committee on Supervision of Dutch Banking Association Chairman of Government Committee on Export, Import and Investment guarantees Member of Board of Trustees, Museum Meermanno

[6] Except for their principal functions in ABN AMRO Bank or its subsidiaries, directors' other functions within ABN AMRO Bank or its subsidiaries have not been included. Each member of the Managing Board is also member of the Managing Board of ABN AMRO Group N.V.

Caroline Princen, *People, Regulations & Identity Officer*	1 April 2010 Reappointed on 10 April 2014 for a period of 4 years	Member of Board, Foundation VUmc Alzheimercentrum Member of Supervisory Board, EYE Film Institute Member of Supervisory Board, UMC Chairperson , ABN AMRO Foundation
Wietze Reehoorn, *Chief Risk Officer & Strategy*	1 April 2010 Reappointed on 10 April 2014 for a period of 4 years	Member of Supervisory Board, Rijksuniversiteit Groningen Member of Board, Abe Bonnema Foundation Member of Supervisory Board, Amsterdam Institute of Finance Member of Supervisory Board, Foundation Topsport Community
Chris Vogelzang, *Retail & Private Banking*	1 April 2010 Reappointed on 10 April 2014 for a period of 4 years	Member of the Board, Dutch Banking Association Member of Supervisory Board, Hespri Holding B.V. Member of Supervisory Board, Prins Bernhard Cultuurfonds Treasurer, Stichting Fotografiemuseum Amsterdam (FOAM)
Joop Wijn, *Commercial & Merchant Banking*	1 April 2010 Reappointed on 10 April 2014 for a period of 4 years	Chairman of the Board, Oranje Fonds Member of the Supervisory Board, Schiphol Group Member of the Board, VNO-NCW Member of the Supervisory Board, Royal Jaarbeurs Utrecht Member of Supervisory Board, Stadsherstel Amsterdam N.V. Chairman, Foundation Kunst & Historisch Bezit ABN AMRO

3.3 Conflict of interest and address information

There are no actual or potential conflicts of interest between the duties to ABN AMRO Group N.V. and/or ABN AMRO Bank of the members of the Managing Board and the Supervisory Board set out above and their private interests and/or duties which are of material significance to ABN AMRO Group N.V. and/or ABN AMRO Bank and any of such members.

The business address of the members of the Managing Board and the Supervisory Board is Gustav Mahlerlaan 10, 1082 PP Amsterdam, The Netherlands.

4. OPERATING AND FINANCIAL REVIEW

The following discussion and analysis of ABN AMRO's results of operations and financial condition relates to the Consolidated Annual Financial Statements. This should be read, subject to the cautionary statements noted in "Risk Factors", in conjunction with the Consolidated Annual Financial Statements of ABN AMRO Group N.V. and the related notes and other financial information included elsewhere in this Base Prospectus.

Results of operations are presented based on underlying results. Underlying results are non-IFRS measures and have not been audited or reviewed. Management believes these underlying results provide a better understanding of the underlying trends in financial performance. The underlying results have been derived by adjusting the reported results, which are reported in accordance with IFRS, for defined Special Items.

These non-IFRS financial measures are not measures of financial performance under IFRS and should not be considered as an alternative to any IFRS financial measure. In addition, such measures, as defined by ABN AMRO, may not be comparable to other similarly titled measures used by other companies, because the abovementioned non-IFRS financial measures are not uniformly defined and other companies may calculate them in a different manner than ABN AMRO does, limiting their usefulness as comparative measures. ABN AMRO believes that these non-IFRS measure are important to understand ABN AMRO's performance and capital position.

Furthermore, ABN AMRO adopted the amended pension accounting standard IAS 19 as from 1 January 2013. As a result, all 2012 disclosed figures have been adjusted accordingly for comparison purposes. For 2014 and 2013, accrued interest is presented as part of the relevant balance sheets accounts, versus the separate line items (i) accrued income and prepaid expenses and (ii) accrued expenses and deferred income in previous years. This change has no impact on equity, total assets or net profit. All 2012 disclosed figures have been adjusted accordingly for comparison purposes.

The reported results for the years ended and as at 31 December 2014, 2013 and 2012 included in this Operating and Financial Review have been audited.

ABN AMRO is organised into Retail Banking, Private Banking, Corporate Banking and Group Functions. The Corporate Banking segment was introduced as part of a new segmentation, and now includes most parts of the reporting segment previously named 'Commercial & Merchant Banking'. Corporate Banking comprises three business lines: Commercial Clients, International Clients and Capital Markets Solutions. This segmentation was implemented by ABN AMRO during the course of 2014. For comparative purposes, the historical figures for the years 2013 and 2012 have also been adjusted to this new segmentation.

The Consolidated Annual Financial Statements are presented in euros, which is the presentation currency of ABN AMRO, rounded to the nearest million (unless otherwise noted). Certain figures in this section may not add up exactly due to rounding. In addition, certain percentages in this section have been calculated using rounded figures.

4.1 Presentation of Financial Information

Consolidated Annual Financial Statements 2014 and 2013

The Consolidated Annual Financial Statements 2014 and the Consolidated Annual Financial Statements 2013 have been prepared in accordance with EU IFRS, on a mixed model valuation basis as follows:

- Fair value is used for:
  - Derivative financial instruments;
  - Financial assets and liabilities held for trading or designated as measured at fair value through profit or loss;
  - Available-for-sale financial assets;
  - Investments in associates of a private equity nature.
- Other financial assets (including "loans and receivables") and liabilities are valued at amortised cost less any impairment if applicable;
- The carrying value of assets and liabilities measured at amortised cost included in a fair value hedge relationship is adjusted with respect to fair value changes resulting from the hedged risk;
- Non-financial assets and liabilities are generally stated at historical cost;
- Equity accounted investments are accounted for using the net equity method.

Changes in accounting policies 2014

On 1 January 2014, ABN AMRO adopted the following new standards and amendments:

- IFRS 10 Consolidated Financial Statements;
- IFRS 11 Joint Arrangements;
- IFRS 12 Disclosure of Interests in Other Entities; and
- Amendments to IFRS 10, 11 and 12 Transitional Guidance.

The aforementioned standards have been adopted in accordance with the transitional requirements as set out in the standards.

Consolidation is required when there is control that is defined as a combination of power, exposure to variability in returns and a link between the two. The application of IFRS 10 and 11 and the amendments to IFRS 10, 11 and 12. Transitional guidance, did not result in significant changes in ABN AMRO's consolidated financial statements. IFRS 12 includes disclosure requirements for interests in and risks arising from subsidiaries, joint arrangements, associates and structured entities. These disclosures are included in note 21 of the 2014 Consolidated Annual Financial Statements.

Other amendments adopted

IAS 32 Offsetting financial assets and financial liabilities

These amendments clarify the offsetting requirements for financial assets and financial liabilities. ABN AMRO has concluded that the amendments have no significant impact on its offsetting policies.

IAS 36 Recoverable amount disclosures for non-financial assets

These amendments address disclosure requirements for recoverable amount information if this amount is based on fair value less costs of disposal. The amendments are to be applied retrospectively for annual periods beginning on or after 1 January 2014.

IAS 39 Financial instruments

Novation of Derivatives and Continuation of Hedge Accounting. This amendment allows hedge accounting to continue in a situation where a derivative, designated as a hedging instrument, is novated to effect clearing with a central counterparty as a result of laws and regulations. The amendment has no significant impact on ABN AMRO's results or financial position in the consolidated financial statements.

IFRIC 21 Levies

This IFRS interpretation applies to all government related levies that are accounted for in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets. The timing of charging levies to the income statement is clarified according to IAS 37. The interpretation has no significant impact on ABN AMRO's results or financial position in the consolidated financial statements.

New accounting standards and interpretations

In December 2013 the IASB issued the annual improvements to IFRSs 2011-2013 cycle, which were endorsed by the EU in December 2014. The amendments are required to be applied for annual periods beginning on or after 1 July 2014. The impact of the amendments is expected to be insignificant. The amendments are listed below.

- IFRS 1 First-time adoption of International Financial Reporting Standards – Meaning of 'effective IFRSs';
- IFRS 3 Business Combinations – Scope exceptions for joint ventures;
- IAS 40 Investment Property – Clarifying the interrelationship between IFRS 3
- IAS 40 when classifying property as investment property or owner-occupied property.

The following new or revised standards and interpretations have been issued by the IASB, but are not yet effective for these Consolidated Annual Financial Statements. These standards and interpretations are subject to endorsement by the European Union and are therefore not open for early adoption.

IFRS 9 Financial Instruments

In July 2014 the IASB published the final version of the new standard that replaces IAS 39 Financial instruments: Recognition and Measurement. The mandatory effective date of IFRS 9 will be for annual periods beginning on or after 1 January 2018. In comparison with IAS 39, IFRS 9 has changed requirements for classification and measurement, impairment and hedge accounting, in addition to containing extensive new disclosure requirements. Although the implementation of all changed requirements will take a considerable effort, ABN AMRO expects that the changes to the impairment model will have the biggest impact on the consolidated financial statements. IFRS 9 replaces the 'incurred loss' model with the 'expected credit loss model'. The main difference is that IFRS 9 requires entities to recognise expected credit losses in profit and loss for all financial assets not measured at fair value through profit and loss, even for those that are newly originated or acquired. IAS 39 only allows the recognition of a loss if a loss event has occurred. This difference in approach will result in higher loan loss allowances and corresponding lower equity. Because of the size of the project, the impact assessment on the consolidated financial statements will continue well into 2015.

IFRS 11 Joint Arrangements

Accounting for acquisitions of interest in joint operations (amendments). The amendments add new guidance on how to account for the acquisition of an interest in a joint operation that constitutes a

business. The amendments are required to be applied to acquisitions occurring from the start of the first annual period beginning on or after 1 January 2016.

IFRS 15 Revenue from contracts with customers

This standard was issued in May 2014. It establishes a comprehensive framework for determining when to recognise revenue and how much revenue to recognise. IFRS 15 is effective for annual reporting periods beginning on or after 1 January 2017. ABN AMRO is currently making an assessment on the impact on the consolidated financial statements.

Annual improvements to IFRSs 2010-2012 cycle

This cycle of annual improvements comprises a total of eight amendment related to seven standards. The standards amended are as follows.

- IFRS 2 Share-based payment – Definition of vesting condition;
- IFRS 3 Business combinations – Accounting for contingent consideration in a business combination;
- IFRS 8 Operating segments – Aggregation of operating segments. Reconciliation of the total of reportable segments' assets to the entity's assets;
- IFRS 13 Fair value measurement – Short-term receivables and payables;
- IAS 16 Property, plant and equipment – Revaluation method – proportionate restatement of accumulated depreciation;
- IAS 38 Intangible assets – Revaluation method – proportionate restatement of accumulated amortisation.

The requirements of this set of amendments is to be applied for annual periods beginning on or after 1 July 2014.The impact of these amendments was assessed and the outcome is that there will most likely be no impact on the consolidated financial statements.

Changes in accounting policies 2013

Amended IAS 19 Employee Benefits

ABN AMRO has adopted the amended IAS 19 Employee Benefits in accordance with the transitional provisions which require retrospective application. The opening statements of financial position as of 1 January 2012 and the comparative figures of 2012 have been adjusted.

IFRS 7 Financial Instruments: Disclosures Offsetting

The amendments to IFRS 7 are intended to enable users of financial statements to better evaluate the effects or potential effects of offsetting on the entity's financial positions. The disclosures are included in The Risk & Capital Report of the Annual Report 2014 which has been incorporated by reference herein.

IFRS 13 Fair Value Measurement

On 1 January 2013, ABN AMRO adopted IFRS 13 Fair Value Measurement. In accordance with its transitional provisions, IFRS 13 is applied prospectively. Fair value is defined in IFRS 13 as the price that would be received when selling an asset or paid when transferring a liability in an orderly transaction between market participants at the measurement date. The change had no significant impact on the measurement of assets and liabilities.

IAS 1 Presentation of Financial Statements
Amendments to IAS 1 represent changes in the presentation of Other comprehensive income. Amendments are addressed in the Consolidated statement of comprehensive income of the Consolidated Annual Financial Statements 2013. The application of the amendment had no impact on ABN AMRO.

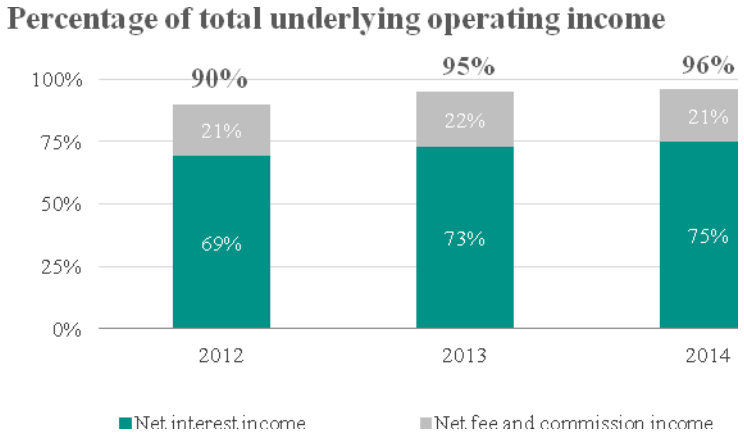
4.2 Key factors affecting results of operations

Drivers of Profitability

The profitability of ABN AMRO is mainly affected by the following key income and expense drivers as well as loan impairments, as specified below.

Key drivers of operating income

The Group's operating income mainly results from interest-based business and fee and commission-based business. These businesses generate net interest income and net fee and commission income as shown in the following chart.



Interest-based business

Interest-based revenue is the largest contributor to ABN AMRO's operating income generating 75% of total operating income in 2014. The Group earns interest (Interest income) on assets such as residential mortgages, consumer loans, commercial loans and other assets. The Group pays interest (Interest expense) on its liabilities to depositors and other creditors. Net interest income (NII) is the difference between interest income and interest expenses. In 2014, Retail Banking generated 56% of ABN AMRO's net interest income, Corporate Banking 34% and Private Banking 10%.

The Group's net interest income is driven by the combination of the proceeds of lending and the cost of funding (through deposits and wholesale funding). The asset side of the balance sheet is generally less sensitive to changes in interest rates compared to the liability side of the balance sheet. This is due to the fact that a significant proportion of the assets have a longer term fixed interest and maturity whereas liabilities typically have a shorter term or no maturity and variable interest rates, and thus re-price quickly in reaction to a change in market interest rates. Interest increases will therefore initially have a negative effect on net interest income.

The net interest income can be analysed by two components: the net interest income generated through business activities and the ALM mismatch result.

Net interest income from business activities comprises the business margin as well as capital7 and indirect liquidity8 costs. The business margin is defined as the margin the business makes on granting loans to or taking in deposits from clients. The business margin should cover the required return on allocated equity and all remaining operational and risk costs borne by the business. To be able to determine the business margin, the related cost of funding is needed. ALM charges (in case of an asset) or compensates (in case of a liability) the cost of funds to the business, which is done through the funds transfer pricing (FTP) methodology. The Group's policy is that interest rate risk and liquidity risk related to the interest-based business is managed centrally by ALM within Group Functions and that the business is responsible for the business margin. To enable ALM to manage these risks, the risks are transferred from the business to ALM by application of the FTP methodology. This means that these risks taken by the businesses need to be transferred to ALM in order to have a full overview of the bank's position. The FTP is comprised of an interest base rate (e.g. EURIBOR/LIBOR), based on the interest maturity of the transaction and a liquidity spread, based on the contractual or behavioural maturity of the transaction. Business segments either pay the FTP rate, for loans and other receivables, or receive the FTP rate, for deposits, to ALM. The mismatch in maturities between assets and liabilities is managed centrally by ALM and the resultant interest mismatch position is defined as the interest results recorded in ALM. Generally the steering of the interest mismatch position is done via hedging transactions, with the aim to reduce the sensitivity of the net interest income to future interest rates moves. From time-to-time, ABN AMRO could anticipate future interest rate moves and may try to enhance its interest income by taking certain positions in the swap market, for example.

Fee and commission-based business

The secondary contributor to ABN AMRO's operating income is the fee and commission-based business generating 21% of total Group operating income in 2014. Fee and commission income can arise as compensation for services provided by ABN AMRO to its clients. This income can arise from transaction services, asset management services, payment services or other services. The profitability of fee and commission-based businesses depends on fees and commissions charged to the client for providing these services and the related fee and commission expenses incurred by ABN AMRO. In 2014, Corporate Banking generated 38% of ABN AMRO's net fee and commission income, Private Banking 32% and Retail Banking 31%.

Within ABN AMRO the main fee contributors are:

1. *Transaction fees on securities*

Transaction fees on securities are fees charged to clients for executing buying or selling securities by order of clients. The majority of these transaction fees on securities arises from ABN AMRO's Clearing activities and Private Banking.

2. *Payment services fees*

Payment services fees are generated from providing payment products and services to clients. These concern products and services facilitating efficient payment transactions, such as debit and credit cards, acceptance of cash and non-cash payments (e.g. cheque), granting of bank guarantees, and the offering of bank accounts. This type of fees arises mainly from Retail Banking and Corporate Banking Clients.

3. *Asset Management fees*

- [7] Capital costs are costs incurred by ALM for maintaining capital buffers on top of equity. These costs are not part of the FTP and are charged lump sum by ALM to the business.
- [8] Indirect liquidity costs are costs incurred by ALM for maintaining a liquidity buffer. These costs are not part of the FTP and are charged lump sum by ALM to the business.

Asset Management fees arise mainly from discretionary portfolio management, where the client hands over all assets to be managed by ABN AMRO, and investment advisory, where the ABN AMRO advises the client on how to manage his or her assets. The main contributor to asset management fees come from Private Banking:

- Discretionary portfolio management fees are generated from an all-in fee. An all-in fee means that no additional charges are levied on top of the fee paid for the investment services. The fee is a fixed percentage over the asset value. The percentage is based on the total asset value of the client and the risk profile of the client.
- Investment advisory fees arise from either an all-in fee or an advice fee. The main difference between all-in fee and advice fee is that transaction costs are included in the all-in fee and are charged separately as a transaction fee in the latter.

4. Guarantees and commitment fees

A guarantee given by the bank is mainly paid for by a one-off percentage of the guaranteed limit. A commitment fee is the pricing of the unutilized portion of a credit facility. These type of fees arise predominantly in Corporate Banking.

Key drivers of operating expenses

Personnel expenses

Banking is a human capital intensive business, as it is, for an important part, a relationship driven business with increasing compliancy and risk management requirements. Therefore, personnel expenses contribute significantly to ABN AMRO's expenses. This means that ABN AMRO is dependent on conditions and trends in local labour markets, primarily the Dutch. Personnel expenses comprise all expenses related to personnel on the payroll of ABN AMRO and consists of fixed salary, employer social security charges, employee benefits (e.g. pension premiums, jubilee benefits) and variable remuneration. Expenses related to personnel not on ABN AMRO's payroll, such as external consultants and temporary staff, are included in general and administrative expenses.

The majority of ABN AMRO's personnel expenses comprises of salaries and wages in addition to pension expenses. In 2012 and 2013, pension expenses consist mainly of pension expenses related to defined benefit plans. In 2014, ABN AMRO reached agreement on a new pension scheme for its employees in the Netherlands. Under the new Dutch Collective Defined Contribution ("CDC") plan, effective as from 6 June 2014, the annual pension contributions are calculated according to a fixed contribution calculation mechanism. This mechanism contains certain elements, for example interest rate levels. The annual pension contribution is maximised at 35% of the pensionable salary.

General and administrative expenses

Financial services companies typically have relatively large fixed operating costs related to automated product and transaction systems, that bear little to no direct relationship with the business volume. This means that an increase in the business volume may not be fully translated into expense growth, and vice versa. Expense savings mainly comes from the periodic improvement of the efficiency of administrative processes and systems.

The majority of General and administrative expenses related to information technology followed by agency staff, contractors and consultancy costs.

Regulatory charges have increased significantly in the period under review and are expected to increase further. Regulatory charges are all expenses directly charged by regulatory or supervisory institutions to

ABN AMRO (see also "*Key Factors Affecting Financial Condition and Results of Operations"* and "*Regulatory Developments*" below). Regulatory charges mainly comprise:

Bank tax

Following the 2008 financial crisis, several countries introduced additional charges to the financial services industry. These charges as commonly known as bank taxes. Bank tax is paid to local tax authorities. The amount of Dutch Bank tax to be paid is based upon the preceding December adjusted IFRS consolidated balance sheet total of ABN AMRO. In addition to the Dutch Bank tax, ABN AMRO is liable to bank taxes in several other jurisdictions.

As from 2015 and beyond, the following additional regulatory charges are expected to be charged to ABN AMRO:

Deposit Guarantee Scheme

As of 1 July 2015, banks gathering guaranteed deposits under a Dutch banking license are required by law to fund the Dutch Deposit Guarantee Scheme. The contributions are based on the level of deposits guaranteed and the risk profile of the bank, as determined by the regulator. The contribution of ABN AMRO to the Dutch Deposit Guarantee Schema have to be paid quarterly. The Group is also subject to several deposit guarantee schemes outside the Netherlands. For other countries than the Netherlands, the contributions and terms and conditions can defer from the Dutch Deposit Guarantee Scheme.

European Resolution Fund

These contributions are to establish and maintain a resolution fund. This fund is to reach a certain level of covered deposits within a certain amount of time. All banks will have to pay in to a resolution fund but contributions can vary based on the risk profile of the contributing bank.

The terms and conditions for the contributions to a resolution fund as mentioned above can vary in different countries or regions.

In addition to the abovementioned regulatory charges, ABN AMRO has seen an increase of costs related to implementation and compliance with new regulations.

Key drivers of impairment charges on loans and other receivables

The Group's results of operations are also effected by the level of impairment charges on loans and other receivables. These impairment charges result from changes in the quality of assets, in particular in Retail Banking and the Corporate Banking. The quality of assets are impacted by the economic developments in general and the housing market in particular, as the mortgage portfolio counts for more than 50% of ABN AMRO's loan book. Impairment charges on loans and other receivables are closely related to the interest-based business, as it is based on credit risk and compensation for credit risk is charged to the client as part of the business margin on interest-earning assets.

Key Factors Affecting Financial Condition and Results of Operations

The Group's business and performance, including its results of operations, are affected by Dutch, European and global economic and market conditions and future economic prospects, particularly in the Netherlands in which ABN AMRO's operating income is predominantly generated (81% for the year ended 31 December 2014).

The Group's operations are also affected by the developments in the Dutch housing and mortgage market with 39% of total assets of ABN AMRO consisting of residential mortgages. Finally, regulatory developments in Europe and the Netherlands have also had an impact on ABN AMRO's financial results and are expected to continue to affect the results of ABN AMRO in the near future.

Economic developments

Due to the open and export-oriented nature of its economy the Netherlands is particularly affected by both developments in the global as well as European economy. The U.S. economy reported significant economic growth for the third successive year in 2014. Emerging markets in Asia were the leaders of economic growth in 2014, while emerging Europe and Latin America disappointed due mainly to internal imbalances, geopolitical problems and falling commodity prices. The latter was caused chiefly by the fact that global demand for certain commodities lagged supply. Providers of commodities tend to respond to a decline in prices initially by increasing supply, as this allows them to sustain their cash flows.

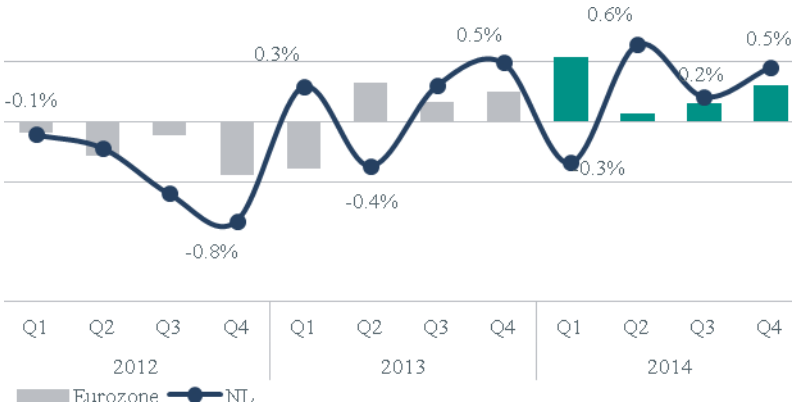
After having contracted for the previous two years, gross domestic product ("GDP") in the eurozone inched up in 2014. Growth was sluggish mainly in France and Italy, as was the pace of structural reforms in these countries. Developments in France and Italy, political turmoil in Ukraine and the rising rate of the euro through May 2014 also affected Germany's economy. The recent slowdown of the dominant German economy, which is structurally sound and competitive, appears to have been caused largely by these non-recurring factors. Unemployment is very low historically, while wage growth seems to be accelerating. The Dutch economy is benefiting from this development. Germany imports more than one-fifth of the Netherlands' exports, making it by far the biggest foreign market for Dutch products.

Unlike in 2012 and 2013, growth of the Dutch economy kept pace with the eurozone as it grew slightly in 2014. Private consumption and investment in the Netherlands picked up. Its export sector was once again the pacesetter, having benefitted from global trade. According to CPB Netherlands Bureau for Economic Policy Analysis, growth of the world trade that is relevant to the Netherlands was approximately 2.5% in 2014, as compared with 2.5% in 2013 and 1.3% in 2012.

Against a background of growing real disposable income, consumer spending finally improved in 2014. Relatively high inflation, government cutbacks and pension problems had held this down in the past, but these factors were hardly at play in 2014. In addition, the housing and job markets improved and investments grew, due mainly to an increase in industrial production.

Gross Domestic Product ("GDP"), Eurozone vs The Netherlands

(in % growth QoQ)

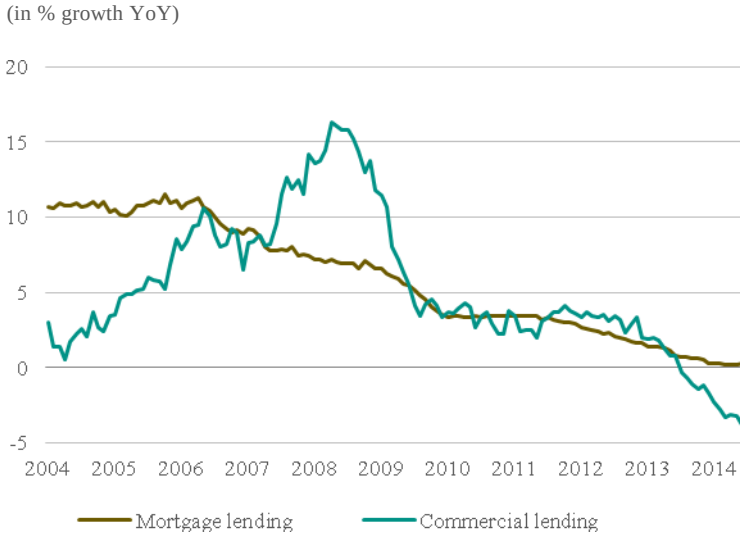


Source: Thomson Reuters Data Stream, CBS

Lending market

In the period under review the volume of outstanding residential mortgages of ABN AMRO has declined, while corporate lending contracted slightly, with SMEs being hit particularly hard. Surveys conducted by DNB show that stricter conditions were applied to lending to SMEs and mortgages due partly to rising costs of capital for banks together with gloomy risk perceptions caused by the after-effects of the euro crisis. Due to the recession, there were fewer creditworthy companies requesting credit.

Commercial and mortgage lending by Dutch financial institutions



Source: DNB

Dutch housing and mortgage market

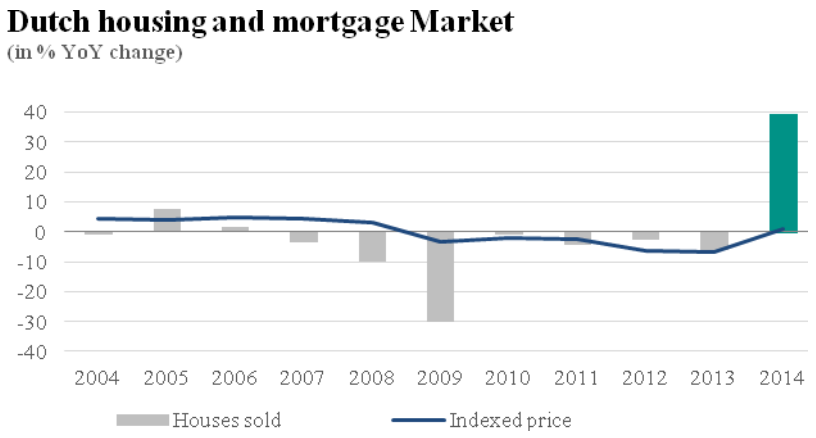
Changing fiscal regulations have played an important role in the development of the Dutch residential mortgage market. Until 2013, interest paid on Dutch residential mortgages could generally be deducted from the homeowner's income for income tax purposes, resulting in a high number of interest-only mortgages (non-amortising) and minimal use of homeowner funds for home buying, allowing homeowners to maximise the tax benefits of the mortgage-interest deduction. Additionally, the Netherlands had a relative large volume of outstanding mortgages relative to the size of the economy, and the loan-to-market value is typically higher compared to other countries.

New regulations effective as of January 2013 have limited the tax deductibility to only amortising loans, although grandfathering is in place for existing mortgages. The new regulations also impose a gradual decrease in the maximum loan-to-value ratio to reach 100% on 1 January 2018. For additional detail on the new regulations, see "*Issuer – 1. ABN AMRO BANK N.V. – 1.7 Regulation*", applicable to mortgages in the Netherlands may have a significant impact on ABN AMRO's mortgage business.

These changes in regulations, together with the developments in the Dutch economy, are one of the factors that have led to a decline in housing prices in recent years. Correction on house prices in the Netherlands has been deeper than in neighbouring countries due to the adjustments in the tax regime that coincided with a period of difficult economic circumstances.

The number of house sales fell in 2012 for the sixth consecutive year. A large part of 2012 was dominated by uncertainty about the future of the mortgage interest rate deduction and about other aspects of the government's housing policy, including reforms both in the rental and the owner-occupied segments. The Dutch housing market entered calmer waters in the course of 2013 with the number of house sales rising again in the second half of the year and showing a strong recovery in 2014. The housing price index of the Statistics Netherlands (CBS) increased by nearly 1%. According to CBS, the number of houses sold

was up by more than 39% compared with 2013. The strong recovery in the Dutch housing market was supported by fiscal incentives, of which the elevated gift tax exemption had the most visible effect in the fourth quarter of 2014. The elevated gift tax exemption was in place from 1 October 2013 until 1 January 2015.



Regulatory developments

The Group conducts its business in an environment that is highly regulated by financial services laws and regulations, corporate governance and administrative requirements and policies, in most or all of the locations in which it operates or enters into transactions with clients or other parties. As of 4 November 2014, the ECB has become the primary supervisory authority of ABN AMRO. For certain matters ABN AMRO will remain subject to supervision by local supervisory authorities such as the DNB and the AFM.

The changing regulatory environment has affected, and will continue to affect, ABN AMRO's results of operations in a number of ways. The Basel III Framework implemented in the EEA through CRD IV and the CRR have resulted in ABN AMRO being subject to stricter capital and liquidity requirements and may also affect the scope, coverage, or calculation of capital and risk exposure amount, all of which could require ABN AMRO to reduce business levels or to raise capital.

In 2013 and 2014, the ECB conducted an Asset Quality Review ("**AQR**") and stress test in preparation of the Single Supervisory Mechanism to ensure greater transparency of banks' balance sheets and consistency of supervisory practices in Europe and with the stated purpose, among others, of assuring stakeholders that banks are fundamentally sound and trustworthy. The ECB aimed to enhance transparency of banks' balance sheets through the AQR by reviewing asset quality, including the adequacy of asset and collateral valuations and related provisions. Under the AQR, the ECB reviewed selected portfolios covering at least 50% of a bank's risk exposure amount ("**REA**"). In ABN AMRO's case, the AQR covered over 60% of total REA and included large parts of ABN AMRO's exposures in shipping, SMEs, real estate and mortgages. The outcome of the AQR did not lead to restatements on ABN AMRO's capital position. The stress test provided a view on the shock-absorption capacity of ABN AMRO under certain stress scenarios set by the ECB and applied to all EU banks in scope. The stress test results confirmed that ABN AMRO is well capitalised and has sufficient buffers to absorb various losses and economic shocks. The stress test did not take into account future business strategies and management action and is not a forecast of ABN AMRO's profits.

Additionally, ABN AMRO's results of operations are influenced by the regulatory costs imposed by, and associated with, new regulations. At the EU level, the Deposit Guarantee Scheme will be transposed into national law in July 2015, implementing the new ex-ante funding system for the DGS to guarantee repayment of certain client deposits up to EUR 100,000 held at European banks in the event of bankruptcy or resolution. Contributions will be based on the covered deposits of the bank and risk based

contributions, but Member States may also impose minimum contributions. The ex-ante funding system is expected to increase ABN AMRO's expenses in connection with the Deposit Guarantee Scheme. In addition, if the available financial means of a DGS are insufficient to repay depositors when deposits become unavailable, an additional contribution may be required, which will in principle not exceed 0.5% of the covered deposits held with ABN AMRO per calendar year.

Also in connection with European regulation, the Bank Recovery and Resolution Directive ("**BRRD**") entered into force on 2 July 2014, requiring banks to contribute to the Resolution Fund. The individual contribution of each bank will be based on a flat contribution (that is pro-rata based on the amount of liabilities excluding own funds and covered deposits, in comparison to the total liabilities, excluding own funds and covered deposits, of all participating banks) and a risk based contribution. In addition, where the funds of the Resolution Funds are not sufficient to cover the losses, costs or other expenses incurred by the use of the Resolution Fund in resolution actions, extraordinary ex-post contributions from the participating banks may be raised, with a maximum of three times the annual amount of the individual contribution. The funding obligation will enter into force on 1 January 2016, and after 8 years from that date, the available financial means of the Resolution Fund must in principle be at least 1% of the amount of covered deposits of all participating banks. The funding of the Resolution Fund is expected to increase ABN AMRO's expenses. In 2015, the Issuer is expected to be required to contribute to national resolution funds. As a result of both the EU DGS and the EU Resolution Fund, ABN AMRO's operating expenses will structurally increase as of 2015. In addition, ABN AMRO is also subject to specific regulatory costs imposed by the Dutch State, for example the Dutch bank tax, which amounted EUR 91 million in 2014 (EUR 106 million in 2013).

For further information on ABN AMRO's regulatory environment and a number of specific regulatory initiatives and frameworks that can have a significant impact on ABN AMRO's business, financial condition and results of operations, please see "*Issuer – 1. ABN AMRO BANK N.V. – 1.7 Regulation*".

4.3 Explanation of key income statement items

Operating income

Operating income includes net interest income, net fee and commission income and other operating income.

Net interest income

Interest income and expenses are recognised in the income statement for all interest-bearing instruments (whether classified as held-to-maturity, available-for-sale, designated at fair value through profit or loss or non-trading derivatives) on an accrual basis using the effective interest rate method including the value adjustments to the carrying amount of the hedged item related to the termination of a fair-value hedge of interest risk.

The application of the effective interest rate method includes the amortization of any discount or premium or other differences, including transaction costs and qualifying fees and commissions, between the initial carrying amount of an interest-bearing instrument and its amount at maturity calculated on an effective interest rate basis. This item does not include interest income and expenses in relation to trading balances, which are included within net trading income.

Net fee and commission income

Net fee and commission income comprises fees recognised as services provided and fees recognised upon completion of underlying transaction. Service fees are typically recognised on a straight line basis over the service contract period; however, portfolio and other management advisory and service fees are recognised based on the applicable service contracts. Fees arising from negotiating or participating in the negotiation of a transaction for a third party are recognised upon completion of the

underlying transaction. Commission revenue is recognised when the performance obligation is complete. Loan syndication fees are recognised as revenue when the syndication has been completed.

Fees and commissions dependent on the outcome of a particular event or contingent upon performance are recognised when the relevant criteria have been met.

Other operating income

Other operating income comprises net trading income, results from financial transactions, share of result in equity accounted investments and other income.

Net trading income

Net trading income includes gains and losses arising from changes in the fair value of financial assets and liabilities held for trading, interest income and expenses related to trading balances, dividends received from trading instruments and related funding costs. Dividend income from trading instruments is recognised when entitlement is established. Net trading income also includes changes in fair value arising from changes in counterparty credit spreads and changes in ABN AMRO's credit spreads where it impacts the value of ABN AMRO's trading liabilities. The charge related to the write-off of trading instruments is included in trading income.

Share of result in equity accounted investments

Share of result in equity accounted investments comprises ABN AMRO's share of the profit or loss of equity accounted investments.

Other income

Other income includes all other banking activities such as leasing activities and results on the disposal of assets. In addition, it includes gains and losses on the sale of non-trading financial assets and liabilities, ineffectiveness of hedging programmes, fair value changes relating to assets and liabilities designated at fair value through profit or loss, and changes in the value of any related derivatives. For liabilities designated at fair value through profit or loss, it includes changes in ABN AMRO's credit spreads. Dividend income from non-trading equity investments is recognised when entitlement is established.

Operating expenses

Operating expenses include personnel expenses, general and administrative expenses and depreciation and amortization of tangible and intangible assets.

Personnel expenses

Personnel expenses include salaries and wages, social security charges, pension expenses and other personnel expenses.

Other expenses

Other expenses comprises general and administrative expenses and depreciation and amortisation of tangible and intangible assets. General and administrative expenses includes, among other items, agency staff, contractors, consultancy, staff related, IT, housing, post, telephone, transportation and marketing costs. Regulatory charges, including Dutch bank tax is also included in general and administrative expenses. Depreciation and amortization of tangible and intangible assets includes depreciation on tangible assets, amortisation on intangible assets and impairment losses on tangible assets.

Operating result

Result from operating activities, defined as the net result of operating income and operating expenses.

Impairment charges on loans and other receivables

Impairment charges on loans and other receivables consist of impairment losses on loans and other receivables. These impairment losses are defined as the difference between the carrying amount of a loan classified as impaired and the present value of estimated future cash flows on the loan. Impairment losses on property and equipment, goodwill and other intangible assets, are not included here but recognised in the income statement as depreciation and amortisation expense. For more information regarding impairment charges, please see "*Annual Report 2014 – Risk & Capital Report – Risk & capital management – Credit risk management*".

Profit/(loss) before tax

The profit or loss before tax is defined as the operating result less impairment charges on loans and other receivables.

Income tax expense

The Group is subject to income taxes in numerous jurisdictions. Income tax expense consists of current and deferred tax. Income tax is recognised in the income statement in the period in which profits arise, except to the extent that it arises from: (1) a transaction or event that is recognised directly in equity; or (2) a business combination accounted for as an acquisition. The future tax benefit of tax losses available for carry forward is recognised as an asset when it is probable that these losses can be utilised against future taxable profits.

Profit/(loss) for the period

Profit or loss for the period is defined as the profit or loss before tax less income tax expenses or credit.

4.4 Results of operations for the years ended 31 December 2014 and 2013

Results of operations are presented based on underlying results. Underlying results are non-IFRS measures and have not been audited or reviewed. Management believes these underlying results provide a better understanding of the underlying trends in financial performance. The underlying results have been derived by adjusting the reported results, which are reported in accordance with IFRS, for defined special items, as explained below. The tables below shows a reconciliation of ABN AMRO's reported and underlying results of operations for the years ended 31 December 2014 and 31 December 2013.

Reconciliation of Reported to Underlying Results

	Year ended 31 December					
	2014			2013		
	Reported	Special items	Under-lying	Reported	Special items	Under-lying
	(in millions of euros)					
Net interest income	6,023	-	6,023	5,380	-	5,380
Net fee and commission income	1,691	-	1,691	1,643	-	1,643
Other operating income [1]	341	-	341	301	(122)	423
Operating income	*8,055*	-	*8,055*	*7,324*	*(122)*	*7,446*
Personnel expenses	2,684	288	2,396	2,357	37	2,320
Other expenses	2,654	201	2,453	2,413	-	2,413
Operating expenses	*5,338*	*489*	*4,849*	*4,770*	*37*	*4,733*

Operating result	***2,717***	***(489)***	***3,206***	***2,554***	***(159)***	***2,713***
Impairment charges on loans and other receivables	1,171	-	1,171	983	(684)	1,667
Profit/(loss) before tax	***1,546***	***(489)***	***2,035***	***1,571***	***525***	***1,046***
Income tax expense	412	(72)	484	411	117	294
Profit/(loss) for the year	**1,134**	**(417)**	**1,551**	**1,160**	**408**	**752**

(1) "Other operating income" comprises the income statement line items (1) "Net trading income", (2) "Share of result in equity accounted investments" and (3) "Other income".

Impact of Special Items

	Year ended 31 December	
	2014	**2013**
	(in millions of euros)	
Operating income		
Reassessment of discontinued securities financing activities[(1)]	-	(70)
Costs of wind down non-client-related equity derivatives activities[(2)]	-	(52)
Total impact on operating income	-	*(122)*
Operating expenses		
Restructuring provision[(3)]	-	37
Pension settlement charge[(4)]	288	-
SNS levy[(5)]	201	-
Total impact on operating expenses	*489*	*37*
Loan impairments		
Greek releases[(6)]	-	(432)
Madoff releases[(7)]	-	(253)
Total impact on loan impairments	-	*(685)*
Total impact on income tax expenses	(72)	117
Total impact on profit/(loss) for the period	**(417)**	**408**

(1) Reassessment of receivables from part of the securities financing activities conducted abroad which have been discontinued as from 2009.

(2) In the first quarter of 2013, ABN AMRO decided to wind-down its remaining non-client related equity derivative activities. The wind-down will be gradually executed through a run-off scenario, and therefore the impact will be spread over a longer period of time.

(3) The addition to the restructuring provision recorded in Group Functions concerned a reorganisation of Corporate Banking in order to further improve efficiency. The reorganisation will lead to a reduction of approximately 400 FTEs, part of which will be realised through natural attrition and internal reallocation.

(4) As part of the collective labour agreement in the first half of 2014, ABN AMRO changed the pension scheme for its employees from a defined benefit scheme to a collective defined contribution scheme. As a result, the liability as recorded in the balance sheet related to the defined benefit scheme was released to the income statement leading to a negative impact on personnel expenses.

(5) In 2013, the Dutch government decided to nationalise SNS Reaal. In addition, the government decided that the Dutch banking industry should also contribute to the rescue operation, as a replacement for the fact that the deposit guarantee scheme was not effectuated due to the nationalisation. The total amount to be contributed by the sector was approximately EUR1 billion, of which EUR 201 million was to be contributed by ABN AMRO spread over the first 3 quarters of 2014.

(6) In the separation of the former ABN AMRO Holding NV, a portfolio of Greek government-guaranteed corporate exposures was allocated to ABN AMRO Group NV. As a result of the Private Sector Initiative early 2012, ABN AMRO had to take a significant impairment on these exposures. In the course of 2012 and 2013, ABN AMRO was able to gradually divest the exposures, while recovering part of the impairment charges. The last tranche was sold in the October 2013.

(7) Through its Prime Fund Solutions activities, which were divested in 2011, ABN AMRO provided loans to client funds collateralised by securities. Some of these client funds were invested in Bernard L. Madoff Investment Securities, which was posted as collateral for the loans. Following the discovery of the fraud related to these securities, the securities, and therefore the collateral, became valueless and the clients went bankrupt. As a result, ABN AMRO fully impaired these exposures, as the expected recovery was zero. In 2011, 2012 and 2013, ABN AMRO released part of these impairment allowances as ABN AMRO sold collateral related to these Madoff files.

Selected consolidated financial information

	Year ended 31 December	
	2014	**2013**
	(in millions of euros)	
Net interest income	6,023	5,380
Net fee and commission income	1,691	1,643
Other operating income [1]	341	423
Operating income	*8,055*	*7,446*
Personnel expenses	2,396	2,320
Other expenses	2,453	2,413
Operating expenses	*4,849*	*4,733*
Operating result	***3,206***	***2,713***
Impairment charges on loans and other receivables	1,171	1,667
Profit/(loss) before tax	***2,035***	***1,046***
Income tax expense	484	294
Underlying profit/(loss) for the period	**1,551**	**752**
Special items	**(417)**	**408**
Reported profit/(loss) for the period	**1,134**	**1,160**

	Year ended 31 December	
	2014	**2013**
Underlying cost/income ratio	60%	64%
Underlying return on average Equity (EU IFRS)	10.9%	5.5%
Underlying net interest margin (in bps)	153	134
Underlying cost of risk [2] (in bps)	45	63

	As at 31 December	
	2014	**2013**
Assets under Management (in EUR billion)	190.6	168.3
FTEs	22,215	22,289

(1) "Other operating income" comprises the income statement line items (1) "Net trading income", (2) "Share of result in equity accounted investments" and (3) "Other income".

(2) Cost of risk consists of impairment charges on Loans and receivables - customers for the period divided by average Loans and receivables - customers.

Underlying profit/(loss) for the period

Underlying profit for the year ended 31 December 2014 increased by EUR 799 million, or 106%, to EUR 1,551 million, as compared to EUR 752 million for the year ended 31 December 2013. This increase was primarily the result of significant higher net interest income (an increase of 12% over 2013) and significantly lower loan impairments (a decrease of 30% over 2013). The underlying return on equity (ROE) increased to 10.9% in 2014 from 5.5% in 2013.

Reported profit/(loss) for the period

Both years were impacted by a number of special items which had a positive impact in 2013 and a negative impact in 2014. As a consequence, the reported net profit declined slightly from EUR 1,160 million in 2013 to EUR 1,134 million in 2014. See the Impact of special items table with the explanatory notes in this section for more information on the impact of special items in 2014 and 2013.

As of September 2014, the acquired private banking activities of Credit Suisse in Germany are consolidated in ABN AMRO's result.

Operating income

Operating income for the year ended 31 December 2014 increased by EUR 609 million, or 8%, to EUR 8,055 million, as compared to EUR 7,446 million, for the year ended 31 December 2013.

Out of total operating income, 81% of operating income was generated in the Netherlands, 12% came from the rest of Europe and 7% from the rest of the world.

Net interest income

Net interest income for the year ended 31 December 2014 increased by EUR 643 million, or 12%, to EUR 6,023 million, as compared to EUR 5,380 million, for the year ended 31 December 2013. Interest income improved across all business lines. The increase was primarily due to improved margins on deposits as a result of enhanced re-pricing abilities. Interest income on mortgages also increased as a result of the gradual repricing at higher margins, offset by a declining portfolio volume. The increase in interest income on commercial loans was driven by margin improvements in Commercial Clients and portfolio growth in Energy, Commodities and Transportation (ECT) Clients. Asset and Liability Management (ALM) interest results also improved compared with 2013.

Net fee and commission income

Net fee and commission income for the year ended 31 December 2014 increased by EUR 48 million, or 3%, to EUR 1,691 million, as compared to EUR 1,643 million for the year ended 31 December 2013. This increase was primarily due to higher commitment fees and corporate finance advisory fees. The switch to an all-in fee for investment products in the Netherlands had a negative impact at both Retail Banking and Private Banking. This was offset by a positive impact from the acquisition of Credit Suisse's German private banking activities in September 2014.

Other operating income

Other operating income for the year ended 31 December 2014 decreased by EUR 82 million, or 3%, to EUR 341 million, as compared to EUR 423 million for the year ended 31 December 2013. This decrease was primarily the result of a charge of EUR 52 million due to the first-time application of the Funding Value Adjustment (FVA), lower volumes following the phased winddown of equity derivative activities at Capital Markets Solutions, which started in the first half of 2013 and unfavourable Credit Value Adjustment (CVA)/Debit Value Adjustment (DVA) results (EUR 6 million negative in 2014 versus results-neutral impact in 2013).

Operating expenses

Operating expenses for the year ended 31 December 2014 increased by EUR 116 million, or 2%, to EUR 4,849 million, as compared to EUR 4,733 million for the year ended 31 December 2013. The increase was primarily driven by increased personnel expenses.

Personnel expenses

Personnel expenses for the year ended 31 December 2014 increased by EUR 76 million, or 3%, to EUR 2,396 million, as compared to EUR 2,320 million for the year ended 31 December 2013. This increase was primarily due to a restructuring provision of EUR 60 million related to accelerated digitisation in Retail Banking. FTEs declined only slightly and were impacted by the acquisition of Credit Suisse's private banking activities in Germany.

Other expenses

Other expenses for the year ended 31 December 2014 increased by EUR 40 million, or 2%, to 2,453 million as compared to EUR 2,413 million for the year ended 31 December 2013. This increase was primarily due to higher project costs (mainly the ECB Comprehensive Assessment and the acquisition and integration of private banking activities in Germany) and a goodwill impairment of EUR 25 million. This was only partly offset by a higher release from the provision related to the Dirk Scheringa Bank (DSB) deposit guarantee scheme (EUR 66 million in 2014 versus EUR 31 million in 2013) and the lower Dutch bank tax in 2014. Note that 2013 included the impact of accelerated depreciation on fixed assets.

Operating result

The operating result for the year ended 31 December 2014 increased by EUR 493 million, or 18% to 3,206 million as compared to EUR 2,713 million for the year ended 31 December 2013. The underlying cost/income ratio improved to 60% in 2014 (from 64% in 2013).

Impairment charges on loans and other receivables

Impairment charges on loans and other receivables for the year ended 31 December 2014 decreased by EUR 496 million, or 30%, to EUR 1,171 million, as compared to EUR 1,667 million for the year ended 31 December 2013. This decline in impairment charges was mainly recorded for mortgages and small Commercial Clients. The decline was partly offset by higher additions for medium-sized and large Commercial Clients and International Clients, although the fourth quarter of 2014 showed a positive development in these client segments as well. Impairments on real estate clients were lower than in 2013. Cost of risk based on average customer loans decreased to 45bps from 63bps in 2013.

Total underlying impairment charges on Loans and receivables - customers over average Loans and receivables - customers (underlying cost of risk) went down to 45 bps in 2014 (from 63 bps in 2013).

Underlying profit/(loss) before tax

Underlying profit/(loss) before tax for the year ended 31 December 2014 increased by EUR 989 million, or 95%, to EUR 2,035 million, as compared to EUR 1,046 million for the year ended 31 December 2013.

Income tax expense

Income tax expense increased by EUR 190 million, or 65% to EUR 484 million. This increase was primarily due to higher profit before tax.

FTEs

The total number of full-time equivalents excluding temporary staff (FTEs) as at 31 December 2014 decreased by 74 to 22,215 from 22,289 as at 31 December 2013, mainly due to a further reduction in the number of branches in the Netherlands, partly offset by the acquisition of Credit Suisse's German private banking activities.

Assets under Management

Assets under Management as at 31 December 2014 increased by EUR 22.3 billion, or 13%, to EUR 190.6 billion, as compared to EUR 168.3 billion as at 31 December 2013. This increase was due to market performance (EUR 8.6 billion), the acquisition of the private banking activities of Credit Suisse in Germany (EUR 8.2 billion) and net new assets (EUR 5.5 billion).

Selected Consolidated Balance Sheet Movements

	As at 31 December	
	2014	**2013**
	(in millions of euros)	
Assets:		
Cash and balances at central banks	706	9,523
Financial assets held for trading	9,017	12,019
Derivatives	25,285	14,271
Financial investments	41,466	28,111
Securities financing	18,511	18,362
Loans and receivables - banks	21,680	23,967
Loans and receivables - customers	261,910	257,028
Other	8,292	8,741
Total assets	**386,867**	**372,022**
Liabilities:		
Financial liabilities held for trading	3,759	4,399
Derivatives	30,449	17,227
Securities financing	13,918	12,266
Due to banks	15,744	11,626
Due to customers	216,011	207,584
Issued debt	77,131	88,682
Subordinated liabilities	8,328	7,917
Other	6,652	8,753
Total liabilities	*371,990*	*358,454*
Equity:		
Equity attributable to owners of the parent company	14,865	13,555
Equity attributable to non-controlling interests	12	13
Total equity	*14,877*	*13,568*
Total liabilities and equity	**386,867**	**372,022**

Total assets

Total assets as at 31 December 2014 increased by EUR 14.8 billion, or 4%, to EUR 386.9 billion, as compared to EUR 372.0 billion as at 31 December 2013. This increase was primarily due to an increase in derivative assets. The increase in financial investments (investments in the liquidity buffer) is offset by lower deposits at central banks.

Cash and balances at central banks

Cash and balances at central banks as at 31 December 2014 decreased by EUR 8.8 billion, or 93%, to EUR 0.7 billion, as compared to EUR 9.5 billion as at 31 December 2013. This decrease was primarily due to lower excess funds held as overnight deposits with central banks.

Financial assets held for trading

Financial assets held for trading as at 31 December 2014 decreased by EUR 3.0 billion, or 25%, to EUR 9.0 billion, as compared to EUR 12.0 billion as at 31 December 2013. This decrease was primarily due to the termination of non-client related Equity Derivatives (EQD) activities.

Derivative assets

Derivative assets as at 31 December 2014 increased by EUR 11.0 billion, or 77%, to EUR 25.3 billion, as compared to EUR 14.3 billion as at 31 December 2013. This increase was primarily due to interest and foreign exchange rate movements impacting the fair value of derivatives.

Financial investments

Financial investments as at 31 December 2014 increased by EUR 13.4 billion, or 48%, to EUR 41.5 billion, as compared to EUR 28.1 billion as at 31 December 2013. This increase was primarily due to purchases for the liquidity buffer.

Securities financing

Securities financing as at 31 December 2014 was EUR 18.5 billion as compared to EUR 18.4 billion as at 31 December 2013.

Loans and receivables – banks

Loans and receivables – banks as at 31 December 2014 decreased by EUR 2.3 billion, or 10%, to EUR 21.7 billion as compared to EUR 24.0 billion as at 31 December 2013. This decrease was primarily due to lower interest-bearing deposits at the European Central Bank (ECB), partly offset by higher mandatory reserves at the Dutch Central Bank (DNB).

Loans and receivables – customers

Loans and receivables – customers as at 31 December 2014 increased by EUR 4.9 billion, or 2%, to EUR 261.9 billion, as compared to EUR 257.0 billion as at 31 December 2013. This increase was primarily due to growth in other loans driven by ECT and Clearing activities.

Client loans decreased by EUR 0.5 billion, as the decrease in mortgages was not fully offset by the growth in commercial loans. The mortgage portfolio decreased by EUR 2.1 billion to EUR 148.4 billion as increased new mortgage production was more than offset by higher (additional) redemptions especially in the fourth quarter. The increase in early repayments can partly be explained by the expiration of beneficial tax treatment for mortgage-related gifts. The commercial loan portfolio increased and was positively influenced by growth in the ECT Clients loan book. Commercial loans to small commercial clients declined as the number of credit applications remained at low levels in 2014.

Loans and receivables – customers

	As at 31 December	
	2014	**2013**
	(in millions of euros)	
Residential mortgages	148,402	150,493
Consumer loans	16,052	16,241
Commercial loans to clients[1]	80,065	78,251
Total client loans [2]	*244,519*	*244,985*
Commercial loans to professional counterparties	9,635	9,798
Other loans[3]	6,777	2,821
Total loans and receivables[2]	*260,931*	*257,604*
Fair value adjustments from hedge accounting	5,739	4,399
Less: loan impairment allowance	4,761	4,975
Total loans and receivables – customers	**261,910**	**257,028**

(1) Including lease and factoring loans, excluding commercial loans to professional counterparties.

(2) Gross carrying amount excluding fair value adjustment from hedge accounting.

(3) Other loans consists of loans and receivables to government, official institutions and financial markets parties.

Total liabilities

Total liabilities as at 31 December 2014 increased by EUR 13.6 billion, or 4%, to EUR 372.0 billion, as compared to EUR 358.5 billion as at 31 December 2013. This increase was primarily due to increased derivative liabilities and growth in client deposits and was partly offset by lower issued debt securities.

Financial liabilities held for trading

Financial liabilities held for trading as at 31 December 2014 decreased by EUR 0.6 billion, or 15%, to EUR 3.8 billion, as compared to EUR 4.4 billion as at 31 December 2013. This decrease was primarily due to various small items.

Derivative liabilities

Derivatives liabilities as at 31 December 2014 increased by EUR 13.2 billion, or 77%, to EUR 30.4 billion, as compared to EUR 17.2 billion as at 31 December 2013. This increase was primarily due to interest and foreign exchange rate movements impacting the fair value of derivatives.

Securities financing

Securities financing as at 31 December 2014 increased by EUR 1.7 billion, or 13%, to EUR 13.9 billion, as compared to EUR 12.3 billion as at 31 December 2013. This increase was primarily driven by increased client demand.

Due to banks

Due to banks as at 31 December 2014 increased by EUR 4.1 billion, or 35%, to EUR 15.7 billion, as compared to EUR 11.6 billion as at 31 December 2013. This increase was primarily due to EUR 4.2 billion in new funding obtained from participation in the first two tranches of the Targeted Long-Term Refinancing Operations (TLTRO).

Due to customers

Due to customers as at 31 December 2014 increased by EUR 8.4 billion, or 4%, to EUR 216.0 billion, as compared to EUR 207.6 billion as at 31 December 2013. This increase was primarily due to deposit inflows at MoneYou Germany, Private Banking in the Netherlands, Commercial Clients and Clearing.

Due to customers

	As at 31 December	
	2014	**2013**
	(in millions of euros)	
Retail Banking	95,915	93,403
Private Banking	62,902	59,464
Corporate Banking	54,740	51,667
Group Functions	2,454	3,050
Total Due to customers	**216,011**	**207,584**
Demand deposits	109,753	100,151
Saving deposits	88,655	87,448
Time deposits	17,459	19,638
Total deposits	*215,867*	*207,237*
Other borrowings	144	347
Total Due to customers	**216,011**	**207,584**

Issued debt

Issued debt as at 31 December 2014 decreased by EUR 11.6 billion, or 13%, to EUR 77.1 billion, as compared to EUR 88.7 billion as at 31 December 2013. This decrease was due to matured wholesale funding that was partly replaced by client deposits and the TLTRO. A total of EUR 12 billion in long-term funding matured in 2014 and an amount of EUR 6.9 billion in short-term funding was not rolled over. Additionally, Residential Mortgage Backed Securities (RMBS) declined EUR 3.8 billion. New issuance of long-term wholesale funding was EUR 9.1 billion in 2014.

Subordinated liabilities

Subordinated liabilities as at 31 December 2014 increased by EUR 0.4 billion, or 5%, to EUR 8.3 billion, as compared to EUR 7.9 billion as at 31 December 2013. The increase was due to foreign exchange rate movements.

Total equity

Total equity as at 31 December 2014 increased by EUR 1.3 billion, or 10%, to EUR 14.9 billion, as compared to EUR 13.6 billion as at 31 December 2013. This increase was due to reported profit for the period and an increase in the special component of equity revaluations, partly offset by payment of the final dividend for 2013 and payment of an interim dividend for 2014.

Results of Operations by Segment for the Years Ended 31 December 2014 and 2013

The sections below summarises ABN AMRO's results of operations by segment for the years ended 31 December 2014 and 31 December 2013.

Retail Banking

Retail Banking renders services to approximately five million retail clients in The Netherlands with investible assets of up to EUR 500,000 and approximately 300,000 small businesses in The Netherlands with an annual turnover up to EUR 1 million. Retail Banking provides a full range of transparent retail banking products and high-quality services under the ABN AMRO brand, as well as certain specific products and services under different labels. It offers its products and services via multi-channel distribution with broad physical and digital coverage.

The table below summarises the Retail Banking segment's results for the years ended 31 December 2014 and 31 December 2013.

Selected Retail Banking financial information

	Year ended 31 December	
	2014	**2013**
	(in millions of euros)	
Net interest income	3,379	3,115
Net fee and commission income	522	547
Other operating income[1]	41	29
Operating income	*3,942*	*3,691*
Personnel expenses	560	516
Other expenses	1,475	1,413
Operating expenses	*2,035*	*1,929*
Operating result	***1,907***	***1,762***
Impairment charges on loans and other receivables	460	679
Profit/(loss) before tax	***1,447***	***1,082***
Income tax expense	368	282
Underlying profit/(loss) for the period	**1,079**	**800**
Special items	-	-

Reported profit/(loss) for the period	**1,079**	**800**

	Year ended 31 December	
	2014	**2013**
Underlying cost/income ratio (in %)	52%	52%
Underlying cost of risk[2] (in bps)	29	42

	As at 31 December	
	2014	**2013**
Loan-to-Deposit ratio (in %)	158%	165%
Loans and receivables customers (in EUR billion)	156.0	159.0
Due to customers (in EUR billion)	95.9	93.4
Risk exposure amount[3] (in EUR billion)	36.8	34.3
FTEs (end of period)	6,258	6,503

(1) "Other operating income" comprises the income statement line items (1) "Net trading income", (2) "Share of result in equity accounted investments" and (3) "Other income".

(2) Cost of risk consists of impairment charges on Loans and receivables - customers for the period divided by average Loans and receivables - customers.

(3) 2013 figures are reported under Basel II and the 2014 figures are reported using the Basel III (CRD IV/CRR) framework.

Underlying profit/(loss) for the period

Underlying profit for the period the year ended 31 December 2014 increased by EUR 279 million, or 35%, to EUR 1,079 million, as compared to EUR 800 million for the year ended 31 December 2013. This increase was primarily due to higher net interest income and lower loan impairments.

Operating income

Operating income for the year ended 31 December 2014 increased by EUR 251 million, or 7%, to EUR 3,942 million, as compared to EUR 3,691 million for the year ended 31 December 2013.

Net interest income

Net interest income for the year ended 31 December 2014 increased by EUR 264 million, or 8%, to EUR 3,379 million, as compared to EUR 3,115 million for the year ended 31 December 2013. The increase was due to improved margins on deposits and, to a lesser extent, increased deposit volumes. Net interest income on mortgages improved due to gradual re-pricing of the mortgage book at higher margins as mortgages originated pre-crisis had lower margins. The average mortgage portfolio shrank marginally compared with the previous year due to increased redemptions. Net interest income on consumer lending decreased as lower average lending volumes more than offset the higher margins.

Net fee and commission income

Net fee and commission income for the year ended 31 December 2014 decreased by 25 million, or 5%, to EUR 522 million, as compared to EUR 547 million for the year ended 31 December 2013. The decrease was primarily due to the switch to an all-in fee model for investment products in the Netherlands.

Other operating income

Other operating income for the year ended 31 December 2014 increased by EUR 12 million, or 41%, to EUR 41 million, as compared to EUR 29 million, for the year ended 31 December 2013. This increase was primarily due to various smaller items.

Operating expenses

Operating expenses for the year ended 31 December 2014 increased by EUR 106 million, or 5%, to EUR 2,035 million, as compared to EUR 1,929 million for the year ended 31 December 2013.

Personnel expenses

Personnel expenses for the year ended 31 December 2014 increased by EUR 44 million, or 9%, to EUR 560 million, as compared to EUR 516 million for the year ended 31 December 2013. This increase was primarily due to a restructuring provision of EUR 60 million. The restructuring provision is related to the programme to accelerate digitisation of certain key customer processes. Excluding the restructuring provision, personnel expenses decreased modestly resulting from a decline in the number of FTEs following a further reduction in the number of branches in the Netherlands.

Other expenses

Other expenses for the year ended 31 December 2014 increased by EUR 62 million, or 4% to EUR 1,475 million, as compared to EUR 1,413 million for the year ended 31 December 2013. This increase was primarily due to higher allocation of IT project costs incurred for improvement of core IT systems and processes in the coming years.

Operating result

The operating result for the year ended 31 December 2014 increased by EUR 145 million, or 8%, to EUR 1,907 million, as compared to EUR 1,762 million for the year ended 31 December 2013 . The underlying cost/income ratio remained at 52%.

Impairment charges on loans and other receivables

Impairment charges on loans and other receivables for the year ended 31 December 2014 decreased by EUR 219 million, or 32%, to EUR 460 million, as compared to EUR 679 million for the year ended 31 December 2013. This decrease was primarily due to lower impairments on mortgages and, to a lesser extent, lower impairments on the consumer lending portfolio.

The improved circumstances in the housing market and recovery of the Dutch economy contributed to lower inflow of clients in the impaired portfolio, increased outflow of clients to the performing portfolio and more final settlements of impaired exposures, which all had a positive impact on the impairment level of mortgages.

Loans and receivables – customers

Loans and receivables – customers as at 31 December 2014 decreased by EUR 3.0 billion, or 2%, to EUR 156.0 billion as at 31 December 2014, as compared to EUR 159.0 billion as at 31 December 2013. This decrease was primarily due to a EUR 2.3 billion decrease in residential mortgages. After remaining largely stable for the first nine months, high levels of additional repayments in the fourth quarter reduced the residential mortgage book. The increase in extra repayments can partly be explained by the expiration of the beneficial tax treatment of mortgage-related gifts.

Due to customers

Due to customers as at 31 December 2014 increased by EUR 2.5 billion, or 3%, to EUR 95.9 billion as compared to EUR 93.4 billion as at 31 December 2013. This increase was primarily due to an increase in deposits in MoneYou Germany, partly offset by clients using their deposit balances to redeem their mortgages or for the making of a tax-beneficial home investment or mortgage-related gift.

FTEs

FTEs in Retail Banking as at 31 December 2014 decreased by 245 or 4%, to EUR 6,258, as compared to 6,503 as at 31 December 2013, mainly due to a further reduction in the number of branches in the Netherlands.

Private Banking

Private Banking serves high net worth individuals with more than EUR 500,000 in investible assets and ultra-high net worth individuals with more than EUR 25 million in investible assets. Private Banking offers a rich array of products and services designed to address clients' individual needs. Private Banking operates under the brand name ABN AMRO MeesPierson in The Netherlands and internationally under ABN AMRO Private Banking as well as local brands such as Banque Neuflize OBC in France and Bethmann Bank in Germany.

The table below summarises the Private Banking segment's results for the years ended 31 December 2014 and 31 December 2013.

Selected Private Banking financial information

	Year ended 31 December	
	2014	**2013**
	(in millions of euros)	
Net interest income	597	529
Net fee and commission income	544	532
Other operating income[1]	51	57
Operating income	*1,193*	*1,118*
Personnel expenses	460	442
Other expenses	503	416
Operating expenses	*964*	*858*
Operating result	***229***	***260***
Impairment charges on loans and other receivables	23	141
Profit/(loss) before tax	***206***	***119***
Income tax expense	46	16
Underlying profit/(loss) for the period	**160**	**104**
Special items	-	-
Reported profit/(loss) for the period	**160**	**104**

	Year ended 31 December	
	2014	**2013**
Underlying cost/income ratio (in %)	81%	77%
Underlying cost of risk[2] (in bps)	14	89

	As at 31 December	
	2014	**2013**
Loan-to-Deposit ratio (in %)	26%	26%
Loans and receivables customers (in EUR billion)	16.7	15.5
Due to customers (in EUR billion)	62.9	59.5
Risk exposure amount[3] (in EUR billion)	8.3	8.8
FTEs (end of period)	3,599	3,442

(1) "Other operating income" comprises the income statement line items (1) "Net trading income", (2) "Share of result in equity accounted investments" and (3) "Other income".

(2) Cost of risk consists of impairment charges on Loans and receivables - customers for the period divided by average Loans and receivables - customers.

(3) 2013 figures are reported under Basel II and the 2014 figures are reported using the Basel III (CRD IV/CRR) framework.

Profit/(loss) for the period

Underlying profit/(loss) for the period

Underlying profit for the year ended 31 December 2014 increased by EUR 56 million, or 54%, to EUR 160 million, as compared to EUR 104 million for the year ended 31 December 2013. This increase was primarily due to lower impairments and higher net interest income, partly offset by higher other expenses. The acquired Credit Suisse German private banking activities are consolidated as of September 2014.

Operating income

Operating income for the year ended 31 December 2014 increased by EUR 75 million, or 7%, to EUR 1,193 million, as compared to EUR 1,118 million for the year ended 31 December 2013.

Net interest income

Net interest income for the year ended 31 December 2014 increased by EUR 68 million, or 13%, to EUR 597 million, as compared to EUR 529 million for the year ended 31 December 2013, mainly due to higher volume and improved margins on deposits in the Netherlands. Margins of the international activities improved as well.

Net fee and commission income

Net fee and commission income for the year ended 31 December 2014 increased by EUR 12 million, or 2%, to EUR 544 million, as compared to EUR 532 million for the year ended 31 December 2013, mainly due to the acquisition of Credit Suisse's private banking activities in Germany and higher assets under management. Net fees in the Netherlands declined primarily due to the switch to an all-in fee model for investment products, despite the growth in assets under management.

Other operating income

Other operating income for the year ended 31 December 2014 decreased by EUR 6 million, or 11%, to EUR 51 million, as compared to EUR 57 million, for the year ended 31 December 2013. This decrease was primarily due to a provision for a legal claim related to divested activities.

Operating expenses

Operating expenses for the year ended 31 December 2014 increased by EUR 106 million, or 12%, to EUR 964 million, as compared to EUR 858 million for the year ended 31 December 2013, primarily due to the acquisition and the integration of Credit Suisse's private banking activities in Germany.

Operating result

Operating result for the year ended 31 December 2014 decreased by EUR 31 million, or 12%, to EUR 229 million, as compared to EUR 260 million for the year ended 31 December 2013. The underlying cost/income ratio increased by 4 percentage points to 81% from 77%.

Impairment charges on loans and other receivables

Impairment charges on loans and other receivables for the year ended 31 December 2014 decreased by EUR 118 million, or 84%, to EUR 23 million, as compared to EUR 141 million for the year ended 31 December 2013, primarily due to the impact of several large impairment charges in 2013.

Loans and receivables – customers

Loans and receivables – customers as at 31 December 2014 increased by EUR 1.2 billion, or 8%, to EUR 16.7 billion as compared to EUR 15.5 billion as at 31 December 2013, mainly due to the integration of private banking activities in Germany and growth in Singapore and Dubai. This was partly offset by a decrease in the Netherlands in both mortgages and commercial loans.

Due to customers

Due to customers as at 31 December 2014 increased by EUR 3.4 billion, or 6%, to EUR 62.9 billion, as compared to EUR 59.5 billion as at 31 December 2013, mainly due to the acquired private banking activities of Credit Suisse in Germany (EUR 0.9 billion). Additionally, deposits in the Netherlands increased.

FTEs

The number of FTEs as at 31 December 2014 increased by 157 or 5%, to 3,599, as compared to 3,442 as at 31 December 2013, mainly due to the acquisition of Credit Suisse's German private banking activities.

Assets under Management

Assets under Management (AuM) as at 31 December 2014 increased by EUR 22.3 billion, or 13%, to EUR 190.6 billion, as compared to EUR 168.3 billion as at 31 December 2013. This increase was primarily due to market performance (EUR 8.6 billion), the acquisition of Credit Suisse's German private banking activities (EUR 8.2 billion) and net new assets were responsible for a EUR 5.5 billion increase, mainly related to new inflow of deposits in the Netherlands.

The table below summarises the Assets under Management as at 31 December 2014 and 31 December 2013.

Assets under Management

	Year ended 31 December	
	2014	**2013**
	(in billions of euros)	
Opening balance as at 1 January	*168.3*	*163.1*
Net new assets	5.5	(2.0)
Market performance	8.6	7.1
Divestments/acquisitions	8.2	-
Other (including sales/acquisitions)	-	0.1
Balance at 31 December	**190.6**	**168.3**
Breakdown by AuM type:		
Cash	63.6	60.7
Securities	127.0	107.6
Breakdown by geography:		
The Netherlands (in %)	47%	48%
The rest of Europe (in %)	44%	43%
The rest of the world (in %)	9%	8%

Corporate Banking

Corporate Banking serves corporate clients with operations in The Netherlands that have an annual turnover above EUR 1 million and serves three selected activities internationally: ECT, Clearing and asset based financing (consisting of commercial finance and leasing). Corporate Banking comprises three business lines: Commercial Clients (Dutch based clients with an annual turnover of up to EUR 250 million), International Clients (Dutch based clients with annual turnover of more than EUR 250 million, clients active internationally in the sectors ECT globally and financial institutions in specific countries in Western Europe) and Capital Markets Solutions (capital markets products and services for Commercial and International Clients, and for Clearing clients globally).

The table below summarises the Corporate Banking segment's results for the years ended 31 December 2014 and 31 December 2013.

Selected Corporate Banking financial information

	Year ended 31 December	
	2014	**2013**
	(in millions of euros)	
Net interest income	2,019	1,852
Net fee and commission income	646	600
Other operating income[1]	173	278
Operating income	*2,839*	*2,730*
Personnel expenses	618	600
Other expenses	1,116	1,049
Operating expenses	*1,734*	*1,649*
Operating result	***1,105***	***1,081***
Impairment charges on loans and other receivables	717	851
Profit/(loss) before tax	***388***	***230***
Income tax expense	91	83
Underlying profit/(loss) for the period	**298**	**147**
Special items	-	(109)
Reported profit/(loss) for the period	**298**	**38**

	Year ended 31 December	
	2014	**2013**
Underlying cost/income ratio (in %)	61%	60%
Underlying cost of risk[2] (in bps)	86	105

	As at 31 December	
	2014	**2013**
Loan-to-Deposit ratio (in %)	143%	147%
Loans and receivables customers (in EUR billion)	85.0	78.9
Due to customers (in EUR billion)	54.7	51.7
Risk exposure amount[3] (in EUR billion)	53.5	56.0
FTEs (end of period)	4,995	5,022

(1) "Other operating income" comprises the income statement line items (1) "Net trading income", (2) "Share of result in equity accounted investments" and (3) "Other income".

(2) Cost of risk consists of impairment charges on Loans and receivables - customers for the period divided by average Loans and receivables - customers.

(3) 2013 figures are reported under Basel II and the 2014 figures are reported using the Basel III (CRD IV/CRR) framework.

Underlying profit/(loss) for the period

Underlying profit for the year ended 31 December 2014 increased by EUR 151 million, or 102%, to EUR 298 million, as compared to EUR 147 million for the year ended 31 December 2013, mainly due to higher net interest income and lower loan impairments, partly offset by lower other operating income.

Commercial Clients and International Clients contributed EUR 82 million and EUR 232 million respectively to the underlying profit of Corporate Banking. Capital Markets Solutions made an underlying loss of EUR 15 million.

Operating income

Operating income for the year ended 31 December 2014 increased by EUR 109 million, or 4%, to EUR 2,839 million, as compared to EUR 2,730 million, for the year ended 31 December 2013.

Net interest income

Net interest income for the year ended 31 December 2014 increased by EUR 167 million, or 9%, to EUR 2,019 million, as compared to EUR 1,852 million, for the year ended 31 December 2013. All segments contributed to this increase.

Commercial Clients reported EUR 62 million higher net interest income, driven by margin improvements from re-pricing abilities on both loans and deposits. Average lending volumes showed a limited decrease, while average deposit volumes were virtually unchanged.

Net interest income at International Clients increased EUR 64 million compared with 2013, benefiting from growth in the ECT Clients loan portfolio.

Capital Markets Solutions increased EUR 41 million of which EUR 15 million is attributable to Clearing.

Net fee and commission income

Net fee and commission income for the year ended 31 December 2014 increased by EUR 46 million, or 8%, to EUR 646 million, as compared to 600 million for the year ended 31 December 2013, mainly due to higher commitment fees at ECT Clients and Commercial Clients as well as higher advisory fees at Corporate Finance.

Other operating income

Other operating income for the year ended 31 December 2014 decreased by EUR 105 million, or 38%, to EUR 173 million, as compared to EUR 278 million for the year ended 31 December 2013. This decrease was primarily due to the FVA impact, recorded for the first time in 2014, that amounted to EUR 52 million negative. CVA/DVA results were EUR 18 million lower compared with 2013 (EUR 3 million positive in 2013 and EUR 15 million negative in 2014). Income further decreased following the phased wind-down of equity derivative activities, which started in the first half of 2013. All was partly offset by Clearing, which recorded a gain of EUR 40 million resulting from the partial sale of its share in Holland Clearing House.

Operating expenses

Operating expenses for the year ended 31 December 2014 increased by EUR 85 million, or 5%, to EUR 1,734 million, as compared to EUR 1,649 million for the year ended 31 December 2013.

Personnel expenses

Personnel expenses for the year ended 31 December 2014 increased by EUR 18 million, or 3%, to EUR 618 million, as compared to EUR 600 million for the year ended 31 December 2013. This increase was primarily due to a restructuring provision following the strategic review of Capital Markets Solutions.

Other expenses

Other expenses for the year ended 31 December 2014 increased by EUR 67 million, or 6%, to EUR 1,116 million, as compared to EUR 1,049 million for the year ended 31 December 2013. This increase was primarily due to higher allocated IT project costs.

Operating result

The operating result for the year ended 31 December 2014 increased by EUR 24 million, or 2%, to EUR 1,105 million, as compared to EUR 1,081 million for the year ended 31 December 2013. The underlying cost/income ratio increased by 1% to 61% for the year ended 31 December 2014, from 60% for the year ended 31 December 2013.

Impairment charges on loans and other receivables

Impairment charges on loans and other receivables for the year ended 31 December 2014 decreased by EUR 134 million, or 16%, to EUR 717 million, as compared to EUR 851 million for the year ended 31 December 2013.

Commercial Clients recorded lower loan impairments, while loan impairments at International Clients increased. Impairments at Capital Markets Solutions remain negligible.

Loan impairments in Commercial Clients decreased by 21%, or EUR 164 million. Loan impairments on small clients (turnover of EUR 1 million to EUR 30 million) were substantially lower compared to 2013. Loan impairments on medium-sized and large clients (turnover of EUR 30 million to EUR 250 million) increased. Loan impairments in International Clients increased by 38%, or EUR 31 million, mainly due to a limited number of additions in the Dutch corporates and the ECT Clients portfolio.

Loans and receivables – customers

Loans and receivables – customers as at 31 December 2014 increased by EUR 6.2 billion, or 8%, to EUR 85.0 billion, as compared to EUR 78.9 billion as at 31 December 2013, mainly due to EUR 6 billion loan growth (including foreign exchange rate effects) in ECT Clients. This was partly offset by a decrease in the loan portfolio of Commercial Clients. The decrease in the Commercial Clients loan portfolio was partly attributable to still-low levels of credit applications from SME clients compared with pre-crisis levels.

Due to customers

Due to customers for the year ended 31 December 2014 increased EUR 3.1 billion, or 6%, to EUR 54.7 billion, as compared to EUR 51.7 billion as at 31 December 2013, mainly due to deposit increases at Commercial Clients and Clearing clients at Capital Markets Solutions.

FTEs

The number of FTEs for the year ended 31 December 2014 decreased by 27, or 1%, to 4,995, as compared to 5,022 for the year ended 31 December 2013.

Commercial Clients

The table below summarises the Commercial Clients business results for the years ended 31 December 2014 and 31 December 2013.

Selected Commercial Clients financial information

	Year ended 31 December	
	2014	**2013**
	(in millions of euros)	
Net interest income	1,275	1,213
Net fee and commission income	196	188
Other operating income[1]	30	27
Operating income	*1,502*	*1,428*
Operating expenses	*788*	*773*
Operating result	***713***	***655***
Impairment charges on loans and other receivables	605	770
Profit/(loss) before tax	***108***	***(114)***
Income tax expense	27	(27)
Underlying profit/(loss) for the period	**82**	**(87)**
Special items	-	-
Reported profit/(loss) for the period	**82**	**(87)**

	Year ended 31 December	
	2014	**2013**
Underlying cost/income ratio (in %)	52%	54%
Underlying cost of risk[2] (in bps)	145	175

	As at 31 December	
	2014	**2013**
Loans and receivables customers (in EUR billion)	38.1	40.0
Due to customers (in EUR billion)	31.7	30.6
Risk exposure amount[3] (in EUR billion)	20.8	24.0

(1) "Other operating income" comprises the income statement line items (1) "Net trading income", (2) "Share of result in equity accounted investments" and (3) "Other income".

(2) Cost of risk consists of impairment charges on Loans and receivables - customers for the period divided by average Loans and receivables - customers.

(3) 2013 figures are reported under Basel II and the 2014 figures are reported using the Basel III (CRD IV/CRR) framework.

International Clients

The table below summarises the International Clients business results for the years ended 31 December 2014 and 31 December 2013.

Selected International Clients financial information

	Year ended 31 December	
	2014	**2013**
	(in millions of euros)	
Net interest income	648	584
Net fee and commission income	217	182
Other operating income[1]	3	6

Operating income	*868*	*771*
Operating expenses	*456*	*421*
Operating result	***412***	***350***
Impairment charges on loans and other receivables	113	82
Profit/(loss) before tax	***299***	***268***
Income tax expense	67	80
Underlying profit/(loss) for the period	**232**	**189**
Special items	-	-
Reported profit/(loss) for the period	**232**	**189**

	Year ended 31 December	
	2014	**2013**
Underlying cost/income ratio (in %)	53%	55%
Underlying cost of risk[2] (in bps)	40	31

	As at 31 December	
	2014	**2013**
Loans and receivables customers (in EUR billion)	32.3	26.4
Due to customers (in EUR billion)	16.7	16.1
Risk exposure amount[3] (in EUR billion)	19.9	19.9

(1) "Other operating income" comprises the income statement line items (1) "Net trading income", (2) "Share of result in equity accounted investments" and (3) "Other income".

(2) Cost of risk consists of impairment charges on Loans and receivables - customers for the period divided by average Loans and receivables - customers.

(3) 2013 figures are reported under Basel II and the 2014 figures are reported using the Basel III (CRD IV/CRR) framework.

Capital Markets Solutions

The table below summarises the Capital Markets Solutions business results for the years ended 31 December 2014 and 31 December 2013.

Selected Capital Markets Solutions financial information

	Year ended 31 December	
	2014	**2013**
	(in millions of euros)	
Net interest income	96	55
Net fee and commission income	233	231
Other operating income[1]	140	245
Operating income	*469*	*531*
Operating expenses	*489*	*455*
Operating result	***(20)***	***76***
Impairment charges on loans and other receivables	(1)	-
Profit/(loss) before tax	***(19)***	***76***
Income tax expense	(4)	30
Underlying profit/(loss) for the period	**(15)**	**46**
Special items	-	(109)
Reported profit/(loss) for the period	**(15)**	**(63)**

	Year ended 31 December	
	2014	**2013**
Underlying cost/income ratio (in %)	104%	86%
Underlying cost of risk[2] (in bps)	-1	-

	As at 31 December	
	2014	2013
Financial assets held for trading (in EUR billion)	8.9	11.3
Loans and receivables customers (in EUR billion)	14.7	12.4
Financial liabilities held for trading (in EUR billion)	3.8	4.4
Due to customers (in EUR billion)	6.3	4.9
Risk exposure amount[3] (in EUR billion)	12.8	12.2

(1) "Other operating income" comprises the income statement line items (1) "Net trading income", (2) "Share of result in equity accounted investments" and (3) "Other income".

(2) Cost of risk consists of impairment charges on Loans and receivables - customers for the period divided by average Loans and receivables - customers.

(3) 2013 figures are reported under Basel II and the 2014 figures are reported using the Basel III (CRD IV/CRR) framework.

Group Functions

Group Functions consists of various departments that provide essential support to the business segments. Its departments include Finance, Risk Management & Strategy ("RM&S"), People, Regulations & Identity, Technology ("PR&I"), Operations & Property Services ("TOPS"), Group Audit and the Corporate Office. The majority of the costs of Group Functions are allocated to the business segments. Items not allocated to the business segments include operating results from specific (commercial) activities and specific one-off items (individually determined).

The table below summarises the Group Functions results for the years ended 31 December 2014 and 31 December 2013.

Selected Group Functions financial information

	Year ended 31 December	
	2014	2013
	(in millions of euros)	
Net interest income	28	(115)
Net fee and commission income	(21)	(37)
Other operating income[1]	75	59
Operating income	*82*	*(93)*
Personnel expenses	758	762
Other expenses	(641)	(465)
Operating expenses	*117*	*297*
Operating result	***(35)***	***(390)***
Impairment charges on loans and other receivables	(28)	(4)
Profit/(loss) before tax	***(7)***	***(386)***
Income tax expense	(21)	(87)
Underlying profit/(loss) for the period	**14**	**(299)**
Special items	(417)	517
Reported profit/(loss) for the period	**(402)**	**218**

	As at 31 December	
	2014	2013
Loans and receivables customers (in EUR billion)	4.2	3.7
Due to customers (in EUR billion)	2.5	3.1
Risk exposure amount[2] (in EUR billion)	11.0	9.9
FTEs (end of period)	7,362	7,321

(1) "Other operating income" comprises the income statement line items (1) "Net trading income", (2) "Share of result in equity accounted investments" and (3) "Other income".

(2) 2013 figures are reported under Basel II and the 2014 figures are reported using the Basel III (CRD IV/CRR) framework.

Underlying profit/(loss) for the period

Underlying profit for the year ended 31 December 2014 amounted to EUR 14 million, an increase of EUR 313 million, as compared to an underlying loss of EUR 299 million for the year ended 31 December 2013, mainly due to higher net interest income and lower expenses.

Operating income

Operating income for the year ended 31 December 2014 amounted to EUR 82 million, an increase of EUR 175 million, as compared to a loss of EUR (93) million for the year ended 31 December 2013.

Net interest income

Net interest income for the year ended 31 December 2014 increased by EUR 143 million, to EUR 28 million, as compared to a loss of EUR (115) million for the year ended 31 December 2013, mainly due to improved ALM interest result, in part as a result of re-allocation of the liquidity buffer costs.

Net fee and commission income

Net fee and commission income for the year ended 31 December 2014 increased by EUR 16 million, or 43%, to a loss of EUR (21) million, as compared to a loss of EUR (37) million for the year ended 31 December 2013.

Other operating income

Other operating income for the year ended 31 December 2014 increased by EUR 16 million, or 27%, to EUR 75 million, as compared to EUR 59 million for the year ended 31 December 2013. This increase was primarily due to favourable foreign exchange results and revaluations of trading book loans, that were partly offset by unfavourable hedge accounting results and the 2013 gain on the sale of an office property.

Operating expenses

Operating expenses for the year ended 31 December 2014 decreased by EUR 180 million, or 61%, to EUR 117 million, as compared to EUR 297 million for the year ended 31 December 2013.

Personnel expenses

Personnel expenses for the year ended 31 December 2014 decreased by EUR 4 million, or 1%, to EUR 758 million, as compared to EUR 762 million for the year ended 31 December 2013. Both years included additions to restructuring provisions and other one-offs of approximately the same magnitude.

Other expenses

Other expenses for the year ended 31 December 2014 decreased by EUR 176 million, or 38%, to EUR (641) million, as compared to EUR (465) million for the year ended 31 December 2013. This increase was primarily due to a change in allocation method of IT costs as all IT costs are now allocated to the business segments.

Apart from this, expenses recorded at Group Functions were impacted by a higher release related to the DSB deposit guarantee scheme (EUR 66 million release in 2014 versus EUR 31 million release in 2013), accelerated depreciations in 2013 and by expenses incurred in connection with the ECB Asset Quality Review in 2014.

Other expenses include the allocation of operating expenses of Group Functions to the business segments as negative expenses.

Operating result

The operating result for the year ended 31 December 2014 increased by EUR 355 million, or 91% to EUR (35) million, as compared to EUR (390) million for the year ended 31 December 2013.

Impairment charges on loans and other receivables

Impairment charges on loans and other receivables for the year ended 31 December 2014 decreased by EUR 24 million, or 600%, to EUR (28) million, as compared to EUR (4) million for the year ended 31 December 2013, mainly due to a release related to legacy files from the former Prime Fund Solutions business, which was sold in 2011, and a release on exposures which were fully provided for in 2008.

FTEs

The number of FTEs increased by 41, or 1%, to 7,362 as at 31 December 2014, compared to 7,321 as at 31 December 2013. The increase in FTEs was primarily due to the additional operational and administrative requirements as a result of the changing regulatory landscape.

4.5 Results of operations for the years ended 31 December 2013 and 2012

Results of operations are presented based on underlying results. Underlying results are non-IFRS measures and have not been audited or reviewed. Management believes these underlying results provide a better understanding of the underlying trends in financial performance. The underlying results have been derived by adjusting the reported results, which are reported in accordance with IFRS, for defined special items, as explained below. The table below shows a reconciliation of ABN AMRO's reported and underlying results of operations for the years ended 31 December 2013 and 31 December 2012.

Reconciliation of Reported to Underlying Results

	Year ended 31 December					
	2013			2012		
	Reported	Special items	Underlying	Reported	Special items	Underlying
Net interest income	5,380	-	5,380	5,028	-	5,028
Net fee and commission income	1,643	-	1,643	1,556	-	1,556
Other operating income[1]	301	(122)	423	754	215	539
Operating income	*7,324*	*(122)*	*7,446*	*7,338*	*215*	*7,123*
Personnel expenses	2,357	37	2,320	2,151	178	1,973
Other expenses	2,413	-	2,413	2,535	272	2,263
Operating expense	*4,770*	*37*	*4,733*	*4,686*	*450*	*4,236*
Operating result	***2,554***	***(159)***	***2,713***	***2,652***	***(235)***	***2,887***
Impairment charges on loans and other receivables	983	(684)	1,667	1,228	(203)	1,431
Profit/(loss) before tax	***1,571***	***525***	***1,046***	***1,424***	***(32)***	***1,456***
Income tax expense	411	117	294	271	(73)	344
Profit/(loss) for the year	**1,160**	**408**	**752**	**1,153**	**41**	**1,112**

(1) "Other operating income" comprises the income statement line items (1) "Net trading income", (2) "Share of result in equity accounted investments" and (3) "Other income".

Impact of Special Items

	Year ended 31 December	
	2013	**2012**
	(in millions of euros)	
Operating income		
Positive revaluations EC Remedy related provisions[(1)]	-	215
Reassessment of discontinued securities financing activities[(2)]	(70)	-
Costs of wind down non-client-related equity derivatives activities[(3)]	(52)	-
Total impact on operating income	*(122)*	*215*
Operating expenses		
Seperation and integration costs[(4)]	-	450
Restructuring provision[(5)]	37	-
Pension settlement charge[(6)]	-	-
Total impact on operating expenses	*37*	*450*
Loan impairments		
Greek releases[(8)]	(432)	(125)
Madoff releases[(9)]	(253)	(78)
Total impact on loan impairments	*(685)*	*(203)*
Total impact on income tax expenses	117	(73)
Total impact on profit/(loss) for the period	**408**	**41**

(1) In connection with the EC Remedy, ABN AMRO had provided a financial guarantee covering part of the potential credit losses on the portfolio that existed at the time of closing the sale under the EC Remedy (the "**Credit Umbrella**"). The value of the guarantee was assessed on a quarterly basis with revaluation effects recorded in the income statement under Other income (part of Other operating income). The Credit Umbrella was settled at the end of 2012, and the remaining net value was release to the income statement. Following the settlement of the Credit Umbrella, also some other EC Remedy related provisions were released.

(2) Reassessment of receivables from part of the securities financing activities conducted abroad which have been discontinued as from 2009.

(3) In the first quarter of 2013, ABN AMRO decided to wind-down its remaining non-client related equity derivative activities. The wind-down will be gradually executed through a run-off scenario and therefore the impact will be spread over a longer period of time.

(4) The formation of ABN AMRO Group N.V. is a result of various legal and operational separation and integration activities. Costs related to this separation and integration activities are indicated as separation and integration costs. These costs were primarily related to the integration restructuring provision, IT, IT-related consultants and impairments on housing assets.

(5) The addition to the restructuring provision recorded in Group Functions concerned a reorganisation of Corporate Banking in order to further improve efficiency. The reorganisation will lead to a reduction of approximately 400 FTEs, part of which will be realised through natural attrition and internal reallocation.

(6) As part of the collective labour agreement in the first half of 2014, ABN AMRO changed the pension scheme for its employees from a defined benefit scheme to a collective defined contribution scheme. As a result, the liability as recorded in the balance sheet related to the defined benefit scheme was released to the income statement leading to a negative impact on personnel expenses.

(7) In 2013, the Dutch government decided to nationalise SNS Reaal. The government additionally decided that the Dutch banking industry should also contribute to the rescue operation, as a replacement for the fact that the deposit guarantee scheme was not effectuated due to the nationalisation. The total amount to be contributed by the sector was EUR 1 billion, of which EUR 201 million was to be contributed by ABN AMRO spread over the first 3 quarters of 2014.

(8) In the separation of the former ABN AMRO Holding NV, a portfolio of Greek government-guaranteed corporate exposures was allocated to ABN AMRO Group NV, as a result of the Private Sector Initiative early 2012, ABN AMRO had to take a significant impairment on these exposures. In the course of 2012 and 2013, ABN AMRO was able to gradually divest the exposures, while recovering part of the impairment charges. The last tranche was sold in the October 2013.

(9) Through its Prime Fund Solutions activities, which were divested in 2011, ABN AMRO provided loans to client funds collateralised by securities. Some of these client funds were invested in Bernard L. Madoff Investment Securities, which was posted as collateral for the loans. Following the discovery of the fraud related to these securities, the securities, and therefore the collateral, became valueless and the clients went bankrupt. As a result, ABN AMRO fully impaired these exposures, as the expected recovery was zero.

Selected consolidated financial information

The table below summarises ABN AMRO's results of operations for the years ended 31 December 2013 and 31 December 2012 on an underlying basis.

Selected consolidated financial information

	Year ended 31 December	
	2013	**2012**
Net interest income	5,380	5,028
Net fee and commission income	1,643	1,556
Other operating income[1]	423	539
Operating income	***7,446***	***7,123***
Personnel expenses	2,320	1,973
Other expenses	2,413	2,263
Operating expenses	***4,733***	***4,236***
Operating result	**2,713**	**2,887**
Impairment charges on loans and other receivables	1,667	1,431
Profit/(loss) before tax	***1,046***	***1,456***
Income tax expense	294	344
Underlying profit/(loss) for the period	**752**	**1,112**
Special Items	**408**	**31**
Reported profit/(loss) for the period	**1,160**	**1,153**

	Year ended 31 December	
	2013	**2012**
Underlying cost/income ratio	64%	60%
Underlying return on average Equity (EU IFRS)	5.5%	8.2%
Underlying net interest margin (in bps)	134	120
Underlying cost of risk[2] (in bps)	63	53

	As at 31 December	
	2013	**2012**
Assets under Management (in EUR billions)	168.3	163.1
FTEs	22,289	23,059

(1) "Other operating income" comprises the income statement line items (1) "Net trading income", (2) "Share of result in equity accounted investments" and (3) "Other income".

(2) Cost of risk consists of impairment charges on Loans and receivables - customers for the period divided by average Loans and receivables - customers.

Underlying profit/(loss) for the period

Profit for the year ended 31 December 2013 amounted EUR 752 million, a decrease of EUR 360 million, or 32% as compared to EUR 1,112 million for the year ended 31 December 2012. The main factors that led to this decline were higher pensions costs, a considerable rise in loan impairments within Retail Banking and Commercial Clients, and lower results for the Capital Markets Solutions business. The return on equity was 5.5% in 2013.

Operating income

Operating income for the year ended 31 December 2013 increased by EUR 323 million, or 5%, to EUR 7,446 million, as compared to EUR 7,123 million, for the year ended 31 December 2012. 82% of total operating income was generated in the Netherlands.

Net interest income

Net interest income for the year ended 31 December 2013 increased by EUR 352 million, or 7%, to EUR 5,380 million, as compared to EUR 5,028 million for the year ended 31 December 2012, mainly due to higher margins on the loan portfolio.

Net fee and commission income

Net fee and commission income for the year ended 31 December 2013 increased by EUR 87 million, or 6%, to EUR 1,643 million, as compared to EUR 1,556 million for the year ended 31 December 2012, due to higher management fees within Private Banking from increased client activity and a growth of assets under management. ECT Clients and Corporate Finance also showed higher fee income.

Other operating income

Other operating income for the year ended 31 December 2013 decreased by EUR 116 million, or 22%, to EUR 423 million, as compared to EUR 539 million for the year ended 31 December 2012, mainly due to lower results in trading and sales activities within Capital Markets Solutions. Income from Private Equity also declined as valuations and exit results were lower.

Operating expenses

Operating expenses for the year ended 31 December 2013 increased by EUR 497 million, or 12%, to EUR 4,733 million for the year ended 31 December 2013, as compared to EUR 4,236 million for the year ended 31 December 2012.

Personnel expenses

Personnel expenses for the year ended 31 December 2013 increased by EUR 347 million, or 18%, to EUR 2,320 million, as compared to EUR 1,973 million for the year ended 31 December 2012, mainly due to the increase in pension costs of EUR 353 million largely on the back of a sharply lower discount rate used in 2013.

Other expenses

Other expenses for the year ended 31 December 2013 increased by EUR 150 million, or 7%, to EUR 2,413 million, as compared to EUR 2,263 million for the year ended 31 December 2012, due to higher costs booked for change projects. In addition, other expenses for the year ended 31 December 2012 included compensation from a service level agreement related to the EC Remedy which was terminated in 2012.

Operating result

The operating result for the year ended 31 December 2013 decreased by EUR 174 million, or 6%, to EUR 2,713 million, as compared to EUR 2,887 million for the year ended 31 December 2012. The cost/income ratio was 64%.

Impairment charges on loans and other receivables

Impairment charges on loans and other receivables for the year ended 31 December 2013 amounted to EUR 1,667 million, an increase of EUR 236 million, or 16%, as compared to EUR 1,431 million for the year ended 31 December 2012. In terms of underlying cost of risk this amounted to 53bps for the

year ended 2013, as compared to 63bps for the year ended 31 December 2012. Higher loan impairments for SMEs, consumer lending and mortgages were the main cause of this increase.

Domestically-focused SMEs were hit particularly hard by the decline in domestic spending. For SMEs, both the inflow into the Financial Restructuring & Recovery department as well as the proportion of files which ultimately need to be liquidated increased compared with the previous year.

The impairments over the total residential mortgage book amounted to 24bps for the year ended 31 December 2013, up from 16bps for the year ended 31 December 2012.

For additional detail on ABN AMRO's impairment charges, please see "*Annual Report 2014 – Risk & Capital Report – Risk & capital review – Credit risk*".

Profit/(loss) before tax

Profit/(loss) before tax for the year ended 31 December 2013 decreased by EUR 410 million, or 28%, to 1,046 million, as compared to EUR 1,456 million for the year ended 31 December 2012.

Income tax expense

Income tax expense fell 15% to EUR 294 million. This decrease was primarily due to lower profit before tax.

FTEs

The total number of FTEs of ABN AMRO's employees excluding temporary staff ("**FTEs**") declined by 770, or 3%, to 22,289 at 31 December 2013, largely as a result of as a result of staff reductions in all three segments.

Assets under Management

Assets under Management within Private Banking grew by EUR 5.2 billion, or 3%, to EUR 168.3 billion as at 31 December 2013, compared to EUR 163.1 billion as at 31 December 2012 as a result of market performance. Net new assets in the Netherlands were more than offset by a decrease in Jersey.

Selected Consolidated Balance Sheet Movements

	As at 31 December	
	2013	**2012**
	(in millions of euros)	
Assets:		
Cash and balances at central banks	9,523	9,796
Financial assets held for trading	12,019	7,089
Derivatives	14,271	21,349
Financial investments	28,111	21,730
Securities financing[(1)]	18,362	28,793
Loans and receivables - banks	23,967	32,183
Loans and receivables - customers	257,028	262,452
Other	8,741	10,366
Total assets	**372,022**	**393,758**
Liabilities:		
Financial liabilities held for trading	4,399	3,722
Derivatives	17,227	27,508
Securities financing[(1)]	12,266	19,521
Due to banks	11,626	16,935
Due to customers	207,584	201,605
Issued debt	88,682	95,048
Subordinated liabilities	7,917	9,736
Other	8,753	6,800

Total liabilities	*358,454*	*380,875*
Equity:		
Equity attributable to owners of the parent company	13,555	12,864
Equity attributable to non-controlling interests	13	19
Total equity	*13,568*	*12,883*
Total liabilities and equity	**372,022**	**393,758**

(1) Securities financing consists of securities borrowing and lending and sale and repurchase transactions.

Total assets

Total assets as at 31 December 2013 decreased by EUR 21.7 billion, or 6%, to EUR 372.0 billion as compared to EUR 393.8 billion as at 31 December 2012, primarily due to a decline in loans and receivables – banks and securities financing partially offset by an increase in financial investments.

Cash and balances at central banks

Cash and balances at central banks as at 31 December 2013 was relatively stable at EUR 9.5 billion, as compared to EUR 9.8 billion at 31 December 2012.

Financial assets held for trading

Financial assets held for trading increased by EUR 4.9 billion to EUR 12.0 billion as at 31 December 2013, as compared to EUR 7.1 billion as at 31 December 2012, due to a large extent by the fact that equity derivative client positions were hedged using underlying securities rather than derivatives.

Derivatives assets

Derivative assets decreased by EUR 7.1 billion to EUR 14.3 billion as at 31 December 2013, compared to EUR 21.3 billion as at 31 December 2012, due to lower valuation of the interest rate derivative positions.

Financial investments

Financial investments increased by EUR 6.4 billion to EUR 28.1 billion as at 31 December 2013, as compared to EUR 21.7 billion as at 31 December 2012, mainly due to enlargement of the liquidity buffer.

Securities financing assets

Securities financing assets decreased by EUR 10.4 billion to EUR 18.4 billion as at 31 December 2013, as compared to EUR 28.8 billion as at 31 December 2012, mainly due to lower outstanding securities financing client positions.

Loans and receivables – banks

Loans and receivables – banks decreased by EUR 8.2 billion to EUR 24.0 billion as at 31 December 2013, as compared to EUR 32.3 billion as at 31 December 2012, mainly due to lower deposits with the ECB as well as a decrease in pledged cash collateral.

Loans and receivables – customers

Loans and receivables – customers decreased by EUR 5.4 billion to EUR 257.0 billion at 31 December 2013, as compared to EUR 262.5 billion as at 31 December 2012. Commercial loans came down by EUR 1.1 billion (partly due to the sale of EUR 1.0 billion of Greek government-guaranteed corporate loans and EUR 0.4 billion in Madoff-related loans) as most business segments, with the exception of ECT, posted a small decrease in outstanding volumes. The mortgage portfolio decreased by EUR 3.6

billion as a result of extra repayments and lower new production. The total mortgage portfolio was EUR 150.5 billion at 31 December 2013.

Loans and receivables - customers

	As at 31 December	
	2013	**2012**
	(in millions of euros)	
Residential mortgages	150,493	154,129
Consumer loans	16,241	16,645
Commercial loans to clients[1]	78,251	77,870
Total client loans[2]	*244,985*	*248,644*
Commercial loans to professional counterparties	9,798	11,949
Other loans[3]	2,821	1,330
Total loans and receivables[2]	***257,604***	***261,923***
Fair value adjustments from hedge accounting	4,399	6,041
Less: loan impairment allowance	4,975	5,512
Total loans and receivables - customers	**257,028**	**262,452**

(1) Including lease and factoring loans, excluding commercial loans to professional counterparties.

(2) Gross carrying amount excluding fair value adjustment from hedge accounting.

(3) Other loans consists of loans and receivables to government, official institutions and financial markets parties.

Total liabilities

Total liabilities at 31 December 2013 decreased by EUR 22.4 billion to EUR 358.5 billion as at 31 December 2013, as compared to EUR 380.9 billion as at 31 December 2012. The increase in consumer deposits was more than offset by a decline in securities financing volumes and wholesale funding. Lower market values on interest rate derivatives also led to a decrease.

Financial liabilities held for trading

Financial liabilities held for trading increased by EUR 0.7 billion, to EUR 4.4 billion as at 31 December 2013, as compared to EUR 3.7 billion as at 31 December 2012, largely due to higher short security sales-shares, mainly new trades in the U.S.

Derivative liabilities

Derivative liabilities decreased by EUR 10.3 billion to EUR 17.2 billion at 31 December 2013, as at 31 December 2013, as compared to EUR 27.8 billion as at 31 December 2012, mainly as a result of lower market values of interest rate derivatives.

Securities financing liabilities

Securities financing assets decreased by EUR 7.3 billion to EUR 12.3 billion as at 31 December 2013, as compared to EUR 19.5 billion as at 31 December 2012, mainly due to lower securities financing client positions.

Due to banks

Due to banks as at 31 December 2013 decreased by EUR 5.3 billion to EUR 11.6 billion, as compared to EUR 16.9 billion as at 31 December 2012. This decrease was primarily due to decreased and matured balances.

Due to customers

Due to customers increased by EUR 6.0 billion to EUR 207.6 billion as at 31 December 2013, as compared to EUR 201.6 billion as at 31 December 2012. The total savings market in the Netherlands grew, on top of which ABN AMRO managed to increase its market share to 24%. Deposits grew particularly in Retail Banking in the Netherlands as well as at MoneYou in Belgium and Germany. Private Banking deposits increased somewhat as growth in the Netherlands was partly offset by a decline outside the Netherlands. Corporate Banking also posted a rise in deposits. The decrease in Corporate Banking was mainly recorded within Capital Markets Solutions (including Clearing).

Due to customers

	As at 31 December	
	2013	**2012**
	(in millions of euros)	
Retail Banking	93,403	87,211
Private Banking	59,464	58,793
Corporate Banking	51,667	51,738
Group Functions	3,050	3,863
Total Due to customers	**207,584**	**201,605**
Demand deposits	100,151	93,682
Saving deposits	87,448	81,384
Time deposits	19,638	26,196
Total deposits	*207,237*	*201,262*
Other borrowings	347	343
Total Due to customers	**207,584**	**201,605**

Issued debt

Issued debt decreased by EUR 6.4 billion to EUR 88.7 billion as at 31 December 2013, as compared to EUR 95.0 billion as at 31 December 2012, primarily as a result of commercial paper and certificates of deposit, which declined by EUR 5.5 billion. Maturing long-term funding, as well as transactions which were called or tendered, was more than offset by new issuances. Fair value movements led to a decrease of EUR 1.6 billion.

Subordinated liabilities

Subordinated liabilities decreased by EUR 1.8 billion to EUR 7.8 billion at 31 December 2013, as compared to EUR 9.7 billion as at 31 December 2012, as several lower Tier 2 instruments were called that were not Basel III compliant.

Total equity

Total equity increased by EUR 0.7 billion, rising from EUR 12.9 billion at 31 December 2012 to EUR 13.6 billion at 31 December 2013. The increase was due predominantly to the profit for the period. This was partly offset by the call of EUR 210 million of preference shares, the payment of EUR 250 million final dividend to ordinary shareholders over 2012, and the payment of EUR 150 million of interim dividend over 2013.

Results of operations by segment for the years ended 31 December 2013 and 2012

The sections below summarises ABN AMRO's results of operations by segment for the years ended 31 December 2013 and 31 December 2012.

Retail Banking

The sections below summarise the Group's results of operations by segment for the years ended 31 December 2013 and 31 December 2012.

Selected Retail Banking financial information

	Year ended 31 December	
	2013	**2012**
	(in millions of euros)	
Net interest income	3,115	2,758
Net fee and commission income	547	546
Other operating income[1]	29	37
Operating income	*3,691*	*3,341*
Personnel expenses	516	413
Other expenses	1,413	1,369
Operating expenses	*1,929*	*1,782*
Operating result	*1,762*	*1,559*
Impairment charges on loans and other receivables	679	455
Profit/(loss) before tax	*1,082*	*1,104*
Income tax expense	282	279
Underlying profit/(loss) for the period	**800**	**825**
Special Items	-	(3)
Reported profit/(loss) for the period	**800**	**822**

	Year ended 31 December	
	2013	**2012**
Underlying cost/income ratio (in %)	52%	53%
Underlying cost of risk[2] (in bps)	42	28

	As at 31 December	
	2013	**2012**
Loan-to-Deposit ratio (in %)	165%	181%
Loans and receivables customers (in EUR billion)	159.0	163.3
Due to customers (in EUR billion)	93.4	87.2
Risk exposure amount[3] (in EUR billion)	34.3	32.2
FTEs (end of period)	6,503	6,619

(1) "Other operating income" comprises the income statement line items (1) "Net trading income", (2) "Share of result in equity accounted investments" and (3) "Other income".

(2) Cost of risk consists of impairment charges on Loans and receivables - customers for the period divided by average Loans and receivables - customers.

(3) Reported under Basel II.

Profit/(loss) for the period

Profit for the period the year ended 31 December 2013 decreased by EUR 25 million, or 3%, to EUR 800 million, as compared to EUR 825 million for the year ended 31 December 2012. This decrease was primarily due to higher loan impairments, which increased more than operating result.

Operating income

Operating income for the year ended 31 December 2013 increased by EUR 350 million, or 10%, to EUR 3,691 million, as compared to EUR 3,341 million for the year ended 31 December 2012. This increase was primarily due to an increase in net interest income.

Net interest income

Net interest income for the year ended 31 December 2013 increased by EUR 357 million, or 13%, to EUR 3,115 million, as compared to EUR 2,758 million for the year ended 31 December 2012. This was primarily due to improved margins on mortgages, increasing deposit volumes and a change in the methodology for determining the internal liquidity compensation applied to deposits in 2013, which resulted in an improved margin on deposits. Deposit volumes increased by EUR 6.2 billion in 2013, with the MoneYou label, also active in Germany and Belgium, accounting for the bulk of this growth. Additionally, as of 2013, staff benefits on mortgage rates are booked as interest costs within each business segment rather than as compensation under the segment's operating expenses. This has led to an increase in both net interest income and operating expenses within Retail Banking.

Net fee and commission income

Net fee and commission income for the year ended 31 December 2013 increased by EUR 1 million to EUR 547 million, as compared to EUR 546 million for the year ended 31 December 2012.

Other operating income

Other operating income for the year ended 31 December 2013 decreased by EUR 8 million, or 21%, to EUR 29 million, as compared to EUR 37 million for the year ended 31 December 2012.

Operating expenses

Operating expenses for the year ended 31 December 2013 increased by EUR 147 million, or 8% to EUR 1,929 million, as compared to EUR 1,782 million for the year ended 31 December 2012.

Personnel expenses

Personnel expenses for the year ended 31 December 2013 increased by EUR 103 million, or 25%, to EUR 516 million, as compared to EUR 413 million for the year ended 31 December 2012, mainly due to higher pension expenses as a result of the Group's application of amendments to IAS 19.

Other expenses

Other expenses for the year ended 31 December 2013 increased by EUR 44 million, or 3%, to EUR 1,413 million, as compared to EUR 1,369 million for the year ended 31 December 2012, due to the abovementioned change made to the booking of staff benefits on mortgages.

Operating result

The operating result increased by EUR 203 million, or 13%, to EUR 1,762 million, as compared to EUR 1,559 million for the year ended 31 December 2012. The cost/income ratio improved to 52% for the year ended 31 December 2013, as compared to 53% for the year ended 31 December 2012.

Impairment charges on loans and other receivables

Impairment charges on loans and other receivables for the year ended 31 December 2013 increased by EUR 225 million, or 49%, to EUR 679 million, as compared to EUR 455 million for the year ended 31 December 2012. Approximately half of the increase was attributable to mortgages; the other was attributable to the consumer lending portfolio. For additional detail on ABN AMRO's impairment charges, please see "*Annual Report 2014 – Risk & Capital Report – Risk & capital review – Credit risk*".

Loans and receivables – customers

Loans and receivables – customers decreased by EUR 4.3 billion, or 3%, to EUR 159.0 billion as at 31 December 2013, as compared to EUR 163.3 billion as at 31 December 2012. This decrease was primarily due to a decline in outstanding mortgage volumes as a result of sustained sluggishness in the housing market and higher-than-expected repayments. In addition, the amount of consumer loans decreased.

Due to customers

Due to customers increased by EUR 6.2 billion, or 7%, to EUR 93.4 billion as at 31 December 2013 as compared to EUR 87.2 billion at 31 December 2012. The Group managed to increase its share of a growing Dutch savings markets. Outside the Netherlands, MoneYou posted growth in Germany and Belgium.

FTEs

FTEs in Retail Banking decreased by 116 to 6,503 at 31 December 2013 compared to 6,619 as at 31 December 2012.

Private Banking

The table below summarises the Private Banking segment's results for the years ended 31 December 2013 and 31 December 2012.

Selected Private Banking financial information

	Year ended 31 December	
	2013	**2012**
	(in millions of euros)	
Net interest income	529	484
Net fee and commission income	532	502
Other operating income[1]	57	68
Operating income	*1,118*	*1,055*
Personnel expenses	442	405
Other expenses	416	440
Operating expenses	*858*	*844*
Operating result	*260*	*210*
Impairment charges on loans and other receivables	141	74
Profit/(loss) before tax	*119*	*136*
Income tax expense	16	12
Underlying profit/(loss) for the period	**104**	**124**
Special Items	-	(10)
Reported profit/(loss) for the period	**104**	**114**

	Year ended 31 December	
	2013	**2012**
Underlying cost/income ratio (in %)	77%	80%
Underlying cost of risk[2] (in bps)	89	49

	As at 31 December	
	2013	**2012**
Loan-to-Deposit ratio (in %)	26%	25%
Loans and receivables customers (in EUR billion)	15.5	15.4
Due to customers (in EUR billion)	59.5	58.8
Risk exposure amount[3] (in EUR billion)	8.8	9.6
FTEs (end of period)	3,442	3,559

(1) "Other operating income" comprises the income statement line items (1) "Net trading income", (2) "Share of result in equity accounted investments" and (3) "Other income".

(2) Cost of risk consists of impairment charges on Loans and receivables - customers for the period divided by average Loans and receivables - customers.

(3) Reported under Basel II.

Profit/(loss) for the period

Profit for the year ended 31 December 2013 decreased by EUR 20 million, or 16%, to EUR 104 million, as compared to EUR 124 million for the year ended 31 December 2012. This decrease was primarily due to higher loan impairments, which more than offset the increase in operating result.

Operating income

Operating income for the year ended 31 December 2013 increased by EUR 63 million, or 6%, to EUR 1,118 million, as compared to EUR 1,055 million for 2012. This increase resulted from increases in net interest income and net fee and commission income.

Net interest income

Net interest income for for the year ended 31 December 2013 increased by EUR 45 million, or 9%, to EUR 529 million, as compared to EUR 484 million for the year ended 31 December 2012. The increase was due to improved margins (mainly margins on deposits) and higher volumes.

Net fee and commission income

Net fee and commission income for the year ended 31 December 2013 increased by EUR 30 million, or 6%, to EUR 532 million, as compared to EUR 502 million for the year ended 31 December 2012. This increase resulted from higher client activity as well as increased assets under management.

Other operating income

Other operating income for the year ended 31 December 2013 decreased by EUR 11 million, or 17%, to EUR 57 million, as compared to EUR 68 million for the year ended 31 December 2012. This decrease was primarily due to the sale of some smaller international equity participations in 2012.

Operating expenses

Operating expenses for the year ended 31 December 2013 increased by EUR 14 million, or 2% to EUR 858 million, as compared to EUR 844 million for the year ended 31 December 2012.

Personnel expenses

Personnel expenses for the year ended 31 December 2013 increased by EUR 37 million, or 9%, to EUR 442 million, as compared to EUR 405 million for the year ended 31 December 2012, mainly due to higher pension costs.

Other expenses

Other expenses for the year ended 31 December 2013 decreased by EUR 24 million, or 5%,to EUR 416 million, as compared to EUR 440 million for the year ended 31 December 2012, due to lower project costs, as well as lower operating expenses relating to the change in the booking of staff mortgage rates.

Operating result

The operating result for the year ended 31 December 2013 increased by EUR 50 million, or 24%, to EUR 260 million, as compared with EUR 210 million for the year ended 31 December 2012. The

cost/income ratio improved to 77% for the year ended 31 December 2013, from 80% for the year ended 31 December 2012.

Impairment charges on loans and other receivables

Impairment charges on loans and other receivables for the year ended 31 December 2013 increased by EUR 67 million, or 90%, to EUR 141 million, as compared to EUR 74 million for the year ended 31 December 2012. This was caused by a single client case in the international network. For additional detail on ABN AMRO's impairment charges, please see "*Annual Report 2014 – Risk & Capital Report – Risk & capital review – Credit risk*"

Loans and receivables – customers

Loans and receivables – customers as at 31 December 2013 remained largely unchanged, increasing only slightly by EUR 0.1 billion to EUR 15.5 billion as at 31 December 2013, as compared to EUR 15.4 billion as at 31 December 2012.

Due to customers

Due to customers as at 31 December 2013 remained relatively stable, rising slightly by EUR 0.7 billion, or 1%, to EUR 59,5 billion as at 31 December 2013 as compared to EUR 58.8 billion as at 31 December 2012.

FTEs

FTEs in Private Banking as at 31 December 2013 decreased by 117 to 3,442 as at 31 December 2013, as compared to 6,503 as at 31 December 2012.

Assets under Management

Assets under Management as at 31 December 2013 increased by EUR 5.2 billion, or 3%, to EUR 168.3 billion, as compared with EUR 163.1 billion as at 31 December 2012. This increase was primarily due to improving financial markets and was partially offset by a slight decline in net new assets.

The table below summarises the Assets under Management as at 31 December 2013 and 31 December 2012.

Assets under Management

	Year ended 31 December	
	2013	**2012**
	(in billions of euros)	
Opening balance as at 1 January	***163.1***	***146.6***
Net new assets	(2.0)	3.1
Market performance	7.1	13.4
Divestments/acquisitions	-	-
Other (including sales/acquisitions)	0.1	-
Balance at 31 December	**168.3**	**163.1**
Of which:		
Cash	60.7	62.2
Securities	107.6	100.9
Of which:		
The Netherlands (in %)	48%	47%
The rest of Europe (in %)	43%	44%
The rest of the world (in %)	8%	9%

Corporate Banking

The table below summarises the Corporate Banking segment's results for the years ended 31 December 2013 and 31 December 2012.

Selected Corporate Banking financial information

	Year ended 31 December	
	2013	**2012**
	(in millions of euros)	
Net interest income	1,852	1,692
Net fee and commission income	600	648
Other operating income[1]	278	449
Operating income	*2,730*	*2,788*
Personnel expenses	600	525
Other expenses	1,049	1,132
Operating expenses	*1,649*	*1,657*
Operating result	*1,081*	*1,131*
Impairment charges on loans and other receivables	851	901
Profit/(loss) before tax	*230*	*230*
Income tax expense	83	4
Underlying profit/(loss) for the period	**147**	**226**
Special Items	(109)	(4)
Reported profit/(loss) for the period	**38**	**222**

	Year ended 31 December	
	2013	**2012**
Underlying cost/income ratio (in %)	60%	59%
Underlying cost of risk[2] (in bps)	105	112

	As at 31 December	
	2013	**2012**
Loan-to-Deposit ratio (in %)	147%	148%
Loans and receivables customers (in EUR billion)	78.9	78.4
Due to customers (in EUR billion)	51.7	51.7
Risk exposure amount[3] (in EUR billion)	56.0	70.5
FTEs (end of period)	5,022	5,114

(1) "Other operating income" comprises the income statement line items (1) "Net trading income", (2) "Share of result in equity accounted investments" and (3) "Other income".

(2) Cost of risk consists of impairment charges on Loans and receivables - customers for the period divided by average Loans and receivables - customers.

(3) Reported under Basel II.

Profit/(loss) for the period

Profit for the year ended 31 December 2013 decreased by EUR 79 million, or 35%, to EUR 147 million, as compared to EUR 226 million for the year ended 31 December 2012. This decrease was primarily due to a lower operating result, as well as the effect of a comparatively low effective tax rate in the year ended 31 December 2012.

Operating income

Operating income for the year ended 31 December 2013 decreased by EUR 58 million, or 2%, to EUR 2,730 million, as compared to EUR 1,788 million for the year ended 31 December 2012. This increase

was primarily due to decreasing Other operating income, offset in part by growth in net interest income.

Net interest income

Net interest income for the year ended 31 December 2013 increased by EUR 160 million, or 9%, to EUR 1,852 million, as compared to EUR 1,692 million for the year ended 31 December 2012. The increase was primarily due to higher volumes and margins in the Commercial Clients business (including higher margins on loans and higher volumes and margins on deposits) and International Clients business (including higher margins and volumes on loans). Margins in the Commercial Clients and International Clients businesses improved as a result of both re-pricing and an increase in the commitment fees charged on current accounts.

Net fee and commission income

Net fee and commission income for the year ended 31 December 2013 decreased by EUR 47 million, or 7%, to EUR 600 million, as compared to EUR 648 million for the year ended 31 December 2012. This decrease was primarily due to the divestment of part of the insurance activities. Fee income also declined as a result of a reclassification of interbank payment fees from other costs to negative fee income. This decline was offset, in part, by higher transaction fees.

Other operating income

Other operating income for the year ended 31 December 2013 decreased by EUR 171 million, or 38%, to EUR 278 million, as compared to EUR 449 million for the year ended 31 December 2012. This decrease was primarily due to lower volumes in Capital Markets Solutions and the strategic decision to terminate the non-client-related part of the business. Trading income was lower across the board due to challenging market circumstances.

Operating expenses

Operating expenses for the year ended 31 December 2013, decreased slightly by EUR 8 million to EUR 1,649 million, as compared to EUR 1,657 million for the year ended 31 December 2012.

Personnel expenses

Personnel expenses for the year ended 31 December 2013 increased by EUR 124 million, or 26%, to EUR 600 million, as compared to EUR 476 million for the year ended 31 December 2012, mainly due to higher pension costs.

Other expenses

Other expenses for the year ended 31 December 2013 decreased by EUR 83 million, or 7%, to EUR 1,049 million, as compared to EUR 1,132 million for the year ended 31 December 2012.

Operating result

The operating result for the year ended 31 December 2013 decreased by EUR 50 million, or 4%, to EUR 1,081 million, as compared with EUR 1,131 for the year ended 31 December 2012. The cost/income ratio increased to 60% for the year ended 31 December 2013 from 59% for the year ended 31 December 2012.

Impairment charges on loans and other receivables

Impairment charges on loans and other receivables for the year ended 31 December 2013 decreased by EUR 50 million, or 6%, to EUR 851 million, as compared to EUR 901 million for the year ended 31 December 2012. The decline was mainly due to released provisions in the International Clients business in 2013 on a limited number of clients, and a significant provision booked at Capital Markets Solutions business for a single client in 2012. For additional detail on ABN AMRO's impairment

charges, please see "*Annual Report 2014 – Risk & Capital Report – Risk & capital review – Credit risk*"

Loans and receivables – customers

Loans and receivables – customers remained stable, decreased by EUR 0.5 billion to EUR 78.9 billion at 31 December 2013, as compared to EUR 78.4 billion as at 31 December 2012.

Due to customers

Due to customers remained stable at EUR 51.7 billion.

FTEs

FTEs in Corporate Banking decreased by 92 to 5,022 at 31 December 2013 compared to 5,114 as at 31 December 2012.

Commercial Clients

The table below summarises the Commercial Clients business results for the years ended 31 December 2013 and 31 December 2012.

Selected Commercial Clients financial information

	Year ended 31 December	
	2013	**2012**
	(in millions of euros)	
Net interest income	1,213	1,100
Net fee and commission income	188	216
Other operating income[1]	27	19
Operating income	*1,428*	*1,335*
Operating expenses	773	815
Operating result	*655*	*520*
Impairment charges on loans and other receivables	770	623
Profit/(loss) before tax	*(114)*	*(103)*
Income tax expense	(27)	(20)
Underlying profit/(loss) for the period	**(87)**	**(83)**
Special items	-	-
Reported profit/(loss) for the period	**(87)**	**(83)**

	Year ended 31 December	
	2013	**2012**
Underlying cost/income ratio (in %)	54%	61%
Underlying cost of risk[2] (in bps)	175	142

	As at 31 December	
	2013	**2012**
Loans and receivables customers (in EUR billion)	40.0	42.1
Due to customers (in EUR billion)	30.6	28.1
Risk exposure amount[3] (in EUR billion)	24.0	28.1

(1) "Other operating income" comprises the income statement line items (1) "Net trading income", (2) "Share of result in equity accounted investments" and (3) "Other income".

(2) Cost of risk consists of impairment charges on Loans and receivables - customers for the period divided by average Loans and receivables - customers.

(3) Reported under Basel II.

International Clients

The table below summarises the International Clients business results for the years ended 31 December 2013 and 31 December 2012.

Selected International Clients financial information

	Year ended 31 December	
	2013	**2012**
	(in millions of euros)	
Net interest income	584	535
Net fee and commission income	182	203
Other operating income[1]	6	14
Operating income	*771*	*752*
Operating expenses	*421*	*389*
Operating result	*350*	*363*
Impairment charges on loans and other receivables	82	206
Profit/(loss) before tax	*268*	*157*
Income tax expense	80	(34)
Underlying profit/(loss) for the period	**189**	**191**
Special Items	-	(2)
Reported profit/(loss) for the period	**189**	**189**

	Year ended 31 December	
	2013	**2012**
Underlying cost/income ratio (in %)	55%	52%
Underlying cost of risk[2] (in bps)	31	76

	As at 31 December	
	2013	**2012**
Loans and receivables customers (in EUR billion)	26.4	24.4
Due to customers (in EUR billion)	16.1	15.8
Risk exposure amount[3] (in EUR billion)	19.9	27.1

(1) "Other operating income" comprises the income statement line items (1) "Net trading income", (2) "Share of result in equity accounted investments" and (3) "Other income".

(2) Cost of risk consists of impairment charges on Loans and receivables - customers for the period divided by average Loans and receivables - customers.

(3) Reported under Basel II.

Capital Markets Solutions

The table below summarises the Capital Markets Solutions business results for the years ended 31 December 2013 and 31 December 2012.

Selected Capital Markets Solutions financial information

	Year ended 31 December	
	2013	**2012**
	(in millions of euros)	
Net interest income	55	56
Net fee and commission income	231	228
Other operating income[1]	245	416
Operating income	*531*	*700*
Operating expenses	*455*	*455*
Operating result	*76*	*245*

Impairment charges on loans and other receivables	-	72
Profit/(loss) before tax	*76*	*173*
Income tax expense	30	57
Underlying profit/(loss) for the period	**46**	**116**
Special Items	(109)	-
Reported profit/(loss) for the period	**(63)**	**116**

	Year ended 31 December	
	2013	**2012**
Underlying cost/income ratio (in %)	86%	65%
Underlying cost of risk[2] (in bps)	-	72

	As at 31 December	
	2013	**2012**
Financial assets held for trading (in EUR billion)	11.3	6.5
Loans and receivables customers (in EUR billion)	12.4	11.8
Financial liabilities held for trading (in EUR billion)	4.4	3.7
Due to customers (in EUR billion)	4.9	7.9
Risk exposure amount[3] (in EUR billion)	12.2	15.2

(1) "Other operating income" comprises the income statement line items (1) "Net trading income", (2) "Share of result in equity accounted investments" and (3) "Other income".

(2) Cost of risk consists of impairment charges on Loans and receivables - customers for the period divided by average Loans and receivables - customers.

(3) Reported under Basel II.

Group Functions

The majority of the costs of Group Functions are allocated to the business segments. Items not allocated to the business segments include among other things, the operating income from ALM/Treasury, general restructuring charges and certain integration costs.

The table below summarises the Group Functions segment's results for the years ended 31 December 2013 and 31 December 2012.

Selected Group Functions financial information

	Year ended 31 December	
	2013	**2012**
	(in millions of euros)	
Net interest income	(115)	95
Net fee and commission income	(37)	(140)
Other operating income[1]	59	(14)
Operating income	*(93)*	*(60)*
Personnel expenses	762	631
Other expenses	(465)	(678)
Operating expenses	*297*	*(47)*
Operating result	*(390)*	*(13)*
Impairment charges on loans and other receivables	(4)	1
Profit/(loss) before tax	*(386)*	*(14)*
Income tax expense	(87)	48
Profit/(loss) for the period	**(299)**	**(63)**
Special Items	517	57

Reported profit/(loss) for the period	**218**	**(5)**

	As at 31 December	
	2013	**2012**
Loans and receivables customers (in EUR billion)	3.7	5.4
Due to customers (in EUR billion)	3.1	3.9
Risk exposure amount[2] (in EUR billion)	9.9	9.2
FTEs (end of period)	7,321	7,673

(1) "Other operating income" comprises the income statement line items (1) "Net trading income", (2) "Share of result in equity accounted investments" and (3) "Other income".

(2) Cost of risk consists of impairment charges on Loans and receivables - customers for the period divided by average Loans and receivables - customers.

Profit/(loss) for the period

Profit for the year ended 31 December 2013 decreased by EUR 236 million to EUR (299) million, as compared to EUR (63) million for the year ended 31 December 2012. This was caused by lower operating income and higher expenses.

Operating income

Operating income for the year ended 31 December 2013 decreased by EUR 33 million to a loss of EUR 93 million, as compared to a loss of EUR 60 million for the year ended 31 December 2012.

Net interest income

Net interest income for the year ended 31 December 2013 declined by EUR 210 million, to a loss of EUR 115 million, as compared to gain 95 million for the year ended 31 December 2012, mainly due to changes in liquidity compensation. The mismatch result increased due to lower short-term interest rates. The costs of funding as well as capital increased somewhat as maturing debt issued before the crisis was refinanced at higher spread levels.

Net fee and commission income

Net fee and commission income increased by EUR 103 million to a loss of EUR 37 million, as compared to a loss of EUR 140 million for the year ended 31 December 2012, mainly due to a reallocation of fees paid for interbank payments to the segments, which had previously been allocated to the business segments as Other expenses. In 2013, these payments were re-categorized as fee expenses**,** thus impacting the fee income of Group Functions.

Other operating income

Other operating income for the year ended 31 December 2013 increased by EUR 73 million, to EUR 59 million, as compared to EUR 14 million negative income for the year ended 31 December 2012. This increase was primarily due to revaluations of the investment and trading portfolios as well as higher own debt valuation.

Operating expenses

Operating expenses for the year ended 31 December 2013 increased by EUR 344 million to EUR 297 million, as compared to EUR (47) million for the year ended 31 December 2012.

Personnel expenses

Personnel expenses for the year ended 31 December 2013 increased by EUR 131 million, or 21%, to EUR 762 million, as compared to EUR 631 million for the year ended 31 December 2012, mainly due to higher pension costs, which were partly offset by lower FTEs.

Other expenses

Other expenses for the year ended 31 December 2013 increased by EUR 213 million, to EUR (465) million, as compared to EUR (678) million for the year ended 31 December 2012, given that the Group had received compensation for certain expenses in 2012 from external parties under a service level agreement that the Group had entered into in connection with certain EC Remedy-related portfolio divestments. Additionally, there were higher costs for change projects, slightly offset by lower depreciation costs.

Operating result

The operating result for the year ended 31 December 2013 decreased by EUR 377 million, to a loss of EUR 390 million, as compared to a loss of EUR 13 million for the year ended 31 December 2012.

Impairment charges on loans and other receivables

Impairment charges on loans and other receivables was EUR (4) million for the year ended 31 December 2013, a negative shift of EUR 5 million compared to EUR 1 million as at 31 December 2012.

FTEs

The number of FTEs decreased by 352 to 7,321 as at 31 December 2013, as compared to 7,673 as at 31 December 2012.

4.6 Other references

Liquidity and Funding

Please see "*Annual Report 2014 - Risk & Capital management – Liquidity risk management & Funding management* " and *"Annual Report 2014 - Risk & Capital review – Liquidity risk & Funding"* in the Risk & Capital Report of the Annual Report 2014, which has been incorporated by reference herein.

Risk Management and Review

Please see " *Annual Report 2014 - Risk & Capital management* " *and " Risk & Capital review "* in the Risk & Capital Report of the Annual Report 2014, which has been incorporated by reference herein.

Capital Management

Please see *"Annual Report 2014 - Risk & Capital management – Capital management"* in the Risk & Capital Report of the Annual Report 2014, which has been incorporated by reference herein.

Critical Accounting Policies

Please see "*Annual Report 2014 - Notes to the Annual Financial Statements – 1 Accounting policies* " in Annual Financial Statements of the Annual Report 2014, which has been incorporated by reference herein

4.7 Related Party Transactions

Please see "*Annual Report 2014 - Notes to the Annual Financial Statements – 33 Related parties* " in Annual Financial Statements of the Annual Report 2014, which has been incorporated by reference herein.

5. SELECTED STATISTICAL INFORMATION

The reported results for the years ended and as at 31 December 2014, 2013 and 2012 included in this section were extracted from the audited Consolidated Annual Financial Statements of ABN AMRO Group N.V. Certain information in this section derived from ABN AMRO's Annual Report 2014 has been audited and is part of the Consolidated Annual Financial Statements, as permitted by IFRS 7 and IAS 1.

Set out below are certain statistical disclosures, including ABN AMRO's financial assets and liabilities held for trading, details of its loan portfolio and a maturity analysis of its assets and liabilities. This Base Prospectus has been prepared in accordance with the rules and regulations of Euronext Amsterdam and the AFM, which has disclosure requirements that are different from those of the United States. In particular, the information below is not presented in the form or with the content that would be required in an offering registered pursuant to the Securities Act.

Figures below are presented as at and for the years ended 31 December 2014, 2013 and 2012. Certain figures in this section may not add up exactly due to rounding. In addition, certain percentages in this section have been calculated using rounded figures.

5.1 Financial Assets and Liabilities Held for Trading

Please see "*Annual Report 2014 - Notes to the Annual Financial Statements – 12 Financial assets and liabilities held for trading*" in Annual Financial Statements of the Annual Report 2014, which has been incorporated by reference herein.

5.2 Loan Portfolio

Outstanding loans to banks and customers

Please see "*Annual Report 2014 - Notes to the Annual Financial Statements – 18 Loans and receivables – banks and 19 Loans and receivables - customers*" in Annual Financial Statements of the Annual Report 2014, which has been incorporated by reference herein.

Outstanding loans by industry sector

Please see " *Annual Report 2014 - Risk & Capital review – Credit risk – Credit risk concentration – Industry concentration*" in the Risk & Capital Report chapter of the Annual Report 2014, which has been incorporated by reference herein.

Outstanding sovereign and sovereign-guaranteed exposures

Please see "*Annual Report 2014 – Risk & Capital Report – Additional risk & capital information—European exposures*".

5.3 Credit quality of retail loans and other financial assets

Please see " *Annual Report 2014 - Risk & Capital review – Credit risk – Credit risk exposure – Credit quality by exposure class*" in the Risk & Capital Report chapter of the Annual Report 2014, which has been incorporated by reference herein.

5.4 Past due credit exposure

Please see "*Annual Report 2014 - Risk & Capital management – Credit risk – forborne, past due and impaired loans – Past due credit exposures*" in the Risk & Capital Report of the Annual Report 2014, which has been incorporated by reference herein.

5.5 Loan impairment exposure

Loan Impairment Charges and Allowances

Total impairment charges on loans and receivables increased by 19% to EUR 1,171 million for the year ended 31 December 2014 compared with EUR 983 million for the year ended 31 December 2013. The tables below sets out loan impairments and allowances for the year ended 31 December 2014:

Loan Impairment Charges and Allowances

	Securities financing	Commercial loans	Residential mortgages	Consumer loans	Total
			(in millions of euros)		
Balance at 1 January 2014	24	**3,778**	**585**	**612**	**4,999**
Impairment charges for the period	1	1,359	436	340	2,135
Reversal of impairment allowances no longer	(16)	(583)	(228)	(81)	(908)
Recoveries of amounts previously written off	-	(13)	(11)	(36)	(60)
Total impairment charges on loans and other receivables	**(15)**	**763**	**197**	**223**	**1,168**
Amount recorded in interest income from unwinding of discounting	-	(47)	(66)	(11)	(125)
Currency translation differences	2	68	-	-	71
Amounts written off (net)	-	(1,011)	(196)	(182)	(1,389)
Reserve for unearned interest accrued on impaired loans	-	37	39	(10)	65
Other adjustments	-	(19)	(20)	22	(17)
Balance as at 31 December 2014	**11**	**3,568**	**538**	**654**	**4,771**
of which:					
Individual impairment	10	2,847	26	223	3,106
Collective impairment	1	721	512	431	1,665
Carrying amount of loans, individually determined to be impaired, before deducting any individually assessed impairment allowance	10	5,255	1,478	868	7,611
Reconciliation from reported to underlying impairment charges:					
Total reported impairment charges on loans and other receivables	**(15)**	**763**	**197**	**223**	**1,168**
Greek releases	-	-	-	-	-
Madoff releases	-	-	-	-	-
Total underlying impairment charges on	**(15)**	**763**	**197**	**223**	**1,168**

loans and other receivables	

Underlying impairment charges decreased by 30% to EUR 1,168 million for the year ended 31 December 2014, as compared to EUR 1,666 million for the year ended 31 December 2013. This decline was primarily driven by lower impairments in Commercial loans for an amount of EUR 258 million and, to a lesser extent, in the mortgage portfolio.

The tables below sets out loan impairments and allowances for the year ended 31 December 2013:

Loan Impairment Charges and Allowances

	Securities financing	Commercial loans	Residential mortgages	Consumer loans	Total
			(in millions of euros)		
Balance at 1 January 2013	**28**	**4,697**	**370**	**445**	**5,540**
Impairment charges for the period	-	1,588	496	462	2,546
Reversal of impairment allowances no longer	(4)	(1,245)	(135)	(130)	(1,514)
Recoveries of amounts previously written off	-	(6)	(5)	(39)	(50)
Total impairment charges on loans and other receivables	**(4)**	**337**	**356**	**293**	**982**
Amount recorded in interest income from unwinding of discounting	-	(30)	(14)	(9)	(53)
Currency translation differences	-	(32)	-	-	(32)
Amounts written off (net)	-	(1,281)	(165)	(152)	(1,598)
Reserve for unearned interest accrued on impaired loans	-	84	31	35	150
Other adjustments	-	3	7	-	10
Balance as at 31 December 2013	**24**	**3,778**	**585**	**612**	**4,999**
of which:					
Individual impairment	23	2,996	78	228	3,325
Collective impairment	1	782	507	384	1,674
Carrying amount of loans, individually determined to be impaired, before deducting any individually assessed impairment allowance	23	5,175	1,739	887	7,824
Reconciliation from reported to underlying impairment charges:					
Total reported impairment charges on loans and other receivables	**(4)**	**337**	**356**	**293**	**982**
Greek releases	-	432	-	-	432
Madoff releases	-	252	-	-	252
Total underlying impairment charges on loans and other receivables	**(4)**	**1,021**	**356**	**293**	**1,666**

Underlying impairment charges on loans and other receivables amounted to EUR 1,666 million for the year ended 31 December 2013, an increase of EUR 233 million or 16% due to higher loan impairments for Commercial Clients, Consumer Lending and Mortgages.

The table below sets out loan impairments and allowances for the year ended 31 December 2012:

Loan Impairment Charges and Allowances

	Securities financing	Commercial loans	Residential mortgages	Consumer loans	Total
			(in millions of euros)		
Balance at 1 January 2012	**26**	**4,895**	**281**	**344**	**5,546**
Impairment charges for the period	7	1,055	320	343	1,725
Reversal of impairment allowances no longer	(5)	(406)	(67)	44	(434)
Recoveries of amounts previously written off	-	(16)	(6)	(39)	(61)
Total impairment charges on loans and other receivables	**2**	**633**	**247**	**348**	**1,230**
Amount recorded in interest income from unwinding of discounting	-	(35)	(4)	(7)	(46)
Currency translation differences	-	(2)	-	-	(2)
Amounts written off (net)	-	(775)	(185)	(329)	(1,289)
Reserve for unearned interest accrued on impaired loans	-	50	31	14	95
Other adjustments	-	(69)	-	75	6
Balance as at 31 December 2012	**28**	**4,697**	**370**	**445**	**5,540**
of which:					
Individual impairment	24	4,055	56	191	4,326
Collective impairment	4	642	314	254	1,214
Carrying amount of loans, individually determined to be impaired, before deducting any individually assessed impairment allowance	24	6,406	1,504	675	8,609
Reconciliation from reported to underlying impairment charges:					
Total reported impairment charges on loans and other receivables	**2**	**633**	**247**	**348**	**1,230**
Greek releases	-	125	-	-	125
Madoff releases	-	78	-	-	78
Total underlying impairment charges on loans and other receivables	**2**	**836**	**247**	**348**	**1,433**

Impairment

The table below sets out the on- and off-balance impairment charges for the year ended 31 December 2014, 2013 and 2012:

On- and off-balance loan impairment charges

	For the year ended 31 December		
	2014	**2013**	**2012**
	(in millions of euros)		
On-balance	1,168	982	1,230
Off-balance	3	1	(2)
Total impairment charges on loans and other receivables	**1,171**	**983**	**1,228**

5.6 Due to Banks and Customers

Please see "*Annual Report 2014 - Notes to the Annual Financial Statements – 24 Due to banks and 25 Due to customers*" in Annual Financial Statements of the Annual Report 2014, which has been incorporated by reference herein.

5.7 Maturity Analysis of Assets and Liabilities

The following tables show the financial assets and liabilities for 2014, 2013 and 2012 arranged by the earliest possible contractual maturity. This picture is not consistent with how ABN AMRO views and manage liquidity, as it does not take expected client behaviour and other factors into account. Most notably, this table does not reflect prepayment of mortgages and other loans and the fact that the behavioural maturities of client deposits are not in line with the contractual maturities. Financial investments relate to the liquidity buffer and can be liquidated quickly despite the longer contractual maturity.

Contractual maturity of assets and liabilities

	As at 31 December 2014								
	Up to one month	**Between one and three months**	**Between three and six months**	**Between six and twelve months**	**Between one and two years**	**Between two and five years**	**More than five years**	**Maturity not applicable**	**Total**
Assets				*(in millions of euros)*					
Cash and balances at central banks	706	-	-	-	-	-	-	-	706
Financial assets held for trading	9,017	-	-	-	-	-	-	-	9,017
Derivative	19,826	11	34	293	167	959	3,995	-	25,285
Financial investments	637	1,336	4,119	3,399	2,510	8,305	20,628	531	41,466
Securities financing	14,856	2,316	628	-	96	615	-	-	18,511
Loans and receivables – banks	10,672	556	262	402	154	331	9,303	-	21,680
Loans and receivables – customers	18,218	13,324	3,788	14,468	20,952	21,307	169,851	-	261,910
Other assets	2,978	199	1,585	596	223	205	1,393	1,112	8,291
Total assets	**76,911**	**17,742**	**10,417**	**19,158**	**24,102**	**31,723**	**205,171**	**1,643**	**386,867**
Liabilities									
Financial liabilities held for trading	3,759	-	-	-	-	-	-	-	3,759
Derivatives	18,262	20	71	145	387	1813	9,750	-	30,449
Securities financing	11,285	1,551	82	-	-	1,000	-	-	13,918
Due to banks	5,910	925	441	258	105	4,372	3,732	-	15,744

Due to customers	193,014	11,564	1,957	2,314	1,577	1,681	3,904	-	216,011
Issued debt	3,499	8,195	3,688	4,995	11,554	21,340	23,859	-	77,131
- of which senior secured.....	-	-	-	2,961	558	6,387	17,171	-	27,077
- of which senior unsecured.....	1,139	2,172	473	782	8,396	12,603	6,687	-	32,252
- of which securitisations.....	-	3,171	378	500	2,600	2,350	-	-	9,000
- of which other...	2,360	2,852	2,837	753		-	-	-	8,802
Subordinated liabilities	3	-	-	-	1,304	3,605	3,415	-	8,328
Other liabilities	1,969	150	439	479	580	5	335	2,695	6,652
Total liabilities.....	*237,701*	*22,405*	*6,679*	*8,191*	*15,508*	*33,816*	*44,995*	*2,695*	*371,990*
Total equity.....	-	-	-	-	-	-	-	14,877	14,877
Total liabilities and equity	**237,701**	**22,405**	**6,679**	**8,191**	**15,508**	**33,816**	**44,995**	**17,572**	**386,867**
Off-balance sheet liabilities									
Committed credit facilities	16,164	-	-	-	-	-	-	-	16,164
Guarantees	2,592	-	-	-	-	-	-	-	2,592
Irrevocable facilities	5,499	-	-	-	-	-	-	-	5,499
Recourse risks arising from discounted bills	7,243	-	-	-	-	-	-	-	7,243
Total off-balance sheet liabilities.....	**31,498**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**31,498**

Contractual maturity of assets and liabilities

	As at 31 December 2013								
	Up to one month	**Between one and three months**	**Between three and six months**	**Between six and twelve months**	**Between one and two years**	**Between two and five years**	**More than five years**	**Maturity not applicable**	**Total**
Assets				*(in millions of euros)*					
Cash and balances at central banks	9,523	-	-	-	-	-	-	-	9,523
Financial assets held for trading	12,019	-	-	-	-	-	-	-	12,019
Derivative	11,880	11	19	48	354	631	1,328	-	14,271
Financial investments	455	935	610	1,302	2,173	6,761	15,374	501	28,111
Securities financing	14,593	1,959	869	301	-	98	542	-	18,362
Loans and receivables – banks	16,448	491	227	133	18	137	6,513	-	23,967
Loans and receivables – customers	21,809	7,790	1,799	12,809	24,799	20,324	167,698	-	257,028
Other assets	2,335	79	109	583	51	176	1,687	3,721	8,741
Total assets	**89,062**	**11,265**	**3,633**	**15,176**	**27,395**	**28,127**	**193,142**	**4,222**	**372,022**
Liabilities									
Financial liabilities held for trading	4,399	-	-	-	-	-	-	-	4,399
Derivatives	9,863	15	33	47	318	1,710	5,241		17,227
Securities financing	9,449	321	1,460	1	25	1,002	8		12,266
Due to banks	6,035	2,576	390	180	251	166	2,028	-	11,626
Due to customers	182,749	13,606	2,176	1,684	884	2,250	4,235	-	207,584
Issued debt	6,974	7,720	7,156	8,869	11,715	22,007	24,241	-	88,682
- of which senior secured	-	-	75	2,071	3,006	5,016	15,745	-	25,913
- of which senior unsecured	3,918	350	2,309	4,103	4,477	12,050	7,306	-	34,513
- of which securitisations	-	2,040	40	80	4,221	4,930	982	-	12,293
- of which other	3,056	5,330	4,732	2,615	11	11	208	-	15,963
Subordinated liabilities	-	51	-	-	3	3,053	4,810	-	7,917
Other liabilities	1,017	2,489	881	795	4	5	698	2,864	8,753
Total liabilities	*220,486*	*26,778*	*12,096*	*11,576*	*13,200*	*30,193*	*41,261*	*2,864*	*358,454*
Total equity	-	-	-	-	-	-	-	13,568	13,568
Total liabilities and equity	**220,486**	**26,778**	**12,096**	**11,576**	**13,200**	**30,193**	**41,261**	**16,432**	**372,022**
Off-balance sheet liabilities									
Committed credit facilities	13,764	-	-	-	-	-	-	-	13,764
Guarantees	3,534	-	-	-	-	-	-	-	3,534
Irrevocable facilities	5,415	-	-	-	-	-	-	-	5,415
Recourse risks arising from discounted bills	7,154	-	-	-	-	-	-	-	7,154

Total off-balance sheet liabilities	**29,867**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**29,867**

Contractual maturity of assets and liabilities

	As at 31 December 2012								
	Up to one month	**Between one and three months**	**Between three and six months**	**Between six and twelve months**	**Between one and two years**	**Between two and five years**	**More than five years**	**Maturity not applicable**	**Total**
Assets				*(in millions of euros)*					
Cash and balances at central banks	9,796	-	-	-	-	-	-	-	9,796
Financial assets held for trading	5,678	257	385	769	-	-	-	-	7,089
Derivative	17,498	102	136	268	168	1,108	2,069	-	21,349
Financial investments	109	63	88	428	2,483	8,302	9,918	339	21,730
Securities financing	21,581	4,320	1,969	923	-	-	-	-	28,793
Loans and receivables – banks	28,379	3,069	324	332	23	56	-	-	32,183
Loans and receivables – customers	19,829	3,108	3,646	6,307	24,731	20,167	184,664	-	262,452
Other assets	1,384	430	826	1,091	1,178	207	2,461	2,789	**10,366**
Total assets	**104,254**	**11,349**	**7,374**	**10,118**	**28,583**	**29,840**	**199,112**	**3,128**	**393,758**
Liabilities									
Financial liabilities held for trading	2,516	219	329	658	-	-	-	-	3,722
Derivatives	16,511	176	274	556	214	2,039	7,738	-	27,508
Securities financing	16,551	2,490	211	269	-	-	-	-	19,521
Due to banks	11,985	2,889	1,153	482	26	390	10	-	16,935
Due to customers	180,297	7,436	3,531	2,151	1,371	2,591	4,228	-	201,605
Issued debt	5,890	17,143	5,505	6,943	14,138	22,762	22,667	-	95,048
- of which senior secured	2,043	332	124	1,088	2,204	6,070	16,288	-	28,149
- of which senior unsecured	1,190	680	864	3,163	9,494	8,379	5,212	-	28,982
- of which securitisations	1	1,861	1,301	1,410	2,160	8,251	1,167	-	16,151
- of which other	2,656	14,270	3,216	1,282	280	62	-	-	21,766
Subordinated liabilities	14	845	716	85	50	4,674	3,352	-	9,736
Other liabilities	900	245	773	1,264	225	11	751	2,631	6,800
Total liabilities	*234,664*	*31,443*	*12,492*	*12,408*	*16,024*	*32,467*	*38,747*	*2,631*	*380,875*
Total equity	-	-	-	-	-	-	-	12,883	12,883
Total liabilities and equity	**234,664**	**31,443**	**12,492**	**12,408**	**16,024**	**32,467**	**38,747**	**15,514**	**393,758**
Off-balance sheet liabilities									
Committed credit facilities	17,635	-	-	-	-	-	-	-	17,635
Guarantees	3,817	-	-	-	-	-	-	-	3,817
Irrevocable facilities	5,474	-	-	-	-	-	-	-	5,474
Recourse risks arising from discounted bills	7,486	-	-	-	-	-	-	-	7,486
Total off-balance sheet liabilities	**34,412**	-	-	-	-	-	-	-	**34,412**

The next tables provide a maturity analysis of the earliest contractual undiscounted cash flows for assets and liabilities. Financial assets and liabilities held for trading are recorded within on demand at fair value. The Company believes this best represents the short-term nature and the cash flows of these activities. The contractual maturity of the instruments may however extend over significantly longer periods.

Maturity based on contractual undiscounted cash flows for the year ending 31 December 2014:

Maturity based on contractual undiscounted cash flows

	As at 31 December 2014										
	On demand	**Trading derivatives**	**Up to one month**	**Between one and three months**	**Between three and six months**	**Between six and twelve months**	**Between one and two years**	**Between two and five years**	**More than five years**	**Maturity not applicable**	**Total**
	(in millions of euros)										
Assets											
Cash and balances at central banks	611	-	95	-	-	-	-	-	-	-	706
Financial assets held for trading	9,017	-	-	-	-	-	-	-	-	-	9,017
Derivatives.....	-	19,730	84	219	83	582	786	1,857	2,195	-	25,536
Financial investments	-	-	668	1,456	4,395	3,857	3,294	10,036	22,499	-	46,205
Securities financing	126	-	14,740	2,323	634	8	109	639	-	-	18,579
Loans and receivables – banks.....	8,372	-	2,305	574	304	479	296	660	9,630	-	22,620
Loans and receivables – customers.....	315	-	18,331	14,899	7,530	21,165	32,294	47,090	193,785	-	335,411
Other assets.....	352	-	2,627	203	1,592	604	235	234	1,419	1,113	8,380
Total undiscounted assets	**18,794**	**19,730**	**38,851**	**19,674**	**14,539**	**26,694**	**37,014**	**60,515**	**229,529**	**1,113**	**466,453**
Gross settled derivatives not held for trading:											
Contractual amounts receivable.....	-	-	25	42	29	77	142	301	174		790
Contractual amounts payable	-	-	6	13	17	28	57	110	29		260
Total undiscounted gross settled derivatives not held for trading	**-**	**-**	**19**	**29**	**12**	**49**	**85**	**191**	**145**	**-**	**530**
Net settled derivatives not held for trading	-	-	65	191	58	529	693	1,653	1,990	-	5,178
Liabilities											
Financial liabilities held for trading .	3,759	-	-	-	-	-	-	-	-	-	3,759
Derivatives.....	-	18,203	115	162	475	593	1,163	2,562	6,323	-	29,597
Securities financing	49	-	11,243	1,555	88	10	19	1,036	-	-	13,999
Due to banks	1,974	-	3,943	946	489	345	267	4,712	3,910	-	16,586
Due to customers	64,330	-	128,752	11,600	2,003	2,378	1,668	1,878	4,053	-	216,662
Issued debt	63	-	3,512	8,477	4,312	6,072	13,169	24,741	25,864	-	86,210
Subordinated liabilities	-	-	19	62	156	296	1,781	4,602	3,949	-	10,864
Other liabilities	1,341	-	629	151	442	482	582	9	339	2,696	6,670
Total liabilities..	*71,517*	*18,203*	*148,212*	*22,954*	*7,965*	*10,176*	*18,648*	*39,540*	*44,439*	*2,696*	*384,348*
Gross settled derivatives not held for trading:											

Contractual amounts receivable.....	-	-	8	1	8	17	31	30	5	-	100
Contractual amounts payable	-	-	4	2	2	30	34	34	7	-	112
Total undiscounted gross settled derivatives not held for trading	**-**	**-**	**(4)**	**-**	**(6)**	**14**	**3**	**4**	**1**	**-**	**12**
Net settled derivatives not held for trading.....	-	-	119	158	455	548	1,098	2,459	5,270	-	10,106
Net liquidity gap	**(52,723)**	**1,527**	**(109,361)**	**(3,280)**	**6,574**	**16,518**	**18,367**	**20,975**	**185,090**	**(1,583)**	**82,105**
Off balance sheet liabilities:											
Committed credit facilities	16,164	-	-	-	-	-	-	-	-	-	16,164
Guarantees.....	2,592	-	-	-	-	-	-	-	-	-	2,592
Irrevocable facilities	5,499	-	-	-	-	-	-	-	-	-	5,499
Recourse risks arising from discounted bills	7,243	-	-	-	-	-	-	-	-	-	7,243
Total off-balance sheet liabilities.	**31,498**	**-**	**-**	**-**	**-**		**-**		**-**	**-**	**31,498**

Maturity based on contractual undiscounted cash flows for the year ending 31 December 2013:

Maturity based on contractual undiscounted cash flows

	As at 31 December 2013										
	On demand	**Trading derivatives**	**Up to one month**	**Between one and three months**	**Between three and six months**	**Between six and twelve months**	**Between one and two years**	**Between two and five years**	**More than five years**	**Maturity not applicable**	**Total**
	(in millions of euros)										
Assets											
Cash and balances at central banks.....	9,523	-	-	-	-	-	-	-	-	-	9,523
Financial assets held for trading.....	11,840	-	20	-	-	-	-	-	-	-	11,860
Derivatives.....	-	11,998	59	178	73	491	932	2,146	1,959	-	17,836
Financial investments	-	-	464	971	696	1,457	2,438	7,343	15,771	542	29,682
Securities financing	7,021	-	7,579	1,967	878	310	15	131	596	-	18,497
Loans and receivables – banks.....	3,751	-	12,704	502	257	171	124	384	6,757	-	24,650
Loans and receivables – customers.....	2	-	22,240	9,335	5,532	19,573	36,035	45,848	191,451	-	330,016
Other assets.....	389	-	1,980	148	214	790	245	115	1,658	3,730	9,269
Total undiscounted assets	**32,526**	**11,998**	**45,046**	**13,101**	**7,650**	**22,792**	**39,789**	**55,967**	**218,192**	**4,272**	**451,333**
Gross settled derivatives not held for trading:											
Contractual amounts receivable.....	-	-	8	21	34	57	117	299	165	-	701
Contractual amounts payable	-	-	5	5	11	20	40	119	29	-	229
Total undiscounted gross settled derivatives not held for trading	**-**	**-**	**3**	**16**	**23**	**37**	**77**	**180**	**136**	**-**	**472**
Net settled derivatives not held for trading	-	-	32	154	33	447	622	1,895	1,650	-	4,833

Liabilities											
Financial liabilities held for trading .	4,378	-	21	-	-	-	-	-	-	-	4,399
Derivatives.....	-	9,849	117	199	483	554	1,306	4,001	6,587	-	23,096
Securities financing	3,064	-	6,391	328	1,471	13	47	1,044	8	-	12,366
Due to banks	1,942	-	4,102	2,597	422	230	336	357	2,189	-	12,175
Due to customers	60,916	-	121,913	13,653	2,231	1,763	1,012	2,527	4,434	-	208,449
Issued debt	-	-	7,020	7,886	7,523	9,463	12,597	23,862	25,330	-	93,681
Subordinated liabilities	-	-	12	101	125	238	453	4,030	5,467	-	10,426
Other liabilities	639	-	393	2,511	1,029	1,106	32	44	482	2,744	8,980
Total liabilities..	*70,939*	*9,849*	*139,969*	*27,275*	*13,284*	*13,367*	*15,783*	*35,865*	*44,497*	*2,744*	*373,572*
Gross settled derivatives not held for trading:											
Contractual amounts receivable.....	-	-	3	3	16	21	40	72	8	-	163
Contractual amounts payable	-	-	11	4	13	29	54	97	12	-	220
Total undiscounted gross settled derivatives not held for trading	**-**	**-**	**8**	**1**	**(3)**	**9**	**14**	**25**	**3**	**-**	**57**
Net settled derivatives not held for trading	-	-	97	182	454	525	1,235	3,687	6,099	-	12,279
Net liquidity gap	**(38,413)**	**2,149**	**(94,923)**	**(14,174)**	**(5,634)**	**9,425**	**24,006**	**20,102**	**173,695**	**1,528**	**77,761**
Off balance sheet liabilities:											
Committed credit facilities	13,764	-	-	-	-	-	-	-	-	-	13,764
Guarantees	3,534	-	-	-	-	-	-	-	-	-	3,534
Irrevocable facilities	5,415	-	-	-	-	-	-	-	-	-	5,415
Recourse risks arising from discounted bills	7,154	-	-	-	-	-	-	-	-	-	7,154
Total off-balance sheet liabilities .	**29,867**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**29,867**

Maturity based on contractual undiscounted cash flows for the year ending 31 December 2012:

Maturity based on contractual undiscounted cash flows

	As at 31 December 2012										
	On demand	**Trading derivatives**	**Up to one month**	**Between one and three months**	**Between three and six months**	**Between six and twelve months**	**Between one and two years**	**Between two and five years**	**More than five years**	**Maturity not applicable**	**Total**
	(in millions of euros)										
Assets											
Cash and balances at central banks	9,749	-	47	-	-	-	-	-	-	-	9,796
Financial assets held for trading	5,555	-	124	256	385	769	-	-	-	-	7,089
Derivatives.....	1	17,254	72	188	166	332	657	1,970	1,512	-	22,152
Financial investments	1	-	122	121	232	697	2,935	9,264	10,501	339	24,212
Securities financing	90	-	21,532	4,331	1,978	925	-	-	-	-	28,856
Loans and receivables – banks.....	7,703	-	20,664	3,076	327	333	24	58	-	-	32,185
Loans and receivables – customers	3,434	-	16,845	4,744	7,636	13,661	37,171	48,493	211,276	-	343,260

Other assets.....	3	-	1,611	541	982	1,390	1,227	606	2,735	2,789	11,884
Total undiscounted assets	**26,536**	**17,254**	**61,017**	**13,257**	**11,706**	**18,107**	**42,014**	**60,391**	**226,024**	**3,128**	**479,434**
Gross settled derivatives not held for trading:											
Contractual amounts receivable.....	-	-	12	76	29	57	157	471	292	-	1,094
Contractual amounts payable	-	-	24	5	11	21	57	171	38	-	327
Total undiscounted gross settled derivatives not held for trading	**-**	**-**	**(12)**	**71**	**18**	**36**	**100**	**300**	**254**	**-**	**767**
Net settled derivatives not held for trading	-	-	84	117	148	296	556	1,669	1,258	-	4,129
Liabilities											
Financial liabilities held for trading .	2,409	-	106	219	329	658	-	-	-	-	3,721
Derivatives.....	3	16,376	485	110	650	1,137	1,683	5,069	7,779	-	33,292
Securities financing	1,371	-	15,187	2,493	212	269	-	-	-	-	19,532
Due to banks	2,372	-	9,625	2,908	1,166	492	39	415	11	-	17,028
Due to customers	61,234	-	119,201	7,487	3,610	2,258	1,533	2,940	4,465	-	202,728
Issued debt	3	-	5,966	17,423	6,077	7,908	15,526	25,660	24,292	-	102,855
Subordinated liabilities	-	-	25	889	815	266	391	5,388	3,693	-	11,467
Other liabilities	689	-	1	27	92	5	260	92	826	2,631	4,623
Total liabilities..	*68,081*	*16,376*	*150,596*	*31,556*	*12,951*	*12,993*	*19,432*	*39,564*	*41,066*	*2,631*	*395,246*
Gross settled derivatives not held for trading:											
Contractual amounts receivable.....	-	-	1	2	16	32	49	148	29	-	277
Contractual amounts payable	-	-	9	2	11	21	38	115	19	-	215
Total undiscounted gross settled derivatives not held for trading	**-**	**-**	**8**	**-**	**(5)**	**(10)**	**(11)**	**(33)**	**(11)**	**-**	**(62)**
Net settled derivatives not held for trading.....	-	-	375	178	396	793	1,654	4,964	7,376	-	15,736
Net liquidity gap	**(41,545)**	**878**	**(89,579)**	**(18,299)**	**(1,245)**	**5,114**	**22,582**	**20,827**	**184,958**	**497**	**84,188**
Off balance sheet liabilities:											
Committed credit facilities	17,635	-	-	-	-	-	-	-	-	-	17,635
Guarantees	3,817	-	-	-	-	-	-	-	-	-	3,817
Irrevocable facilities	5,474	-	-	-	-	-	-	-	-	-	5,474
Recourse risks arising from discounted bills	7,486	-	-	-	-	-	-	-	-	-	7,486
Total off-balance sheet liabilities .	**34,412**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**34,412**

BOOK ENTRY, DELIVERY, FORM AND SETTLEMENT

Form of the Notes and registration

General

The Notes may be offered (i) within the United States to QIBs as defined in Rule 144A of the Securities Act in reliance upon the exemption from registration requirements of the Securities Act provided by Rule 144A or another exemption from, or in a transaction not subject to, the registration requirements of the Securities Act only, (ii) outside the United States in an offshore transaction to a non-U.S. person within the meaning of Regulation S in accordance with Rule 903 and 904 of Regulation S under the Securities Act or (iii) simultaneously within the United States to QIBs as defined in Rule 144A of the Securities Act in reliance upon the exemption from the registration requirements of the Securities Act provided by Rule 144A or another exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and outside the United States in an offshore transaction to a non-U.S. person within the meaning of Regulation S in accordance with Rule 903 and 904 of Regulation S under the Securities Act as part of a global offering. Upon issue, Notes will be represented initially by one or more global certificates in fully registered form (each, a "**Global Certificate**") without receipts, interest coupons or talons.

If the Notes are stated in the relevant Final Terms to be held under the NSS, they are intended to be eligible collateral for Eurosystem monetary policy and the Euro Regulations Global Certificates representing such Notes will be delivered on or prior to the original issue date of the Tranche to a common safekeeper. Depositing the Euro Regulations Global Certificates with the common safekeeper does not necessarily mean that the Notes will be recognized as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue, or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.

Notes sold pursuant to an offering made in the United States only will be represented by one or more Global Certificates deposited with the U.S. Registrar (in such capacity, the "**Custodian**") as custodian for, and registered in the name of a nominee of, DTC as depositary (each Global Certificate so deposited and registered is referred to herein as a "**Rule 144A Global Certificate**").

Notes sold pursuant to an offering made outside the United States only will be represented by one or more Global Certificates registered by the European Registrar (which initially is The Bank of New York Mellon (Luxembourg) S.A.) in a register (the "**European Register**") in the name of, or the name of a nominee of, and deposited with (i) in the case of Notes held under the NSS, the common safekeeper, and (ii) in the case of Notes not held under NSS, the European Registrar (in such capacity, the "**Depositary**") as common depositary for, Euroclear and/or Clearstream, Luxembourg (each Global Certificate so deposited and registered is referred to herein as a "**Euro Regulation S Global Certificate**"). The European Registrar will cause the European Register to be kept initially at its offices in Luxembourg, in which, subject to such reasonable regulations it may prescribe, the European Registrar will provide for the registration of Euro Regulation S Global Certificates, any Definitive Notes related thereto and any transfers thereof. The Issuer reserves the right to transfer such registration function to another bank or financial institution at any time.

Notes sold pursuant to an offering made in and outside the United States simultaneously as part of a global offering may be represented either (i) solely by one or more Rule 144A Global Certificates registered in respect of Notes sold in the United States and one or more Global Certificates deposited with the U.S. Registrar as custodian for, and registered in the name of a nominee of, DTC, registered in respect of Notes sold outside the United States (each Global Certificate so deposited and registered is referred to herein as a "**DTC Regulation S Global Certificate**"; and each DTC Regulation S Global Certificate together with any Euro Regulation S Global Certificate, each a "**Regulation S Global Certificate**"; and each DTC Regulation S Global Certificate together with any Rule 144A Global Certificate, each a "**DTC**

Global Certificate"), such arrangement referred to herein as a "**Single Global Note Issue**" or, alternatively (ii) by one or more Rule 144A Global Certificates so deposited and registered in respect of Notes sold in the United States, and a separate Euro Regulation S Global Certificate registered in the name of, or the name of a nominee of, and deposited with (i) in the case of Notes held under the NSS, the common safekeeper, and (ii) in the case of Notes not held under NSS, a common depositary for, Euroclear or Clearstream, Luxembourg, as the case may be, in respect of Notes sold outside the United States, such arrangement referred to herein as a "**Dual Global Note Issue**".

Notes sold to QIBs in reliance on Rule 144A (including beneficial interests in the Rule 144A Global Certificates) will be subject to certain restrictions on transfer and will bear a restrictive legend as described under "*Notice to Purchasers*".

Except as described below, owners of beneficial interests in a Global Certificate (each, a "**Beneficial Owner**") will not be entitled to have Notes registered in their names, will not receive or be entitled to receive physical delivery of Notes in individual certificated registered form (each, a "**Definitive Note**") and will not be considered the owners or holders thereof under the relevant Agency Agreement. Beneficial interests in a Global Certificate will be represented, and transfers thereof will be effected, only through book-entry accounts of financial institutions acting on behalf of the Beneficial Owners, as a direct or indirect participant in the relevant clearing system.

Investors in a global offering may elect to hold beneficial interests in a Global Certificate (a) through DTC (in the United States) if such investors are U.S. persons who are also QIBs, or (b) through Euroclear or Clearstream, Luxembourg (in Europe) if such investors are not U.S. persons (as defined in Regulation S), if they are participants in such systems, or indirectly through organizations that are participants in such systems. If the Notes sold pursuant to a global offering are part of a Single Global Note Issue, Clearstream, Luxembourg and Euroclear will hold omnibus positions on behalf of their participants through customers' securities accounts in Clearstream, Luxembourg's and/or Euroclear's names on the books of their respective U.S. depositories, which, in turn, hold such positions in customers' securities accounts in the U.S. depositories' names on the books of DTC. Citibank, N.A. acts as the U.S. depository for Clearstream, Luxembourg and JP Morgan Chase, New York acts as the U.S. depository for Euroclear (each, a "**U.S. Depositary**" and, collectively, the "**U.S. Depositaries**").

The Bank of New York Mellon, New York will serve initially as the U.S. Registrar for the Notes. In such capacity, the U.S. Registrar will cause to be kept at its offices in The City of New York, a register (the "**U.S. Register**"; the U.S. Register and the European Register are collectively referred to as the "**Registers**" and each a "**Register**") in which, subject to such reasonable regulations as it may prescribe, the U.S. Registrar will provide for the registration of Notes and of transfers thereof. The Issuer reserves the right to transfer such registration function to another bank or financial institution at any time. Subject to applicable law and the terms of the relevant Agency Agreement and the Notes, the Issuer and the Paying Agents, the Registrars and the Transfer Agent (collectively, the "**Fiscal Agents**," and each individually, a "**Fiscal Agent**") will deem and treat the registered holder or holders of Notes in the relevant Register as the absolute owner or owners thereof for all purposes whatsoever notwithstanding any notice to the contrary; and all payments to, or to the order of, the registered holders will be valid and effectual to discharge the liability of the Issuer and the Fiscal Agents on the Notes to the extent of the sum or sums so paid. However, for so long as the Notes are represented by a Global Certificate, each person who is for the time being shown in the records of DTC and/or Euroclear and/or Clearstream, Luxembourg as the holder of a particular principal amount of such Notes (other than Clearstream, Luxembourg if Clearstream, Luxembourg shall be an account holder of Euroclear and other than Euroclear if Euroclear shall be an account holder of Clearstream, Luxembourg) (in which regard any certificate or other document issued by DTC and/or Euroclear and Clearstream, Luxembourg as to the principal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes except in the case of manifest error) shall be treated by the Issuer and the Fiscal Agent as a holder of such principal amount of such Notes for all purposes other than for the payment of principal, premium (if any)

and interest on such Notes, the right to which shall be vested, as against the Issuer and the Fiscal Agent, solely in the person in whose name the Global Certificate is registered in accordance with and subject to its terms, which shall be DTC, its nominee, Euroclear and/or Clearstream, Luxembourg, a nominee of Euroclear and/or Clearstream, Luxembourg or a successor to Euroclear and/or Clearstream, Luxembourg, DTC or any such nominee is the registered owner of a Global Certificate, DTC, Euroclear and/or Clearstream, Luxembourg, or any such nominee or successor, as the case may be.

Accordingly, any Beneficial Owner must rely on the procedures of DTC, Euroclear and/or Clearstream, Luxembourg, as the case may be, and, if such person is not a participant in any such clearing system, on the procedures of the participant therein through which such person owns its beneficial interest, to exercise any rights of a holder of Notes. The Issuer understands that, under existing industry practices, in the event that the Issuer requests any action of holders or that Beneficial Owners desire to give or take any action which a holder is entitled to give or take under the relevant Agency Agreement, DTC, its nominee or a successor to DTC or its nominee, as the holder of the DTC Global Certificate, would authorize the participants through which the relevant beneficial interests are held (or persons holding beneficial interests in the Notes through participants) to give or take such action, and such participants would authorize Beneficial Owners owning through such participants (or such persons holding beneficial interests in the Notes through participants) to give or take such action and would otherwise act upon the instructions given to such participants (or such persons) by such Beneficial Owners.

DTC may grant proxies or otherwise authorize its participants (or persons holding beneficial interests in the Notes through its participants) to exercise any rights of a holder or take any other actions which a holder is entitled to take under the relevant Agency Agreement or in respect of the Notes. Euroclear or Clearstream, Luxembourg, as the case may be, will take any action permitted to be taken by a holder under the relevant Agency Agreement or the Notes on behalf of a Euroclear participant or a Clearstream, Luxembourg participant only in accordance with its relevant rules and procedures and, with respect to beneficial interests in a DTC Global Certificate, subject to the common depositary's ability to effect such actions on its behalf through DTC. Because DTC can act only on behalf of its participants, who in turn act on behalf of indirect participants, the ability of a Beneficial Owner to pledge its beneficial interest in the Notes to persons or entities that do not participate in the DTC system or otherwise take action in respect of such beneficial interest, may be limited by the lack of a definitive certificate for such beneficial interest. The laws of some jurisdictions may require that certain purchasers of securities take physical delivery of such securities in definitive form. Such limits and such laws may impair the ability to transfer beneficial interests in a DTC Global Certificate.

Principal of, and premium, if any, and interest on, the Notes are payable to the persons in whose names the Notes are registered on the Record Date (as defined in the applicable Terms and Conditions) preceding any Interest Payment Date or at Maturity, as the case may be. Ownership positions within each clearing system will be determined in accordance with the normal conventions observed by such system. The U.S. Paying Agent and the European Paying Agent will act as the Issuer's paying agents for the Notes pursuant to the relevant Agency Agreement. Principal and interest payments on a Global Certificate will be made to DTC, its nominee or a nominee of Euroclear and/or Clearstream, Luxembourg, as the case may be (or to any successor to DTC or any such nominee), as the registered holder of the Global Certificate representing such Notes. Neither the Issuer nor any agent of the Issuer will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in a Global Certificate or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Upon receipt of any payment of principal of, or premium, if any, or interest on, a DTC Global Certificate, the Issuer expects that DTC will credit its participants' accounts with payment in amounts proportionate to their respective beneficial interests in the principal amount of such DTC Global Certificate as shown on the records of DTC. Payments by such participants to owners of beneficial interests in the DTC Global Certificate held through such participants will be the responsibility of such participants, as is now the case

with securities held for the accounts of customers registered in a "street name". Distributions with respect to Notes held through Euroclear and/or Clearstream, Luxembourg will be credited to the cash accounts of Euroclear participants (as defined below) and/or Clearstream, Luxembourg participants (as defined below) in accordance with the relevant system's rules and procedures, to the extent received by the Depositary.

Exchange of Global Certificates for Definitive Notes

Unless otherwise provided in the applicable Pricing Term Sheet and/or Final Terms, beneficial interests in a Global Certificate will be exchangeable for Definitive Notes, only if such exchange is permitted by applicable law and (i) in the case of a DTC Global Certificate, DTC notifies the Issuer that it is unwilling or unable to continue as depositary for the DTC Global Certificate or DTC ceases to be a clearing agency registered under the Exchange Act, if so required by applicable law or regulation, and, in either case, a successor depositary is not appointed by the Issuer within 90 days after receiving such notice or becoming aware that DTC is no longer so registered, (ii) in the case of any other Global Certificate, if the clearing system(s) through which it is cleared and settled is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention to cease business permanently or does in fact do so and a successor or successors is or are not appointed by the Issuer within 90 days from the commencement of such closure, announcement or cessation of business, (iii) the Issuer, in its discretion, elects to issue Definitive Notes for a specific issue of Notes; or (iv) upon an Event of Default as described in Condition 9 (*Events of Default*). The Definitive Notes so issued in exchange for any such Global Certificate shall be of like tenor and of an equal aggregate principal amount, in authorized denominations and will bear the restrictive legend referred to in "*Notice to Purchasers*". Such Definitive Notes shall be registered in the relevant Register in the name or names of such person or persons as the relevant clearing system shall instruct the applicable Registrar. It is expected that such instructions may be based upon directions received by DTC from DTC participants with respect to ownership of beneficial interests in the DTC Global Certificate. Except as provided above, owners of beneficial interests in a Global Certificate will not be entitled to receive physical delivery of Definitive Notes and will not be considered the registered holders of such Notes for any purpose. Upon exchange into Definitive Notes, holders will become Registered Holders.

Subject to the detailed provisions of the relevant Global Certificate, if the exchange of the Global Certificate has not been completed by 5.00 p.m. (New York, United States of America time) on the date which is five business days after the delivery to the applicable Registrar of such information as is required to complete and deliver such Definitive Notes against the surrender of such Global Certificate at the specified office of the relevant Registrar, each person shown in the records of the relevant clearing system as being entitled to an interest in such Global Certificate (a "**Relevant Account Holder**") shall directly acquire, without the need for any further action on behalf of any person, against the Issuer all those rights ("**Direct Rights**") which such Relevant Account Holder would have had if, immediately before such time, it held and owned duly executed and authenticated Definitive Notes in respect of each Note represented by such Global Certificate which such Relevant Account Holder has credited to its securities account with the relevant clearing system at such time including, without limitation, the right to receive all payments due at any time in respect of such Definitive Notes other than any corresponding payments already made under the relevant Global Certificate. As from such time, the holder of the relevant Global Certificate will have no further rights thereunder; the registered holder of the relevant Global Certificate shall not be entitled to receive further payments or enforce any other rights thereunder.

Each Relevant Account Holder shall - where applicable - have the right to assign Direct Rights recorded in his name to a third party, including Beneficial Owners of the relevant Global Certificate. Such legal person shall be obliged to accept the assignment, as a result of which the legal person in question will acquire a direct claim against the Issuer. See for further details the form of Global Certificates attached to the Senior Notes Agency Agreement and the Subordinated Notes Agency Agreement.

Exchange of Definitive Notes for Definitive Notes

Any Definitive Note issued under the circumstances described in the preceding paragraph will be transferable in whole or in part in an authorized denomination upon the surrender of such Note, together with the form of transfer endorsed thereon duly completed and executed, at the specified office of the applicable Registrar or the specified office of the Transfer Agent or any other transfer agent maintained for that purpose. In the case of a transfer in part only of a Definitive Note, a new Definitive Note in respect of the balance not transferred will be issued to the transferor. Each new Definitive Note to be issued upon transfer will, within five Business Days of receipt of such form of transfer, be delivered to the transferee at the office of the applicable Registrar or such paying agent or mailed, at the risk of the holder entitled to the Definitive Note in respect of which the relevant Definitive Note is issued, to such address as may be specified in such form of transfer.

Exchange of Definitive Notes for Global Certificates

Definitive Notes may not be transferred for beneficial interests in any Global Certificate unless the transferor first delivers to the Transfer Agent a written certificate to the effect that such transfer will comply with the appropriate transfer restrictions applicable to such Notes. See "*Notice to Purchasers*".

Exchange between Regulation S Global Certificates and Rule 144A Global Certificates

Interests in a Regulation S Global Certificate may be transferred to a person who wishes to hold an interest in a Rule 144A Global Certificate only upon receipt by the Registrars, the Transfer Agent and the Paying Agents of a written certification from the transferor (in the form set out in the relevant Agency Agreement) to the effect that such transfer is being made to a person whom the transferor reasonably believes is a qualified institutional buyer within the meaning of Rule 144A purchasing for its own account or for the account of a qualified institutional buyer, in a transaction meeting the requirements of Rule 144A and in accordance with any applicable securities laws of any state of the United States.

Interests in a Rule 144A Global Certificate may also be transferred to a person who wishes to hold an interest through a Regulation S Global Certificate, but only upon receipt by the Registrars, the Transfer Agent and the Paying Agents of a written certification from the transferor to the effect that such transfer is being made in accordance with Rule 903 or Rule 904 of Regulation S or with Rule 144A (if available) under the Securities Act.

Any interest in either a Rule 144A Global Certificate or a Regulation S Global Certificate that is transferred to a person who takes delivery in the form of an interest in the other Global Certificate will, upon transfer, cease to be an interest in such Global Certificate and become an interest in the other Global Certificate and, accordingly, will thereafter be subject to all transfer restrictions and other procedures applicable to an interest in such other Global Certificate.

Global clearance and settlement

General

Notes issued pursuant to the Program may be held through one or more international and domestic clearing systems, principally, the book-entry systems operated by DTC in the United States, and Euroclear and Clearstream, Luxembourg in Europe. Electronic securities and payment transfer, processing, depositary and custodial links have been established among these systems and others, either directly or through custodians and depositaries, which enable Notes to be issued, held and transferred among the clearing systems through these links. The relevant Agents (if any) have direct electronic links with DTC, Euroclear and Clearstream, Luxembourg. Special procedures have been established among these clearing systems and the relevant Agents (if any) to facilitate clearance and settlement of certain Notes traded across borders in the secondary market. Cross-market transfers of Notes in respect of which payments will be made in U.S. Dollars and which will be issued in global form may be cleared and settled using these procedures on a delivery against payment basis. Cross-market transfers of Notes in other than

global form may be cleared and settled in accordance with other procedures established among any relevant Agent or Agents, as the case may be, and the clearing systems concerned for this purpose.

Although DTC, Euroclear and Clearstream, Luxembourg have agreed to the procedures described below in order to facilitate transfers of Notes among participants of DTC, Euroclear and Clearstream, Luxembourg, they are under no obligation to perform or continue to perform such procedures and such procedures may be modified or discontinued at any time. Neither the Issuer nor the Agents (if any) will have any responsibility for the performance by DTC, Euroclear and/or Clearstream, Luxembourg or their respective participants or indirect participants of the respective obligations under the rules and procedures governing their operations.

The clearing systems

DTC

DTC has advised the Issuer that it is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("**Direct Participants**") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("**DTCC**"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("**Indirect Participants**"). DTC has Standard & Poor's highest rating: AAA. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Clearstream, Luxembourg

Clearstream, Luxembourg holds securities for its participating organizations ("**Clearstream, Luxembourg participants**") and facilitates the clearance and settlement of securities transactions between Clearstream, Luxembourg participants through electronic book-entry changes in accounts of Clearstream, Luxembourg participants, thereby eliminating the need for physical movement of certificates. Clearstream, Luxembourg provides to Clearstream, Luxembourg participants, among other things, services for safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Clearstream, Luxembourg also interfaces with domestic securities markets in several countries. Clearstream, Luxembourg is registered as a bank in Luxembourg, and as such is subject to regulation by the Commission de Surveillance du Secteur Financier, and the Banque Centrale du Luxembourg which supervise and oversee the activities of Luxembourg banks. Clearstream, Luxembourg participants are world-wide financial institutions including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations, and may include the Agents (if any). Indirect access to Clearstream, Luxembourg is available to other institutions that clear through or maintain a custodial relationship with a Clearstream, Luxembourg participant. Clearstream, Luxembourg has established an electronic bridge with Euroclear as the operator of the Euroclear system

(the "**Euroclear Operator**") in Brussels to facilitate settlement of trades between Clearstream, Luxembourg and the Euroclear Operator.

Distributions with respect to Notes held beneficially through Clearstream, Luxembourg will be credited to cash accounts of Clearstream, Luxembourg participants in accordance with its rules and procedures, to the extent received by the depositary for Clearstream, Luxembourg.

Euroclear

Euroclear holds securities and book-entry interests in securities for participating organizations ("**Euroclear participants**") and facilitates the clearance and settlement of securities transactions between Euroclear participants, and between Euroclear participants and participants of certain other securities intermediaries through electronic book-entry changes in accounts of such participants or other securities intermediaries. Euroclear provides Euroclear participants, among other things, with safekeeping, administration, clearance and settlement, securities lending and borrowing, and related services. Euroclear participants are investment banks, securities brokers and dealers, banks, central banks, supranationals, custodians, investment managers, corporations, trust companies and certain other organizations, and may include the Agents (if any). Non-participants in Euroclear may hold and transfer beneficial interests in a Global Certificate through accounts with a participant in the Euroclear system or any other securities intermediary that holds a book-entry interest in a Global Certificate through one or more securities intermediaries standing between such other securities intermediary and Euroclear. Securities clearance accounts and cash accounts with the Euroclear Operator are governed by the Terms and Conditions Governing Use of Euroclear and the related Operating Procedures of the Euroclear System, and applicable Belgian law (collectively, the "**Euroclear Terms and Conditions**"). The Euroclear Terms and Conditions governs transfers of securities and cash within Euroclear, withdrawals of securities and cash from Euroclear, and receipts of payments with respect to securities in Euroclear. All securities in Euroclear are held on a fungible basis without attribution of specific certificates to specific securities clearance accounts. The Euroclear Operator acts under the Euroclear Terms and Conditions only on behalf of Euroclear participants, and has no record or relationship with persons holding through Euroclear participants. Distributions with respect to Notes held beneficially through Euroclear will be credited to the cash accounts of Euroclear participants in accordance with the Euroclear Terms and Conditions, to the extent received by the depositary for Euroclear.

Other clearing systems

Any other clearing system which the Issuer, the Paying Agents and the relevant Agent(s) (if any) agree shall be available for a particular issuance of Notes, including the clearance and settlement procedures for such clearing system, will be described in the applicable Pricing Term Sheet and/or Final Terms.

Primary distribution

General

Distributions of the Notes will be cleared through one or more of the clearing systems described above or any other clearing system specified in the applicable Pricing Term Sheet and/or Final Terms. Payment for Notes will be made on a delivery-versus-payment or free delivery basis, in each case as more fully described in the applicable Pricing Term Sheet and/or Final Terms.

The Issuer and the relevant Agent(s) (if any) shall agree that either global clearance and settlement procedures or specific clearance and settlement procedures should be available for any Series of Notes, in each case as specified in the Pricing Term Sheet and/ Final Terms relating thereto. Clearance and settlement procedures may vary from one Series of Notes to another according to the Specified Currency of the Notes of such Series. Customary clearance and settlement procedures are described under the specific clearance and settlement procedures below. Application will be made to the relevant clearing

system(s) for the Notes of the relevant Series to be accepted for clearance and settlement and the applicable clearance numbers will be specified in the applicable Pricing Term Sheet and/ Final Terms.

Clearance and Settlement Procedures

DTC: DTC participants holding Notes through DTC on behalf of investors will follow the settlement practices applicable to U.S. corporate debt obligations in DTC's Same-Day Funds Settlement System. Notes will be credited to the securities custody accounts of such DTC participants against payment in same-day funds on the settlement date.

Euroclear and Clearstream, Luxembourg: Investors electing to hold their Notes through Euroclear and/or Clearstream, Luxembourg accounts will follow the settlement procedures applicable to conventional European bonds in registered form. Notes will be credited to the securities custody accounts of Euroclear and/or Clearstream, Luxembourg participants, as the case may be, on the business day following the settlement date against payment for value on the settlement date.

Secondary market trading

Trading between DTC Participants

Secondary market trading between DTC participants will occur in the ordinary way in accordance with DTC's rules and will be settled using procedures applicable to U.S. corporate debt obligations in DTC's Same-Day Funds Settlement System in same-day funds, if payment is made in U.S. Dollars, or free of payment if payment is made in a currency other than U.S. Dollars. In the latter case, separate payment arrangements outside of the DTC system are required to be made between DTC participants.

Trading between Euroclear and/or Clearstream, Luxembourg Participants

Secondary market trading between Euroclear and/or Clearstream, Luxembourg participants will occur in the ordinary way in accordance with the applicable rules and operating procedures of Euroclear and Clearstream, Luxembourg and will be settled using procedures applicable to conventional Eurobonds in registered form.

Trading between a DTC seller and a Euroclear or Clearstream, Luxembourg purchaser

Single Global Note Issues

When Notes represented by a DTC Global Certificate are to be transferred from the account of a DTC participant (other than the U.S. Depositaries) to the account of a Euroclear participant or a Clearstream, Luxembourg participant, the purchaser must send instructions to Euroclear or Clearstream, Luxembourg through a participant at least one business day prior to settlement. Euroclear or Clearstream, Luxembourg, as the case may be, will instruct its U.S. Depositary to receive the Notes against payment or free of payment, as the case may be. Its U.S. Depositary will then make payment to the DTC participant's account against delivery of the Notes. After settlement has been completed, the Notes will be credited to the respective clearing system and by the clearing system, in accordance with its usual procedures, to the account of the relevant Euroclear or Clearstream, Luxembourg participant. Credit for the Notes will appear on the next day (Central European Time) and cash debit will be back-valued to, and the interest on the Notes will accrue from, the value date (which would be the preceding day, when settlement occurs in New York). If settlement is not completed on the intended value date (i.e., the trade fails), the Euroclear or Clearstream, Luxembourg cash debit will be valued instead as of the actual settlement date.

Euroclear participants or Clearstream, Luxembourg participants will need to make available to the respective clearing systems the funds necessary to process same-day funds settlement. The most direct means of doing so is to pre-position funds for settlement, either from cash on hand or existing lines of credit, as they would for any settlement occurring within Euroclear or Clearstream, Luxembourg. Under this approach, participants may take on credit exposure to Euroclear or Clearstream, Luxembourg until the Notes are credited to their accounts one day later.

As an alternative, if Euroclear or Clearstream, Luxembourg has extended a line of credit to them, participants can elect not to pre-position funds and allow that credit line to be drawn upon to finance settlement. Under this procedure, Euroclear participants or Clearstream, Luxembourg participants purchasing Notes would incur overdraft charges for one day, assuming they cleared the overdraft when the Notes were credited to their accounts. However, interest on the Notes would accrue from the value date. Therefore, in many cases, the investment income on Notes earned during that one-day period may substantially reduce or offset the amount of such overdraft charges, although this result will depend on each participant's particular cost of funds.

Because the settlement will take place during New York business hours, DTC participants can employ their usual procedures for delivering Notes to the applicable U.S. Depositary for the benefit of Euroclear participants and/or Clearstream, Luxembourg participants. The sale proceeds will be available to the DTC seller on the settlement date. Thus, to the DTC participants, a cross-market transaction will settle no differently than a trade between two DTC participants.

Dual Global Note issues

When Notes are to be transferred from the account of a DTC participant to the account of a Euroclear or Clearstream, Luxembourg participant, the DTC participant will deliver the Notes free of payment to the appropriate account of the Custodian at DTC by 11:00 A.M. (New York time) on the settlement date together with instructions for delivery to the relevant Euroclear or Clearstream, Luxembourg participant. Separate payment arrangements are required to be made between the relevant Euroclear or Clearstream, Luxembourg participant and the DTC participant. The applicable Registrar, as custodian, will (i) decrease the amount of Notes registered in the name of the nominee of DTC and represented by the DTC Global Certificate and (ii) increase the amount of Notes registered in the name of the nominee of Euroclear and Clearstream, Luxembourg and represented by the Global Certificate. The Depositary will deliver such Notes free of payment to Euroclear or Clearstream, Luxembourg, as the case may be, for credit to the relevant participant in such clearing system on the business day following the settlement date.

Trading between a Euroclear or Clearstream, Luxembourg seller and a DTC purchaser

Single Global Note issues

Due to time zone differences in their favor, Euroclear participants or Clearstream, Luxembourg participants may employ their customary procedures for transactions in which Notes represented by a DTC Global Certificate are to be transferred by the respective clearing system through the applicable U.S. Depositary to another DTC participant's account. The seller must send instructions to Euroclear or Clearstream, Luxembourg through a participant at least one business day prior to settlement. In these cases, Euroclear or Clearstream, Luxembourg will instruct its respective U.S. Depositary to credit the Notes to the DTC participant's account against payment. The payment will then be reflected in the account of the Euroclear participant or Clearstream, Luxembourg participant the following business day, and receipt of the cash proceeds in the Euroclear or Clearstream, Luxembourg participant's account will be back-valued to the value date (which would be the preceding day, when settlement occurs in New York). If the Euroclear participant or Clearstream, Luxembourg participant has a line of credit with its respective clearing system and elects to draw on such line of credit in anticipation of receipt of the sale proceeds in its account, the back-valuation may substantially reduce or offset any overdraft charges incurred over the one-day period. If settlement is not completed on the intended value date (i.e., the trade fails), receipt of the cash proceeds in the Euroclear or Clearstream, Luxembourg participant's account would instead be valued as of the actual settlement date.

As is the case with sales of Notes represented by a DTC Global Certificate by a DTC participant to a Euroclear or Clearstream, Luxembourg participant, participants in Euroclear or Clearstream, Luxembourg will have their accounts credited the day after their settlement date.

Dual Global Note issues

When Notes are to be transferred from the account of a Euroclear or Clearstream, Luxembourg participant to the account of a DTC participant, the relevant Euroclear or Clearstream, Luxembourg participant must provide settlement instructions for delivery of the Notes free of payment to Euroclear or Clearstream, Luxembourg, as the case may be, by 7:45 P.M. (Brussels or Luxembourg time, as the case may be) one business day prior to the settlement date. Euroclear or Clearstream, Luxembourg will in turn provide appropriate settlement instructions to the Depositary for delivery to the DTC participant.

Separate payment arrangements are required to be made between the DTC participant and the relevant Euroclear or Clearstream, Luxembourg participant. On the settlement date, the Custodian will deliver the Notes free of payment to the appropriate DTC account of the DTC participant and will instruct the applicable Registrar to (i) decrease the amount of Notes registered in the name of the nominee for Euroclear and Clearstream, Luxembourg and represented by the Global Certificate and (ii) increase the amount of Notes registered in the name of the nominee of DTC and represented by the DTC Global Certificate.

Same day settlement and payment generally

The Notes represented by the Global Certificates will be eligible to trade in DTC's Same Day Funds Settlement System, and any permitted secondary market trading activity in such Notes will, therefore, be required by DTC to be settled in immediately available funds. The Issuer expect that secondary trading in any Definitive Notes will also be settled in immediately available funds.

Because of time zone differences, the securities account of a Euroclear or Clearstream, Luxembourg participant purchasing an interest in a Global Certificate from a Participant in DTC will be credited, and any such crediting will be reported to the relevant Euroclear or Clearstream, Luxembourg participant, during the securities settlement processing day (which must be a business day for Euroclear and Clearstream, Luxembourg) immediately following the settlement date of DTC. DTC has advised the Issuer that cash received in Euroclear or Clearstream, Luxembourg as a result of sales of interest in a Global Certificate by or through a Clearstream, Luxembourg participant to a Participant in DTC will be received with value on the settlement date of DTC but will be available in the relevant Euroclear or Clearstream, Luxembourg cash account only as of the business day for Euroclear or Clearstream, Luxembourg following DTC's settlement date.

Notes may be issued in such denominations as may be specified in the Final Terms and/or Pricing Term Sheet save that the minimum denomination of each Note will be such as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency. See "*Special Provisions Relating to Foreign Currency Notes*" for additional information regarding Foreign Currency Notes.

FORM OF SENIOR NOTES FINAL TERMS

Set out below is the form of Senior Notes Final Terms which will be completed for each Tranche of Senior Notes issued under the Program with a minimum denomination at least US$200,000 (or its equivalent in another currency) but so that in no event the minimum denomination will be lower than EUR 100,000.

FINAL TERMS

Date: [•]

ABN AMRO Bank N.V.
(incorporated in The Netherlands with its statutory seat in Amsterdam and registered in the Commercial Register of the Chamber of Commerce under number 34334259)

Issue of [Aggregate [Principal][Nominal] Amount of Tranche] [Title of Senior Notes] (the "Notes")

under the Program for the issuance of Medium Term Notes

[The Base Prospectus referred to below (as completed by these Final Terms) has been prepared on the basis that any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (2003/71/EC), as amended (each, a "**Relevant Member State**") will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Notes. Accordingly any person making or intending to make an offer in that Relevant Member State of the 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 Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. Neither the Issuer nor any Dealer has authorized, nor do they authorize, the making of any offer of Notes in any other circumstances.]

[In accordance with the Prospectus Directive, no prospectus is required in connection with the issuance of the Notes as described herein.]

PART A – CONTRACTUAL TERMS

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "**Conditions**") set forth in the base prospectus dated 23 April 2015 [as supplemented by a supplement dated [date]]which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive (the "**Base Prospectus**"). This document constitutes the Final Terms of the Senior Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Base Prospectus. Full information on the Issuer and the offer of the Senior Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus has been published on [http://www.abnamro.com/en/investor-relations/debt-investors/index.html]. Any information contained in or accessible through any website, including [http://www.abnamro.com/ir], 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 following alternative language applies if the first tranche of an issue which is being increased was issued under a base prospectus with an earlier date. The Conditions of the original issue being tapped should be reviewed to ensure that they would not require the final terms documenting the further issue to include information which is no longer permitted in final terms. Where the final terms

documenting the further issue would need to include such information, it will not be possible to tap using final terms and a drawdown prospectus (incorporating the original Conditions and final terms) will instead need to be prepared.]

Terms used herein shall be deemed to be defined as such for the purposes of the [*date*] Conditions (the "**Conditions**") in the base prospectus dated [*original date*] [as supplemented by a supplement dated [*date*] [which are incorporated by reference in the Base Prospectus dated [•] 2015]. This document constitutes the Final Terms of the securities described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the base prospectus dated [•] 2015 [as supplemented by a supplement dated [*date*]] which [together] constitute[s] a base prospectus (the "**Base Prospectus**") for the purposes of the Prospectus Directive, save in respect of the Conditions which are extracted from the Base Prospectus dated [*original date*] [and the supplement(s) to it dated [●]]. Full information on the Issuer and the offer of the securities is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus has been published on [http://www.abnamro.com/en/investor-relations/debt-investors/index.html]. Any information contained in or accessible through any website, including [http://www.abnamro.com/ir], 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.]

[*Include whichever of the following apply or specify as "Not Applicable". Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs (in which case sub-paragraphs of the paragraphs which are not applicable can be deleted). Italics denote directions for completing the Final Terms.*]

1.	Issuer:	ABN AMRO Bank N.V.
2.	(i) Series Number:	[●]
	(ii) Tranche Number:	[●]
	(iii) Date on which the Notes become fungible:	[Not Applicable] [The Notes will be consolidated, form a single series and be interchangeable for trading purposes with the [*insert description of the Series*] on [[*insert date*]/[*the Issue Date*]/[, which is expected to occur on or about [*insert date*] *(40 days after the Issue Date of the new Notes)*]].]
3.	Specified Currency or Currencies	[●]
4.	Aggregate [Principal][Nominal] Amount:	
	(i) Series:	[●]
	(ii) Tranche:	[●]

5.	Issue Price of Tranche:	[●]% of the Aggregate [Principal][Nominal] Amount [plus accrued interest from [*insert date*] (*in the case of fungible issues only, if applicable*)]
6.	(a) Specified Denominations:	[●] ["144A Global Certificates denominated in U.S. dollars: US$200,000 and integral multiples of US$1,000 in excess thereof."] ["[EUR100,000] or equivalent and integral multiples of [EUR1,000] or equivalent in excess thereof up to and including [EUR199,000] or equivalent. No Notes in definitive form will be issued with a denomination above [EUR199,000] or equivalent."]
	(b) Calculation Amount	[●] *(If only one Specified Denomination, insert the Specified Denomination. If more than one Specified Denomination, insert the highest common factor.)*
7.	(i) Issue Date	[●]
	(ii) Interest Commencement Date:	[Issue Date/Not Applicable/[●]]
8.	Maturity Date [or Redemption Month]:	[●] *(Specify Date or (for Floating Rate) Interest Payment Date falling in or nearest to [specify month and year]. Redemption Month should only be used where the term of the Notes is an even number of years from the Issue Date.]*
9.	Interest Basis:	[[●]% Fixed Rate] [+/– [●]% Floating Rate] *(specify particular interest basis)* [CD Rate] [CMT Rate] [Federal Funds Rate] [Eleventh District Cost of Funds Rate] [Prime Rate] [Treasury Rate] [Commercial Paper Rate] [[●] Month EURIBOR] [[●] Month LIBOR] [Zero Coupon] (further particulars specified in paragraph[s]

		[15][16][17] below)
10.	Redemption/Payment Basis:	[Redemption at par] [Redemption at [●]% of [Principal Amount][Notional Amount]] *(N.B. A Final Redemption Amount greater than 100% may only occur in the case of Zero Coupon Notes.)*
11.	Change of Interest Basis:	[Applicable/Not Applicable] *[Specify the date when any fixed to floating rate change occurs or refer to paragraphs 15 and 16 below and identify there]*
12.	Put/Call Options:	[Not Applicable] [Investor Put] [Issuer Call] [(further particulars specified below)]
13.	Status of the Notes:	Senior Notes
14.	Method of distribution:	[Syndicated/Non-syndicated]

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:	[From (and including) [●] up to (but excluding) [●]] [[●]% per annum] [from (and including) [•] up to (but excluding) [•]] [the aggregate of [●]% and the Mid Swap Rate per annum] [determined by the Agent] [payable [annually/semi-annually/quarterly/monthly] in arrear on each Interest Payment Date] ["Mid Swap Rate" means the annual mid swap rate for [Euro/U.S. dollar] swap transactions with a maturity of [●] years, expressed as a percentage, displayed on Reuters screen page [●] (or such other page as may replace that page on Reuters, or such other service as may be nominated by the person providing or sponsoring the information appearing there for the purposes of displaying comparable rates) at [●] [a.m./p.m.] ([●] time) on the [second/[●]] Business Day prior to [●].]
	(ii) Fixed Interest Period:	[●]

(iii)	Interest Payment Date(s):	[●] in each year, up to and including the Maturity Date [, in each case subject to adjustment in accordance with the [Following/Modified/Preceding] Business Day Convention[, Unadjusted]] *(NB: This will need to be amended in the case of long or short coupons)*
(iv)	First Interest Payment Date:	[●]
(v)	Fixed Coupon Amount(s):	[Not Applicable] [[●] per Note of Calculation Amount][(For the avoidance of doubt, the amount of interest payable on the Interest Payment Date shall be the Fixed Coupon Amount or any Broken Amount, if applicable)].
(vi)	Initial/Final Broken Amount(s):	[●] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [●]
(vii)	Day Count Fraction:	[30/360] [30E/360] [Actual/Actual (ICMA)] [Actual/Actual (ISDA)] [Actual/365 (Fixed)] [Actual/360] [30E/360 (ISDA)]
(viii)	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))*
(ix)	Additional Business Center(s):	[None/[●]]
16.	**Floating Rate Note Provisions**	[Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
(i)	Interest Period(s):	[●]
(ii)	Interest Commencement Date:	[●]

(iii)	Interest Determination Date(s):	[●] *(Second London Banking Day prior to the start of each Interest Period if LIBOR (other than Sterling or euro LIBOR), first day of each Interest Period of Sterling LIBOR and the second day which is also a TARGET2 Day prior to the start of each Interest Period if EURIBOR or euro LIBOR)*
(iv)	First Interest Payment Date:	[●]
(v)	Specified Interest Payment Dates:	[[●] in each year, subject to adjustment in accordance with the Business Day Convention set out in (vi) below]
(vi)	Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/None]
(vii)	Unadjusted	[No/Yes/Not applicable] *(Only applicable in case a Business Day Convention applies. Insert "No" if the amount of interest payable in respect of the relevant Interest Period should also be adjusted in accordance with the applicable Business Day Convention. Insert "Yes" if the amount of interest should be calculated as if the relevant Interest Payment Date were not subject to adjustment in accordance with the applicable Business Day Convention.)*
(viii)	Additional Business Center(s):	[●]
(ix)	Manner in which the Rate of Interest and Interest Amounts is to be determined:	[Reference Rate Determination/ISDA Determination]
(x)	Party responsible for calculating the Rate of Interest and Interest Amounts (if not the Calculation Agent):	[●]
(xi)	Reference Rate Determination:	[Yes/No] *(If "No", delete the remaining sub-paragraphs of this paragraph (xi))*
-	Initial Interest Rate:	[●]
-	Index Maturity:	[●]

-	Interest Basis or Bases:	[CD Rate] [CMT Rate] [Commercial Paper Rate] [Eleventh District Cost of Funds Rate] [EURIBOR] [Federal Funds Rate] [LIBOR] [Prime Rate] [Treasury Rate]
-	Index Currency:	[●]
-	Spread:	[+/-][●]% per annum
-	Spread Multiplier:	[●]
-	Relevant Screen Page:	[Condition 4(b)(ii)(B)[(1)][(2)][(3)][(4)][(5)][(6)][(7)][(8)][(9)] applies/[●]]
-	Interest Determination Date(s):	[●]
-	Initial Interest Reset Date:	[●]
-	Initial Reset Period:	[●]
-	Interest Reset Dates:	[●]
(xii)	ISDA Determination:	[Yes/No] *(If "No", delete the remaining sub-paragraphs of this paragraph (xii))*
-	Floating Rate Option:	[●]
-	Designated Maturity:	[●]
-	Reset Date:	[●]
[-	ISDA Definitions:	[2000/2006]]
(xiii)	Margin(s):	[+/–] [●]% per annum
(xiv)	Minimum Rate of Interest:	[●]% per annum
(xv)	Maximum Rate of Interest:	[●]% per annum
(xvi)	Day Count Fraction:	[Actual/Actual (ISDA)] [Actual/Actual]

	[Actual/365 (Fixed)] [Actual/360] [30/360] [360/360] [30E/360] [30E/360 (ISDA)]
(xvii) Reference Bank(s) or Dealer(s) (if any):	[Not Applicable/[●]]
17. **Zero Coupon Note Provisions**	[Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
(i) Amortization/Accrual Yield:	[●]% per annum
(ii) Reference Price:	[●]%
(iii) Day Count Fraction in relation to Early Redemption Amounts and late payment as specified in Condition 6(e)(ii):	[Applicable/ Not Applicable/[●]] (*Consider applicable day count fraction if not U.S. dollar denominated*)
(iv) Additional Business Center(s):	[None/[●]]

PROVISIONS RELATING TO REDEMPTION

18. Issuer Call:	[Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
(i) Optional Redemption Date(s):	[●]
(ii) Optional Redemption Amount(s) of each Note:	[●] per Calculation Amount
(iii) Party responsible for calculating Optional Redemption Amount (if not the Fiscal Agent, Calculation Agent or Exchange Rate Agent):	[●]
(iv) If redeemable in part:	
(a) Minimum Redemption Amount:	[●]
(b) Maximum Redemption Amount:	[●]
(v) Notice period (if other than as set out in the Conditions):	[●] days

19.	Investor Put:	[Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
	(i) Optional Redemption Date(s):	[●]
	(ii) Optional Redemption Amount(s):	[●] per Calculation Amount
	(iii) Party responsible for calculating Optional Redemption Amount (if not the Fiscal Agent or Exchange Rate Agent):	[●]
	(iv) Notice period (if other than as set out in the Conditions):	[●]
20.	Final Redemption Amount of each Note:	[[●] per Calculation Amount]
	(i) Payment date (if other than as set out in the Conditions):	[Not Applicable/[●]]
21.	Early Redemption Amount(s) of each Note payable on redemption for taxation reasons or upon an event of default or other early redemption (if required or different from that set out in Condition 6(e)):	[●] per Calculation Amount

GENERAL PROVISIONS APPLICABLE TO THE NOTES

22.	Form of Notes:	[Registered] [DTC Regulation S Global Certificate registered in the name of, or nominee of, DTC] [Regulation S Global Certificate registered in the name of, or the name of a nominee of, [a common depository for Euroclear and Clearstream, Luxembourg/a common safekeeper for Euroclear and Clearstream, Luxembourg]] [Rule 144A Global Certificate registered in the name of, or the name of a nominee of, DTC]
23.	New Safekeeping Structure:	[Yes/No]
24.	Additional Financial Center(s):	[Not Applicable/[●]]
25.	[For the purposes of Condition 12, notices to be published in the Financial Times:]	[Yes/No]

26.	Whether Condition 7(a) of the Notes applies (in which case Condition 6(b) of the Notes will not apply) or whether Condition 7(b) and Condition 6(b) of the Notes apply:	[Condition 7(a) applies and Condition 6(b) does not apply/Condition 7(b) and Condition 6(b) apply]

DISTRIBUTION

27.	(i)	If syndicated, names of Agents:	[Not Applicable/[●]]
	(ii)	Date of Pricing Term Sheet	[●]
	(iii)	Stabilizing Manager(s) (if any):	[Not Applicable/[●]]
28.	If non-syndicated, name of relevant Agent:		[Not Applicable/[●]]
29.	Eligibility:		[Rule 144A only/Reg S only/Rule 144A and Reg S]
30.	U.S. Selling Restrictions:		[144A/Reg S]

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in these Final Terms. [[*Relevant third party information*] relating to paragraph [•] above has been extracted from [*specify source*]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [*specify source*], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of ABN AMRO Bank N.V.:

By: _____ By: _____

Duly authorized Duly authorized

PART B – OTHER INFORMATION

31. **LISTING AND ADMISSION TO TRADING**

(i) Admission to Trading:	[Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [Euronext Amsterdam/*specify relevant regulated market and, if relevant, admission to an official list*]] with effect from [●].] [Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [Euronext Amsterdam/*specify relevant regulated market and, if relevant, admission to an official list*] with effect from [●].] [Not Applicable.]
(ii) Estimate of total expenses related to admission to trading:	[●]

32. **RATINGS**

Ratings:	[[The Notes to be issued [have [not] been/are expected to be] rated[:]]/[The following ratings reflecting ratings assigned to Notes of this type issued under the Program generally:]] [S & P: [●]] [Moody's: [●]] [Fitch: [●]] [[Other]: [●]] [*Include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider*.] *[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").]

(*The above disclosure should reflect the rating allocated to Notes of the type issued under the Program generally or, where the issue has been specifically rated, that rating*.)

(A rating does not constitute a recommendation to purchase, sell or hold a particular Note.)

33. **INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE**

[Save for any fees payable to the Agents, so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer.]

[(When adding any other description, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Offering Circular under Article 16 of the Prospectus Directive.)]

The Agents and their respective affiliates are full service financial institutions and they may provide or may have in the past provided services to the Issuer in that capacity, and they may hold or make investment recommendations relating to securities or instruments of the Issuer. See "*Plan of Distribution*".

34. **[REASONS FOR THE OFFER**

Reasons for the offer: [●]

(*See "Use of Proceeds" wording in Base Prospectus – if reasons for offer are different will need to include those reasons here*.)]

35. **[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.]

36. **OPERATIONAL INFORMATION**

(i) CUSIP: *Rule 144A:* [●]
[Regulation S: [●]]

(ii) ISIN Code: *Rule 144A:* [●]
Regulation S: [●]

(iii) Common Code: *Rule 144A:* [●]
Regulation S: [●]

(iv)	Any clearing system(s) other than DTC or Euroclear Bank S.A./N.V. and Clearstream Banking, *société anonyme* and the relevant identification number(s):	[Not Applicable/give name(s) and numbers(s)]
(v)	Delivery:	Delivery [against/free of] payment
(vi)	Names and addresses of additional Paying Agent(s) (if any):	[●]
(vii)	Intended to be held in a manner which would allow Eurosystem eligibility:	[Yes. Note that the designation "yes" does not necessarily mean that the Notes will be recognized as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met. The Notes will be deposited initially upon issue with one of the ICSDs acting as common safekeeper [(and registered in the name of a nominee of one of the ICSDs acting as common safekeeper)].] [No. Whilst the designation is specified as "no", 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 acting as common safekeeper[. / (and registered in the name of a nominee of one of the ICSDs acting as common safekeeper). *[include this text for registered notes*]] Note that this does not mean that the Notes will then be recognized as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligbility criteria have been met.]]

TERMS AND CONDITIONS OF THE SENIOR NOTES

*The following are the Terms and Conditions of Senior Notes to be issued by the Issuer (each, a "**Condition**") which will be incorporated by reference into each Global Certificate and the definitive Notes (if any) representing the Senior Notes. The applicable Pricing Term Sheet and/or Final Terms in relation to any Tranche of Senior Notes may specify other terms and conditions which shall to the extent so specified or to the extent inconsistent with the following Terms and Conditions, replace or modify the following Terms and Conditions for the purpose of such Tranche of Senior Notes. The applicable Pricing Term Sheet and/or Final Terms will be endorsed on, incorporated by reference into, or attached to, each Global Certificate and definitive Note representing the Senior Notes. Reference should be made to "Book Entry, Delivery, Form and Settlement" 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 Senior Note is one of a series of Senior Notes issued by ABN AMRO Bank N.V. (in such capacity, the "**Issuer**", which expression shall include any substituted debtor pursuant to Condition 15 (*Substitution of the Issuer*)) pursuant to the Senior Notes Agency Agreement (as defined below). References herein to the "**Senior Notes**" shall be references to the Senior Notes of this Series (as defined below) and shall mean (i) in relation to any Senior Notes represented by a Global Certificate, units of the lowest Specified Denomination in the Specified Currency, (ii) definitive Senior Notes issued in exchange for a Global Certificate and (iii) any Global Certificate. The Senior Notes will be issued in accordance with an Senior Notes Agency Agreement dated as of 23 April 2015 (as supplemented, amended and/or replaced from time to time, the "**Senior Notes Agency Agreement**"), among the Issuer, The Bank of New York Mellon, London Branch, as fiscal agent (the "**Fiscal Agent**") and transfer agent (the "**Transfer Agent**"), The Bank of New York Mellon, New York as U.S. registrar (the "**U.S. Registrar**") and U.S. paying agent (the "**U.S. Paying Agent**"), The Bank of New York Mellon (Luxembourg) S.A. as European paying agent (the "**European Paying Agent**", and together with the U.S. Paying Agent, the "**Paying Agents**," and each individually, a "**Paying Agent**") and European registrar (the "**European Registrar**" and, together with the U.S. Registrar, the "**Registrars**" and, each, a "**Registrar**"). The terms Fiscal Agent, U.S. Registrar, U.S. Paying Agent, European Paying Agent, Transfer Agent, and European Registrar shall include any additional or successor agents appointed in such capacities by the Issuer. The Senior Notes Agency Agreement permits the appointment of other agents, including one or more calculation agents (each, a "**Calculation Agent**") and a currency exchange agent (the "**Exchange Rate Agent**"). Unless otherwise indicated in an applicable Pricing Term Sheet and/or Final Terms, The Bank of New York Mellon will act as Calculation Agent and as Exchange Rate Agent with respect to the Senior Notes. Because the Senior Notes will not be issued pursuant to an indenture, each Senior Noteholder will be responsible for acting independently with respect to certain matters affecting such holder's Senior Notes, including enforcing any covenants contained therein, and responding to any requests for consents or waivers. The term "**Registered Note**" means a Senior Note in registered form.

Any reference herein to "**Senior Noteholders**" shall mean the several persons who are for the time being holders of outstanding Senior Notes (being, the registered owners thereof as reflected in the relevant Registers), except that for so long as any of the Senior Notes are represented by a Global Certificate, each person who is for the time being shown in the records of DTC and/or Euroclear and/or Clearstream, Luxembourg as the holder of a particular principal amount of such Senior Notes (other than Clearstream, Luxembourg if Clearstream, Luxembourg shall be an account holder of Euroclear and other than Euroclear if Euroclear shall be an account holder of Clearstream, Luxembourg) (in which regard any certificate or other document issued by DTC and/or Euroclear and Clearstream, Luxembourg as to the principal amount of such Senior Notes standing to the account of any person shall be conclusive and binding for all purposes except in the case of manifest error) shall be treated by ABN AMRO Bank N.V. and the Fiscal Agent as a holder of such principal amount of such Senior Notes for all purposes other than for the payment of principal, premium (if any) and interest on such Senior Notes, the right to which shall

be vested, as against ABN AMRO Bank N.V. and the Fiscal Agent, solely in the person in whose name the Global Certificate is registered in accordance with and subject to its terms (and the expressions "**Holder**", "**Holder of Senior Notes**" and related expressions shall be construed accordingly).

The Final Terms for this Senior Note is endorsed hereon or attached hereto and supplements these Terms and Conditions and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these Terms and Conditions, replace or modify these Terms and Conditions for the purposes of this Senior Note. References herein to the "**applicable Final Terms**" are to the Final Terms for this Senior Note. References herein to the "**applicable Pricing Term Sheet**" are to the Pricing Term Sheet for this Senior Note.

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

Copies of the Senior Notes Agency Agreement and the applicable Final Terms and/or Pricing Term Sheet are available for viewing at the specified offices of each of the Fiscal Agent, the Registrars and the other Paying Agents and at the registered offices of the Issuer and copies may be obtained from those offices. The Senior Noteholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Senior Notes Agency Agreement and the applicable Final Terms and/or Pricing Term Sheet which are binding on them.

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

1. Form, Denomination and Title

The Senior Notes are issued in registered form without interest coupons attached and, in the case of definitive Senior Notes, serially numbered, in the Specified Currency, the Specified Denomination(s) and the specified Form(s).

This Senior Note may be a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Final Terms and/or Pricing Term Sheet.

The Senior Notes are represented by one or more global registered note certificates (each, a "**Global Certificate**") without receipts, interest coupons or talons. A Global Certificate will be issued to each person in whose name a Global Certificate is for the time being registered in the Register (as defined in this Condition 1), or, in the case of a joint holding, the first named thereof (the "**Registered Holder**"), in respect of its holding. The serial number of each Global Certificate will be recorded in the Register. Title to the Registered Notes shall pass by registration in the register that the Issuer shall procure to be kept by the U.S. Registrar or European Registrar (as the case may be) in accordance with the provisions of the Senior Notes Agency Agreement (the "**Register**"). Except as ordered by a court of competent jurisdiction, a competent regulatory authority or as required by law or applicable regulations, the Issuer, the Fiscal Agent, the Registrar, any Paying Agent and any Transfer Agent may deem and treat the Registered Holder of any Senior Note 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 Certificate, without prejudice to the provisions set out in the next succeeding paragraph and to the definition of "Holder of Senior Notes" above.

For so long as DTC, Euroclear, or Clearstream, Luxembourg, as the case may be, or its nominee is the Registered Holder of a Global Certificate, such holder shall (except as otherwise provided by applicable law or regulatory requirements) be treated by the Issuer, the Fiscal Agent, any Paying Agent, the Registrar and any Transfer Agent as the absolute owner of such principal amount of such Senior Notes for the purposes of payment of principal, premium (if any) and interest on the Senior Notes and no person shall be liable for so treating such Registered Holder. References to DTC, 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 and/or Pricing Term Sheet.

The Senior Notes are in the minimum denomination specified in the Final Terms and/or Pricing Term Sheet or integral multiples thereof.

2. Transfers and Exchange of Senior Notes

(a) Transfers Generally

Ownership of beneficial interests in Global Certificates will be evidenced only by, and transfers thereof will be effected only through, records maintained by the relevant clearing system through which such beneficial interests are held and such clearing system's direct and indirect participants. Owners of beneficial interests in Global Certificates will not be entitled to receive physical delivery of definitive Senior Notes except in certain limited circumstances, including closure of the relevant clearing system(s). Any registered interests in a Global Certificate (i) may, upon the terms and subject to the conditions set forth in the Senior Notes Agency Agreement, be transferred by the Registered Holder in whole or in part only (provided that such part is, or is an integral multiple of, the minimum denomination specified in the Final Terms and/or Pricing Term Sheet) upon the surrender of the Senior Notes to be transferred, together with the form of transfer endorsed on it duly completed and executed, at the specified office of the Registrar. A new Senior Note will be issued to the transferee and, in the case of a transfer of part only of a Senior Note, a new Senior Note in respect of the balance not transferred will be issued to the transferor and (ii) will be transferable only in accordance with the rules and procedures for the time being as in effect from time to time of DTC, Euroclear and/or Clearstream, Luxembourg or such other applicable clearing system as the case may be.

(b) Exchange and Transfer of Definitive Senior Notes

(i) Exchange for Definitive Senior Notes

Unless otherwise provided in the applicable Pricing Term Sheet and/or Final Terms, beneficial interests in a Global Certificate will be exchangeable by the Issuer in whole but not in part only at the option of the Registered Holder for definitive Senior Notes, only if such exchange is permitted by applicable law and (i) in the case of a DTC Global Certificate, DTC notifies the Issuer that it is unwilling or unable to continue as depositary for the DTC Global Certificate or DTC ceases to be a clearing agency registered under the United States Securities Exchange Act of 1934, as amended, if so required by applicable law or regulation, and, in either case, a successor depositary is not appointed by the Issuer within 90 days after receiving such notice or becoming aware that DTC is no longer so registered, (ii) in the case of any other Global Certificate, if the clearing system(s) through which it is cleared and settled is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention to cease business permanently or does in fact do so and a successor or successors is or

are not appointed by the Issuer within 90 days from the commencement of such closure, announcement or cessation of business, or (iii) upon an Event of Default as described in Condition 9 (*Events of Default*).

(ii) Transfers of Definitive Senior Notes

Subject to paragraphs (iii), (iv) and (v) below, a definitive Senior Note may be transferred upon surrender of the definitive Senior Note, with the endorsed form of transfer duly completed (or another form of transfer in substantially the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Issuer), at the specified office of the Relevant Registrar or any Paying Agent, together with such evidence as the Relevant Registrar or (as the case may be) such Paying Agent may reasonably require to prove the title of the transferor and the authority of the individuals who have executed the form of transfer. Where not all the definitive Senior Notes represented by the surrendered definitive Senior Notes are the subject of the transfer, a new definitive Senior Note in respect of the balance of the definitive Senior Notes will be issued to the transferor.

(iii) Registration and delivery of Definitive Senior Notes

Within five business days of the surrender of a definitive Senior Note and receipt of the form of transfer or duly signed and completed notice of exercise (an "**Exercise Notice**") in accordance with paragraph (ii) above, the Relevant Registrar will register the transfer in question and deliver a new definitive Senior Note of a like principal amount to the definitive Senior Notes transferred to each transferee at its specified office or (as the case may be) the specified office of any Paying Agent or (at the request and risk of any such relevant transferee) by uninsured first class mail (airmail if overseas) to the address specified for the purpose by such transferee. In this paragraph (iii), "business day" means a day on which commercial banks are open for business (including dealings in foreign currencies) in the city where the Relevant Registrar or (as the case may be) the relevant Transfer Agent has its specified office. Title to such definitive Senior Note passes by registration, as evidenced by entries in the applicable Register.

(iv) No charge

The transfer of a definitive Senior Note will be effected without charge by or on behalf of the Issuer, the Relevant Registrar or any Transfer Agent but against such indemnity as the Registrar or (as the case may be) such Transfer Agent may require in respect of any tax or other governmental charges of whatsoever nature which may be levied or imposed in connection with such transfer.

(v) Closed periods

Neither transferors nor transferees may require transfers to be registered during the period of 15 days ending on the due date for any payment of principal or interest in respect of the Registered Notes.

(vi) Regulations concerning transfers and registration

All transfers of definitive Senior Notes and entries on the Register are subject to the detailed regulations concerning the transfer of definitive Senior Notes scheduled to the Senior Notes Agency Agreement. The regulations may be changed by the Issuer with the prior written approval of the Relevant Registrar. A copy of the current regulations will be mailed (free of charge) by the Registrar to any Registered Holder who requests in writing a copy of such regulations.

(c) Exchange Between Regulation S Global Certificates and Rule 144A Global Certificates

Beneficial interests in a Regulation S Global Certificate may be transferred to a person who wishes to hold a beneficial interest in a Rule 144A Global Certificate only upon receipt by the Relevant Registrar, the Transfer Agent and the Relevant Paying Agent of a written certification from the transferor (in the form set out in the Senior Notes Agency Agreement) to the effect that such transfer is being made to a person whom the transferor reasonably believes is a qualified institutional buyer within the meaning of Rule 144A purchasing for its own account or for the account of a qualified institutional buyer, in a transaction meeting the requirements of Rule 144A and in accordance with any applicable securities laws of any state of the United States.

Beneficial interests in a Rule 144A Global Certificate may also be transferred to a person who wishes to hold a beneficial interest through a Regulation S Global Certificate, but only upon receipt by the Relevant Registrar, the Transfer Agent and the Relevant Paying Agent of a written certification from the transferor to the effect that such transfer is being made in accordance with Rule 903 or Rule 904 of Regulation S or with Rule 144A (if available) under the Securities Act.

Any beneficial interest in either a Rule 144A Global Certificate or a Regulation S Global Certificate that is transferred to a person who takes delivery in the form of a beneficial interest in the other Global Certificate will, upon transfer, cease to be a beneficial interest in such Global Certificate and become a beneficial interest in the other Global Certificate and, accordingly, will thereafter be subject to all transfer restrictions and other procedures applicable to a beneficial interest in such other Global Certificate.

3. Status of Senior Notes

Senior Notes constitute direct, unconditional, unsecured and unsubordinated obligations of the Issuer and rank *pari passu* without any preference among themselves and with all other present and future unsecured and unsubordinated obligations of the Issuer save for those preferred by mandatory and/or overriding provisions of law.

4. Interest

Senior Notes may be interest-bearing or non interest-bearing, as specified in the Final Terms and/or Pricing Term Sheet. Interest-bearing Senior Notes shall be Fixed Rate Notes or Floating Rate Notes.

(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 Rate(s) of Interest payable in arrear on the Interest Payment Date(s) in each year up to and including the Maturity Date.

As used in the Conditions, "**Fixed Interest Period**" means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.

The amount of interest payable in respect of each Senior Note for any Fixed Interest Period shall be the relevant Fixed Coupon Amount (or, in respect of the Fixed Interest Period beginning on the Interest Commencement Date or the Interest Period ending on the Maturity Date, the Broken Amount, if so specified in the Final Terms) and, if the Senior Notes are in more than one Specified Denomination, shall be the relevant Fixed Coupon Amount in respect of the relevant Specified Denomination.

If a Business Day Convention is specified in the applicable Pricing Term Sheet and/or 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 shall be postponed to the next day which is a Business Day; or

(2) the Modified Following Business Day Convention, such Interest Payment 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 shall be brought forward to the immediately preceding Business Day; or

(3) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

If a Business Day Convention is specified in the applicable Final Terms and/or Pricing Term Sheet, the number of days for calculating the amount of interest payable in respect of the relevant Fixed Interest Period shall also be adjusted in accordance with such Business Day Convention, unless "Unadjusted" is specified in the applicable Final Terms and/or Pricing Term Sheet, in which case such amount of interest shall be calculated as if the relevant Interest Payment Date were not subject to adjustment in accordance with the Business Day Convention specified in the applicable Final Terms and/or Pricing Term Sheet.

In this Condition, "**Business Day**" means, unless otherwise specified in the applicable Final Terms and/or Pricing Term Sheet, 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 each Additional Business Center specified in the applicable Pricing Term Sheet and/or Final Terms; and

(B) either (1) in relation to any sum payable in a Specified Currency other than Euro, 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 the principal financial center of the country of the relevant Specified Currency (if other than London and any Additional Business Center and which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney and Auckland, respectively) or (2) in relation to any sum payable in Euro, a day on which the TARGET2 System (or any successor thereto) is open "**TARGET2 Day**". In these Conditions, "**TARGET2 System**" means the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System.

If interest is required to be calculated for a period other than a Fixed Interest Period or no Fixed Coupon Amount is specified in the applicable Pricing Term Sheet and/or Final Terms, such interest shall be calculated by applying the Rate of Interest to the aggregate outstanding nominal amount of the Fixed Rate Notes represented by such Global Certificate and multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

"**Day Count Fraction**" means, in respect of the calculation of an amount of interest in accordance with this Condition 4(a):

(i) if "Actual/Actual (ICMA)" is specified in the applicable Pricing Term Sheet and/or Final Terms:

(a) in the case of Senior Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the "Accrual Period") is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; or

(b) in the case of Senior Notes where the Accrual Period is longer than the Determination Period, the sum of:

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

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

(ii) if "30/360" is specified in the applicable Pricing Term Sheet and/or Final Terms, the number of days in the Determination Period in respect of which payment is being made divided by 360 calculated on a formula basis as follows:

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

Where:

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

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

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

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

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

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

(iii) if "Actual/Actual (ISDA)" is specified in the applicable Pricing Term Sheet and/or Final Terms, the actual number of days in the Fixed Interest Period divided by 365 (or, if any portion of that Fixed Interest Period falls in a leap year, the sum of (A) the actual number of days in that portion

of the Fixed Interest Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Fixed Interest Period falling in a non-leap year divided by 365); and

(iv) if "Actual/365 (Fixed)" is specified in the applicable Pricing Term Sheet and/or Final Terms, the actual number of days in the Fixed Interest Period divided by 365; and

(v) if "Actual/360" is specified in the applicable Pricing Term Sheet and/or Final Terms, the actual number of days in the Fixed Interest Period divided by 360; and

(vi) if "30E/360" is specified in the applicable Pricing Term Sheet and/or Final Terms, the number of days in the Fixed Interest Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months, without regard to the date of the first day or last day of the Fixed Interest Period unless, in the case of a Fixed Interest Period ending on the Maturity Date, the Maturity Date is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month).

(vii) if "30E/360 (ISDA)" is specified in the applicable Final Terms and/or Pricing Term Sheet, the number of days in the Fixed 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:

"Y1" is the year, expressed as a number, in which the first day of the Fixed Interest Period falls;

"Y2" is the year, expressed as a number, in which the day immediately following the last day of the Fixed Interest Period falls;

"M1" is the calendar month, expressed as a number, in which the first day of the Fixed Interest Period falls;

"M2" is the calendar month, expressed as a number, in which the day immediately following the last day of the Fixed Interest Period falls;

"D1" is the first calendar day, expressed as a number, of the Fixed Interest Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D1 will be 30; and

"D2" is the calendar day, expressed as a number, immediately following the last day included in the Fixed 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 D2 will be 30.

In these Conditions:

"**Determination Period**" means each period from (and including) a Determination Date to (but excluding) the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date); and

"**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.

(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 specified in the applicable Pricing Term Sheet and/or Final Terms; or

(B) if no Specified Interest Payment Date(s) is/are specified in the applicable Pricing Term Sheet and/or Final Terms, each date (each such date, together with each Specified Interest Payment Date, an "**Interest Payment Date**") which falls on the number of months or other period specified as the Interest Period in the applicable Pricing Term Sheet and/or 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 a Business Day Convention is specified in the applicable Pricing Term Sheet and/or 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) in any case where Interest Periods are specified in accordance with Condition 4(b)(i)(B) above, the Floating Rate Convention, such First Interest Payment Date or Specified Interest Payment Date, as the case may be (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 number of months or other period specified as the Interest Period in the applicable Pricing Term Sheet and/or Final Terms after the preceding applicable Interest Payment Date occurred; or

(2) the Following Business Day Convention, such Interest Payment 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 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 shall be brought forward to the immediately preceding Business Day; or

(4) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

If a Business Day Convention is specified in the applicable Final Terms and/or Pricing Term Sheet, the number of days for calculating the amount of interest payable in respect of the relevant Interest Period shall also be adjusted in accordance with such Business Day Convention, unless "Unadjusted" is specified in the applicable Final Terms and/or Pricing Term Sheet, in which case such amount of interest shall be calculated as if the relevant Interest Payment Date were not subject to adjustment in accordance with the Business Day Convention specified in the applicable Final Terms and/or Pricing Term Sheet.

In this Condition, "**Business Day**" means, unless otherwise specified in the applicable Final Terms and/or Pricing Term Sheet, 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 each Additional Business Center specified in the applicable Pricing Term Sheet and/or Final Terms; and

(B) either (1) in relation to any sum payable in a Specified Currency other than Euro, 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 the principal financial center of the country of the relevant Specified Currency (if other than London and any Additional Business Center and which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney and Auckland, respectively) or (2) in relation to any sum payable in Euro, a day on which the TARGET2 System (or any successor thereto) is open "**TARGET2 Day**". In these Conditions, "**TARGET2 System**" means the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System.

(ii) *Rate of Interest*

The Rate of Interest payable from time to time in respect of Floating Rate Notes will be determined in the manner specified in the applicable Pricing Term Sheet and/or Final Terms on the following basis:

(A) ISDA Determination

Where ISDA Determination is specified in the applicable Pricing Term Sheet and/or 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 sum of the relevant ISDA Rate and the Margin (if any). For the purposes of this sub-paragraph (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 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 Senior Notes (the "**ISDA Definitions**") and under which:

(1) the Floating Rate Option is as specified in the applicable Final Terms and/or Pricing Term Sheet;

(2) the Designated Maturity is the period specified in the applicable Final Terms and/or Pricing Term Sheet; 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**") for a currency 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 Pricing Term Sheet and/or Final Terms.

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

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 4(b)(iv) (*Determination of Rate of Interest and Calculation of Interest Amounts*) 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 sub-paragraph (A).

(B) Reference Rate Determination

The rate of Interest on Floating Rate Notes will be determined by reference to the applicable Interest Basis, which may, as described below, include:

(1) the CD Rate;

(2) the CMT Rate;

(3) the Commercial Paper Rate;

(4) the Eleventh District Cost of Funds Rate;

(5) EURIBOR;

(6) the Federal Funds Rate;

(7) LIBOR;

(8) the Prime Rate; or

(9) the Treasury Rate

as specified in the applicable Pricing Term Sheet and/or Final Terms.

The Calculation Agent shall determine each Interest Basis in accordance with the following provisions:

(1) *CD Rate*

If "CD Rate" is specified in the applicable Pricing Term Sheet and/or Final Terms, this Senior Note will bear interest at the interest rate (calculated with reference to the CD Rate and the Spread and/or Spread Multiplier, if any) specified in the applicable Pricing Term Sheet and/or Final Terms.

Unless otherwise specified in the applicable Pricing Term Sheet and/or Final Terms, as the case may be, "**CD Rate**" means, with respect to any Interest Determination Date relating to a Floating Rate Note for which the interest rate is determined with reference to the CD Rate (a "**CD Rate Interest Determination Date**"), the rate on such date for negotiable U.S. dollar certificates of deposit having the Index Maturity specified in the applicable Pricing Term Sheet and/or Final Terms, as the case may be, as published in H.15(519) (as defined below) opposite the caption "CDs (secondary market)" or, if not so published by 3:00 P.M., New York City time, on the related Calculation Date, the rate on such CD Rate Interest Determination Date for negotiable U.S. dollar certificates of deposit of the Index Maturity specified in the applicable Pricing Term Sheet and/or Final Terms, as the case may be, as published in H.15 Daily Update (as defined below), or such other recognized electronic source used for the purpose of displaying such rate, opposite the caption "CDs (secondary market)". If such rate is not yet published in H.15(519), H.15 Daily Update or another recognized electronic source by 3:00 P.M., New York City time, on the related Calculation Date, then the CD Rate on such CD Rate Interest Determination Date will be calculated by the Calculation Agent and will be the arithmetic mean of the secondary market offered rates as of 10:00 A.M., New York City time, on such CD Rate Interest Determination Date, of three leading nonbank dealers in negotiable U.S. dollar certificates of deposit in New York City (which may include the Agents or their affiliates) selected by the Calculation Agent for negotiable U.S. dollar certificates of deposit of major United States money banks with a remaining maturity closest to the Index Maturity specified in the applicable Pricing Term Sheet and/or Final Terms, as the case may be, in an amount that is representative for a single transaction in that market at that time; provided, however, that if the dealers so selected by the Calculation Agent are not quoting as mentioned in this sentence, the CD Rate determined as of such CD Rate Interest Determination Date will be the CD Rate in effect on such CD Rate Interest Determination Date.

"**H.15(519)**" means the weekly statistical release published by the Board of Governors of the Federal Reserve System and available on their website at www.federalreserve.gov/releases/h15/update/h15upd.htm, or any successor site or publication.

"**H.15 Daily Update**" means the daily update of H.15(519), published by the Board of Governors of the Federal Reserve System and available on their website at www.federalreserve.gov/releases/h15/update/h15upd.htm, or any successor site or publication.

(2) CMT Rate

If "CMT Rate" is specified in the applicable Pricing Term Sheet and/or Final Terms, this Senior Note will bear interest at the rates (calculated with reference to the CMT Rate and the Spread and/or Spread Multiplier, if any) specified in the applicable Pricing Term Sheet and/or Final Terms.

Unless otherwise specified in the applicable Pricing Term Sheet and/or Final Terms, as the case may be, "**CMT Rate**" means, with respect to any Interest Determination Date relating to a Floating Rate Note for which the interest rate is determined with reference to the CMT Rate (a "**CMT Rate Interest Determination Date**"),

(i) if "Reuters Page FRBCMT" (as defined below) is specified as Relevant Screen Page in the applicable Pricing Term Sheet and/or Final Terms, as the case may be:

(a) the percentage equal to the yield for United States Treasury securities at "constant maturity" having the Designated CMT Maturity Index specified in the applicable Pricing Term Sheet and/or Final Terms, as the case may be, as published in H.15(519) opposite the caption "Treasury constant maturities", as the yield is displayed on Reuters (or any successor service) ("**Reuters**") on page FRBCMT (or any other page as may replace such page on such service) ("**Reuters Page FRBCMT**"), on the particular CMT Rate Interest Determination Date, or

(b) if the rate referred to in clause (a) does not so appear on the Reuters Page FRBCMT, the percentage equal to the yield for United States Treasury securities at "constant maturity" having the particular Designated CMT Maturity Index and for the particular CMT Rate Interest Determination Date as published in H.15(519) opposite the caption "Treasury constant maturities", or

(c) if the rate referred to in clause (b) does not so appear in H.15(519), the rate on the particular CMT Rate Interest Determination Date for the period of the particular Designated CMT Maturity Index as may then be published by either the Federal Reserve System Board of Governors or the United States Department of the Treasury that the Calculation Agent determines to be comparable to the rate which would otherwise have been published in H.15(519), or

(d) if the rate referred to in clause (c) is not so published, the rate on the particular CMT Rate Interest Determination Date calculated by the Calculation Agent as a yield to maturity based on the arithmetic mean of the secondary market bid prices at approximately 3:30 P.M., New York City time, on that CMT Rate Interest Determination Date of three leading primary United States government securities dealers in The City of New York

(which may include the Agents or their affiliates) (each, a "**Reference Dealer**"), selected by the Calculation Agent from five Reference Dealers selected by the Calculation Agent and eliminating the highest quotation, or, in the event of equality, one of the highest, and the lowest quotation or, in the event of equality, one of the lowest, for United States Treasury securities with an original maturity equal to the particular Designated CMT Maturity Index, a remaining term to maturity no more than one year shorter than that Designated CMT Maturity Index and in a principal amount that is representative for a single transaction in such securities in that market at that time, or

(e) if fewer than five but more than two of the prices referred to in clause (d) are provided as requested, the rate on the particular CMT Rate Interest Determination Date calculated by the Calculation Agent based on the arithmetic mean of the bid prices obtained and neither the highest nor the lowest of the quotations shall be eliminated, or

(f) if fewer than three prices referred to in clause (d) are provided as requested, the rate on the particular CMT Rate Interest Determination Date calculated by the Calculation Agent as a yield to maturity based on the arithmetic mean of the secondary market bid prices as of approximately 3:30 P.M., New York City time, on that CMT Rate Interest Determination Date of three Reference Dealers selected by the Calculation Agent from five Reference Dealers selected by the Calculation Agent and eliminating the highest quotation or, in the event of equality, one of the highest and the lowest quotation or, in the event of equality, one of the lowest, for United States Treasury securities with an original maturity greater than the particular Designated CMT Maturity Index, a remaining term to maturity closest to that Designated CMT Maturity Index and in a principal amount that is representative for a single transaction in such securities in that market at that time, or

(g) if fewer than five but more than two prices referred to in clause (f) are provided as requested, the rate on the particular CMT Rate Interest Determination Date calculated by the Calculation Agent based on the arithmetic mean of the bid prices obtained and neither the highest nor the lowest of the quotations will be eliminated, or

(h) if fewer than three prices referred to in clause (f) are provided as requested, the CMT Rate in effect on the particular CMT Rate Interest Determination Date, or

(i) if two such United States Treasury securities with an original maturity greater than the Designated CMT Maturity Index have remaining terms to maturity equally close to such Designated

CMT Maturity Index, the quotes for the Treasury security with the shorter original term to maturity will be used.

(ii) if "Reuters Page FEDCMT" (as defined below) is specified as Relevant Screen Page in the applicable Pricing Term Sheet and/or Final Terms, as the case may be:

(a) the percentage equal to the one week or one month, as specified in the applicable Pricing Term Sheet and/or Final Terms, as the case may be, average yield for United States Treasury securities at "constant maturity" having the Designated CMT Maturity Index, as published in H.15(519) opposite the caption "Treasury constant maturities", as the yield is displayed on Reuters on page FEDCMT (or any other page as may replace such page on such service) ("**Reuters Page FEDCMT**"), for the week or month, as applicable, ended immediately preceding the week or month, as applicable, in which such CMT Rate Interest Determination Date falls, or

(b) if the rate referred to in clause (a) does not so appear on the Reuters Page FEDCMT, the percentage equal to the one week or one month, as applicable, average yield for United States Treasury securities at "constant maturity" having the particular Designated CMT Maturity Index for the week or month, as applicable, preceding such CMT Rate Interest Determination Date as published in H.15(519) opposite the caption "Treasury constant maturities," or

(c) if the rate referred to in clause (b) does not so appear in H.15(519), the one week or one month, as applicable, average yield for United States Treasury securities at "constant maturity" having the particular Designated CMT Maturity Index as otherwise announced by the Federal Reserve Bank of New York for the week or month, as applicable, ended immediately preceding the week or month, as applicable, in which such CMT Rate Interest Determination Date falls, or

(d) if the rate referred to in clause (c) is not so published, the rate on the particular CMT Rate Interest Determination Date calculated by the Calculation Agent as a yield to maturity based on the arithmetic mean of the secondary market bid prices at approximately 3:30 P.M., New York City time, on that CMT Rate Interest Determination Date of three Reference Dealers selected by the Calculation Agent from five Reference Dealers selected by the Calculation Agent and eliminating the highest quotation, or, in the event of equality, one of the highest, and the lowest quotation or, in the event of equality, one of the lowest, for United States Treasury securities with an original maturity equal to the particular Designated CMT Maturity Index, a remaining term to maturity no more than one year shorter than that Designated CMT Maturity Index and in a principal amount

that is representative for a single transaction in such securities in that market at that time, or

(e) if fewer than five but more than two of the prices referred to in clause (d) are provided as requested, the rate on the particular CMT Rate Interest Determination Date calculated by the Calculation Agent based on the arithmetic mean of the bid prices obtained and neither the highest nor the lowest of the quotations shall be eliminated, or

(f) if fewer than three prices referred to in clause (d) are provided as requested, the rate on the particular CMT Rate Interest Determination Date calculated by the Calculation Agent as a yield to maturity based on the arithmetic mean of the secondary market bid prices as of approximately 3:30 P.M., New York City time, on that CMT Rate Interest Determination Date of three Reference Dealers selected by the Calculation Agent from five Reference Dealers selected by the Calculation Agent and eliminating the highest quotation or, in the event of equality, one of the highest and the lowest quotation or, in the event of equality, one of the lowest, for United States Treasury securities with an original maturity greater than the particular Designated CMT Maturity Index, a remaining term to maturity closest to that Designated CMT Maturity Index and in a principal amount that is representative for a single transaction in the securities in that market at the time, or

(g) if fewer than five but more than two prices referred to in clause (f) are provided as requested, the rate on the particular CMT Rate Interest Determination Date calculated by the Calculation Agent based on the arithmetic mean of the bid prices obtained and neither the highest or the lowest of the quotations will be eliminated, or

(h) if fewer than three prices referred to in clause (f) are provided as requested, the CMT Rate in effect on that CMT Rate Interest Determination Date, or

(i) if two such United States Treasury securities with an original maturity greater than the Designated CMT Maturity Index have remaining terms to maturity equally close to such Designated CMT Maturity Index, the quotes for the United States Treasury security with the shorter original term to maturity will be used.

"**Designated CMT Maturity Index**" means the original period to maturity of the U.S. Treasury securities (either 1, 2, 3, 5, 7, 10, 20 or 30 years) specified in the Pricing Term Sheet and/or Final Terms, as the case may be, with respect to which the CMT Rate will be calculated.

(3) Commercial Paper Rate

If the "Commercial Paper Rate" is specified in the applicable Pricing Term Sheet and/or Final Terms, this Senior Note will bear interest at the rates (calculated with reference to the Commercial Paper Rate and the Spread and/or Spread Multiplier, if any) specified in the applicable Pricing Term Sheet and/or Final Terms.

Unless otherwise specified in the applicable Pricing Term Sheet and/or Final Terms, as the case may be, "**Commercial Paper Rate**" means, with respect to any Interest Determination Date relating to a Floating Rate Note for which the interest rate is determined with reference to the Commercial Paper Rate (a "**Commercial Paper Rate Interest Determination Date**"), the Money Market Yield (as defined below) on such date of the rate for commercial paper having the Index Maturity specified in the applicable Pricing Term Sheet and/or Final Terms, as the case may be, as published in H.15(519) opposite the caption "Commercial Paper—Nonfinancial" or, if not so published by 3:00 P.M., New York City time, on the related Calculation Date, the Money Market Yield on such Commercial Paper Rate Interest Determination Date for commercial paper having the Index Maturity specified in the applicable Pricing Term Sheet and/or Final Terms, as the case may be, as published in H.15 Daily Update, or such other recognized electronic source used for the purpose of displaying such rate, under the caption "Commercial Paper—Nonfinancial". If such rate is not yet published in H.15(519), H.15 Daily Update or another recognized electronic source by 3:00 P.M., New York City time, on such Calculation Date, then the Commercial Paper Rate on such Commercial Paper Rate Interest Determination Date will be calculated by the Calculation Agent and will be the Money Market Yield of the arithmetic mean of the offered rates at approximately 11:00 A.M., New York City time, on such Commercial Paper Rate Interest Determination Date of three leading dealers of U.S. dollar commercial paper in New York City (which may include the Agents or their affiliates) selected by the Calculation Agent for commercial paper having the Index Maturity specified in the applicable Pricing Term Sheet and/or Final Terms, as the case may be, placed for industrial issuers whose bond rating is "Aa", or the equivalent, from a nationally recognized statistical rating organization; provided, however, that if the dealers so selected by the Calculation Agent are not quoting as mentioned in this sentence, the Commercial Paper Rate determined as of such Commercial Paper Rate Interest Determination Date will be the Commercial Paper Rate in effect on such Commercial Paper Rate Interest Determination Date.

"**Money Market Yield**" means a yield (expressed as a percentage) calculated in accordance with the following formula:

$$\text{Money Market Yield} = \frac{D \times 360}{360 - (D \times M)} \times 100$$

where "D" refers to the applicable per annum rate for commercial paper quoted on a bank discount basis and expressed as a decimal, and "M" refers to the actual number of days in the applicable Interest Reset Period.

(4) Eleventh District Cost of Funds Rate

If the "Eleventh District Cost of Funds Rate" is specified in the applicable Pricing Term Sheet and/or Final Terms, this Senior Note will bear interest at the rates (calculated with reference to the Eleventh District Cost of Funds Rate and the Spread and/or Spread Multiplier, if any) specified in the applicable Pricing Term Sheet and/or Final Terms.

Unless otherwise specified in the applicable Pricing Term Sheet and/or Final Terms, as the case may be, "**Eleventh District Cost of Funds Rate**" means, with respect to any Interest Determination Date relating to a Floating Rate Note for which the interest rate is determined with reference to the Eleventh District Cost of Funds Rate (an "**Eleventh District Cost of Funds Rate Interest Determination Date**"), the rate equal to the monthly weighted average cost of funds for the calendar month immediately preceding the month in which such Eleventh District Cost of Funds Rate Interest Determination Date falls as set forth opposite the caption "11TH Dist COFI" on the display on Reuters (or any successor service) on page "COFI/ARMS" (or any other page as may replace such page on such service) ("**Reuters Page COFI/ARMS**") as of 11:00 A.M., San Francisco time, on such Eleventh District Cost of Funds Rate Interest Determination Date. If such rate does not appear on the Reuters Page COFI/ARMS on such Eleventh District Cost of Funds Rate Interest Determination Date, then the Eleventh District Cost of Funds Rate on such Eleventh District Cost of Funds Rate Interest Determination Date shall be the monthly weighted average cost of funds paid by member institutions of the Eleventh Federal Home Loan Bank District that was most recently announced (the "**Index**") by the Federal Home Loan Bank ("**FHLB**") of San Francisco as such cost of funds for the calendar month immediately preceding such Eleventh District Cost of Funds Rate Interest Determination Date. If the FHLB of San Francisco fails to announce the Index on or prior to such Eleventh District Cost of Funds Rate Interest Determination Date for the calendar month immediately preceding such Eleventh District Cost of Funds Rate Interest Determination Date, the Eleventh District Cost of Funds Rate determined as of such Eleventh District Cost of Funds Rate Interest Determination Date will be the Eleventh District Cost of Funds Rate in effect on such Eleventh District Cost of Funds Rate Interest Determination Date.

(5) EURIBOR

If "EURIBOR" is specified in the applicable Pricing Term Sheet and/or Final Terms, this Senior Note will bear interest at the rates (calculated with reference to EURIBOR and the Spread and/or Spread Multiplier, if any) specified in the applicable Pricing Term Sheet and/or Final Terms.

Unless otherwise specified in the applicable Pricing Term Sheet and/or Final Terms, as the case may be, "**EURIBOR**" means the rate determined in accordance with the following provisions:

(i) With respect to any Interest Determination Date relating to a Floating Rate Note for which the interest rate is determined with reference to EURIBOR (a "**EURIBOR Interest Determination Date**"), EURIBOR

will be the rate for deposits in Euro as sponsored, calculated and published jointly by the European Banking Federation and ACI The Financial Market Association, or any company established by the joint sponsors for purposes of compiling and publishing those rates, having the Index Maturity as specified in such Pricing Term Sheet and/or Final Terms, as the case may be, commencing on the applicable Interest Reset Date, that appears on Reuters on page EURIBOR01 (or any other page as may replace such page on such service) ("**Reuters Page EURIBOR01**") as of 11:00 A.M., Brussels time, on such EURIBOR Interest Determination Date; or if no such rate so appears, EURIBOR on such EURIBOR Interest Determination Date will be determined in accordance with the provisions described in clause (ii) below.

(ii) With respect to a EURIBOR Interest Determination Date on which no rate appears on the Reuters Page EURIBOR01 as specified in Clause (i) above, the Calculation Agent will request the principal Euro zone office of each of four major reference banks (which may include the Agents or their affiliates) in the Euro zone interbank market, as selected by the Calculation Agent, to provide the Calculation Agent with its offered quotation for deposits in Euro for the period of the Index Maturity specified in the applicable Pricing Term Sheet and/or Final Terms, as the case may be, commencing on the applicable Interest Reset Date, to prime banks in the Euro zone interbank market at approximately 11:00 A.M., Brussels time, on such EURIBOR Interest Determination Date and in a principal amount not less than the equivalent of US$1,000,000 in euros that is representative for a single transaction in Euro in such market at such time. If at least two such quotations are so provided, then EURIBOR on such EURIBOR Interest Determination Date will be the arithmetic mean of such quotations.

(iii) If fewer than two such quotations are so provided, then EURIBOR on such EURIBOR Interest Determination Date will be the arithmetic mean of the rates quoted at approximately 11:00 A.M., Brussels time, on such EURIBOR Interest Determination Date by four major banks (which may include the Agents or their affiliates) in the Euro zone selected by the Calculation Agent for loans in Euro to leading European banks, having the Index Maturity specified in the applicable Pricing Term Sheet and/or Final Terms, as the case may be, commencing on that Interest Reset Date and in a principal amount not less than the equivalent of US$1,000,000 in euros that is representative for a single transaction in Euro in such market at such time.

(iv) If the banks so selected by the Calculation Agent are not quoting as mentioned in the preceding sentence, EURIBOR determined as of such EURIBOR Interest Determination Date will be EURIBOR in effect on such EURIBOR Interest Determination Date.

"**Euro zone**" means the region comprised of member states of the European Union that have adopted the single currency in accordance with the Treaty on European Union signed at Maastricht on February 7, 1992.

(6) Federal Funds Rate

If "Federal Funds Rate" is specified in the applicable Pricing Term Sheet and/or Final Terms, this Senior Note will bear interest at the rates (calculated with reference to the Federal Funds Rate and the Spread and/or Spread Multiplier, if any) specified in the applicable Pricing Term Sheet and/or Final Terms.

Unless otherwise specified in the applicable Pricing Term Sheet and/or Final Terms, as the case may be, "**Federal Funds Rate**" means, with respect to any Interest Determination Date relating to a Floating Rate Note for which the interest rate is determined with reference to the Federal Funds Rate (a "Federal Funds Rate Interest Determination Date"),

(i) if "Federal Funds (Effective) Rate" is the specified Federal Funds Rate in the applicable Pricing Term Sheet and/or Final Terms, as the case may be, the Federal Funds Rate as of the Federal Funds Rate Interest Determination Date shall be the rate with respect to such date for U.S. dollar federal funds as published in H.15(519) opposite the heading "Federal funds (effective)" and that appears on Reuters on page FEDFUNDS1 (or any other page as may replace such page on such service) ("**Reuters Page FEDFUNDS1**") under the heading "EFFECT" or, if such rate is not so published by 3:00 P.M., New York City time, on the related Calculation Date, the rate with respect to such Federal Funds Rate Interest Determination Date for U.S. dollar federal funds as published in H.15 Daily Update, or such other recognized electronic source used for the purpose of displaying such rate, opposite the caption "Federal funds (effective)". If such rate does not appear on Reuters Page FEDFUNDS 1 or is not yet published in H.15(519), H.15 Daily Update or another recognized electronic source by 3:00 P.M., New York City time, on the related Calculation Date, then the Federal Funds Rate with respect to such Federal Funds Rate Interest Determination Date will be calculated by the Calculation Agent and will be the arithmetic mean of the rates for the last transaction in overnight U.S. dollar federal funds arranged by three leading brokers of U.S. dollar federal funds transactions in New York City (which may include the Agents or their affiliates) selected by the Calculation Agent prior to 9:00 A.M., New York City time, on the Business Day following such Federal Funds Rate Interest Determination Date; provided, however, that if the brokers so selected by the Calculation Agent are not quoting as mentioned in this sentence, the Federal Funds Rate determined as of such Federal Funds Rate Interest Determination Date will be the Federal Funds Rate in effect on such Federal Funds Rate Interest Determination Date;

(ii) if "Federal Funds Open Rate" is the specified Federal Funds Rate in the applicable Pricing Term Sheet and/or Final Terms, as the case may be, the Federal Funds Rate as of the applicable Federal Funds Rate Interest Determination Date shall be the rate on such date under the heading "Federal Funds" for the relevant Index Maturity and opposite the caption "Open" as such rate is displayed on Reuters on page 5 (or any other page as may replace such page on such service) ("**Reuters Page 5**"), or, if such rate does not appear on Reuters Page 5 by 3:00 P.M., New York

City time, on the Calculation Date, the Federal Funds Rate for the Federal Funds Rate Interest Determination Date will be the rate for that day displayed on the FFPREBON Index page on Bloomberg L.P. ("**Bloomberg**"), which is the Fed Funds Opening Rate as reported by Prebon Yamane (or a successor) on Bloomberg. If such rate does not appear on Reuters Page 5 or is not displayed on the FFPREBON Index page on Bloomberg or another recognized electronic source by 3:00 P.M., New York City time, on the related Calculation Date, then the Federal Funds Rate on such Federal Funds Rate Interest Determination Date shall be calculated by the Calculation Agent and will be the arithmetic mean of the rates for the last transaction in overnight U.S. Dollar federal funds arranged by three leading brokers of U.S. Dollar federal funds transactions in New York City (which may include the Agents or their affiliates) selected by the Calculation Agent prior to 9:00 A.M., New York City time, on such Federal Funds Rate Interest Determination Date; provided, however, that if the brokers so selected by the Calculation Agent are not quoting as mentioned in this sentence, the Federal Funds Rate determined as of such Federal Funds Rate Interest Determination Date will be the Federal Funds Rate in effect on such Federal Funds Rate Interest Determination Date;

(iii) if "Federal Funds Target Rate" is the specified Federal Funds Rate in the applicable Pricing Term Sheet and/or Final Terms, as the case may be, the Federal Funds Rate as of the applicable Federal Funds Rate Interest Determination Date shall be the rate on such date as displayed on the FDTR Index page on Bloomberg. If such rate does not appear on the FDTR Index page on Bloomberg by 3:00 P.M., New York City time, on the Calculation Date, the Federal Funds Rate for such Federal Funds Rate Interest Determination Date will be the rate for that day appearing on Reuters on page USFFTARGET= (or any other page as may replace such page on such service) ("**Reuters Page USFFTARGET=**"). If such rate does not appear on the FDTR Index page on Bloomberg or is not displayed on Reuters Page USFFTARGET= by 3:00 P.M., New York City time, on the related Calculation Date, then the Federal Funds Rate on such Federal Funds Rate Interest Determination Date shall be calculated by the Calculation Agent and will be the arithmetic mean of the rates for the last transaction in overnight U.S. Dollar federal funds arranged by three leading brokers of U.S. Dollar federal funds transactions in New York City (which may include the Agents or their affiliates) selected by the Calculation Agent prior to 9:00 A.M., New York City time, on such Federal Funds Rate Interest Determination Date; provided, however, that if the brokers so selected by the Calculation Agent are not quoting as mentioned in this sentence, the Federal Funds Rate determined as of such Federal Funds Rate Interest Determination Date will be the Federal Funds Rate in effect on such Federal Funds Rate Interest Determination Date.

(7) LIBOR

If "LIBOR" is specified in the applicable Pricing Term Sheet and/or Final Terms, this Senior Note will bear interest at the rates (calculated with reference to

LIBOR and the Spread and/or Spread Multiplier, if any) specified in the applicable Pricing Term Sheet and/or Final Terms.

Unless otherwise specified in the applicable Pricing Term Sheet and/or Final Terms, as the case may be, "**LIBOR**" means the rate determined in accordance with the following provisions:

(i) With respect to any Interest Determination Date relating to a Floating Rate Note for which the interest rate is determined with reference to LIBOR (a "**LIBOR Interest Determination Date**"), LIBOR will be the rate for deposits in the Designated LIBOR Currency for the Interest Period(s) or Interest Reset Period(s) of the Index Maturity specified in such Pricing Term Sheet and/or Final Terms, as the case may be, commencing on the applicable Interest Reset Date, that appears on the Designated LIBOR Page (as defined below) as of 11:00 A.M., London time, on such LIBOR Interest Determination Date, or if no such rate so appears, LIBOR on such LIBOR Interest Determination Date will be determined in accordance with the provisions described in clause (ii) below.

(ii) With respect to a LIBOR Interest Determination Date on which no rate appears on the Designated LIBOR Page as specified in clause (i) above, the Calculation Agent will request the principal London offices of each of four major reference banks (which may include the Agents or their affiliates) in the London interbank market, as selected by the Calculation Agent, to provide the Calculation Agent with its offered quotation for deposits in the Designated LIBOR Currency for the period of the Index Maturity specified in the applicable Pricing Term Sheet and/or Final Terms, as the case may be, commencing on the applicable Interest Reset Date, to prime banks in the London interbank market at approximately 11:00 A.M., London time, on such LIBOR Interest Determination Date and in a principal amount that is representative for a single transaction in the Designated LIBOR Currency in such market at such time. If at least two such quotations are so provided, then LIBOR on such LIBOR Interest Determination Date will be the arithmetic mean of such quotations. If fewer than two such quotations are so provided, then LIBOR on such LIBOR Interest Determination Date will be the arithmetic mean of the rates quoted at approximately 11:00 A.M., in the applicable Principal Financial Center, on such LIBOR Interest Determination Date by three major banks (which may include the Agents or their affiliates) in such Principal Financial Center selected by the Calculation Agent for loans in the Designated LIBOR Currency to leading European banks, having the Index Maturity specified in the applicable Pricing Term Sheet and/or Final Terms, as the case may be, commencing on the related Interest Reset Date and in a principal amount that is representative for a single transaction in the Designated LIBOR Currency in such market at such time; provided, however, that if the banks so selected by the Calculation Agent are not quoting as mentioned in this sentence, LIBOR determined as of such LIBOR Interest Determination Date will be LIBOR in effect on such LIBOR Interest Determination Date.

"**Designated LIBOR Currency**" means the currency specified as Index Currency in the applicable Pricing Term Sheet and/or Final Terms, as the case may be, as to which LIBOR shall be calculated or, if no such currency is specified in the applicable Pricing Term Sheet and/or Final Terms, as the case may be, U.S. dollars.

"**Designated LIBOR Page**" means the display on Reuters (or any successor service) on page LIBOR01 or LIBOR02, specified as Relevant Screen Page in the applicable Pricing Term Sheet and/or Final Terms (or any other page as may replace such page on such service or successor service), for the purpose of displaying the London interbank rates (which may include affiliates of the Distribution Agents) for the Designated LIBOR Currency.

"**London Banking Day**" is any day (other than a Saturday or Sunday) in which dealings in deposits in United States dollars are transacted or, with respect to any future date, are expected to be transacted in the London interbank market.

"**Principal Financial Center**" means (i) the capital city of the country issuing the Specified Currency, or (ii) the capital city of the country to which the Designated LIBOR Currency, if applicable, relates, except, in each case, that with respect to U.S. Dollars, Australian Dollars, Canadian Dollars, Euro, New Zealand Dollars, South African Rand and Swiss Francs, the "Principal Financial Center" shall be The City of New York, Sydney, Toronto, The City of London (solely in the case of the Designated LIBOR Currency), Wellington, Johannesburg and Zurich, respectively.

(8) Prime Rate

If "Prime Rate" is specified in the applicable Pricing Term Sheet and/or Final Terms, this Senior Note will bear interest at the rates (calculated with reference to the Prime Rate and the Spread and/or Spread Multiplier, if any) specified in the applicable Pricing Term Sheet and/or Final Terms.

Unless otherwise specified in the applicable Pricing Term Sheet and/or Final Terms, as the case may be, "**Prime Rate**" means, with respect to any Interest Determination Date relating to a Floating Rate Note for which the interest rate is determined with reference to the Prime Rate (a "**Prime Rate Interest Determination Date**"), the rate on such date as such rate is published in H.15(519) opposite the caption "Bank prime loan" or, if not published prior to 3:00 P.M., New York City time, on the related Calculation Date, the rate on such Prime Rate Interest Determination Date as published in H.15 Daily Update, or such other recognized electronic source used for the purpose of displaying such rate, opposite the caption "Bank Prime Loan". If such rate is not yet published in H.15(519), H.15 Daily Update or another recognized electronic source by 3:00 P.M., New York City time, on the related Calculation Date, then the Prime Rate shall be the arithmetic mean, as determined by the Calculation Agent, of the rates of interest publicly announced by each bank that appears on Reuters on page USPRIME1 (or any other page as may replace such page on such service for the purpose of displaying prime rates or base lending rates of major United States banks ("**Reuters Page USPRIME1**")) as such bank's prime rate or base lending rate as of 11:00 A.M., New York City time, on such Prime Rate Interest

Determination Date. If fewer than four such rates so appear on Reuters Page USPRIME1 for such Prime Rate Interest Determination Date by 3:00 P.M., New York City time on the related Calculation Date, then the Prime Rate shall be the arithmetic mean calculated by the Calculation Agent of the prime rates or base lending rates quoted on the basis of the actual number of days in the year divided by a 360 day year as of the close of business on such Prime Rate Interest Determination Date by three major banks (which may include the Agents or their affiliates) in New York City selected by the Calculation Agent; provided, however, that if the banks so selected by the Calculation Agent are not quoting as mentioned in this sentence, the Prime Rate determined as of such Prime Rate Interest Determination Date will be the Prime Rate in effect on such Prime Rate Interest Determination Date or, if no Prime Rate was in effect on such Prime Rate Interest Determination Date, the rate on such Floating Rate Note for the following Interest Reset Period shall be the Initial Interest Rate.

(9) *Treasury Rate*

If "Treasury Rate" is specified in the applicable Pricing Term Sheet and/or Final Terms, this Senior Note will bear interest at the rates (calculated with reference to the Treasury Rate and the Spread and/or Spread Multiplier, if any) specified in the applicable Pricing Term Sheet and/or Final Terms.

Unless otherwise specified in the applicable Pricing Term Sheet and/or Final Terms, as the case may be, "**Treasury Rate**" means, with respect to any Interest Determination Date relating to a Floating Rate Note for which the interest rate is determined by reference to the Treasury Rate (a "**Treasury Rate Interest Determination Date**"), the rate from the auction held on such Treasury Rate Interest Determination Date (the "**Auction**") of direct obligations of the United States ("**Treasury Bills**") having the Index Maturity specified in the applicable Pricing Term Sheet and/or Final Terms, as the case may be, under the caption "INVEST RATE" on the display on Reuters or any successor service on page USAUCTION 10 (or any other page as may replace such page on such service) ("**Reuters Page USAUCTION 10**") or page USAUCTION 11 (or any other page as may replace such page on such service) ("**Reuters Page USAUCTION 11**") or, if not so published by 3:00 P.M., New York City time, on the related Calculation Date, the Bond Equivalent Yield (as defined below) of the auction rate of such Treasury Bills as announced by the U.S. Department of the Treasury. In the event that the auction rate of Treasury Bills having the Index Maturity specified in the applicable Pricing Term Sheet and/or Final Terms, as the case may be, is not so announced by the U.S. Department of the Treasury, or if no such Auction is held, then the Treasury Rate will be the Bond Equivalent Yield of the rate on such Treasury Rate Interest Determination Date of Treasury Bills having the Index Maturity specified in the applicable Pricing Term Sheet and/or Final Terms, as the case may be, as published in H.15(519) opposite the caption "U.S. government securities/Treasury bills/secondary market" or, if not yet published by 3:00 P.M., New York City time, on the related Calculation Date, the rate on such Treasury Rate Interest Determination Date of such Treasury Bills as published in H.15 Daily Update, or such other recognized electronic source used for the purpose of displaying such rate, under the caption "U.S. government securities/Treasury bills/secondary market". If such rate is not yet published in H.15(519), H.15 Daily Update or another recognized electronic source by 3:00

P.M., New York City time, on the related Calculation Date, then the Treasury Rate will be calculated by the Calculation Agent and will be the Bond Equivalent Yield of the arithmetic mean of the secondary market bid rates, as of approximately 3:30 P.M., New York City time, on such Treasury Rate Interest Determination Date, of three leading primary U.S. government securities dealers (which may include the Agents or their affiliates) selected by the Calculation Agent, for the issue of Treasury Bills with a remaining maturity closest to the Index Maturity specified in the applicable Pricing Term Sheet and/or Final Terms, as the case may be; provided, however, that if the dealers so selected by the Calculation Agent are not quoting as mentioned in this sentence, the Treasury Rate determined as of such Treasury Rate Interest Determination Date will be the Treasury Rate in effect on such Treasury Rate Interest Determination Date.

"**Bond Equivalent Yield**" means a yield (expressed as a percentage) calculated in accordance with the following formula:

$$\text{Bond Equivalent Yield} = \frac{D \times N}{360 - (D \times M)} \times 100$$

where "D" refers to the applicable per annum rate for Treasury Bills quoted on a bank discount basis, "N" refers to 365 or 366, as the case may be, and "M" refers to the actual number of days in the applicable Interest Reset Period.

(iii) *Minimum and/or Maximum Rate of Interest*

If the applicable Pricing Term Sheet and/or Final Terms specifies a Minimum Rate of Interest for any Interest Period, then the Rate of Interest for such Interest Period shall in no event be less than such Minimum Rate of Interest and/or if it specifies a Maximum Rate of Interest for any Interest Period, then the Rate of Interest for such Interest Period shall in no event be greater than such Maximum Rate of Interest.

Unless otherwise stated in the applicable Final Terms and/or Pricing Term Sheet, the Minimum Rate of Interest shall be deemed to be zero.

(iv) *Determination of Rate of Interest and Calculation of Interest Amounts*

The Agent, in the case of Floating Rate Notes, 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 amount of interest (the "**Interest Amount**") payable on the Floating Rate Notes for the relevant Interest Period by applying the Rate of Interest to in the case of Floating Rate Notes, the aggregate outstanding nominal amount of the Senior Notes represented by such Global Certificate and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

"**Day Count Fraction**" means, in respect of the calculation of an amount of interest in accordance with this Condition 4(b):

(a) if "Actual/Actual (ISDA)" or "Actual/Actual" is specified in the applicable Final Terms and/or Pricing Term Sheet, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);

(b) if "Actual/365 (Fixed)" is specified in the applicable Final Terms and/or Pricing Term Sheet, the actual number of days in the Interest Period in respect of which payment is being made divided by 365;

(c) if "Actual/360" is specified in the applicable Final Terms and/or Pricing Term Sheet, the actual number of days in the Interest Period in respect of which payment is being made divided by 360;

(d) if "30/360", "360/360" or "Bond Basis" is specified in the applicable Final Terms and/or Pricing Term Sheet, the number of days in the Interest Period in respect of which payment is being made 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_1" is the year, expressed as a number, in which the first day of the Interest Period falls;

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

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

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

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

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

(e) if "30E/360" or "Eurobond Basis" is specified in the applicable Final Terms and/or Pricing Term Sheet, 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_1" is the year, expressed as a number, in which the first day of the Interest Period falls;

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

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

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

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

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

(f) if "30E/360 (ISDA)" is specified in the applicable Final Terms and/or Pricing Term Sheet, 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_1" is the year, expressed as a number, in which the first day of the Interest Period falls;

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

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

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

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

"D_2" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D_2 will be 30.

(v) *Notification of Rate of Interest and Interest Amount*

The Fiscal Agent or, if applicable, the Calculation 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 12 (*Notices*) as soon as possible after their determination but in no event later than the fourth Amsterdam 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) 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 Senior Noteholders in accordance with Condition 12 (*Notices*). For the purposes of this paragraph (v), the expression "**Amsterdam Business Day**" means a day (other than a Saturday or Sunday) on which banks and foreign exchange markets are open for business in Amsterdam.

(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 4(b), whether by the Fiscal Agent or, if applicable, the Calculation Agent, shall (in the absence of willful default, bad faith or manifest error) be binding on the Issuer, the Fiscal Agent, the Calculation Agent (if applicable), the other Paying Agents and all Senior Noteholders and (in the absence as aforesaid) no liability to the Issuer or the Senior Noteholders shall attach to the Fiscal Agent or, if applicable, the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

(c) Interest on Foreign Currency Senior Notes

In the case of Foreign Currency Senior Notes, if the rate or amount of interest falls to be determined by reference to a Rate of Exchange, the rate or amount of interest payable shall be determined in the manner specified in the applicable Pricing Term Sheet and/or Final Terms.

(d) Accrual of Interest

Each Senior Note (or in the case of the redemption of part only of a Senior Note, that part only of such Senior 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 Senior 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 Senior Noteholders in accordance with Condition 12 (*Notices*) or individually.

5. Payments

(a) Principal, Interest and Record Date

Payment of the principal of and any premium or interest on Senior Notes, other than Foreign Currency Senior Notes with respect to which a Specified Currency payment election has been made, will be made to the registered holders thereof at the office of the U.S. Paying Agent or, if applicable, the European Paying Agent, or such other office or agency of the Issuer maintained by it for that purpose in the Borough of Manhattan, The City of New York, in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts; provided, however, that payment of the principal of and any premium and interest on such Senior Notes due at Maturity will be made to the registered holders thereof in immediately available funds at such office or such other offices or agencies if such Senior Notes are presented to the applicable Paying Agent or any other paying agent in time for the applicable Paying Agent or such other paying agent to make such payments in accordance with its normal procedures; and, provided, further, that at the option of the Issuer, payment of interest, other than interest payable at Maturity, may be made by check mailed to the address of the person entitled thereto as such address shall appear in the Register unless that address is in the Issuer's country of incorporation or, if different, country of tax residence; and, provided, further, that notwithstanding the foregoing a registered holder of US$5,000,000 or more in aggregate principal amount of such Senior Notes having the same Interest Payment Date will be entitled to receive payments of interest, other than interest due at Maturity, by wire transfer of immediately available funds to an account at a bank located in The City of New York (or other location consented to by such Issuer) if appropriate wire transfer instructions have been received by the applicable Paying Agent or any other paying agent in writing not less than 15 calendar days prior to the applicable Interest Payment Date.

Unless otherwise specified in the applicable Pricing Term Sheet and/or Final Terms, as the case may be, payments of principal of and any premium and interest on Foreign Currency Senior Notes will be made in U.S. dollars unless the holder thereof elects to receive such payments in the Specified Currency as described below.

Any U.S. dollar amount to be received by a holder of a Foreign Currency Senior Note will be based on the highest bid quotation in The City of New York received by the Exchange Rate Agent at approximately 11:00 A.M., New York City time, on the second Business Day with respect to such Senior Note preceding the applicable payment date from three recognized foreign exchange dealers (one of which may be the Exchange Rate Agent) for the purchase by the quoting dealer of the Specified Currency for U.S. dollars for settlement on such payment date in the aggregate amount of the Specified Currency payable to all holders of Foreign Currency Senior Notes scheduled to receive U.S. dollar payments and at which the applicable dealer commits to execute a contract. If such bid quotations are not available,

payments will be made in the Specified Currency. All currency exchange costs will be borne by the holder of the Foreign Currency Senior Notes by deductions from such payments.

Unless otherwise specified in the applicable Pricing Term Sheet and/or Final Terms, as the case may be, a holder of a Foreign Currency Senior Notes may elect to receive payment of the principal of and any premium and interest on such Senior Note in the Specified Currency by transmitting a written request for such payment to the applicable Paying Agent on or prior to the relevant Record Date or at least sixteen days prior to Maturity, as the case may be. Such request, which must include the wire transfer instructions referred to below, may be in writing (mailed or hand delivered) or by cable, telex or other form of facsimile transmission. A holder of a Foreign Currency Senior Note may elect to receive payment in the Specified Currency for all principal and any premium and interest payments and need not file a separate election for each payment. All costs associated with such currency exchange will be paid by the holder. Such election will remain in effect until revoked by written notice to the applicable Paying Agent, but written notice of any such revocation must be received by the applicable Paying Agent on or prior to the relevant Record Date or at least sixteen days prior to Maturity, as the case may be.

The payment of principal of and any premium or interest on Foreign Currency Senior Notes paid in the Specified Currency other than at Maturity will be made by check drawn upon a bank office located outside the United States, and any such payments due at Maturity will be made by wire transfer of immediately available funds to an account maintained by the Holder with a bank office located in the country which issued the Specified Currency upon presentation of such Senior Notes to the applicable Paying Agent or any other paying agent in time for such wire transfer to be made by the applicable Paying Agent or such other paying agent in accordance with its normal procedures.

If a Specified Currency is not available for the payment of principal or any premium or interest with respect to a Foreign Currency Senior Note due to the imposition of exchange controls or other circumstances beyond the control of the Issuer, the Issuer will be entitled to satisfy its obligations to holders of Foreign Currency Senior Notes by making such payment in U.S. dollars on the basis of the market exchange rate on the second Market Day prior to the date of such payment, or if such market exchange rate is not then available, on the basis of the most recently available market exchange rate.

Each payment in respect of a Registered Note in definitive form will be made to the person shown as the Registered Holder in the Register at the opening of business in the place of the Registrar's specified office on the fifteenth day before the due date for such payment (in respect of such Senior Notes, the "**Record Date**"). Where payment in respect of a Registered Note is to be made by cheque, the cheque will be mailed to the address shown as the address of the Registered Holder in the Register at the opening of business on the relevant Record Date. Each payment in respect of a Registered Note in global form will be made to the person shown as the Registered Holder in the Register at the close of business (in the relevant clearing system) on the Clearing System Business Day before the due date for such payment (in respect of such Senior Notes, the "**Record Date**"), where "**Clearing System Business Day**" means a day on which each clearing system for which the Relevant Global Certificate is being held is open for business.

(b) Payment Day

If the date for payment of any amount in respect of any Senior Note 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 (unless otherwise specified in the applicable Pricing Term Sheet and/or Final Terms), "**Payment Day**" means any day which (subject to Condition 5 (*Payments*)) 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:

(A) the relevant place of presentation;

(B) any Additional Business Center specified in the applicable Final Terms and/or Pricing Term Sheet; and

(ii) either (1) in relation to any sum payable in a Specified Currency other than Euro, 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 the principal financial center of the country of the relevant Specified Currency (if other than the place of presentation and any Financial Center and which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney and Auckland, respectively) or (2) in relation to any sum payable in Euro, a day on which the TARGET2 System is open.

(c) Interpretation of Principal and Interest

Any reference in these Terms and Conditions to principal or nominal amount in respect of the Senior Notes shall be deemed to include, as applicable:

(i) any additional amounts which may be payable with respect to principal under Condition 7 (*Taxation*);

(ii) the Final Redemption Amount of the Senior Notes;

(iii) the Early Redemption Amount of the Senior Notes;

(iv) the Optional Redemption Amount(s) (if any) of the Senior Notes;

(vi) in relation to Zero Coupon Notes, the Amortized Face Amount (as defined below); and

(vii) any premium and any other amounts (other than accrued interest) which may be payable by the Issuer under or in respect of the Senior Notes.

Any reference in these Terms and Conditions to interest in respect of the Senior Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 7 (*Taxation*).

6. Redemption and Purchase

(a) Redemption at Maturity

Unless previously redeemed or purchased and cancelled as specified below, each Senior Note will be redeemed by the Issuer at its Final Redemption Amount (together with any accrued interest) specified in, or determined in the manner specified in, the applicable Pricing Term Sheet and/or Final Terms in the relevant Specified Currency on the Maturity Date or the Interest Payment Date falling in the Redemption Month (as defined and specified in the applicable Final Terms).

(b) Redemption for Tax Reasons

Unless otherwise specified in the applicable Pricing Term Sheet and/or Final Terms, Senior Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time (in the case of Senior Notes other than Floating Rate Notes) or on any Interest Payment Date (in the case of Floating Rate Notes), on giving not less than 30 nor more than 60 days' notice to the Senior Noteholders in accordance with Condition 12 (*Notices*) (which notice shall be irrevocable) if, on the occasion of the next payment due under the Senior Notes, the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 7 (*Taxation*) 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 the Senior Notes; provided, however, that (1) no such notice of redemption will be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts in respect of the Senior Notes were a payment in respect of the Senior Notes then due (2) at the time such notice of redemption is given, such obligation to pay such additional amounts remains in effect and (3) any election by the Issuer to make any withholding pursuant to Condition 7(a) (*Taxation*) shall not prevent the Issuer from giving such notice.

Each Senior Note redeemed pursuant to this Condition 6(b) will be redeemed at its Early Redemption Amount referred to in Condition 6(e) (*Early Redemption Amounts*) below together (if appropriate) with interest accrued to (but excluding) the date of redemption.

(c) Redemption at the Option of the Issuer (Issuer Call)

If Issuer Call is specified in the applicable Pricing Term Sheet and/or Final Terms, the Issuer may at its option, and, subject as provided in Condition 6(e) (*Early Redemption Amounts*) below and having given:

(i) not less than 30 nor more than 60 days' notice, or such other period of notice as is specified in the applicable Pricing Term Sheet and/or Final Terms, to the Senior Noteholders in accordance with Condition 12 (*Notices*); and

(ii) not less than 15 days before the giving of the notice referred to in (i), notice to the Fiscal Agent, (both of which notices shall be irrevocable),

redeem all or some only of the Senior Notes then outstanding on the Optional Redemption Date(s) and at the Optional Redemption Amount(s) specified in, or determined in the manner specified in, the applicable Final Terms and/or Pricing Term Sheet together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date(s).

All notices of redemption shall identify the Senior Notes to be redeemed (including CUSIP, Common Code and ISIN numbers), the date fixed for redemption, the redemption price, the manner in which redemption will be effected and, in the case of a partial redemption, the serial numbers (and principal amounts) of the Senior Notes to be redeemed.

Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount and not higher than the Maximum Redemption Amount, both as indicated (if at all) in the applicable Pricing Term Sheet and/or Final Terms. In the case of a partial redemption of Senior Notes, the Senior Notes to be redeemed ("**Redeemed Notes**") will be selected individually by lot, in the case of Redeemed Notes represented by definitive Senior Notes, and in accordance with the rules of DTC or, if applicable,

Euroclear, Clearstream, Luxembourg and/or Euroclear Netherlands (to be reflected in the records of DTC or Euroclear and Clearstream, Luxembourg (as applicable) as either a pool factor or a reduction in nominal amount, at their discretion), in the case of Redeemed Notes represented by a Global Certificate, not more than 60 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 Senior Notes, a list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 12 (*Notices*) not less than 15 days prior to the date fixed for redemption. No exchange of the relevant Global Certificate will be permitted during the period from and including the Selection Date to and including the date fixed for redemption pursuant to this Condition 6(c) and notice to that effect shall be given by the Issuer to the Senior Noteholders in accordance with Condition 12 (*Notices*) at least 5 days prior to the Selection Date.

If Senior Notes are to be redeemed in part only on any date in accordance with this Condition 6(c), then:

(i) if the Senior Notes are admitted to listing, trading and/or quotation on any listing authority, stock exchange and/or quotation system, each Registered Note shall be redeemed in part in compliance with the requirements of the listing authority, stock exchange and/or quotation system on or by which the Registered Notes are so admitted to listing, trading and/or quotation; or

(ii) if the Senior Notes are not admitted to listing trading and/or quotation on any listing authority, stock exchange and/or quotation system or if the relevant listing authority, stock exchange and/or quotation system has no requirement in that regard each Senior Note shall be redeemed in part in the proportion which the aggregate nominal amount of the outstanding Senior Notes to be redeemed on the date fixed for such redemption bears to the aggregate nominal amount of outstanding Senior Notes on such date.

(d) Redemption of Senior Notes at the Option of the Senior Noteholders (Investor Put)

If Investor Put is specified in the applicable Pricing Term Sheet and/or Final Terms, upon the holder of any Senior Note giving to the Issuer in accordance with Condition 12 (*Notices*) not less than 15 nor more than 30 days' notice or such other period of notice as is specified in the applicable Final Terms and/or Pricing Term Sheet (which notice shall be irrevocable), the Issuer will, upon the expiry of such notice, redeem, subject to, and in accordance with, the terms specified in the applicable Final Terms and/or Pricing Term Sheet, in whole (but not in part), such Senior Note on the Optional Redemption Date and at the Optional Redemption Amount specified in, or determined in the manner specified in, the applicable Pricing Term Sheet and/or Final Terms together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date. It may be that before an Investor Put can be exercised, certain conditions and/or circumstances will need to be satisfied. Where relevant, the provisions will be set out in the applicable Pricing Term Sheet and/or Final Terms.

To exercise the right to require redemption of this Senior Note its holder must, if this Senior Note is in definitive form and held outside DTC or, if applicable, Euroclear and Clearstream, Luxembourg, deliver at the specified office of the Registrar at any time during normal business hours of such Registrar falling within the notice period, a duly signed and completed Exercise Notice in the form (for the time being current) obtainable from any specified office of the Registrar (a "**Put Notice**").

If this Senior Note is represented by a Global Certificate or is in definitive form and held through DTC or, if applicable, Euroclear or Clearstream, Luxembourg to exercise the right to require redemption of this Senior Note the holder of this Senior Note must, within the notice period, give notice to the Registrar of such exercise in accordance with the standard procedures of DTC or, if applicable, Euroclear and

Clearstream, Luxembourg in a form acceptable to DTC, or if applicable, Euroclear and Clearstream, Luxembourg.

(e) Early Redemption Amounts

For the purpose of Conditions 6(b) (*Redemption for Tax Reasons*), 6(c) (*Redemption at the Option of the Issuer (Issuer Call)*) and 6(d) (*Redemption of Senior Notes at the Option of the Senior Noteholders (Investor Put)*) above and Condition 9 (*Events of Default*), each Senior Note will be redeemed at its Early Redemption Amount calculated as follows:

(i) in the case of a Senior Note with a Final Redemption Amount equal to the Issue Price, at the Final Redemption Amount thereof; or

(ii) in the case of a Zero Coupon Note, at an amount (the "**Amortized Face Amount**") equal to the product of:

(A) the Reference Price specified in the Final Terms and/or the Pricing Term Sheet; and

(B) the sum of the figure 1 and the Accrual Yield specified in the Final Terms and/or the Pricing Term Sheet, 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 Senior Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Senior Note becomes due and repayable and the denominator of which is 360, or on such other calculation basis as may be specified in the applicable Final Terms and/or Pricing Term Sheet; and

(C) if the amount payable with respect to any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to Condition 6(b) (*Redemption for Tax Reasons*) above or upon its becoming due and repayable as provided in Condition 9 (*Events of Default*) is not paid or available for payment when due, the amount due and repayable with respect to such Zero Coupon Note shall be the Amortized Face Amount of such Zero Coupon Note calculated as provided above as though the references in sub-paragraph (B) above to the date fixed for redemption or the date upon which the Zero Coupon Note becomes due and repayable were replaced by references to the date (the "**Reference Date**") which is the earlier of:

(1) the date on which all amounts due with respect to the Senior Note have been paid; and

(2) the date on which the full amount of the monies repayable has been received by the Agent and notice to that effect has been given in accordance with Condition 12 (*Notices*).

The calculation of the Amortized Face Amount in accordance with this sub- paragraph (C) will continue to be made, after as well as before judgment, until the Reference Date unless the Reference Date falls on or after the Maturity Date, in which case the amount due and repayable shall be the principal amount of such Senior Note together with interest at a rate per annum equal to the Accrual Yield.

Where any such calculation is to be made for a period of less than a full year, it shall be made on the basis of a 360-day year consisting of 12 months of 30 days each and, in the case of an incomplete month, the number of days elapsed; or

(iii) in the case of a Senior Note with a Final Redemption Amount greater or lesser than the Issue Price, at either par or the Final Redemption Amount specified in, or determined in the manner specified in, the applicable Pricing Term Sheet and/or Final Terms or, if no such amount or manner is so specified in the Pricing Term Sheet and/or Final Terms, at their nominal amount.

(f) Purchases

The Issuer or any of its subsidiaries may at any time purchase Senior Notes at any price in the open market or otherwise. Such Senior Notes may be held, re-issued, resold or, at the option of the Issuer, surrendered to any Paying Agent for cancellation.

(g) Cancellation

All Senior Notes which are redeemed will forthwith be cancelled. All Senior Notes so cancelled and the Senior Notes purchased and cancelled pursuant to Condition 6(f) (*Purchases*) above shall be forwarded to the Agent and cannot be re-issued or resold.

7. Taxation

All payments of principal and interest in respect of the Senior Notes by the Issuer will be made free and clear and without withholding or deduction for or on account of any present or future taxes or duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of The Netherlands or any political subdivision or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In such event, the Issuer will, depending on which provision is specified in the applicable Pricing Term Sheet and/or 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 Senior Notes and shall not pay any additional amounts to the holders of the Senior Notes; or

(b) pay such additional amounts as shall be necessary in order that the net amounts received by the holders of the Senior Notes after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Senior Notes as the case may be, in the absence of such withholding or deduction; except that no such additional amounts shall be payable with respect to any Senior Note:

(i) presented for payment by or on behalf of a Senior Noteholder who is liable for such taxes or duties in respect of such Senior Note by reason of his having some connection with The Netherlands other than the mere holding of such Senior Note, or the receipt of principal or interest in respect thereof; or

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

(iii) presented for payment by or on behalf of a Senior Noteholder who would have been able to avoid such withholding or deduction by presenting the relevant Senior Note, to another Paying Agent in a Member State of the European Union; or

(iv) presented for payment more than 30 days after the Relevant Date (as defined below) except to the extent that the holder thereof would have been entitled to an additional amount on presenting the same for payment on such thirtieth day assuming that day to have been a Payment Day (as defined in Condition 5(b) (*Payment Day*)); or

(v) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive.

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

As used herein, the "Relevant Date" means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Agent on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Senior Noteholders in accordance with Condition 12 (*Notices*).

8. Prescription

The Senior Notes will become void unless claims in respect of principal and/or interest are made within a period of five years after the Relevant Date (as defined in Condition 7 (*Taxation*)) therefor.

9. Events of Default

If any one or more of the following events (each an "**Event of Default**") shall have occurred and be continuing:

(i) default in the payment of principal when due unless otherwise specified in the Final Terms and/or Pricing Term Sheet; or

(ii) default is made for more than 30 days in the payment of interest in respect of the Senior Notes of the relevant series; or

(iii) the Issuer fails to perform or observe or comply with any of its other obligations under the Senior Notes and such failure has continued for the period of 60 days next following the service on the Issuer of notice requiring the same to be remedied; or

(iv) the Issuer is declared bankrupt, or a declaration in respect of the Issuer is made under article 3:163(1)(b) of the Wft; or

(v) an order is made or an effective resolution is passed for the winding up or liquidation of the Issuer unless this is done in connection with a merger, consolidation or other form of combination with another company and such company assumes all obligations contracted by the Issuer in connection with the Senior Notes,

then any Senior Noteholder may, by written notice to the Issuer at the specified office of the Agent, effective upon the date of receipt thereof by the Fiscal Agent, declare the Senior Note held by the holder to be forthwith due and payable whereupon the same shall become forthwith due and payable at its Early Redemption Amount (as described in Condition 6(e) (*Early Redemption Amounts*)), together with accrued interest (if any) to the date of repayment, without presentment, demand, protest or other notice of any kind.

10. Replacement of Senior Notes

Should any Senior Note be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Fiscal 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 Senior Notes must be surrendered before replacements will be issued.

11. Agent and Paying Agents

The names of the initial Fiscal 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 Senior Notes are listed on any stock exchange, there will at all times be a Paying Agent and a Registrar 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 a Fiscal Agent and a Registrar; and

(iv) save to the extent satisfied by (i) above or (ii) above, there will at all times be a Paying Agent with a specified office in a European Union member state that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive.

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 5(a) (*Principal, Interest and Record Date*). 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 Senior Noteholders in accordance with Condition 12 (*Notices*).

12. Notices

Notices shall be given in accordance with any applicable rule or regulation or decree by a governmental body and the rules and customary procedures of the stock exchange or applicable clearing system specified in the applicable Final Terms and/or Pricing Term Sheet and need not be given by mail unless required by the rules of the stock exchange or applicable clearing system.

Notices given by any Registered Holder shall be in writing and given by lodging the same with the Registrar at its specified office.

13. Amendment and Waiver

The Senior Notes Agency Agreement contains provisions for sanctioning by Senior Noteholder consent of a modification of the Senior Notes or certain provisions of the Senior Notes Agency Agreement. The Agent and the Issuer may agree, without the consent of the Senior Noteholders, to:

(a) any modification of the Senior Notes Agency Agreement which is in the Issuer's opinion not materially prejudicial to the interests of the Senior Noteholders; or

(b) any modification of the Senior Notes or the Senior Notes Agency Agreement which is of a formal, minor or technical nature or is made to correct a manifest or proven error or to comply with mandatory and/or overriding provisions of the law of the jurisdiction in which the Issuer is incorporated.

Any other amendment of the Senior Notes or the Senior Notes Agency Agreement may be made only with the consent of the Senior Noteholders. The Issuer and the Fiscal Agent, if applicable, may amend the Senior Notes or the Senior Notes Agency Agreement with the written consent of the Holders of at least a majority in principal amount of the Senior Notes then outstanding voting as a single class (including consent obtained in connection with a tender offer or exchange of the Senior Notes); provided however that without the consent of 100% of the then outstanding aggregate principal amount of the Senior Notes, no amendment may:

(a) reduce the amount of Senior Notes whose holders must consent to an amendment;

(b) reduce the rate of or extend the time for payment of interest on any Senior Note;

(c) reduce the principal or extend the Stated Maturity or Redemption Month of any Senior Note;

(d) reduce the premium or amount payable upon the redemption of any Senior Note or change the time at which any Senior Note may be redeemed in accordance with its terms;

(e) make any Senior Note payable in currency other than that stated in such Senior Note;

(f) expressly subordinate any Senior Note to any other indebtedness of the Issuer save as permitted in accordance with its terms;

(g) impair the right of any Senior Noteholder to receive payment of principal, premium, if any, and interest on such Holder's Senior Notes on or after the due dates therefor or to institute suit for the enforcement of any payment on or with respect to such Holder's Senior Notes; or

(h) make any amendment to the Events of Default as described in the Conditions.

Any such modification shall be binding on the Senior Noteholders and any such modification shall be notified to the Senior Noteholders in accordance with Condition 12 (*Notices*) as soon as practicable thereafter.

14. Further Issues

The Issuer shall be at liberty from time to time without the consent of the Senior Noteholders to create and issue further Senior Notes having terms and conditions the same as the Senior 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 Senior Notes.

15. Substitution of the Issuer

(a) The Issuer may, with the consent of the Senior Noteholders which will be deemed to have been given in respect of each Tranche of Senior Notes on which no payment of principal of or interest on any of the Senior Notes is in default, be replaced and substituted by either (A) any directly or indirectly wholly owned subsidiary of the Issuer or (B) ABN AMRO Group N.V. (such substituting entity, the "**Substituted Debtor**") as principal debtor in respect of the Senior Notes 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 favor of each Senior Noteholder to be bound by the Terms and Conditions of the Senior Notes and the provisions of the Senior Notes Agency Agreement as fully as if the Substituted Debtor had been named in the Senior Notes, and the Senior Notes Agency Agreement as the principal debtor in respect of the Senior Notes in place of the Issuer and pursuant to which the Issuer shall guarantee, which guarantee shall be unconditional and irrevocable, (the "**Guarantee**") in favor of each Senior Noteholder the payment of all sums (including any additional amounts payable pursuant to Condition 7 (*Taxation*)) payable in respect of the Senior Notes;

(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 Senior Noteholder has the benefit of a covenant in terms corresponding to the provisions of Condition 7 (*Taxation*) 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 jointly and severally indemnify and hold harmless each Senior Noteholder against all liabilities, costs, charges and expenses, provided that insofar as the liabilities, costs, charges and expenses are taxes or duties, the same arise by reason of a law or regulation having legal effect or being in reasonable contemplation thereof on the date such substitution becomes effective, which may be incurred by or levied against such holder as a result of any substitution pursuant to this Condition 15 and which would not have been so incurred or levied had such substitution not been made (and, without limiting the foregoing, such liabilities, costs, charges and expenses shall include any and all taxes or duties which are imposed on any such Senior Noteholder by any political sub-division or taxing authority of any country in which such Senior Noteholder 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 Substituted Debtor and the Issuer shall have 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 the Documents shall contain a representation by the Substituted Debtor and the Issuer that the obligations assumed by each of the Substituted Debtor and the Issuer under the Documents are all valid and binding in accordance with their respective terms and enforceable by each Senior Noteholder;

(iv) each stock exchange which has Senior Notes listed thereon or the relevant competent authority relating thereto shall have confirmed that following the proposed substitution of the Substituted Debtor such Senior Notes would continue to be listed on such stock exchange;

(v) the Substituted Debtor shall have delivered to the Fiscal Agent or procured the delivery to the Agent of a legal opinion from a leading firm of local lawyers acting for the Substituted Debtor to the effect that the Documents constitute legal, valid and binding obligations of the Substituted Debtor, such opinion to be dated not more than three days prior to the date of substitution of the Substituted Debtor for the Issuer and to be available for inspection by Senior Noteholders at the specified office of the Fiscal Agent;

(vi) the Issuer shall have delivered to the Fiscal Agent or procured the delivery to the Fiscal Agent of a legal opinion from a leading firm of Dutch lawyers to the effect that the Documents (including the Guarantee) constitute legal, valid and binding obligations of the Substituted Debtor and the Issuer under Dutch law, such opinion to be dated not more than three days prior to the date of substitution of the Substituted Debtor for the Issuer and to be available for inspection by Senior Noteholders at the specified office of the Fiscal Agent;

(vii) the Substituted Debtor shall have appointed an agent for the service of process in accordance with Condition 16(b) (*Jurisdiction*).

(b) In connection with any substitution effected pursuant to this Condition, neither the Issuer nor the Substituted Debtor need have any regard to the consequences of any such substitution for individual Senior Noteholders resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory and no Senior Noteholder, except as provided in Condition 15(a)(ii) above, shall be entitled to claim from the Issuer or any Substituted Debtor under the Senior Notes any indemnification or payment in respect of any tax or other consequences arising from such substitution.

(c) Upon the execution of the Documents as referred to in Condition 15(a) above, and subject to the notice as referred to in Condition 15(e) below having been given, the Substituted Debtor shall be deemed to be named in the Senior Notes as the principal debtor in place of the Issuer and the Senior Notes shall thereupon be deemed to be amended to give effect to the substitution. The execution of the Documents shall operate to release the Issuer as issuer from all of its obligations as principal debtor in respect of the Senior Notes save that any claims under the Senior Notes prior to release shall enure for the benefit of Senior Noteholders.

(d) The Documents shall be deposited with and held by the Fiscal Agent for so long as any Senior Notes remain outstanding and for so long as any claim made against the Substituted Debtor by any Senior Noteholder in relation to the Senior Notes or the Documents shall not have been finally adjudicated, settled or discharged. The Substituted Debtor and the Issuer shall

acknowledge in the Documents the right of every Senior Noteholder to the production of the Documents for the enforcement of any of the Senior Notes or the Documents.

(e) Prior to, to the extent reasonably practicable but in any event no later than, 15 Business Days after the execution of the Documents, the Substituted Debtor shall give notice thereof to the Senior Noteholders in accordance with Condition 12 (*Notices*).

16. Governing Law and Jurisdiction

(a) Governing Law

The Senior Notes and the Senior Notes Agency Agreement are governed by, and shall be construed and interpreted in accordance with, the laws of The Netherlands, including the choice of court agreement set out below in condition 16(b) (Submission to jurisdiction).

(b) Jurisdiction

In relation to any legal action or proceedings arising out of or in connection with the Senior Notes or the Senior Notes Agency Agreement, the courts in Amsterdam, The Netherlands and any state or federal court in the Borough of Manhattan, The City New York, New York shall have exclusive jurisdiction.

As a result, the Issuer hereby irrevocably consents and submits to the jurisdiction of any state or federal court in the Borough of Manhattan, The City New York, New York in person, generally and unconditionally with respect to any action, suit or proceeding for itself and in respect of its properties, assets and revenues. The Issuer hereby irrevocably waives, to the fullest extent permitted by applicable law, any and all right to trial by jury in any legal proceeding arising out of or relating to the Senior Notes.

The Issuer hereby irrevocably designates, appoints and empowers the New York Representative Office of ABN AMRO Bank N.V. at 565 Fifth Avenue, 25th Floor, New York, NY 10017, United States of America, as its designee, appointee and agent to receive, accept and acknowledge for and on its behalf, and its properties, assets and revenues, service of any and all legal process, summons, notices and documents that may be served in any action, suit or proceeding brought against it in any such state or federal court in the Borough of Manhattan, The City New York, New York United States, with respect to its obligations, liabilities or any other matter arising out of or in connection with the Senior Notes or any related additional agreement and that may be made on such designee, appointee and agent in accordance with legal procedures prescribed for such courts. If for any reason such designee, appointee and agent hereunder shall cease to be available to act as such, the Issuer agrees to designate a new designee, appointee and agent in the County of New York on the terms and for the purposes of this Condition 16(b) satisfactory to the Fiscal Agent. The Issuer further hereby irrevocably consents and agrees to the service of any and all legal process, summons, notices and documents in any such action, suit or proceeding against it by serving a copy thereof upon the relevant agent for service of process referred to in this Condition 16(b) (whether or not the appointment of such agent shall for any reason prove to be ineffective or such agent shall accept or acknowledge such service) or by mailing copies thereof by registered or certified air mail, postage prepaid, to it at its registered address. The Issuer agrees that the failure of any such designee, appointee and agent to give any notice of such service to it shall not impair or affect in any way the validity of such service or any judgment rendered in any action or proceeding based thereon. Nothing herein shall in any way be deemed to limit the ability of the Senior Noteholders to service any such legal process, summons, notices and documents in any other manner permitted by applicable law. The Issuer hereby irrevocably and unconditionally waives, to the fullest extent permitted by law, any objection that it may now or hereafter have to the laying of venue of any of the aforesaid actions, suits or proceedings arising out of or in connection with the Senior Notes or any related additional agreement

brought in the courts in Amsterdam, The Netherlands or any state or federal court in the Borough of Manhattan, The City New York, New York and hereby further irrevocably and unconditionally waives and agrees not to plead or claim in any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum.

FORM OF SUBORDINATED NOTES FINAL TERMS

Set out below is the form of Final Terms which will be completed for each Tranche of Subordinated Notes issued under the Program with a minimum denomination at least US$200,000 (or its equivalent in another currency) but so that in no event the minimum denomination will be lower than EUR 100,000.

FINAL TERMS

Date: [•]

ABN AMRO Bank N.V.
(incorporated in The Netherlands with its statutory seat in Amsterdam and registered in the Commercial Register of the Chamber of Commerce under number 34334259)

Issue of [Aggregate [Principal][Nominal] Amount of Tranche] [Title of Subordinated Notes] (the "Notes")

under the Program for the issuance of Medium Term Notes

[The Base Prospectus referred to below (as completed by these Final Terms) has been prepared on the basis that any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (2003/71/EC), as amended (each, a "**Relevant Member State**") will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Subordinated Notes. Accordingly any person making or intending to make an offer in that Relevant Member State of the 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 Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. Neither the Issuer nor any Dealer has authorized, nor do they authorize, the making of any offer of Subordinated Notes in any other circumstances.]

[In accordance with the Prospectus Directive, no prospectus is required in connection with the issuance of the Notes as described herein.]

PART A – CONTRACTUAL TERMS

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "**Conditions**") set forth in the base prospectus dated 23 April 2015 [as supplemented by a supplement dated [date]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive (the "**Base Prospectus**"). This document constitutes the Final Terms of the Subordinated Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Base Prospectus. Full information on the Issuer and the offer of the Subordinated Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus has been published on [http://www.abnamro.com/en/investor-relations/debt-investors/index.html]. Any information contained in or accessible through any website, including [http://www.abnamro.com/ir], 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 following alternative language applies if the first tranche of an issue which is being

increased was issued under a base prospectus with an earlier date. The Conditions of the original issue being tapped should be reviewed to ensure that they would not require the final terms documenting the further issue to include information which is no longer permitted in final terms. Where the final terms documenting the further issue would need to include such information, it will not be possible to tap using final terms and a drawdown prospectus (incorporating the original Conditions and final terms) will instead need to be prepared.]

[Terms used herein shall be deemed to be defined as such for the purposes of the [*date*] Conditions (the "**Conditions**") in the base prospectus dated [*original date*] [as supplemented by a supplement dated [*date*] [which are incorporated by reference in the Base Prospectus dated [•] 2015]. This document constitutes the Final Terms of the securities described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the base prospectus dated [•] 2015 [as supplemented by a supplement dated [*date*]] which [together] constitute[s] a base prospectus (the "**Base Prospectus**") for the purposes of the Prospectus Directive, save in respect of the Conditions which are extracted from the Base Prospectus dated [*original date*] [and the supplement(s) to it dated [●]]. Full information on the Issuer and the offer of the securities is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus has been published on [http://www.abnamro.com/en/investor-relations/debt-investors/index.html]. Any information contained in or accessible through any website, including [http://www.abnamro.com/ir], 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.]

[*Include whichever of the following apply or specify as "Not Applicable". Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs (in which case sub-paragraphs of the paragraphs which are not applicable can be deleted). Italics denote directions for completing the Final Terms.*]

1.	Issuer:	ABN AMRO Bank N.V.
2.	(i) Series Number:	[●]
	(ii) Tranche Number:	[●]
	(iii) Date on which the Notes become fungible:	[Not Applicable] [The Notes will be consolidated, form a single series and be interchangeable for trading purposes with the [*insert description of the Series*] on [[*insert date*]/[*the Issue Date*]/[, which is expected to occur on or about [*insert date*]**]** *(40 days after the Issue Date of the new Notes)*]].]
3.	Specified Currency or Currencies	[●]
4.	Aggregate [Principal][Nominal] Amount:	
	(i) Series:	[●]
	(ii) Tranche:	[●]

5.	Issue Price of Tranche:	[●]% of the Aggregate [Principal][Nominal] Amount [plus accrued interest from [*insert date*] (*in the case of fungible issues only, if applicable*)]
6.	(a) Specified Denominations:	[●] ["144A Global Certificates denominated in U.S. dollars: US$200,000 and integral multiples of US$1,000 in excess thereof."] ["[EUR100,000] or equivalent and integral multiples of [EUR1,000] or equivalent in excess thereof up to and including [EUR199,000] or equivalent. No Notes in definitive form will be issued with a denomination above [EUR199,000] or equivalent."]
	(b) Calculation Amount	[●] *(If only one Specified Denomination, insert the Specified Denomination. If more than one Specified Denomination, insert the highest common factor.)*
7.	(i) Issue Date	[●]
	(ii) Interest Commencement Date:	[Issue Date/Not Applicable/[●]]
8.	Maturity Date [or Redemption Month]:	[●] *(Specify Date or (for Floating Rate) Interest Payment Date falling in or nearest to [specify month and year]. Redemption Month should only be used where the term of the Notes is an even number of years from the Issue Date.]*
9.	Interest Basis:	[[●]% Fixed Rate] [+/– [●]% Floating Rate] *(specify particular interest basis)* [CD Rate] [CMT Rate] [Federal Funds Rate] [Eleventh District Cost of Funds Rate] [Prime Rate] [Treasury Rate] [Commercial Paper Rate] [[●] Month EURIBOR] [[●] Month LIBOR] (further particulars specified in paragraph[s] [15][16] below)

10.	Redemption/Payment Basis:	[Redemption at par] [Redemption at [●]% of [Principal Amount][Notional Amount]]
11.	Change of Interest Basis:	[Applicable/Not Applicable] *[Specify the date when any fixed to floating rate change occurs or refer to paragraphs 15 and 16 below and identify there]*
12.	Call Options:	[Not Applicable] [Issuer Call] [Regulatory Call] [(further particulars specified below)]
13.	Status of the Notes:	Subordinated [Tier 2] Notes
14.	Method of distribution:	[Syndicated/Non-syndicated]

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:	[From (and including) [●] up to (but excluding) [●]] [[●]% per annum] [from (and including) [•] up to (but excluding) [•]] [the aggregate of [●]% and the Mid Swap Rate per annum] [determined by the Agent] [payable [annually/semi-annually/quarterly/monthly] in arrear on each Interest Payment Date] ["Mid Swap Rate" means the annual mid swap rate for [Euro/U.S. dollar] swap transactions with a maturity of [●] years, expressed as a percentage, displayed on Reuters screen page [●] (or such other page as may replace that page on Reuters, or such other service as may be nominated by the person providing or sponsoring the information appearing there for the purposes of displaying comparable rates) at [●] [a.m./p.m.] ([●] time) on the [second/[●]] Business Day prior to [●].]
	(ii) Fixed Interest Period:	[●]
	(iii) Interest Payment Date(s):	[●] in each year, up to and including the Maturity Date[, in each case subject to adjustment in accordance with the [Following/Modified/Preceding] Business Day

		Convention[, Unadjusted]] *(NB: This will need to be amended in the case of long or short coupons)*
	(iv) First Interest Payment Date:	[●]
	(v) Fixed Coupon Amount(s):	[Not Applicable] [[●] per Note of Calculation Amount][(For the avoidance of doubt, the amount of interest payable on the Interest Payment Date shall be the Fixed Coupon Amount or any Broken Amount, if applicable)].
	(vi) Initial/Final Broken Amount(s):	[●] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [●]
	(vii) Day Count Fraction:	[30/360] [30E/360] [Actual/Actual (ICMA)] [Actual/Actual (ISDA)] [Actual/365 (Fixed)] [Actual/360] [30E/360 (ISDA)]
	(viii) 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)]*
	(ix) Additional Business Center(s):	[None/[●]]
16.	**Floating Rate Note Provisions**	[Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
	(i) Interest Period(s):	[●]
	(ii) Interest Commencement Date:	[●]
	(iii) Interest Determination Date(s):	[●] *(Second London Banking Day prior to the start of each Interest Period if LIBOR (other than Sterling or euro LIBOR), first day of each Interest Period of Sterling LIBOR and the second day which is also a TARGET2*

		Day prior to the start of each Interest Period if EURIBOR or euro LIBOR)
(iv)	First Interest Payment Date:	[●]
(v)	Specified Interest Payment Dates:	[[●] in each year, subject to adjustment in accordance with the Business Day Convention set out in (vi) below]
(vi)	Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/None]
(vii)	Unadjusted	[No/Yes/Not applicable] *(Only applicable in case a Business Day Convention applies. Insert "No" if the amount of interest payable in respect of the relevant Interest Period should also be adjusted in accordance with the applicable Business Day Convention. Insert "Yes" if the amount of interest should be calculated as if the relevant Interest Payment Date were not subject to adjustment in accordance with the applicable Business Day Convention.)*
(viii)	Additional Business Center(s):	[●]
(ix)	Manner in which the Rate of Interest and Interest Amounts is to be determined:	[Reference Rate Determination/ISDA Determination]
(x)	Party responsible for calculating the Rate of Interest and Interest Amounts (if not the Calculation Agent):	[●]
(xi)	Reference Rate Determination:	[Yes/No] *(If "No", delete the remaining sub-paragraphs of this paragraph (xi))*
-	Initial Interest Rate:	[●]
-	Index Maturity:	[●]
-	Interest Basis or Bases:	[CD Rate] [CMT Rate] [Commercial Paper Rate] [Eleventh District Cost of Funds Rate] [EURIBOR] [Federal Funds Rate] [LIBOR]

	[Prime Rate] [Treasury Rate]
- Index Currency:	[●]
- Spread:	[+/-][●]% per annum
- Spread Multiplier:	[●]
- Relevant Screen Page:	[Condition 4(b)(ii)(B)[(1)][(2)][(3)][(4)][(5)][(6)][(7)][(8)][(9)] applies/[●]]
- Interest Determination Date(s):	[●]
- Initial Interest Reset Date:	[●]
- Initial Reset Period:	[●]
- Interest Reset Dates:	[●]
(xii) ISDA Determination:	[Yes/No] *(If "No", delete the remaining sub-paragraphs of this paragraph (xii))*
- Floating Rate Option:	[●]
- Designated Maturity:	[●]
- Reset Date:	[●]
[- ISDA Definitions:	[2000/2006]]
(xiii) Margin(s):	[+/–] [●]% per annum
(xiv) Minimum Rate of Interest:	[●]% per annum
(xv) Maximum Rate of Interest:	[●]% per annum
(xvi) Day Count Fraction:	[Actual/Actual (ISDA)] [Actual/Actual] [Actual/365 (Fixed)] [Actual/360] [30/360] [360/360] [30E/360] [30E/360 (ISDA)]
(xvii) Reference Bank(s) or Dealer(s) (if any):	[Not Applicable/[●]]

PROVISIONS RELATING TO REDEMPTION

17.	Issuer Call:	[Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
	(i) Optional Redemption Date(s):	[●]
	(ii) Optional Redemption Amount(s) of each Note:	[●] per Calculation Amount
	(iii) Party responsible for calculating Optional Redemption Amount (if not the Fiscal Agent, Calculation Agent or Exchange Rate Agent):	[●]
	(iv) If redeemable in part:	
	(a) Minimum Redemption Amount:	[●]
	(b) Maximum Redemption Amount:	[●]
	(v) Notice period (if other than as set out in the Conditions):	[●] days
18.	Final Redemption Amount of each Note:	[[●] per Calculation Amount]
	(i) Payment date (if other than as set out in the Conditions):	[Not Applicable/[●]]
19.	Early Redemption Amount(s) of each Note payable on redemption for taxation reasons or upon an event of default or other early redemption (if required or different from that set out in Condition 6(e)):	[●] per Calculation Amount
20.	Regulatory Call of Subordinated Notes:	[Applicable/Not Applicable]
	(i) Optional Redemption Amount(s) of each Note:	[●] per Calculation Amount
	(i) Notice period (if other than as set out in the Conditions):	[●] days
21.	Variation or Substitution of Subordinated Notes:	[Applicable/Not Applicable]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

22.	Form of Notes:	[Registered] [DTC Regulation S Global Certificate registered in the name of, or nominee of, DTC] [Regulation S Global Certificate registered in the name of, or the name of a nominee of, [a common depository for Euroclear and Clearstream, Luxembourg/a common safekeeper for Euroclear and Clearstream, Luxembourg]] [Rule 144A Global Certificate registered in the name of, or the name of a nominee of, DTC]
23.	New Safekeeping Structure:	[Yes/No]
24.	Additional Financial Center(s):	[Not Applicable/[●]]
25.	[For the purposes of Condition 12, notices to be published in the Financial Times:]	[Yes/No]
26.	Whether Condition 7(a) of the Notes applies (in which case Condition 6(b) of the Notes will not apply) or whether Condition 7(b) and Condition 6(b) of the Notes apply:	[Condition 7(a) applies and Condition 6(b) does not apply/Condition 7(b) and Condition 6(b) apply]
27.	Condition 15 of the Notes applies	[Yes/No]

DISTRIBUTION

28.	(i)	If syndicated, names of Agents:	[Not Applicable/[●]]
	(ii)	Date of Pricing Term Sheet	[●]
	(iii)	Stabilizing Manager(s) (if any):	[Not Applicable/[●]]
29.	If non-syndicated, name of relevant Agent:		[Not Applicable/[●]]
30.	Eligibility:		[Rule 144A only/Reg S only/Rule 144A and Reg S]
31.	U.S. Selling Restrictions:		[144A/Reg S]

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in these Final Terms. [[*Relevant third party information*] relating to paragraph [•] above has been extracted from [*specify source*]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [*specify source*], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of ABN AMRO Bank N.V.:

By: _____ By: _____

Duly authorized Duly authorized

PART B – OTHER INFORMATION

32. **LISTING AND ADMISSION TO TRADING**

(i) Admission to Trading:	[Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [Euronext Amsterdam/*specify relevant regulated market and, if relevant, admission to an official list*]] with effect from [●].] [Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [Euronext Amsterdam/*specify relevant regulated market and, if relevant, admission to an official list*] with effect from [●].] [Not Applicable.]
(ii) Estimate of total expenses related to admission to trading:	[●]

33. **RATINGS**

Ratings:	[[The Notes to be issued [have [not] been/are expected to be] rated[:]]/[The following ratings reflecting ratings assigned to Notes of this type issued under the Program generally:]] [S & P: [●]] [Moody's: [●]] [Fitch: [●]] [[Other]: [●]] [*Include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider*.] *[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").]

(*The above disclosure should reflect the rating allocated to Notes of the type issued under the Program generally or, where the issue has been specifically rated, that rating*.)

(A rating does not constitute a recommendation to purchase, sell or hold a particular Note.)

34. **INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE**

[Save for any fees payable to the Agents, so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer.]

[(When adding any other description, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Offering Circular under Article 16 of the Prospectus Directive.)]

The Agents and their respective affiliates are full service financial institutions and they may provide or may have in the past provided services to the Issuer in that capacity, and they may hold or make investment recommendations relating to securities or instruments of the Issuer. See "*Plan of Distribution*".

35. **[REASONS FOR THE OFFER**

Reasons for the offer:	[●]
	(*See "Use of Proceeds" wording in Base Prospectus – if reasons for offer are different will need to include those reasons here*.)]

36. **[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.]

37. **OPERATIONAL INFORMATION**

(i)	CUSIP:	*Rule 144A:* [●] *[Regulation S:* [●]]
(ii)	ISIN Code:	*Rule 144A:* [●] *Regulation S:* [●]
(iii)	Common Code:	*Rule 144A:* [●] *Regulation S:* [●]
(iv)	Any clearing system(s) other	[Not Applicable/give name(s) and numbers(s)]

	than DTC or Euroclear Bank S.A./N.V. and Clearstream Banking, *société anonyme* and the relevant identification number(s):	
(v)	Delivery:	Delivery [against/free of] payment
(vi)	Names and addresses of additional Paying Agent(s) (if any):	[●]
(vii)	Intended to be held in a manner which would allow Eurosystem eligibility:	[Yes][No] [Note that the designation "yes" does not necessarily mean that the Notes will be recognized as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met. The Notes will be deposited initially upon issue with one of the ICSDs acting as common safekeeper [(and registered in the name of a nominee of one of the ICSDs acting as common safekeeper)].] [No. Whilst the designation is specified as "no", 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 acting as common safekeeper[. / (and registered in the name of a nominee of one of the ICSDs acting as common safekeeper). [*include this text for registered notes*]] Note that this does not mean that the Notes will then be recognized as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligbility criteria have been met.]]

TERMS AND CONDITIONS OF THE SUBORDINATED NOTES

*The following are the Terms and Conditions of Subordinated Notes to be issued by the Issuer (each, a "**Condition**") which will be incorporated by reference into each Global Certificate and the definitive Notes (if any) representing the Subordinated Notes. The applicable Pricing Term Sheet and/or Final Terms in relation to any Tranche of Subordinated Notes may specify other terms and conditions which shall to the extent so specified or to the extent inconsistent with the following Terms and Conditions, replace or modify the following Terms and Conditions for the purpose of such Tranche of Subordinated Notes. The applicable Pricing Term Sheet and/or Final Terms will be endorsed on, incorporated by reference into, or attached to, each Global Certificate and definitive Note representing the Subordinated Notes. Reference should be made to "Book Entry, Delivery, Form and Settlement" 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 Subordinated Note is one of a series of Subordinated Notes issued by ABN AMRO Bank N.V. (in such capacity, the "**Issuer**", which expression shall include any transferee or substituted debtor pursuant to Condition 6(h) (*Statutory Loss Absorption of Subordinated Notes*) or Condition 15 (*Substitution of the Issuer*) (if applicable)) pursuant to the Subordinated Notes Agency Agreement (as defined below). References herein to the "**Subordinated Notes**" shall be references to the Subordinated Notes of this Series (as defined below) and shall mean (i) in relation to any Subordinated Notes represented by a Global Certificate, units of the lowest Specified Denomination in the Specified Currency, (ii) definitive Subordinated Notes issued in exchange for a Global Certificate and (iii) any Global Certificate. The Subordinated Notes will be issued in accordance with a Subordinated Notes Agency Agreement dated as of 23 April 2015 (as supplemented, amended and/or replaced from time to time, the "**Subordinated Notes Agency Agreement**"), among the Issuer, The Bank of New York Mellon, London Branch, as fiscal agent (the "**Fiscal Agent**") and transfer agent (the "**Transfer Agent**"), The Bank of New York Mellon, New York as U.S. registrar (the "**U.S. Registrar**") and U.S. paying agent (the "**U.S. Paying Agent**"), The Bank of New York Mellon (Luxembourg) S.A. as European paying agent (the "**European Paying Agent**", and together with the U.S. Paying Agent, the "**Paying Agents**," and each individually, a "**Paying Agent**") and European registrar (the "**European Registrar**" and, together with the U.S. Registrar, the "**Registrars**" and, each, a "**Registrar**"). The terms Fiscal Agent, U.S. Registrar, U.S. Paying Agent, European Paying Agent, Transfer Agent, and European Registrar shall include any additional or successor agents appointed in such capacities by the Issuer. The Subordinated Notes Agency Agreement permits the appointment of other agents, including one or more calculation agents (each, a "**Calculation Agent**") and a currency exchange agent (the "**Exchange Rate Agent**"). Unless otherwise indicated in an applicable Pricing Term Sheet and/or Final Terms, The Bank of New York Mellon will act as Calculation Agent and as Exchange Rate Agent with respect to the Subordinated Notes. Because the Subordinated Notes will not be issued pursuant to an indenture, each Subordinated Noteholder will be responsible for acting independently with respect to certain matters affecting such holder's Subordinated Notes, including enforcing any covenants contained therein and in connection with the Subordinated Notes, and responding to any requests for consents or waivers. The term "**Registered Note**" means a Subordinated Note in registered form.

Any reference herein to "**Subordinated Noteholders**" shall mean the several persons who are for the time being holders of outstanding Subordinated Notes (being, the registered owners thereof as reflected in the relevant Registers), except that for so long as any of the Subordinated Notes are represented by a Global Certificate, each person who is for the time being shown in the records of DTC and/or Euroclear and/or Clearstream, Luxembourg as the holder of a particular principal amount of such Subordinated Notes (other than Clearstream, Luxembourg if Clearstream, Luxembourg shall be an account holder of Euroclear and other than Euroclear if Euroclear shall be an account holder of Clearstream, Luxembourg) (in which regard any certificate or other document issued by DTC and/or Euroclear and Clearstream,

Luxembourg as to the principal amount of such Subordinated Notes standing to the account of any person shall be conclusive and binding for all purposes except in the case of manifest error) shall be treated by ABN AMRO Bank N.V. and the Fiscal Agent as a holder of such principal amount of such Subordinated Notes for all purposes other than for the payment of principal, premium (if any) and interest on such Subordinated Notes, the right to which shall be vested, as against ABN AMRO Bank N.V. and the Fiscal Agent, solely in the person in whose name the Global Certificate is registered in accordance with and subject to its terms (and the expressions "**Holder**", "**Holder of Subordinated Notes**" and related expressions shall be construed accordingly).

The Final Terms for this Subordinated Note is endorsed hereon or attached hereto and supplements these Terms and Conditions and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these Terms and Conditions, replace or modify these Terms and Conditions for the purposes of this Subordinated Note. References herein to the "**applicable Final Terms**" are to the Final Terms for this Subordinated Note. References herein to the "**applicable Pricing Term Sheet**" are to the Pricing Term Sheet for this Subordinated Note.

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

Copies of the Subordinated Notes Agency Agreement and the applicable Final Terms and/or Pricing Term Sheet are available for viewing at the specified offices of each of the Fiscal Agent, the Registrars and the other Paying Agents and at the registered offices of the Issuer and copies may be obtained from those offices. The Subordinated Noteholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Subordinated Notes Agency Agreement and the applicable Final Terms and/or Pricing Term Sheet which are binding on them.

Words and expressions defined in the Subordinated Notes Agency Agreement or used in the applicable Final Terms and/or Pricing Term Sheet 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 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).

1. Form, Denomination and Title

The Subordinated Notes are issued in registered form without interest coupons attached and, in the case of definitive Subordinated Notes, serially numbered, in the Specified Currency, the Specified Denomination(s) and the specified Form(s).

This Subordinated Note may be a Fixed Rate Note, a Floating Rate Note or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Final Terms and/or Pricing Term Sheet.

The Subordinated Notes are represented by one or more global registered note certificates (each, a "**Global Certificate**") without receipts, interest coupons or talons. A Global Certificate will be issued to each person in whose name a Global Certificate is for the time being registered in the Register (as defined in this Condition 1), or, in the case of a joint holding, the first named thereof (the "**Registered Holder**"),

in respect of its holding. The serial number of each Global Certificate will be recorded in the Register. Title to the Registered Notes shall pass by registration in the register that the Issuer shall procure to be kept by the U.S. Registrar or European Registrar (as the case may be) in accordance with the provisions of the Subordinated Notes Agency Agreement (the "**Register**"). Except as ordered by a court of competent jurisdiction, a competent regulatory authority or as required by law or applicable regulations, the Issuer, the Fiscal Agent, the Registrar, any Paying Agent and any Transfer Agent may deem and treat the Registered Holder of any Subordinated Note 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 Certificate, without prejudice to the provisions set out in the next succeeding paragraph and to the definition of "Holder of Subordinated Notes" above.

For so long as DTC, Euroclear, or Clearstream, Luxembourg, as the case may be, or its nominee is the Registered Holder of a Global Certificate, such holder shall (except as otherwise provided by applicable law or regulatory requirements) be treated by the Issuer, the Fiscal Agent, any Paying Agent, the Registrar and any Transfer Agent as the absolute owner of such principal amount of such Subordinated Notes for the purposes of payment of principal, premium (if any) and interest on the Subordinated Notes and no person shall be liable for so treating such Registered Holder. References to DTC, 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 and/or Pricing Term Sheet.

The Subordinated Notes are in the minimum denomination specified in the Final Terms and/or Pricing Term Sheet or integral multiples thereof.

2. Transfers and Exchange of Subordinated Notes

(a) Transfers Generally

Ownership of beneficial interests in Global Certificates will be evidenced only by, and transfers thereof will be effected only through, records maintained by the relevant clearing system through which such beneficial interests are held and such clearing system's direct and indirect participants. Owners of beneficial interests in Global Certificates will not be entitled to receive physical delivery of definitive Subordinated Notes except in certain limited circumstances, including closure of the relevant clearing system(s). Any registered interests in a Global Certificate (i) may, upon the terms and subject to the conditions set forth in the Subordinated Notes Agency Agreement, be transferred by the Registered Holder in whole or in part only (provided that such part is, or is an integral multiple of, the minimum denomination specified in the Final Terms and/or Pricing Term Sheet) upon the surrender of the Subordinated Notes to be transferred, together with the form of transfer endorsed on it duly completed and executed, at the specified office of the Registrar. A new Subordinated Note will be issued to the transferee and, in the case of a transfer of part only of a Subordinated Note, a new Subordinated Note in respect of the balance not transferred will be issued to the transferor and (ii) will be transferable only in accordance with the rules and procedures for the time being as in effect from time to time of DTC, Euroclear and/or Clearstream, Luxembourg or such other applicable clearing system as the case may be.

(b) Exchange and Transfer of Definitive Subordinated Notes

(i) Exchange for Definitive Subordinated Notes

Unless otherwise provided in the applicable Pricing Term Sheet and/or Final Terms, beneficial interests in a Global Certificate will be exchangeable by the Issuer in whole but not in part only at the option of the Registered Holder for definitive Subordinated Notes, only if such exchange is

permitted by applicable law and (i) in the case of a DTC Global Certificate, DTC notifies the Issuer that it is unwilling or unable to continue as depositary for the DTC Global Certificate or DTC ceases to be a clearing agency registered under the United States Securities Exchange Act of 1934, as amended, if so required by applicable law or regulation, and, in either case, a successor depositary is not appointed by the Issuer within 90 days after receiving such notice or becoming aware that DTC is no longer so registered, (ii) in the case of any other Global Certificate, if the clearing system(s) through which it is cleared and settled is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention to cease business permanently or does in fact do so and a successor or successors is or are not appointed by the Issuer within 90 days from the commencement of such closure, announcement or cessation of business, or (iii) upon an Event of Default as described in Condition 9 (*Events of Default*).

(ii) Transfers of Definitive Subordinated Notes

Subject to paragraphs (iii), (iv) and (v) below, a definitive Subordinated Note may be transferred upon surrender of the definitive Subordinated Note, with the endorsed form of transfer duly completed (or another form of transfer in substantially the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Issuer), at the specified office of the Relevant Registrar or any Paying Agent, together with such evidence as the Relevant Registrar or (as the case may be) such Paying Agent may reasonably require to prove the title of the transferor and the authority of the individuals who have executed the form of transfer. Where not all the definitive Subordinated Notes represented by the surrendered definitive Subordinated Notes are the subject of the transfer, a new definitive Subordinated Note in respect of the balance of the definitive Subordinated Notes will be issued to the transferor.

(iii) Registration and delivery of Definitive Subordinated Notes

Within five business days of the surrender of a definitive Subordinated Note and receipt of the form of transfer or duly signed and completed notice of exercise (an "**Exercise Notice**") in accordance with paragraph (ii) above, the Relevant Registrar will register the transfer in question and deliver a new definitive Subordinated Note of a like principal amount to the definitive Subordinated Notes transferred to each transferee at its specified office or (as the case may be) the specified office of any Paying Agent or (at the request and risk of any such relevant transferee) by uninsured first class mail (airmail if overseas) to the address specified for the purpose by such transferee. In this paragraph (iii), "business day" means a day on which commercial banks are open for business (including dealings in foreign currencies) in the city where the Relevant Registrar or (as the case may be) the relevant Transfer Agent has its specified office. Title to such definitive Subordinated Note passes by registration, as evidenced by entries in the applicable Register.

(iv) No charge

The transfer of a definitive Subordinated Note will be effected without charge by or on behalf of the Issuer, the Relevant Registrar or any Transfer Agent but against such indemnity as the Registrar or (as the case may be) such Transfer Agent may require in respect of any tax or other governmental charges of whatsoever nature which may be levied or imposed in connection with such transfer.

(v) Closed periods

Neither transferors nor transferees may require transfers to be registered during the period of 15 days ending on the due date for any payment of principal or interest in respect of the Registered Notes.

(vi) Regulations concerning transfers and registration

All transfers of definitive Subordinated Notes and entries on the Register are subject to the detailed regulations concerning the transfer of definitive Subordinated Notes scheduled to the Subordinated Notes Agency Agreement. The regulations may be changed by the Issuer with the prior written approval of the Relevant Registrar. A copy of the current regulations will be mailed (free of charge) by the Registrar to any Registered Holder who requests in writing a copy of such regulations.

(c) Exchange Between Regulation S Global Certificates and Rule 144A Global Certificates

Beneficial interests in a Regulation S Global Certificate may be transferred to a person who wishes to hold a beneficial interest in a Rule 144A Global Certificate only upon receipt by the Relevant Registrar, the Transfer Agent and the Relevant Paying Agent of a written certification from the transferor (in the form set out in the Subordinated Notes Agency Agreement) to the effect that such transfer is being made to a person whom the transferor reasonably believes is a qualified institutional buyer within the meaning of Rule 144A purchasing for its own account or for the account of a qualified institutional buyer, in a transaction meeting the requirements of Rule 144A and in accordance with any applicable securities laws of any state of the United States.

Beneficial interests in a Rule 144A Global Certificate may also be transferred to a person who wishes to hold a beneficial interest through a Regulation S Global Certificate, but only upon receipt by the Relevant Registrar, the Transfer Agent and the Relevant Paying Agent of a written certification from the transferor to the effect that such transfer is being made in accordance with Rule 903 or Rule 904 of Regulation S or with Rule 144A (if available) under the Securities Act.

Any beneficial interest in either a Rule 144A Global Certificate or a Regulation S Global Certificate that is transferred to a person who takes delivery in the form of a beneficial interest in the other Global Certificate will, upon transfer, cease to be a beneficial interest in such Global Certificate and become a beneficial interest in the other Global Certificate and, accordingly, will thereafter be subject to all transfer restrictions and other procedures applicable to a beneficial interest in such other Global Certificate.

3. Status and Terms relating to Subordinated Notes

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

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

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

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

subordinated to (a) the claims of depositors (other than those whose deposits are expressed to rank equally to or lower than the Subordinated Notes) (b) all unsubordinated claims with respect to the repayment of borrowed money, (c) any 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 any liquidation or bankruptcy of the Issuer or in the event of a Moratorium, with respect to the Issuer, only be made after, and any set-off by a Subordinated Noteholder shall be excluded until, all obligations of the Issuer resulting from Senior Claims have been satisfied.

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

4. Interest

Subordinated Notes shall be interest-bearing. Interest-bearing Subordinated Notes shall be Fixed Rate Notes or Floating Rate Notes, as specified in the Final Terms and/or Pricing Term Sheet.

(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 Rate(s) of Interest payable in arrear on the Interest Payment Date(s) in each year up to and including the Maturity Date, subject in any case as provided in Condition 6(h) (*Statutory Loss Absorption of Subordinated Notes*).

As used in the Conditions, "**Fixed Interest Period**" means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.

The amount of interest payable in respect of each Subordinated Note for any Fixed Interest Period shall be the relevant Fixed Coupon Amount (or, in respect of the Fixed Interest Period beginning on the Interest Commencement Date or the Interest Period ending on the Maturity Date, the Broken Amount, if so specified in the Final Terms) and, if the Subordinated Notes are in more than one Specified Denomination, shall be the relevant Fixed Coupon Amount in respect of the relevant Specified Denomination.

If a Business Day Convention is specified in the applicable Pricing Term Sheet and/or 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 shall be postponed to the next day which is a Business Day; or

(2) the Modified Following Business Day Convention, such Interest Payment 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 shall be brought forward to the immediately preceding Business Day; or

(3) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

If a Business Day Convention is specified in the applicable Final Terms and/or Pricing Term Sheet, the number of days for calculating the amount of interest payable in respect of the relevant Fixed Interest Period shall also be adjusted in accordance with such Business Day Convention, unless "Unadjusted" is specified in the applicable Final Terms and/or Pricing Term Sheet, in which case such amount of interest shall be calculated as if the relevant Interest Payment Date were not subject to adjustment in accordance with the Business Day Convention specified in the applicable Final Terms and/or Pricing Term Sheet.

In this Condition, "**Business Day**" means, unless otherwise specified in the applicable Final Terms and/or Pricing Term Sheet, 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 each Additional Business Center specified in the applicable Pricing Term Sheet and/or Final Terms; and

(B) either (1) in relation to any sum payable in a Specified Currency other than Euro, 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 the principal financial center of the country of the relevant Specified Currency (if other than London and any Additional Business Center and which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney and Auckland, respectively) or (2) in relation to any sum payable in Euro, a day on which the TARGET2 System (or any successor thereto) is open "**TARGET2 Day**". In these Conditions, "**TARGET2 System**" means the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System.

If interest is required to be calculated for a period other than a Fixed Interest Period or no Fixed Coupon Amount is specified in the applicable Pricing Term Sheet and/or Final Terms, such interest shall be calculated by applying the Rate of Interest to the aggregate outstanding nominal amount of the Fixed Rate Notes represented by such Global Certificate and multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

"**Day Count Fraction**" means, in respect of the calculation of an amount of interest in accordance with this Condition 4(a):

(i) if "Actual/Actual (ICMA)" is specified in the applicable Pricing Term Sheet and/or Final Terms:

(a) in the case of Subordinated Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the "Accrual Period") is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; or

(b) in the case of Subordinated Notes where the Accrual Period is longer than the Determination Period, the sum of:

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

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

(ii) if "30/360" is specified in the applicable Pricing Term Sheet and/or Final Terms, the number of days in the Determination Period in respect of which payment is being made divided by 360 calculated on a formula basis as follows:

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

Where:

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

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

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

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

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

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

(iii) if "Actual/Actual (ISDA)" is specified in the applicable Pricing Term Sheet and/or Final Terms, the actual number of days in the Fixed Interest Period divided by 365 (or, if any portion of that Fixed Interest Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Fixed Interest Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Fixed Interest Period falling in a non-leap year divided by 365); and

(iv) if "Actual/365 (Fixed)" is specified in the applicable Pricing Term Sheet and/or Final Terms, the actual number of days in the Fixed Interest Period divided by 365; and

(v) if "Actual/360" is specified in the applicable Pricing Term Sheet and/or Final Terms, the actual number of days in the Fixed Interest Period divided by 360; and

(vi) if "30E/360" is specified in the applicable Pricing Term Sheet and/or Final Terms, the number of days in the Fixed Interest Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months, without regard to the date of the first day or last day of the Fixed Interest Period unless, in the case of a Fixed Interest Period ending on the Maturity Date, the Maturity Date is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month).

(vii) if "30E/360 (ISDA)" is specified in the applicable Final Terms and/or Pricing Term Sheet, the number of days in the Fixed 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:

"Y1" is the year, expressed as a number, in which the first day of the Fixed Interest Period falls;

"Y2" is the year, expressed as a number, in which the day immediately following the last day of the Fixed Interest Period falls;

"M1" is the calendar month, expressed as a number, in which the first day of the Fixed Interest Period falls;

"M2" is the calendar month, expressed as a number, in which the day immediately following the last day of the Fixed Interest Period falls;

"D1" is the first calendar day, expressed as a number, of the Fixed Interest Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D1 will be 30; and

"D2" is the calendar day, expressed as a number, immediately following the last day included in the Fixed 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 D2 will be 30.

In these Conditions:

"**Determination Period**" means each period from (and including) a Determination Date to (but excluding) the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date); and

"**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.

(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 specified in the applicable Pricing Term Sheet and/or Final Terms; or

(B) if no Specified Interest Payment Date(s) is/are specified in the applicable Pricing Term Sheet and/or Final Terms, each date (each such date, together with each Specified Interest Payment Date, an "**Interest Payment Date**") which falls on

the number of months or other period specified as the Interest Period in the applicable Pricing Term Sheet and/or Final Terms after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date, subject in any case as provided in Condition 6(h) (*Statutory Loss Absorption of Subordinated Notes*).

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 a Business Day Convention is specified in the applicable Pricing Term Sheet and/or 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) in any case where Interest Periods are specified in accordance with Condition 4(b)(i)(B) above, the Floating Rate Convention, such First Interest Payment Date or Specified Interest Payment Date, as the case may be (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 number of months or other period specified as the Interest Period in the applicable Pricing Term Sheet and/or Final Terms after the preceding applicable Interest Payment Date occurred; or

(2) the Following Business Day Convention, such Interest Payment 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 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 shall be brought forward to the immediately preceding Business Day; or

(4) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

If a Business Day Convention is specified in the applicable Final Terms and/or Pricing Term Sheet, the number of days for calculating the amount of interest payable in respect of the relevant Interest Period shall also be adjusted in accordance with such Business Day Convention, unless "Unadjusted" is specified in the applicable Final Terms and/or Pricing Term Sheet, in which case such amount of interest shall be calculated as if the relevant Interest Payment Date were not subject to adjustment in accordance with the Business Day Convention specified in the applicable Final Terms and/or Pricing Term Sheet.

In this Condition, "**Business Day**" means, unless otherwise specified in the applicable Final Terms and/or Pricing Term Sheet, 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 each Additional Business Center specified in the applicable Pricing Term Sheet and/or Final Terms; and

(B) either (1) in relation to any sum payable in a Specified Currency other than Euro, 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 the principal financial center of the country of the relevant Specified Currency (if other than London and any Additional Business Center and which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney and Auckland, respectively) or (2) in relation to any sum payable in Euro, a day on which the TARGET2 System (or any successor thereto) is open "**TARGET2 Day**". In these Conditions, "**TARGET2 System**" means the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System.

(ii) *Rate of Interest*

The Rate of Interest payable from time to time in respect of Floating Rate Notes will be determined in the manner specified in the applicable Pricing Term Sheet and/or Final Terms on the following basis:

(A) ISDA Determination

Where ISDA Determination is specified in the applicable Pricing Term Sheet and/or 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 sum of the relevant ISDA Rate and the Margin (if any). For the purposes of this sub-paragraph (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 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 Subordinated Notes (the "**ISDA Definitions**") and under which:

(1) the Floating Rate Option is as specified in the applicable Final Terms and/or Pricing Term Sheet;

(2) the Designated Maturity is the period specified in the applicable Final Terms and/or Pricing Term Sheet; 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**") for a currency 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 Pricing Term Sheet and/or Final Terms.

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

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 4(b)(iv) (*Determination of Rate of Interest and Calculation of Interest Amounts*) 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 sub-paragraph (A).

(B) Reference Rate Determination

The rate of Interest on Floating Rate Notes will be determined by reference to the applicable Interest Basis, which may, as described below, include:

(1) the CD Rate;

(2) the CMT Rate;

(3) the Commercial Paper Rate;

(4) the Eleventh District Cost of Funds Rate;

(5) EURIBOR;

(6) the Federal Funds Rate;

(7) LIBOR;

(8) the Prime Rate; or

(9) the Treasury Rate

as specified in the applicable Pricing Term Sheet and/or Final Terms.

The Calculation Agent shall determine each Interest Basis in accordance with the following provisions:

(1) CD Rate

If "CD Rate" is specified in the applicable Pricing Term Sheet and/or Final Terms, this Subordinated Note will bear interest at the interest rate (calculated with reference to the CD Rate and the Spread and/or Spread Multiplier, if any) specified in the applicable Pricing Term Sheet and/or Final Terms.

Unless otherwise specified in the applicable Pricing Term Sheet and/or Final Terms, as the case may be, "**CD Rate**" means, with respect to any Interest Determination Date relating to a Floating Rate Note for which the interest rate is determined with reference to the CD Rate (a "**CD Rate Interest Determination Date**"), the rate on such date for negotiable U.S. dollar certificates of deposit having the Index Maturity specified in the applicable Pricing Term Sheet and/or

Final Terms, as the case may be, as published in H.15(519) (as defined below) opposite the caption "CDs (secondary market)" or, if not so published by 3:00 P.M., New York City time, on the related Calculation Date, the rate on such CD Rate Interest Determination Date for negotiable U.S. dollar certificates of deposit of the Index Maturity specified in the applicable Pricing Term Sheet and/or Final Terms, as the case may be, as published in H.15 Daily Update (as defined below), or such other recognized electronic source used for the purpose of displaying such rate, opposite the caption "CDs (secondary market)". If such rate is not yet published in H.15(519), H.15 Daily Update or another recognized electronic source by 3:00 P.M., New York City time, on the related Calculation Date, then the CD Rate on such CD Rate Interest Determination Date will be calculated by the Calculation Agent and will be the arithmetic mean of the secondary market offered rates as of 10:00 A.M., New York City time, on such CD Rate Interest Determination Date, of three leading nonbank dealers in negotiable U.S. dollar certificates of deposit in New York City (which may include the Agents or their affiliates) selected by the Calculation Agent for negotiable U.S. dollar certificates of deposit of major United States money banks with a remaining maturity closest to the Index Maturity specified in the applicable Pricing Term Sheet and/or Final Terms, as the case may be, in an amount that is representative for a single transaction in that market at that time; provided, however, that if the dealers so selected by the Calculation Agent are not quoting as mentioned in this sentence, the CD Rate determined as of such CD Rate Interest Determination Date will be the CD Rate in effect on such CD Rate Interest Determination Date.

"**H.15(519)**" means the weekly statistical release published by the Board of Governors of the Federal Reserve System and available on their website at www.federalreserve.gov/releases/h15/update/h15upd.htm, or any successor site or publication.

"**H.15 Daily Update**" means the daily update of H.15(519), published by the Board of Governors of the Federal Reserve System and available on their website at www.federalreserve.gov/releases/h15/update/h15upd.htm, or any successor site or publication.

(2) CMT Rate

If "CMT Rate" is specified in the applicable Pricing Term Sheet and/or Final Terms, this Subordinated Note will bear interest at the rates (calculated with reference to the CMT Rate and the Spread and/or Spread Multiplier, if any) specified in the applicable Pricing Term Sheet and/or Final Terms.

Unless otherwise specified in the applicable Pricing Term Sheet and/or Final Terms, as the case may be, "**CMT Rate**" means, with respect to any Interest Determination Date relating to a Floating Rate Note for which the interest rate is determined with reference to the CMT Rate (a "**CMT Rate Interest Determination Date**"),

(i) if "Reuters Page FRBCMT" (as defined below) is specified as Relevant Screen Page in the applicable Pricing Term Sheet and/or Final Terms, as the case may be:

(a) the percentage equal to the yield for United States Treasury securities at "constant maturity" having the Designated CMT Maturity Index specified in the applicable Pricing Term Sheet and/or Final Terms, as the case may be, as published in H.15(519) opposite the caption "Treasury constant maturities", as the yield is displayed on Reuters (or any successor service) ("**Reuters**") on page FRBCMT (or any other page as may replace such page on such service) ("**Reuters Page FRBCMT**"), on the particular CMT Rate Interest Determination Date, or

(b) if the rate referred to in clause (a) does not so appear on the Reuters Page FRBCMT, the percentage equal to the yield for United States Treasury securities at "constant maturity" having the particular Designated CMT Maturity Index and for the particular CMT Rate Interest Determination Date as published in H.15(519) opposite the caption "Treasury constant maturities", or

(c) if the rate referred to in clause (b) does not so appear in H.15(519), the rate on the particular CMT Rate Interest Determination Date for the period of the particular Designated CMT Maturity Index as may then be published by either the Federal Reserve System Board of Governors or the United States Department of the Treasury that the Calculation Agent determines to be comparable to the rate which would otherwise have been published in H.15(519), or

(d) if the rate referred to in clause (c) is not so published, the rate on the particular CMT Rate Interest Determination Date calculated by the Calculation Agent as a yield to maturity based on the arithmetic mean of the secondary market bid prices at approximately 3:30 P.M., New York City time, on that CMT Rate Interest Determination Date of three leading primary United States government securities dealers in The City of New York (which may include the Agents or their affiliates) (each, a "**Reference Dealer**"), selected by the Calculation Agent from five Reference Dealers selected by the Calculation Agent and eliminating the highest quotation, or, in the event of equality, one of the highest, and the lowest quotation or, in the event of equality, one of the lowest, for United States Treasury securities with an original maturity equal to the particular Designated CMT Maturity Index, a remaining term to maturity no more than one year shorter than that Designated CMT Maturity Index and in a principal amount that is representative for a single transaction in such securities in that market at that time, or

(e) if fewer than five but more than two of the prices referred to in clause (d) are provided as requested, the rate on the particular CMT Rate Interest Determination Date calculated by the Calculation Agent based on the arithmetic mean of the bid prices

obtained and neither the highest nor the lowest of the quotations shall be eliminated, or

(f) if fewer than three prices referred to in clause (d) are provided as requested, the rate on the particular CMT Rate Interest Determination Date calculated by the Calculation Agent as a yield to maturity based on the arithmetic mean of the secondary market bid prices as of approximately 3:30 P.M., New York City time, on that CMT Rate Interest Determination Date of three Reference Dealers selected by the Calculation Agent from five Reference Dealers selected by the Calculation Agent and eliminating the highest quotation or, in the event of equality, one of the highest and the lowest quotation or, in the event of equality, one of the lowest, for United States Treasury securities with an original maturity greater than the particular Designated CMT Maturity Index, a remaining term to maturity closest to that Designated CMT Maturity Index and in a principal amount that is representative for a single transaction in such securities in that market at that time, or

(g) if fewer than five but more than two prices referred to in clause (f) are provided as requested, the rate on the particular CMT Rate Interest Determination Date calculated by the Calculation Agent based on the arithmetic mean of the bid prices obtained and neither the highest nor the lowest of the quotations will be eliminated, or

(h) if fewer than three prices referred to in clause (f) are provided as requested, the CMT Rate in effect on the particular CMT Rate Interest Determination Date, or

(i) if two such United States Treasury securities with an original maturity greater than the Designated CMT Maturity Index have remaining terms to maturity equally close to such Designated CMT Maturity Index, the quotes for the Treasury security with the shorter original term to maturity will be used.

(ii) if "Reuters Page FEDCMT" (as defined below) is specified as Relevant Screen Page in the applicable Pricing Term Sheet and/or Final Terms, as the case may be:

(a) the percentage equal to the one week or one month, as specified in the applicable Pricing Term Sheet and/or Final Terms, as the case may be, average yield for United States Treasury securities at "constant maturity" having the Designated CMT Maturity Index, as published in H.15(519) opposite the caption "Treasury constant maturities", as the yield is displayed on Reuters on page FEDCMT (or any other page as may replace such page on such service) ("**Reuters Page FEDCMT**"), for the week or month, as applicable, ended immediately preceding the week or month, as

applicable, in which such CMT Rate Interest Determination Date falls, or

(b) if the rate referred to in clause (a) does not so appear on the Reuters Page FEDCMT, the percentage equal to the one week or one month, as applicable, average yield for United States Treasury securities at "constant maturity" having the particular Designated CMT Maturity Index for the week or month, as applicable, preceding such CMT Rate Interest Determination Date as published in H.15(519) opposite the caption "Treasury constant maturities," or

(c) if the rate referred to in clause (b) does not so appear in H.15(519), the one week or one month, as applicable, average yield for United States Treasury securities at "constant maturity" having the particular Designated CMT Maturity Index as otherwise announced by the Federal Reserve Bank of New York for the week or month, as applicable, ended immediately preceding the week or month, as applicable, in which such CMT Rate Interest Determination Date falls, or

(d) if the rate referred to in clause (c) is not so published, the rate on the particular CMT Rate Interest Determination Date calculated by the Calculation Agent as a yield to maturity based on the arithmetic mean of the secondary market bid prices at approximately 3:30 P.M., New York City time, on that CMT Rate Interest Determination Date of three Reference Dealers selected by the Calculation Agent from five Reference Dealers selected by the Calculation Agent and eliminating the highest quotation, or, in the event of equality, one of the highest, and the lowest quotation or, in the event of equality, one of the lowest, for United States Treasury securities with an original maturity equal to the particular Designated CMT Maturity Index, a remaining term to maturity no more than one year shorter than that Designated CMT Maturity Index and in a principal amount that is representative for a single transaction in such securities in that market at that time, or

(e) if fewer than five but more than two of the prices referred to in clause (d) are provided as requested, the rate on the particular CMT Rate Interest Determination Date calculated by the Calculation Agent based on the arithmetic mean of the bid prices obtained and neither the highest nor the lowest of the quotations shall be eliminated, or

(f) if fewer than three prices referred to in clause (d) are provided as requested, the rate on the particular CMT Rate Interest Determination Date calculated by the Calculation Agent as a yield to maturity based on the arithmetic mean of the secondary market bid prices as of approximately 3:30 P.M., New York City time, on that CMT Rate Interest Determination Date of three

Reference Dealers selected by the Calculation Agent from five Reference Dealers selected by the Calculation Agent and eliminating the highest quotation or, in the event of equality, one of the highest and the lowest quotation or, in the event of equality, one of the lowest, for United States Treasury securities with an original maturity greater than the particular Designated CMT Maturity Index, a remaining term to maturity closest to that Designated CMT Maturity Index and in a principal amount that is representative for a single transaction in the securities in that market at the time, or

(g) if fewer than five but more than two prices referred to in clause (f) are provided as requested, the rate on the particular CMT Rate Interest Determination Date calculated by the Calculation Agent based on the arithmetic mean of the bid prices obtained and neither the highest or the lowest of the quotations will be eliminated, or

(h) if fewer than three prices referred to in clause (f) are provided as requested, the CMT Rate in effect on that CMT Rate Interest Determination Date, or

(i) if two such United States Treasury securities with an original maturity greater than the Designated CMT Maturity Index have remaining terms to maturity equally close to such Designated CMT Maturity Index, the quotes for the United States Treasury security with the shorter original term to maturity will be used.

"**Designated CMT Maturity Index**" means the original period to maturity of the U.S. Treasury securities (either 1, 2, 3, 5, 7, 10, 20 or 30 years) specified in the Pricing Term Sheet and/or Final Terms, as the case may be, with respect to which the CMT Rate will be calculated.

(3) Commercial Paper Rate

If the "Commercial Paper Rate" is specified in the applicable Pricing Term Sheet and/or Final Terms, this Subordinated Note will bear interest at the rates (calculated with reference to the Commercial Paper Rate and the Spread and/or Spread Multiplier, if any) specified in the applicable Pricing Term Sheet and/or Final Terms.

Unless otherwise specified in the applicable Pricing Term Sheet and/or Final Terms, as the case may be, "**Commercial Paper Rate**" means, with respect to any Interest Determination Date relating to a Floating Rate Note for which the interest rate is determined with reference to the Commercial Paper Rate (a "**Commercial Paper Rate Interest Determination Date**"), the Money Market Yield (as defined below) on such date of the rate for commercial paper having the Index Maturity specified in the applicable Pricing Term Sheet and/or Final Terms, as the case may be, as published in H.15(519) opposite the caption "Commercial Paper—Nonfinancial" or, if not so published by 3:00 P.M., New York City time, on the related Calculation Date, the Money Market Yield on

such Commercial Paper Rate Interest Determination Date for commercial paper having the Index Maturity specified in the applicable Pricing Term Sheet and/or Final Terms, as the case may be, as published in H.15 Daily Update, or such other recognized electronic source used for the purpose of displaying such rate, under the caption "Commercial Paper—Nonfinancial". If such rate is not yet published in H.15(519), H.15 Daily Update or another recognized electronic source by 3:00 P.M., New York City time, on such Calculation Date, then the Commercial Paper Rate on such Commercial Paper Rate Interest Determination Date will be calculated by the Calculation Agent and will be the Money Market Yield of the arithmetic mean of the offered rates at approximately 11:00 A.M., New York City time, on such Commercial Paper Rate Interest Determination Date of three leading dealers of U.S. dollar commercial paper in New York City (which may include the Agents or their affiliates) selected by the Calculation Agent for commercial paper having the Index Maturity specified in the applicable Pricing Term Sheet and/or Final Terms, as the case may be, placed for industrial issuers whose bond rating is "Aa", or the equivalent, from a nationally recognized statistical rating organization; provided, however, that if the dealers so selected by the Calculation Agent are not quoting as mentioned in this sentence, the Commercial Paper Rate determined as of such Commercial Paper Rate Interest Determination Date will be the Commercial Paper Rate in effect on such Commercial Paper Rate Interest Determination Date.

"**Money Market Yield**" means a yield (expressed as a percentage) calculated in accordance with the following formula:

$$\text{Money Market Yield} = \frac{D \times 360}{360 - (D \times M)} \times 100$$

where "D" refers to the applicable per annum rate for commercial paper quoted on a bank discount basis and expressed as a decimal, and "M" refers to the actual number of days in the applicable Interest Reset Period.

(4) Eleventh District Cost of Funds Rate

If the "Eleventh District Cost of Funds Rate" is specified in the applicable Pricing Term Sheet and/or Final Terms, this Subordinated Note will bear interest at the rates (calculated with reference to the Eleventh District Cost of Funds Rate and the Spread and/or Spread Multiplier, if any) specified in the applicable Pricing Term Sheet and/or Final Terms.

Unless otherwise specified in the applicable Pricing Term Sheet and/or Final Terms, as the case may be, "**Eleventh District Cost of Funds Rate**" means, with respect to any Interest Determination Date relating to a Floating Rate Note for which the interest rate is determined with reference to the Eleventh District Cost of Funds Rate (an "**Eleventh District Cost of Funds Rate Interest Determination Date**"), the rate equal to the monthly weighted average cost of funds for the calendar month immediately preceding the month in which such Eleventh District Cost of Funds Rate Interest Determination Date falls as set forth opposite the caption "11TH Dist COFI" on the display on Reuters (or any successor service) on page "COFI/ARMS" (or any other page as may replace

such page on such service) ("**Reuters Page COFI/ARMS**") as of 11:00 A.M., San Francisco time, on such Eleventh District Cost of Funds Rate Interest Determination Date. If such rate does not appear on the Reuters Page COFI/ARMS on such Eleventh District Cost of Funds Rate Interest Determination Date, then the Eleventh District Cost of Funds Rate on such Eleventh District Cost of Funds Rate Interest Determination Date shall be the monthly weighted average cost of funds paid by member institutions of the Eleventh Federal Home Loan Bank District that was most recently announced (the "**Index**") by the Federal Home Loan Bank ("**FHLB**") of San Francisco as such cost of funds for the calendar month immediately preceding such Eleventh District Cost of Funds Rate Interest Determination Date. If the FHLB of San Francisco fails to announce the Index on or prior to such Eleventh District Cost of Funds Rate Interest Determination Date for the calendar month immediately preceding such Eleventh District Cost of Funds Rate Interest Determination Date, the Eleventh District Cost of Funds Rate determined as of such Eleventh District Cost of Funds Rate Interest Determination Date will be the Eleventh District Cost of Funds Rate in effect on such Eleventh District Cost of Funds Rate Interest Determination Date.

(5) EURIBOR

If "EURIBOR" is specified in the applicable Pricing Term Sheet and/or Final Terms, this Subordinated Note will bear interest at the rates (calculated with reference to EURIBOR and the Spread and/or Spread Multiplier, if any) specified in the applicable Pricing Term Sheet and/or Final Terms.

Unless otherwise specified in the applicable Pricing Term Sheet and/or Final Terms, as the case may be, "**EURIBOR**" means the rate determined in accordance with the following provisions:

(i) With respect to any Interest Determination Date relating to a Floating Rate Note for which the interest rate is determined with reference to EURIBOR (a "**EURIBOR Interest Determination Date**"), EURIBOR will be the rate for deposits in Euro as sponsored, calculated and published jointly by the European Banking Federation and ACI The Financial Market Association, or any company established by the joint sponsors for purposes of compiling and publishing those rates, having the Index Maturity as specified in such Pricing Term Sheet and/or Final Terms, as the case may be, commencing on the applicable Interest Reset Date, that appears on Reuters on page EURIBOR01 (or any other page as may replace such page on such service) ("**Reuters Page EURIBOR01**") as of 11:00 A.M., Brussels time, on such EURIBOR Interest Determination Date; or if no such rate so appears, EURIBOR on such EURIBOR Interest Determination Date will be determined in accordance with the provisions described in clause (ii) below.

(ii) With respect to a EURIBOR Interest Determination Date on which no rate appears on the Reuters Page EURIBOR01 as specified in Clause (i) above, the Calculation Agent will request the principal Euro zone office of each of four major reference banks (which may include the Agents or their affiliates) in the Euro zone interbank market, as selected by the

Calculation Agent, to provide the Calculation Agent with its offered quotation for deposits in Euro for the period of the Index Maturity specified in the applicable Pricing Term Sheet and/or Final Terms, as the case may be, commencing on the applicable Interest Reset Date, to prime banks in the Euro zone interbank market at approximately 11:00 A.M., Brussels time, on such EURIBOR Interest Determination Date and in a principal amount not less than the equivalent of US$1,000,000 in euros that is representative for a single transaction in Euro in such market at such time. If at least two such quotations are so provided, then EURIBOR on such EURIBOR Interest Determination Date will be the arithmetic mean of such quotations.

(iii) If fewer than two such quotations are so provided, then EURIBOR on such EURIBOR Interest Determination Date will be the arithmetic mean of the rates quoted at approximately 11:00 A.M., Brussels time, on such EURIBOR Interest Determination Date by four major banks (which may include the Agents or their affiliates) in the Euro zone selected by the Calculation Agent for loans in Euro to leading European banks, having the Index Maturity specified in the applicable Pricing Term Sheet and/or Final Terms, as the case may be, commencing on that Interest Reset Date and in a principal amount not less than the equivalent of US$1,000,000 in euros that is representative for a single transaction in Euro in such market at such time.

(iv) If the banks so selected by the Calculation Agent are not quoting as mentioned in the preceding sentence, EURIBOR determined as of such EURIBOR Interest Determination Date will be EURIBOR in effect on such EURIBOR Interest Determination Date.

"**Euro zone**" means the region comprised of member states of the European Union that have adopted the single currency in accordance with the Treaty on European Union signed at Maastricht on February 7, 1992.

(6) Federal Funds Rate

If "Federal Funds Rate" is specified in the applicable Pricing Term Sheet and/or Final Terms, this Subordinated Note will bear interest at the rates (calculated with reference to the Federal Funds Rate and the Spread and/or Spread Multiplier, if any) specified in the applicable Pricing Term Sheet and/or Final Terms.

Unless otherwise specified in the applicable Pricing Term Sheet and/or Final Terms, as the case may be, "**Federal Funds Rate**" means, with respect to any Interest Determination Date relating to a Floating Rate Note for which the interest rate is determined with reference to the Federal Funds Rate (a "Federal Funds Rate Interest Determination Date"),

(i) if "Federal Funds (Effective) Rate" is the specified Federal Funds Rate in the applicable Pricing Term Sheet and/or Final Terms, as the case may be, the Federal Funds Rate as of the Federal Funds Rate Interest Determination Date shall be the rate with respect to such date for U.S.

dollar federal funds as published in H.15(519) opposite the heading "Federal funds (effective)" and that appears on Reuters on page FEDFUNDS1 (or any other page as may replace such page on such service) ("**Reuters Page FEDFUNDS1**") under the heading "EFFECT" or, if such rate is not so published by 3:00 P.M., New York City time, on the related Calculation Date, the rate with respect to such Federal Funds Rate Interest Determination Date for U.S. dollar federal funds as published in H.15 Daily Update, or such other recognized electronic source used for the purpose of displaying such rate, opposite the caption "Federal funds (effective)". If such rate does not appear on Reuters Page FEDFUNDS 1 or is not yet published in H.15(519), H.15 Daily Update or another recognized electronic source by 3:00 P.M., New York City time, on the related Calculation Date, then the Federal Funds Rate with respect to such Federal Funds Rate Interest Determination Date will be calculated by the Calculation Agent and will be the arithmetic mean of the rates for the last transaction in overnight U.S. dollar federal funds arranged by three leading brokers of U.S. dollar federal funds transactions in New York City (which may include the Agents or their affiliates) selected by the Calculation Agent prior to 9:00 A.M., New York City time, on the Business Day following such Federal Funds Rate Interest Determination Date; provided, however, that if the brokers so selected by the Calculation Agent are not quoting as mentioned in this sentence, the Federal Funds Rate determined as of such Federal Funds Rate Interest Determination Date will be the Federal Funds Rate in effect on such Federal Funds Rate Interest Determination Date;

(ii) if "Federal Funds Open Rate" is the specified Federal Funds Rate in the applicable Pricing Term Sheet and/or Final Terms, as the case may be, the Federal Funds Rate as of the applicable Federal Funds Rate Interest Determination Date shall be the rate on such date under the heading "Federal Funds" for the relevant Index Maturity and opposite the caption "Open" as such rate is displayed on Reuters on page 5 (or any other page as may replace such page on such service) ("**Reuters Page 5**"), or, if such rate does not appear on Reuters Page 5 by 3:00 P.M., New York City time, on the Calculation Date, the Federal Funds Rate for the Federal Funds Rate Interest Determination Date will be the rate for that day displayed on the FFPREBON Index page on Bloomberg L.P. ("**Bloomberg**"), which is the Fed Funds Opening Rate as reported by Prebon Yamane (or a successor) on Bloomberg. If such rate does not appear on Reuters Page 5 or is not displayed on the FFPREBON Index page on Bloomberg or another recognized electronic source by 3:00 P.M., New York City time, on the related Calculation Date, then the Federal Funds Rate on such Federal Funds Rate Interest Determination Date shall be calculated by the Calculation Agent and will be the arithmetic mean of the rates for the last transaction in overnight U.S. Dollar federal funds arranged by three leading brokers of U.S. Dollar federal funds transactions in New York City (which may include the Agents or their affiliates) selected by the Calculation Agent prior to 9:00 A.M., New York City time, on such Federal Funds Rate Interest Determination Date; provided, however, that if the brokers so selected by the Calculation Agent are not quoting as mentioned in this sentence, the

Federal Funds Rate determined as of such Federal Funds Rate Interest Determination Date will be the Federal Funds Rate in effect on such Federal Funds Rate Interest Determination Date;

(iii) if "Federal Funds Target Rate" is the specified Federal Funds Rate in the applicable Pricing Term Sheet and/or Final Terms, as the case may be, the Federal Funds Rate as of the applicable Federal Funds Rate Interest Determination Date shall be the rate on such date as displayed on the FDTR Index page on Bloomberg. If such rate does not appear on the FDTR Index page on Bloomberg by 3:00 P.M., New York City time, on the Calculation Date, the Federal Funds Rate for such Federal Funds Rate Interest Determination Date will be the rate for that day appearing on Reuters on page USFFTARGET= (or any other page as may replace such page on such service) ("**Reuters Page USFFTARGET=**"). If such rate does not appear on the FDTR Index page on Bloomberg or is not displayed on Reuters Page USFFTARGET= by 3:00 P.M., New York City time, on the related Calculation Date, then the Federal Funds Rate on such Federal Funds Rate Interest Determination Date shall be calculated by the Calculation Agent and will be the arithmetic mean of the rates for the last transaction in overnight U.S. Dollar federal funds arranged by three leading brokers of U.S. Dollar federal funds transactions in New York City (which may include the Agents or their affiliates) selected by the Calculation Agent prior to 9:00 A.M., New York City time, on such Federal Funds Rate Interest Determination Date; provided, however, that if the brokers so selected by the Calculation Agent are not quoting as mentioned in this sentence, the Federal Funds Rate determined as of such Federal Funds Rate Interest Determination Date will be the Federal Funds Rate in effect on such Federal Funds Rate Interest Determination Date.

(7) LIBOR

If "LIBOR" is specified in the applicable Pricing Term Sheet and/or Final Terms, this Subordinated Note will bear interest at the rates (calculated with reference to LIBOR and the Spread and/or Spread Multiplier, if any) specified in the applicable Pricing Term Sheet and/or Final Terms.

Unless otherwise specified in the applicable Pricing Term Sheet and/or Final Terms, as the case may be, "**LIBOR**" means the rate determined in accordance with the following provisions:

(i) With respect to any Interest Determination Date relating to a Floating Rate Note for which the interest rate is determined with reference to LIBOR (a "**LIBOR Interest Determination Date**"), LIBOR will be the rate for deposits in the Designated LIBOR Currency for the Interest Period(s) or Interest Reset Period(s) of the Index Maturity specified in such Pricing Term Sheet and/or Final Terms, as the case may be, commencing on the applicable Interest Reset Date, that appears on the Designated LIBOR Page (as defined below) as of 11:00 A.M., London time, on such LIBOR Interest Determination Date, or if no such rate so appears, LIBOR on such LIBOR Interest Determination Date will be

determined in accordance with the provisions described in clause (ii) below.

(ii) With respect to a LIBOR Interest Determination Date on which no rate appears on the Designated LIBOR Page as specified in clause (i) above, the Calculation Agent will request the principal London offices of each of four major reference banks (which may include the Agents or their affiliates) in the London interbank market, as selected by the Calculation Agent, to provide the Calculation Agent with its offered quotation for deposits in the Designated LIBOR Currency for the period of the Index Maturity specified in the applicable Pricing Term Sheet and/or Final Terms, as the case may be, commencing on the applicable Interest Reset Date, to prime banks in the London interbank market at approximately 11:00 A.M., London time, on such LIBOR Interest Determination Date and in a principal amount that is representative for a single transaction in the Designated LIBOR Currency in such market at such time. If at least two such quotations are so provided, then LIBOR on such LIBOR Interest Determination Date will be the arithmetic mean of such quotations. If fewer than two such quotations are so provided, then LIBOR on such LIBOR Interest Determination Date will be the arithmetic mean of the rates quoted at approximately 11:00 A.M., in the applicable Principal Financial Center, on such LIBOR Interest Determination Date by three major banks (which may include the Agents or their affiliates) in such Principal Financial Center selected by the Calculation Agent for loans in the Designated LIBOR Currency to leading European banks, having the Index Maturity specified in the applicable Pricing Term Sheet and/or Final Terms, as the case may be, commencing on the related Interest Reset Date and in a principal amount that is representative for a single transaction in the Designated LIBOR Currency in such market at such time; provided, however, that if the banks so selected by the Calculation Agent are not quoting as mentioned in this sentence, LIBOR determined as of such LIBOR Interest Determination Date will be LIBOR in effect on such LIBOR Interest Determination Date.

"**Designated LIBOR Currency**" means the currency specified as Index Currency in the applicable Pricing Term Sheet and/or Final Terms, as the case may be, as to which LIBOR shall be calculated or, if no such currency is specified in the applicable Pricing Term Sheet and/or Final Terms, as the case may be, U.S. dollars.

"**Designated LIBOR Page**" means the display on Reuters (or any successor service) on page LIBOR01 or LIBOR02, specified as Relevant Screen Page in the applicable Pricing Term Sheet and/or Final Terms (or any other page as may replace such page on such service or successor service), for the purpose of displaying the London interbank rates (which may include affiliates of the Distribution Agents) for the Designated LIBOR Currency.

"**London Banking Day**" is any day (other than a Saturday or Sunday) in which dealings in deposits in United States dollars are transacted or, with respect to any future date, are expected to be transacted in the London interbank market.

"**Principal Financial Center**" means (i) the capital city of the country issuing the Specified Currency, or (ii) the capital city of the country to which the Designated LIBOR Currency, if applicable, relates, except, in each case, that with respect to U.S. Dollars, Australian Dollars, Canadian Dollars, Euro, New Zealand Dollars, South African Rand and Swiss Francs, the "Principal Financial Center" shall be The City of New York, Sydney, Toronto, The City of London (solely in the case of the Designated LIBOR Currency), Wellington, Johannesburg and Zurich, respectively.

(8) Prime Rate

If "Prime Rate" is specified in the applicable Pricing Term Sheet and/or Final Terms, this Subordinated Note will bear interest at the rates (calculated with reference to the Prime Rate and the Spread and/or Spread Multiplier, if any) specified in the applicable Pricing Term Sheet and/or Final Terms.

Unless otherwise specified in the applicable Pricing Term Sheet and/or Final Terms, as the case may be, "**Prime Rate**" means, with respect to any Interest Determination Date relating to a Floating Rate Note for which the interest rate is determined with reference to the Prime Rate (a "**Prime Rate Interest Determination Date**"), the rate on such date as such rate is published in H.15(519) opposite the caption "Bank prime loan" or, if not published prior to 3:00 P.M., New York City time, on the related Calculation Date, the rate on such Prime Rate Interest Determination Date as published in H.15 Daily Update, or such other recognized electronic source used for the purpose of displaying such rate, opposite the caption "Bank Prime Loan". If such rate is not yet published in H.15(519), H.15 Daily Update or another recognized electronic source by 3:00 P.M., New York City time, on the related Calculation Date, then the Prime Rate shall be the arithmetic mean, as determined by the Calculation Agent, of the rates of interest publicly announced by each bank that appears on Reuters on page USPRIME1 (or any other page as may replace such page on such service for the purpose of displaying prime rates or base lending rates of major United States banks ("**Reuters Page USPRIME1**")) as such bank's prime rate or base lending rate as of 11:00 A.M., New York City time, on such Prime Rate Interest Determination Date. If fewer than four such rates so appear on Reuters Page USPRIME1 for such Prime Rate Interest Determination Date by 3:00 P.M., New York City time on the related Calculation Date, then the Prime Rate shall be the arithmetic mean calculated by the Calculation Agent of the prime rates or base lending rates quoted on the basis of the actual number of days in the year divided by a 360 day year as of the close of business on such Prime Rate Interest Determination Date by three major banks (which may include the Agents or their affiliates) in New York City selected by the Calculation Agent; provided, however, that if the banks so selected by the Calculation Agent are not quoting as mentioned in this sentence, the Prime Rate determined as of such Prime Rate Interest Determination Date will be the Prime Rate in effect on such Prime Rate Interest Determination Date or, if no Prime Rate was in effect on such Prime Rate Interest Determination Date, the rate on such Floating Rate Note for the following Interest Reset Period shall be the Initial Interest Rate.

(9) Treasury Rate

If "Treasury Rate" is specified in the applicable Pricing Term Sheet and/or Final Terms, this Subordinated Note will bear interest at the rates (calculated with reference to the Treasury Rate and the Spread and/or Spread Multiplier, if any) specified in the applicable Pricing Term Sheet and/or Final Terms.

Unless otherwise specified in the applicable Pricing Term Sheet and/or Final Terms, as the case may be, "**Treasury Rate**" means, with respect to any Interest Determination Date relating to a Floating Rate Note for which the interest rate is determined by reference to the Treasury Rate (a "**Treasury Rate Interest Determination Date**"), the rate from the auction held on such Treasury Rate Interest Determination Date (the "**Auction**") of direct obligations of the United States ("**Treasury Bills**") having the Index Maturity specified in the applicable Pricing Term Sheet and/or Final Terms, as the case may be, under the caption "INVEST RATE" on the display on Reuters or any successor service on page USAUCTION 10 (or any other page as may replace such page on such service) ("**Reuters Page USAUCTION 10**") or page USAUCTION 11 (or any other page as may replace such page on such service) ("**Reuters Page USAUCTION 11**") or, if not so published by 3:00 P.M., New York City time, on the related Calculation Date, the Bond Equivalent Yield (as defined below) of the auction rate of such Treasury Bills as announced by the U.S. Department of the Treasury. In the event that the auction rate of Treasury Bills having the Index Maturity specified in the applicable Pricing Term Sheet and/or Final Terms, as the case may be, is not so announced by the U.S. Department of the Treasury, or if no such Auction is held, then the Treasury Rate will be the Bond Equivalent Yield of the rate on such Treasury Rate Interest Determination Date of Treasury Bills having the Index Maturity specified in the applicable Pricing Term Sheet and/or Final Terms, as the case may be, as published in H.15(519) opposite the caption "U.S. government securities/Treasury bills/secondary market" or, if not yet published by 3:00 P.M., New York City time, on the related Calculation Date, the rate on such Treasury Rate Interest Determination Date of such Treasury Bills as published in H.15 Daily Update, or such other recognized electronic source used for the purpose of displaying such rate, under the caption "U.S. government securities/Treasury bills/secondary market". If such rate is not yet published in H.15(519), H.15 Daily Update or another recognized electronic source by 3:00 P.M., New York City time, on the related Calculation Date, then the Treasury Rate will be calculated by the Calculation Agent and will be the Bond Equivalent Yield of the arithmetic mean of the secondary market bid rates, as of approximately 3:30 P.M., New York City time, on such Treasury Rate Interest Determination Date, of three leading primary U.S. government securities dealers (which may include the Agents or their affiliates) selected by the Calculation Agent, for the issue of Treasury Bills with a remaining maturity closest to the Index Maturity specified in the applicable Pricing Term Sheet and/or Final Terms, as the case may be; provided, however, that if the dealers so selected by the Calculation Agent are not quoting as mentioned in this sentence, the Treasury Rate determined as of such Treasury Rate Interest Determination Date will be the Treasury Rate in effect on such Treasury Rate Interest Determination Date.

"**Bond Equivalent Yield**" means a yield (expressed as a percentage) calculated in accordance with the following formula:

$$\text{Bond Equivalent Yield} = \frac{D \times N}{360 - (D \times M)} \times 100$$

where "D" refers to the applicable per annum rate for Treasury Bills quoted on a bank discount basis, "N" refers to 365 or 366, as the case may be, and "M" refers to the actual number of days in the applicable Interest Reset Period.

(iii) *Minimum and/or Maximum Rate of Interest*

If the applicable Pricing Term Sheet and/or Final Terms specifies a Minimum Rate of Interest for any Interest Period, then the Rate of Interest for such Interest Period shall in no event be less than such Minimum Rate of Interest and/or if it specifies a Maximum Rate of Interest for any Interest Period, then the Rate of Interest for such Interest Period shall in no event be greater than such Maximum Rate of Interest.

Unless otherwise stated in the applicable Final Terms and/or Pricing Term Sheet, the Minimum Rate of Interest shall be deemed to be zero.

(iv) *Determination of Rate of Interest and Calculation of Interest Amounts*

The Agent, in the case of Floating Rate Notes, 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 amount of interest (the "**Interest Amount**") payable on the Floating Rate Notes for the relevant Interest Period by applying the Rate of Interest to in the case of Floating Rate Notes, the aggregate outstanding nominal amount of the Subordinated Notes represented by such Global Certificate and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

"**Day Count Fraction**" means, in respect of the calculation of an amount of interest in accordance with this Condition 4(b):

(a) if "Actual/Actual (ISDA)" or "Actual/Actual" is specified in the applicable Final Terms and/or Pricing Term Sheet, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);

(b) if "Actual/365 (Fixed)" is specified in the applicable Final Terms and/or Pricing Term Sheet, the actual number of days in the Interest Period in respect of which payment is being made divided by 365;

(c) if "Actual/360" is specified in the applicable Final Terms and/or Pricing Term Sheet, the actual number of days in the Interest Period in respect of which payment is being made divided by 360;

(d) if "30/360", "360/360" or "Bond Basis" is specified in the applicable Final Terms and/or Pricing Term Sheet, the number of days in the Interest Period in respect of which payment is being made 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_1" is the year, expressed as a number, in which the first day of the Interest Period falls;

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

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

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

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

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

(e) if "30E/360" or "Eurobond Basis" is specified in the applicable Final Terms and/or Pricing Term Sheet, 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_1" is the year, expressed as a number, in which the first day of the Interest Period falls;

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

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

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

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

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

(f) if "30E/360 (ISDA)" is specified in the applicable Final Terms and/or Pricing Term Sheet, 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_1" is the year, expressed as a number, in which the first day of the Interest Period falls;

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

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

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

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

"D_2" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D_2 will be 30.

(v) *Notification of Rate of Interest and Interest Amount*

The Fiscal Agent or, if applicable, the Calculation 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 12 (*Notices*) as soon as possible after their determination but in no event later than the fourth Amsterdam 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) 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 Subordinated Noteholders in accordance with Condition 12 (*Notices*). For the purposes of this paragraph (v), the expression "**Amsterdam Business Day**" means a day (other than a Saturday or Sunday) on which banks and foreign exchange markets are open for business in Amsterdam.

(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 4(b), whether by the Fiscal Agent or, if applicable, the Calculation Agent, shall (in the absence of willful default, bad faith or manifest error) be binding on the Issuer, the Fiscal Agent, the Calculation Agent (if applicable), the other Paying Agents and all Subordinated Noteholders and (in the absence as aforesaid) no liability to the Issuer or the Subordinated Noteholders shall attach to the Fiscal Agent or, if applicable, the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

(c) Interest on Foreign Currency Subordinated Notes

In the case of Foreign Currency Subordinated Notes, if the rate or amount of interest falls to be determined by reference to a Rate of Exchange, the rate or amount of interest payable shall be determined in the manner specified in the applicable Pricing Term Sheet and/or Final Terms.

(d) Accrual of Interest

Each Subordinated Note (or in the case of the redemption of part only of a Subordinated Note, that part only of such Subordinated 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 Subordinated 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 Subordinated Noteholders in accordance with Condition 12 (*Notices*) or individually.

5. Payments

(a) Principal, Interest and Record Date

Payment of the principal of and any premium or interest on Subordinated Notes, other than Foreign Currency Subordinated Notes with respect to which a Specified Currency payment election has been made, will be made to the registered holders thereof at the office of the U.S. Paying Agent or, if applicable, the European Paying Agent, or such other office or agency of the Issuer maintained by it for that purpose in the Borough of Manhattan, The City of New York, in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts; provided, however, that payment of the principal of and any premium and interest on such Subordinated

Notes due at Maturity will be made to the registered holders thereof in immediately available funds at such office or such other offices or agencies if such Subordinated Notes are presented to the applicable Paying Agent or any other paying agent in time for the applicable Paying Agent or such other paying agent to make such payments in accordance with its normal procedures; and, provided, further, that at the option of the Issuer, payment of interest, other than interest payable at Maturity, may be made by check mailed to the address of the person entitled thereto as such address shall appear in the Register unless that address is in the Issuer's country of incorporation or, if different, country of tax residence; and, provided, further, that notwithstanding the foregoing a registered holder of US$5,000,000 or more in aggregate principal amount of such Subordinated Notes having the same Interest Payment Date will be entitled to receive payments of interest, other than interest due at Maturity, by wire transfer of immediately available funds to an account at a bank located in The City of New York (or other location consented to by such Issuer) if appropriate wire transfer instructions have been received by the applicable Paying Agent or any other paying agent in writing not less than 15 calendar days prior to the applicable Interest Payment Date.

Unless otherwise specified in the applicable Pricing Term Sheet and/or Final Terms, as the case may be, payments of principal of and any premium and interest on Foreign Currency Subordinated Notes will be made in U.S. dollars unless the holder thereof elects to receive such payments in the Specified Currency as described below.

Any U.S. dollar amount to be received by a holder of a Foreign Currency Subordinated Note will be based on the highest bid quotation in The City of New York received by the Exchange Rate Agent at approximately 11:00 A.M., New York City time, on the second Business Day with respect to such Subordinated Note preceding the applicable payment date from three recognized foreign exchange dealers (one of which may be the Exchange Rate Agent) for the purchase by the quoting dealer of the Specified Currency for U.S. dollars for settlement on such payment date in the aggregate amount of the Specified Currency payable to all holders of Foreign Currency Subordinated Notes scheduled to receive U.S. dollar payments and at which the applicable dealer commits to execute a contract. If such bid quotations are not available, payments will be made in the Specified Currency. All currency exchange costs will be borne by the holder of the Foreign Currency Subordinated Notes by deductions from such payments.

Unless otherwise specified in the applicable Pricing Term Sheet and/or Final Terms, as the case may be, a holder of a Foreign Currency Subordinated Notes may elect to receive payment of the principal of and any premium and interest on such Subordinated Note in the Specified Currency by transmitting a written request for such payment to the applicable Paying Agent on or prior to the relevant Record Date or at least sixteen days prior to Maturity, as the case may be. Such request, which must include the wire transfer instructions referred to below, may be in writing (mailed or hand delivered) or by cable, telex or other form of facsimile transmission. A holder of a Foreign Currency Subordinated Note may elect to receive payment in the Specified Currency for all principal and any premium and interest payments and need not file a separate election for each payment. All costs associated with such currency exchange will be paid by the holder. Such election will remain in effect until revoked by written notice to the applicable Paying Agent, but written notice of any such revocation must be received by the applicable Paying Agent on or prior to the relevant Record Date or at least sixteen days prior to Maturity, as the case may be.

The payment of principal of and any premium or interest on Foreign Currency Subordinated Notes paid in the Specified Currency other than at Maturity will be made by check drawn upon a bank office located outside the United States, and any such payments due at Maturity will be made by wire transfer of immediately available funds to an account maintained by the Holder with a bank office located in the country which issued the Specified Currency upon presentation of such Subordinated Notes to the applicable Paying Agent or any other paying agent in time for such wire transfer to be made by the applicable Paying Agent or such other paying agent in accordance with its normal procedures.

If a Specified Currency is not available for the payment of principal or any premium or interest with respect to a Foreign Currency Subordinated Note due to the imposition of exchange controls or other circumstances beyond the control of the Issuer, the Issuer will be entitled to satisfy its obligations to holders of Foreign Currency Subordinated Notes by making such payment in U.S. dollars on the basis of the market exchange rate on the second Market Day prior to the date of such payment, or if such market exchange rate is not then available, on the basis of the most recently available market exchange rate.

Each payment in respect of a Registered Note in definitive form will be made to the person shown as the Registered Holder in the Register at the opening of business in the place of the Registrar's specified office on the fifteenth day before the due date for such payment (in respect of such Subordinated Notes, the "**Record Date**"). Where payment in respect of a Registered Note is to be made by cheque, the cheque will be mailed to the address shown as the address of the Registered Holder in the Register at the opening of business on the relevant Record Date. Each payment in respect of a Registered Note in global form will be made to the person shown as the Registered Holder in the Register at the close of business (in the relevant clearing system) on the Clearing System Business Day before the due date for such payment (in respect of such Subordinated Notes, the "**Record Date**"), where "**Clearing System Business Day**" means a day on which each clearing system for which the Relevant Global Certificate is being held is open for business.

(b) Payment Day

If the date for payment of any amount in respect of any Subordinated Note 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 (unless otherwise specified in the applicable Pricing Term Sheet and/or Final Terms), "**Payment Day**" means any day which (subject to this Condition 5) 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:

(A) the relevant place of presentation;

(B) any Additional Business Center specified in the applicable Final Terms and/or Pricing Term Sheet; and

(ii) either (1) in relation to any sum payable in a Specified Currency other than Euro, 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 the principal financial center of the country of the relevant Specified Currency (if other than the place of presentation and any Financial Center and which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney and Auckland, respectively) or (2) in relation to any sum payable in Euro, a day on which the TARGET2 System is open.

(c) Interpretation of Principal and Interest

Any reference in these Terms and Conditions to principal or nominal amount in respect of the Subordinated Notes shall be deemed to include, as applicable:

(i) any additional amounts which may be payable with respect to principal under Condition 7 (*Taxation*);

(ii) the Final Redemption Amount of the Subordinated Notes;

(iii) the Early Redemption Amount of the Subordinated Notes;

(iv) the Optional Redemption Amount(s) (if any) of the Subordinated Notes;

(v) any premium and any other amounts (other than accrued interest) which may be payable by the Issuer under or in respect of the Subordinated Notes;

and shall be deemed to exclude any amount written down or converted (if any) pursuant to Condition 6(h) (*Statutory Loss Absorption of Subordinated Notes*).

Any reference in these Terms and Conditions to interest in respect of the Subordinated Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 7 (*Taxation*).

6. Redemption and Purchase

(a) Redemption at Maturity

Unless previously redeemed, written down, converted or purchased and cancelled as specified below or Condition 6(h) (*Statutory Loss Absorption of Subordinated Notes*), each Subordinated Note will be redeemed by the Issuer at its Final Redemption Amount (together with any accrued interest) specified in, or determined in the manner specified in, the applicable Pricing Term Sheet and/or Final Terms in the relevant Specified Currency on the Maturity Date or the Interest Payment Date falling in the Redemption Month (as defined and specified in the applicable Final Terms).

(b) Redemption for Tax Reasons

Unless otherwise specified in the applicable Pricing Term Sheet and/or Final Terms, Subordinated Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time (in the case of Subordinated Notes other than Floating Rate Notes) or on any Interest Payment Date (in the case of Floating Rate Notes), on giving not less than 30 nor more than 60 days' notice to the Subordinated Noteholders in accordance with Condition 12 (*Notices*) (which notice shall be irrevocable) if, on the occasion of the next payment due under the Subordinated Notes, the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 7 (*Taxation*) 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 the Subordinated Notes.

Further, if the Subordinated Notes qualify as Tier 2 Notes, the Issuer must (i) obtain the prior written permission of the Relevant Regulator provided that, at the relevant time, such permission is required to be given pursuant to article 77 CRD IV Regulation and (ii) have demonstrated to the satisfaction of the Relevant Regulator that the Issuer complies with article 78 CRD IV Regulation, which may include the replacement of the Subordinated Notes with own funds instruments of equal or higher quality at terms that are sustainable for the income capacity of the Issuer. The Relevant Regulator may only permit the Issuer to redeem the Subordinated Notes at any time within five years after the Issue Date if, without prejudice to this Condition 6(b), there is a change in the applicable tax treatment of the Subordinated

Notes which the Issuer demonstrates to the satisfaction of the Relevant Regulator is material and was not reasonably foreseeable at the time of their issuance.

Each Subordinated Note redeemed pursuant to this Condition 6(b) will be redeemed at its Early Redemption Amount referred to in Condition 6(e) (*Early Redemption Amounts*) below together (if appropriate) with interest accrued to (but excluding) the date of redemption.

In these Conditions, "**Relevant Regulator**" means the European Central Bank, the Dutch Central Bank (*De Nederlandsche Bank N.V.*) or other authority having primary responsibility for the prudential oversight and supervision of the Issuer, as determined by the Issuer.

(c) Redemption at the Option of the Issuer (Issuer Call)

If Issuer Call is specified in the applicable Pricing Term Sheet and/or Final Terms, the Issuer may at its option, and, subject as provided in Condition 6(e) (*Early Redemption Amounts*) below and having given:

(i) not less than 30 nor more than 60 days' notice, or such other period of notice as is specified in the applicable Pricing Term Sheet and/or Final Terms, to the Subordinated Noteholders in accordance with Condition 12 (*Notices*); and

(ii) not less than 15 days before the giving of the notice referred to in (i), notice to the Fiscal Agent, both of which notices shall be irrevocable),

redeem all but not some only of the Subordinated Notes then outstanding on the Optional Redemption Date(s) and at the Optional Redemption Amount(s) specified in, or determined in the manner specified in, the applicable Final Terms and/or Pricing Term Sheet together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date(s).

All notices of redemption shall identify the Subordinated Notes to be redeemed (including CUSIP, Common Code and ISIN numbers), the date fixed for redemption, the redemption price, the manner in which redemption will be effected.

Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount and not higher than the Maximum Redemption Amount, both as indicated (if at all) in the applicable Pricing Term Sheet and/or Final Terms. In the case Redeemed Notes represented by definitive Subordinated Notes, a list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 12 (*Notices*) not less than 15 days prior to the date fixed for redemption. No exchange of the relevant Global Certificate will be permitted during the period from and including the Selection Date to and including the date fixed for redemption pursuant to this Condition 6(c) and notice to that effect shall be given by the Issuer to the Subordinated Noteholders in accordance with Condition 12 (*Notices*) at least 5 days prior to the Selection Date.

Further, if the Subordinated Notes qualify as Tier 2 Notes, the Issuer must (i) obtain the prior written permission of the Relevant Regulator provided that, at the relevant time, such permission is required to be given pursuant to article 77 CRD IV Regulation and (ii) have demonstrated to the satisfaction of the Relevant Regulator that the Issuer complies with article 78 CRD IV Regulation, which may include the replacement of the Subordinated Notes with own funds instruments of equal or higher quality at terms that are sustainable for the income capacity of the Issuer.

(d) Redemption, substitution and variation for regulatory purposes of Subordinated Notes

If Regulatory Call is specified in the Pricing Supplement and upon the occurrence of a Capital Event, the Issuer may at its option, subject to (i) the prior written permission of the Relevant Regulator provided that at the relevant time such permission is required to be given pursuant to article 77 CRD IV Regulation and (ii) the Issuer demonstrating to the satisfaction of the Relevant Regulator that the Issuer complies with article 78 CRD IV Regulation, which may include the replacement of the Subordinated Notes with own funds instruments of equal or higher quality at terms that are sustainable for the income capacity of the Issuer, and having given not less than 30 nor more than 60 days' notice or such other period of notice as is specified in the applicable Pricing Term Sheet and/or Final Terms (which notice shall be irrevocable) to the Subordinated Noteholders redeem at any time, in accordance with the Conditions, all, but not some only, of the Subordinated Notes at the Optional Redemption Amount specified in the applicable Final Terms and/or Pricing Term Sheet together with accrued interest (if any) to but excluding the date of redemption.

A "**Capital Event**" shall occur if there is a change in the regulatory classification of the Subordinated Notes that has resulted or would be likely to result in the Subordinated Notes being excluded, in whole but not in part, from the Tier 2 capital (within the meaning of the CRD IV Regulation) of the Issuer or reclassified as a lower quality form of own funds of the Issuer, which change in regulatory classification (or reclassification) (i) becomes effective on or after the Issue Date and, if redeemed within five years after the Issue Date, (ii) is considered by the Relevant Regulator to be sufficiently certain and (iii) the Issuer has demonstrated to the satisfaction of the Relevant Regulator was not reasonably foreseeable at the time of their issuance as required by article 78(4) CRD IV Regulation.

If Variation or Substitution is specified in the applicable Final Terms and/or Pricing Term Sheet and if a CRD IV Capital Event or a Capital Event has occurred and is continuing, then the Issuer may, subject to the prior written permission of the Relevant Regulator provided that at the relevant time such permission is required to be given (but without any requirement for the permission of the Subordinated Noteholders) and having given not less than 30 nor more than 60 days' notice (which notice shall be irrevocable) to the Subordinated Noteholders, either substitute all, but not some only, of the Subordinated Notes or vary the terms of the Subordinated Notes so that they remain or, as appropriate, become compliant with CRD IV or such other regulatory capital rules applicable to the Issuer at the relevant time. Upon the expiry of the notice referred to above, the Issuer shall either vary the terms of, or substitute, the Subordinated Notes in accordance with this Condition 6(d), as the case may be, provided that such substitution or variation shall not result in terms that are materially less favorable to the Subordinated Noteholders. For the avoidance of doubt, the Relevant Regulator has discretion as to whether or not it will approve any such substitution or variation of the Subordinated Notes.

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

In these Conditions:

"**CRD IV Capital Event**" is deemed to have occurred if the whole of the outstanding nominal amount of the Subordinated Notes can no longer be included in full in the Tier 2 capital of the Issuer by reason of their non-compliance with CRD IV or such other regulatory capital rules applicable to the Issuer at the relevant time;

"**CRD IV**" means together, (i) the CRD IV Directive, (ii) the CRD IV Regulation and (iii) the Future Capital Instruments Regulations;

"**CRD IV Directive**" means Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC (as amended from time to time);

"**CRD IV Regulation**" means Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 (as amended from time to time); and

"**Future Capital Instruments Regulations**" means any regulatory capital rules implementing the CRD IV Regulation or the CRD IV Directive which may from time to time be introduced, including, but not limited to, delegated or implementing acts (regulatory technical standards or implementing technical standards) adopted by the European Commission, national laws and regulations, and regulations and guidelines issued by DNB, the European Banking Authority or other relevant authority, which are applicable to the Issuer (on a solo or consolidated basis) and which lay down the requirements to be fulfilled by financial instruments for inclusion in the regulatory capital of the Issuer (on a solo or consolidated basis) as required by (i) the CRD IV Regulation or (ii) the CRD IV Directive.

(e) Early Redemption Amounts

Subject to Condition 6(h) (*Statutory Loss Absorption of Subordinated Notes*) below, for the purpose of Conditions 6(b) (*Redemption for Tax Reasons*), 6(c) (*Redemption at the Option of the Issuer (Issuer Call)*) and 6(d) (*Redemption, substitution and variation for regulatory purposes of Subordinated Notes*) above and Condition 9 (*Events of Default*), each Subordinated Note will be redeemed at its Early Redemption Amount calculated as follows:

(i) in the case of a Subordinated Note with a Final Redemption Amount equal to the Issue Price, at the Final Redemption Amount thereof; and

(ii) in any other case, at the amount specified in, or determined in the manner specified in, the applicable Pricing Term Sheet and/or Final Terms or, if no such amount or manner is so specified in the Pricing Term Sheet and/or Final Terms, at their nominal amount.

(f) Purchases

The Issuer or any of its subsidiaries may at any time purchase Subordinated Notes at any price in the open market or otherwise. Such Subordinated Notes may be held, re-issued, resold or, at the option of the Issuer, surrendered to any Paying Agent for cancellation. If the Subordinated Notes to be purchased are Notes that qualify as Tier 2 Notes, the Issuer must (i) obtain the prior written permission of the Relevant Regulator provided that, at the relevant time, such permission is required to be given pursuant to article 77 CRD IV Regulation and (ii) have demonstrated to the satisfaction of the Relevant Regulator that the Issuer complies with article 78 CRD IV Regulation (or any equivalent or substitute provision under applicable banking regulation), which may include the replacement of the Subordinated Notes with own

funds instruments of equal or higher quality at terms that are sustainable for the income capacity of the Issuer.

(g) Cancellation

All Subordinated Notes which are redeemed will forthwith be cancelled. All Subordinated Notes so cancelled and the Subordinated Notes purchased and cancelled pursuant to Condition 6(f) (*Purchases*) above shall be forwarded to the Agent and cannot be re-issued or resold.

(h) Statutory Loss Absorption of Subordinated Notes

Subordinated Notes may become subject to the determination by the Resolution Authority or the Issuer (following instructions from the Resolution Authority) that without the consent of the Subordinated Noteholder all or part of the nominal amount of the Subordinated Notes, including accrued but unpaid interest in respect thereof, must be written down, reduced, redeemed and cancelled or converted into common equity Tier 1 instruments or otherwise be applied to absorb losses, all as prescribed by the Applicable Resolution Framework ("**Statutory Loss Absorption**"). Upon any such determination, (i) the relevant proportion of the outstanding nominal amount of the Subordinated Notes subject to Statutory Loss Absorption shall be written down, reduced, redeemed and cancelled or converted into common equity Tier 1 instruments or otherwise be applied to absorb losses, as prescribed by the Applicable Resolution Framework, (ii) such Statutory Loss Absorption shall not constitute an Event of Default and (iii) the Subordinated Noteholders will have no further claims in respect of the amount so written down or subject to conversion or otherwise as a result of such Statutory Loss Absorption.

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

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

In these Conditions:

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

resolution of credit institutions and certain investment firms in the framework of a Single Resolution Mechanism and a Single Resolution Fund and amending Regulation (EU) No 1093/2010; and

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

7. Taxation

All payments of principal and interest in respect of the Subordinated Notes by the Issuer will be made free and clear and without withholding or deduction for or on account of any present or future taxes or duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of The Netherlands or any political subdivision or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In such event, the Issuer will, depending on which provision is specified in the applicable Pricing Term Sheet and/or 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 Subordinated Notes and shall not pay any additional amounts to the holders of the Subordinated Notes; or

(b) pay such additional amounts as shall be necessary in order that the net amounts received by the holders of the Subordinated Notes after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Subordinated Notes as the case may be, in the absence of such withholding or deduction; except that no such additional amounts shall be payable with respect to any Subordinated Note:

(i) presented for payment by or on behalf of a Subordinated Noteholder who is liable for such taxes or duties in respect of such Subordinated Note by reason of his having some connection with The Netherlands other than the mere holding of such Subordinated Note, or the receipt of principal or interest in respect thereof; or

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

(iii) presented for payment by or on behalf of a Subordinated Noteholder who would have been able to avoid such withholding or deduction by presenting the relevant Subordinated Note, to another Paying Agent in a Member State of the European Union; or

(iv) presented for payment more than 30 days after the Relevant Date (as defined below) except to the extent that the holder thereof would have been entitled to an additional amount on presenting the same for payment on such thirtieth day assuming that day to have been a Payment Day (as defined in Condition 5(b) (*Payment Day*)); or

(v) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive.

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

As used herein, the "Relevant Date" means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Agent on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Subordinated Noteholders in accordance with Condition 12 (*Notices*).

8. Prescription

The Subordinated Notes will become void unless claims in respect of principal and/or interest are made within a period of five years after the Relevant Date (as defined in Condition 7 (*Taxation*)) therefor.

9. Events of Default

If any of the following events (each an "**Event of Default**") shall have occurred and be continuing:

(i) the Issuer is declared bankrupt, or a declaration in respect of the Issuer is made under article 3:163(1)(b) of the Wft; or

(ii) an order is made or an effective resolution is passed for the winding up or liquidation of the Issuer unless this is done in connection with a merger, consolidation or other form of combination with another company and such company assumes all obligations contracted by the Issuer in connection with the Subordinated Notes,

then any Subordinated Noteholder may, by written notice to the Issuer at the specified office of the Agent, effective upon the date of receipt thereof by the Agent, declare the Subordinated Note held by the holder to be forthwith due and payable whereupon the same shall become forthwith due and payable at its Early Redemption Amount (as described in Condition 6(e) (*Early Redemption Amounts*)), together with accrued interest (if any) to the date of repayment, without presentment, demand, protest or other notice of any kind provided that repayment of Subordinated Notes under this Condition 9 that qualify as Tier 2 Notes will only be effected after the Issuer has obtained the prior written permission of the Relevant Regulator provided that at the relevant time such permission is required to be given.

10. Replacement of Subordinated Notes

Should any Subordinated Note be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Fiscal 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 Subordinated Notes must be surrendered before replacements will be issued.

11. Agent and Paying Agents

The names of the initial Fiscal 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 Subordinated Notes are listed on any stock exchange, there will at all times be a Paying Agent and a Registrar 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 a Fiscal Agent and a Registrar; and

(iv) save to the extent satisfied by (i) above or (ii) above, there will at all times be a Paying Agent with a specified office in a European Union member state that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive.

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 5(a) (*Principal, Interest and Record Date*). 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 Subordinated Noteholders in accordance with Condition 12 (*Notices*).

12. Notices

Notices shall be given in accordance with any applicable rule or regulation or decree by a governmental body and the rules and customary procedures of the stock exchange or applicable clearing system specified in the applicable Final Terms and/or Pricing Term Sheet and need not be given by mail unless required by the rules of the stock exchange or applicable clearing system.

Notices given by any Registered Holder shall be in writing and given by lodging the same with the Registrar at its specified office.

13. Amendment and Waiver

Subject at all times to Condition 6(h) (*Statutory Loss Absorption of Subordinated Notes*), the Agent and the Issuer may agree, without the consent of the Subordinated Noteholders, to:

(a) any modification of the Subordinated Notes Agency Agreement which is in the Issuer's opinion not materially prejudicial to the interests of the Subordinated Noteholders; or

(b) any modification of the Subordinated Notes or the Subordinated Notes Agency Agreement which is of a formal, minor or technical nature or is made to correct a manifest or proven error or to comply with mandatory and/or overriding provisions of the law of the jurisdiction in which the Issuer is incorporated; or

(c) in accordance with Condition 6(d) (*Redemption, substitution and variation for regulatory purposes of Subordinated Notes*), substitution of the Subordinated Notes or variation of the terms of the Subordinated Notes in order to ensure that such substituted or varied Subordinated Notes continue to qualify as Tier 2 Notes under CRD IV or such other regulatory capital rules applicable to the Issuer at the relevant time.

Any other amendment of this Subordinated Notes or the Subordinated Notes Agency Agreement may be made only with the consent of the Subordinated Noteholders. The Issuer and the Fiscal Agent, if applicable, may amend the Subordinated Notes or the Subordinated Notes Agency Agreement with the written consent of the Holders of at least a majority in principal amount of the Subordinated Notes then outstanding voting as a single class (including consent obtained in connection with a tender offer or exchange of the Subordinated Notes); provided however that without the consent of 100% of the then outstanding aggregate principal amount of the Subordinated Notes, no amendment may:

(a) reduce the amount of Subordinated Notes whose holders must consent to an amendment;

(b) reduce the rate of or extend the time for payment of interest on any Subordinated Note;

(c) reduce the principal or extend the Stated Maturity or Redemption Month of any Subordinated Note;

(d) reduce the premium or amount payable upon the redemption of any Subordinated Note or change the time at which any Subordinated Note may be redeemed in accordance with its terms;

(e) make any Subordinated Note payable in currency other than that stated in such Subordinated Note;

(f) expressly subordinate any Subordinated Note to any other indebtedness of the Issuer save as permitted in accordance with its terms;

(g) impair the right of any Subordinated Noteholder to receive payment of principal, premium, if any, and interest on such Holder's Subordinated Notes on or after the due dates therefor or to institute suit for the enforcement of any payment on or with respect to such Holder's Subordinated Notes; or

(h) make any amendment to the Events of Default as described in the Conditions.

Any such modification shall be binding on the Subordinated Noteholders and any such modification shall be notified to the Subordinated Noteholders in accordance with Condition 12 (*Notices*) as soon as practicable thereafter.

Any amendment to Condition 6(h) (*Statutory loss absorption of Subordinated Notes*) or which otherwise impacts upon the eligibility of the Subordinated Notes for eligibility as Tier 2 Notes is subject to the prior written permission of the Relevant Regulator and/or the relevant Resolution Authority (provided that, at the relevant time, such permission is required to be given).

14. Further Issues

The Issuer shall be at liberty from time to time without the consent of the Subordinated Noteholders to create and issue further Subordinated Notes having terms and conditions the same as the Subordinated

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 Subordinated Notes.

15. Substitution of the Issuer

(a) If this Condition 15 is specified in the applicable Final Terms and/or Pricing Term Sheet to be applicable, the Issuer may, with the consent of the Subordinated Noteholders which will be deemed to have been given in respect of each Tranche of Subordinated Notes on which no payment of principal of or interest on any of the Subordinated Notes is in default and after written approval of the Relevant Regulator, be replaced and substituted by any directly or indirectly wholly owned subsidiary of the Issuer (such substituting entity, the "**Substituted Debtor**") as principal debtor in respect of the Subordinated Notes 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 favor of each Subordinated Noteholder to be bound by the Terms and Conditions of the Subordinated Notes and the provisions of the Subordinated Notes Agency Agreement as fully as if the Substituted Debtor had been named in the Subordinated Notes, and the Subordinated Notes Agency Agreement as the principal debtor in respect of the Subordinated Notes in place of the Issuer and pursuant to which the Issuer shall guarantee, which guarantee shall be unconditional and irrevocable, (the "**Guarantee**") in favor of each Subordinated Noteholder the payment of all sums (including any additional amounts payable pursuant to Condition 7 (*Taxation*)) payable in respect of the Subordinated Notes;

(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 Subordinated Noteholder has the benefit of a covenant in terms corresponding to the provisions of Condition 7 (*Taxation*) 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 jointly and severally indemnify and hold harmless each Subordinated Noteholder against all liabilities, costs, charges and expenses, provided that insofar as the liabilities, costs, charges and expenses are taxes or duties, the same arise by reason of a law or regulation having legal effect or being in reasonable contemplation thereof on the date such substitution becomes effective, which may be incurred by or levied against such holder as a result of any substitution pursuant to this Condition 15 and which would not have been so incurred or levied had such substitution not been made (and, without limiting the foregoing, such liabilities, costs, charges and expenses shall include any and all taxes or duties which are imposed on any such Subordinated Noteholder by any political sub-division or taxing authority of any country in which such Subordinated Noteholder 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 Substituted Debtor and the Issuer shall have 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 the Documents shall contain a representation by the Substituted Debtor and the Issuer that the obligations assumed by each of the Substituted Debtor and

the Issuer under the Documents are all valid and binding in accordance with their respective terms and enforceable by each Subordinated Noteholder;

(iv) each stock exchange which has Subordinated Notes listed thereon or the relevant competent authority relating thereto shall have confirmed that following the proposed substitution of the Substituted Debtor such Subordinated Notes would continue to be listed on such stock exchange;

(v) the Substituted Debtor shall have delivered to the Fiscal Agent or procured the delivery to the Agent of a legal opinion from a leading firm of local lawyers acting for the Substituted Debtor to the effect that the Documents constitute legal, valid and binding obligations of the Substituted Debtor, such opinion to be dated not more than three days prior to the date of substitution of the Substituted Debtor for the Issuer and to be available for inspection by Subordinated Noteholders at the specified office of the Fiscal Agent;

(vi) the Issuer shall have delivered to the Fiscal Agent or procured the delivery to the Fiscal Agent of a legal opinion from a leading firm of Dutch lawyers to the effect that the Documents (including the Guarantee) constitute legal, valid and binding obligations of the Substituted Debtor and the Issuer under Dutch law, such opinion to be dated not more than three days prior to the date of substitution of the Substituted Debtor for the Issuer and to be available for inspection by Subordinated Noteholders at the specified office of the Fiscal Agent; and

(vii) the Substituted Debtor shall have appointed an agent for the service of process in accordance with Condition 16(b) (*Jurisdiction*).

(b) In connection with any substitution effected pursuant to this Condition, neither the Issuer nor the Substituted Debtor need have any regard to the consequences of any such substitution for individual Subordinated Noteholders resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory and no Subordinated Noteholder, except as provided in Condition 15(a)(ii) above, shall be entitled to claim from the Issuer or any Substituted Debtor under the Subordinated Notes 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 15 in respect of the Subordinated Notes of any Series, the Documents shall provide for such further amendment of the Terms and Conditions of the Subordinated Notes as shall be necessary or desirable to ensure that the Subordinated Notes of such Series constitute subordinated obligations of the Substituted Debtor and that the Guarantee constitutes a subordinated obligation of the Issuer, in each case subordinated to no greater than the same extent as the Issuer's obligations prior to its substitution to make payments of principal in respect of the Subordinated Notes of such Series under Condition 3 (*Status and Terms relating to Subordinated Notes*).

(d) With respect to Subordinated Notes, the Issuer shall be entitled, after written approval of the Relevant Regulator, and by notice to the Subordinated Noteholders given in accordance with Condition 12 (*Notices*), at any time either to effect a substitution which does not comply with Condition 15(c) above provided that the terms of such substitution have been approved by 75% of the Subordinated Noteholders or to waive all and any rights to effect a substitution of the principal debtor pursuant to this Condition. Any such notice of waiver shall be irrevocable.

(e) Upon the execution of the Documents as referred to in Condition 15(a) above, and subject to the notice as referred to in Condition 15(g) below having been given, the Substituted Debtor shall be deemed to be named in the Subordinated Notes as the principal debtor in place of the Issuer and the Subordinated Notes shall thereupon be deemed to be amended to give effect to the substitution. The execution of the Documents shall operate to release the Issuer as issuer from all of its obligations as principal debtor in respect of the Subordinated Notes save that any claims under the Subordinated Notes prior to release shall enure for the benefit of Subordinated Noteholders.

(f) The Documents shall be deposited with and held by the Fiscal Agent for so long as any Subordinated Notes remain outstanding and for so long as any claim made against the Substituted Debtor by any Subordinated Noteholder in relation to the Subordinated Notes or the Documents shall not have been finally adjudicated, settled or discharged. The Substituted Debtor and the Issuer shall acknowledge in the Documents the right of every Subordinated Noteholder to the production of the Documents for the enforcement of any of the Subordinated Notes or the Documents.

(g) Prior to, to the extent reasonably practicable but in any event no later than, 15 Business Days after the execution of the Documents, the Substituted Debtor shall give notice thereof to the Subordinated Noteholders in accordance with Condition 12 (*Notices*).

16. Governing Law and Jurisdiction

(a) Governing Law

The Subordinated Notes and the Subordinated Notes Agency Agreement are governed by, and shall be construed and interpreted in accordance with, the laws of The Netherlands, including the choice of court agreement set out below in condition 16(b) (*Submission to jurisdiction*).

(b) Jurisdiction

In relation to any legal action or proceedings arising out of or in connection with the Subordinated Notes or the Subordinated Notes Agency Agreement, the courts in Amsterdam, The Netherlands and any state or federal court in the Borough of Manhattan, The City New York, New York shall have exclusive jurisdiction.

As a result, the Issuer hereby irrevocably consents and submits to the jurisdiction of any state or federal court in the Borough of Manhattan, The City New York, New York in person, generally and unconditionally with respect to any action, suit or proceeding for itself and in respect of its properties, assets and revenues. The Issuer hereby irrevocably waives, to the fullest extent permitted by applicable law, any and all right to trial by jury in any legal proceeding arising out of or relating to the Subordinated Notes.

The Issuer hereby irrevocably designates, appoints and empowers the New York Representative Office of ABN AMRO Bank N.V. at 565 Fifth Avenue, 25th Floor, New York, NY 10017, United States of America, as its designee, appointee and agent to receive, accept and acknowledge for and on its behalf, and its properties, assets and revenues, service of any and all legal process, summons, notices and documents that may be served in any action, suit or proceeding brought against it in any such state or federal court in the Borough of Manhattan, The City New York, New York, with respect to its obligations, liabilities or any other matter arising out of or in connection with the Subordinated Notes or any related additional agreement and that may be made on such designee, appointee and agent in

accordance with legal procedures prescribed for such courts. If for any reason such designee, appointee and agent hereunder shall cease to be available to act as such, the Issuer agrees to designate a new designee, appointee and agent in the County of New York on the terms and for the purposes of this Condition 15(b) satisfactory to the Fiscal Agent. The Issuer further hereby irrevocably consents and agrees to the service of any and all legal process, summons, notices and documents in any such action, suit or proceeding against it by serving a copy thereof upon the relevant agent for service of process referred to in this Condition 15(b) (whether or not the appointment of such agent shall for any reason prove to be ineffective or such agent shall accept or acknowledge such service) or by mailing copies thereof by registered or certified air mail, postage prepaid, to it at its registered address. The Issuer agrees that the failure of any such designee, appointee and agent to give any notice of such service to it shall not impair or affect in any way the validity of such service or any judgment rendered in any action or proceeding based thereon. Nothing herein shall in any way be deemed to limit the ability of the Subordinated Noteholders to service any such legal process, summons, notices and documents in any other manner permitted by applicable law. The Issuer hereby irrevocably and unconditionally waives, to the fullest extent permitted by law, any objection that it may now or hereafter have to the laying of venue of any of the aforesaid actions, suits or proceedings arising out of or in connection with the Subordinated Notes or any related additional agreement brought in the courts in Amsterdam, The Netherlands or any state or federal court in the Borough of Manhattan, The City New York, New York and hereby further irrevocably and unconditionally waives and agrees not to plead or claim in any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum.

SPECIAL PROVISIONS RELATING TO FOREIGN CURRENCY NOTES

General

Unless otherwise indicated in the applicable Pricing Term Sheet or Final Terms in relation to any Tranche of Notes, the Notes will be denominated in U.S. dollars and payments of principal of and any premium and interest on the Notes will be made in U.S. dollars in the manner indicated in this Base Prospectus and the applicable Pricing Term Sheet and/or Final Terms. If any of the Notes are to be denominated in a currency other than U.S. dollars (a "**Specified Currency**"), the following special provisions shall apply which supplement, and to the extent inconsistent therewith replace the applicable master Terms and Conditions as set out in full in this Base Prospectus in the section headed "*Terms and Conditions of the Senior Notes*" and "*Terms and Conditions of the Subordinated Notes*".

Payment currency

Unless otherwise indicated in the applicable Pricing Term Sheet or Final Terms in relation to any Tranche of Notes, a purchaser will be required to pay for Foreign Currency Notes in the Specified Currency. Currently, there are limited facilities in the United States for the conversion of U.S. dollars into foreign currencies. Therefore, unless otherwise indicated in the applicable pricing supplement, the exchange rate agent the relevant Issuer appoints and identifies in the applicable pricing supplement will arrange for the conversion of U.S. dollars into the Specified Currency on behalf of any purchaser of a Foreign Currency Notes to enable a prospective purchaser to deliver the Specified Currency in payment for a Foreign Currency Note. The exchange rate agent must receive a request for any conversion on or prior to the third business day preceding the date of delivery of the Foreign Currency Note. The purchaser must pay all costs of currency exchange.

Unless otherwise indicated in the applicable Pricing Term Sheet or Final Terms in relation to any Tranche of Notes, payments made by the Issuer of principal of, premium, if any, and interest, if any, on a Foreign Currency Note, will be made in accordance with Condition 5 (*Payments*).

TAXATION

Netherlands taxation

The following summary of certain Dutch taxation matters is based on the laws and practice in force as of the date of this Base Prospectus and is subject to any changes in law and the interpretation and application thereof, which changes could be made with retroactive effect. The following summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to acquire, hold or dispose of a Note or Coupon, and does not purport to deal with the tax consequences applicable to all categories of investors, some of which may be subject to special rules.

For the purpose of this summary it is assumed that an individual or non-resident entity holding a Note does not have or will not have a substantial interest, or - in the case of a holder of a Note being an entity - a deemed substantial interest, in the Issuer and that no connected person (verbonden persoon) to the holder of a Note has or will have a substantial interest in the Issuer.

Generally speaking, an individual has a substantial interest in a company if (a) such individual, either alone or together with his partner, directly or indirectly has, or is deemed to have or (b) certain relatives of such individual or his partner directly or indirectly have or are deemed to have (i) the ownership of, a right to acquire the ownership of, or certain rights over, shares representing 5 per cent or more of either the total issued and outstanding capital of such company or the issued and outstanding capital of any class of shares of such company, or (ii) the ownership of, or certain rights over, profit participating certificates (winstbewijzen) that relate to 5 per cent or more of either the annual profit or the liquidation proceeds of such company

Generally speaking, a non-resident entity has a substantial interest in a company if such entity, directly or indirectly has (i) the ownership of, a right to acquire the ownership of, or certain rights over, shares representing 5 per cent or more of either the total issued and outstanding capital of such company or the issued and outstanding capital of any class of shares of such company, or (ii) the ownership of, or certain rights over, profit participating certificates (winstbewijzen) that relate to 5 per cent or more of either the annual profit or the liquidation proceeds of such company. An entity holding a Note has a deemed substantial interest in a company if such entity has disposed of or is deemed to have disposed of all or part of a substantial interest on a non-recognition basis.

For the purpose of this summary, the term "entity" means a corporation as well as any other person that is taxable as a corporation for Dutch corporate tax purposes.

Where this summary refers to a holder of a Note, an individual holding a Note or an entity holding a Note, such reference is restricted to an individual or entity holding legal title to as well as an economic interest in such Note or otherwise being regarded as owning a Note for Dutch tax purposes. It is noted that for purposes of Dutch income, corporate, gift and inheritance tax, assets legally owned by a third party such as a trustee, foundation or similar entity, may be treated as assets owned by the (deemed) settlor, grantor or similar originator or the beneficiaries in proportion to their interest in such arrangement.

Where the summary refers to "The Netherlands" or "Dutch" it refers only to the European part of the Kingdom of The Netherlands.

Investors should consult their professional advisers on the tax consequences of their acquiring, holding and disposing of a Note or Coupon.

1. Withholding Tax

All payments made by the Issuer of interest and principal under the Notes can be made free of withholding or deduction of any taxes of whatsoever nature imposed, levied, withheld or assessed by The

Netherlands or any political subdivision or taxing authority thereof or therein, provided the Notes have a maturity of 50 years or less.

2. Taxes On Income And Capital Gains

Residents

Resident entities

An entity holding a Note which is, or is deemed to be, resident in The Netherlands for corporate tax purposes and which is not tax exempt, will generally be subject to corporate tax in respect of income or a capital gain derived from a Note at the prevailing statutory rates.

Resident individuals

An individual holding a Note who is, is deemed to be, or has elected to be treated as, resident in The Netherlands for income tax purposes will be subject to income tax in respect of income or a capital gain derived from a Note at rates up to 52 per cent if:

(i) the income or capital gain is attributable to an enterprise from which the holder derives profits (other than as a shareholder); or

(ii) the income or capital gain qualifies as income from miscellaneous activities (*belastbaar resultaat uit overige werkzaamheden*) as defined in the Income Tax Act (*Wet inkomstenbelasting 2001*), including, without limitation, activities that exceed normal, active asset management (*normaal, actief vermogensbeheer*).

If neither condition (i) nor (ii) applies, an individual holding a Note will be subject to income tax on the basis of a deemed return, regardless of any actual income or capital gain derived from a Note. The deemed return amounts 4% of the value of the individual's net assets as at the beginning of the relevant fiscal year (including the Note). Subject to application of certain allowances, the deemed return will be taxed at a rate of 30 per cent.

Non-residents

A holder of a Note which is not, and is not deemed to be resident in The Netherlands for the relevant tax purposes will not be subject to taxation on income or a capital gain derived from a Note unless:

(i) the income or capital gain is attributable to an enterprise or part thereof which is either effectively managed in The Netherlands or carried on through a permanent establishment (*vaste inrichting*) or a permanent representative (*vaste vertegenwoordiger*) taxable in The Netherlands and the holder of a Note derives profits from such enterprise (other than by way of securities); or

(ii) the holder is an individual and the income or capital gain qualifies as income from miscellaneous activities (*belastbaar resultaat uit overige werkzaamheden*) in The Netherlands as defined in the Income Tax Act (*Wet inkomstenbelasting 2001*), including, without limitation, activities that exceed normal, active asset management (*normaal, actief vermogensbeheer*).

3. Gift And Inheritance Taxes

Dutch gift or inheritance taxes will not be levied on the occasion of the transfer of a Note by way of gift by, or on the death of, a holder of a Note, unless:

(i) the holder of a Note is, or is deemed to be, resident in The Netherlands for the purpose of the relevant provisions; or

(ii) the transfer is construed as an inheritance or gift made by, or on behalf of, a person who, at the time of the gift or death, is or is deemed to be resident in The Netherlands for the purpose of the relevant provisions.

4. Value Added Tax

There is no Dutch value added tax payable by a holder of a Note in respect of payments in consideration for the issue of the Notes or in respect of the payment of interest or principal under the Notes, or the transfer of the Notes.

5. Other Taxes And Duties

There is no Dutch registration tax, stamp duty or any other similar tax or duty payable in The Netherlands by a holder of a Note in respect of or in connection with the execution, delivery and/or enforcement by legal proceedings (including any foreign judgment in the courts of The Netherlands) of the Notes or the performance of the Issuer's obligations under the Notes.

6. Residence

A holder of a Note will not be, or deemed to be, resident in The Netherlands for tax purposes and, subject to the exceptions set out above, will not otherwise be subject to Dutch taxation, by reason only of acquiring, holding or disposing of a Note or the execution, performance, delivery and/or enforcement of a Note.

7. EU Council Directive On Taxation Of Savings Income

Under EC Council Directive 2003/48/EC on the taxation of savings income (the "Savings Directive"), each Member State is required to provide to the tax authorities of another Member State details of payments of interest or other similar income paid by a person within its jurisdiction to, or collected by such a person for, an individual resident or certain limited types of entity established in that other Member State; however, for a transitional period, Austria and Luxembourg may instead apply a withholding system in relation to such payments, deducting tax at rates rising over time to 35%. The transitional period is to terminate at the end of the first full fiscal year following agreement by certain non-EU countries to the exchange of information relating to such payments. As from 1 January 2015 Luxembourg no longer applies the withholding tax system and will provide details of payment of interest (or similar income).

A number of non-EU countries including Switzerland have adopted similar measures (either provision of information or transitional withholding) in relation to payments made by a person within its jurisdiction to, or collected by such a person for, an individual resident or certain limited types of entity established in a Member State.

The Council formally adopted a Council Directive amending the Savings Directive on 24 March 2014 (the "Amending Directive"). The Amending Directive broadens the scope of the requirements described above. Member States have until 1 January 2016 to adopt the national legislation necessary to comply with the Amending Directive. The changes made under the Amending Directive extend the scope of the Savings Directive to payments made to, or collected for, certain other entities and legal arrangements. They also broaden the definition of "interest payment" to cover income that is equivalent to interest.

However, the European Commission has proposed the repeal of the Savings Directive from 1 January 2017 in the case of Austria and from 1 January 2016 in the case of all other Member States (subject to on-going requirements to fulfil administrative obligations such as the reporting and exchange of information relating to, and accounting for withholding taxes on, payments made before those dates). This is to prevent overlap between the Savings Directive and a new automatic exchange of information regime to be implemented under Council Directive 2011/16/EU on Administrative Cooperation in the field of Taxation (as amended by Council Directive 2014/107/EU). The proposal also provides that, if it proceeds, Member States will not be required to apply the new requirements of the Amending Directive

Investors who are in any doubt as to their position should consult their professional advisers.

FATCA

Under FATCA the Issuer and other FFIs through which payments on Notes (including original issue discount ("**OID**"), if any, principal and redemption proceeds) are made may be required to withhold U.S. tax in certain circumstances. Payments on or with respect to the Notes will not become subject to FATCA withholding sooner than 1 January 2017. Furthermore, Notes that are issued on or before the date that is six months after regulations defining the term "foreign pass thru payment" are published (the "**grandfathering period**") will not be subject to FATCA withholding in 2017 and later unless the Notes are considered to be equity for U.S. federal income tax purposes or the Notes are "materially modified" for U.S. federal income tax purposes after the end of the grandfathering period. No withholding would be required on payments made directly to an investor that is not an FFI to the extent an investor provides information to the Issuer (or other FFI through which payments on the Notes are made) sufficient for the Issuer (and any other FFI through which payments on the Notes are made) to determine whether the investor is a U.S. person or should otherwise be treated as holding a "United States Account" under FATCA.

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

U.S. federal income taxation

The following discussion is a summary based upon present law of certain material U.S. federal income tax considerations for prospective purchasers of Notes. This discussion addresses only U.S. Holders (as defined below) purchasing Notes in an original offering that hold such Notes as capital assets and use the U.S. dollar as their functional currency. This discussion is a general summary. It is not a substitute for tax advice. This discussion does not address the tax treatment of prospective purchasers subject to special rules, such as financial institutions, insurance companies, tax-exempt entities, dealers in securities or foreign currencies, traders in securities that elect to mark to market, prospective purchasers liable for the

alternative minimum tax, individual retirement accounts and other tax-deferred accounts, regulated investment companies, real estate investment trusts, or persons holding the Notes as part of a hedge, straddle, conversion, or other integrated financial transaction. This section does not address Notes that are due to mature more than 30 years from the date on which they are issued or Subordinated Notes. This summary does not address U.S. federal estate and gift, U.S. state and local or foreign tax law.

THE STATEMENTS ABOUT U.S. FEDERAL INCOME TAX ISSUES ARE MADE TO SUPPORT THE PROMOTION AND MARKETING OF THE NOTES. NO TAXPAYER CAN RELY ON THEM TO AVOID U.S. FEDERAL TAX PENALTIES. EACH PROSPECTIVE PURCHASER SHOULD SEEK ADVICE FROM AN INDEPENDENT TAX ADVISOR ABOUT THE TAX CONSEQUENCES UNDER ITS OWN PARTICULAR CIRCUMSTANCES OF INVESTING IN NOTES UNDER THE LAWS OF THE NETHERLANDS, THE UNITED STATES AND ITS CONSTITUENT JURISDICTIONS AND ANY OTHER JURISDICTION WHERE THE PURCHASER MAY BE SUBJECT TO TAXATION.

For purposes of this discussion, a "**U.S. Holder**" is a beneficial owner of a Note that is (i) a citizen or individual resident of the United States for U.S. federal income tax purposes, (ii) a corporation, partnership or other business entity organized in or under the laws of the United States, any state thereof or the District of Columbia, (iii) a trust subject to the control of a U.S. person and the primary supervision of a U.S. court or (iv) an estate the income of which is subject to U.S. federal income taxation regardless of its source.

The U.S. federal income tax treatment of a partner in a partnership that holds Notes will depend on the status of the partner and the activities of the partnership. Partnerships and partners in such partnerships are urged to consult their own tax advisers regarding the specific tax consequences of purchasing, owning and disposing of such Notes.

Characterization of the notes

The Issuer expects that the Notes generally should be characterized as debt for U.S. federal income tax purposes. The tax characterization of Notes in any particular Series will depend, however, on the Final Terms of the Series and it is possible that certain Notes, particularly including Notes that are due to mature more than 30 years from the date on which they are issued or Subordinated Notes, may not be characterized as debt for U.S. federal income tax purposes. While the discussion here generally assumes that the Notes are debt for U.S. federal income tax purposes, U.S. Holders should consult their own tax advisors about the proper tax characterization of the Notes.

The consequences to a U.S. Holder of purchasing Notes in the original offering and holding Notes that are treated as debt for U.S. federal income tax purposes generally would be as described below.

Interest

Except as discussed below under "*Original Issue Discount*" and "*Contingent Debt Obligations*", interest on the Notes will be includible in the income of a U.S. Holder as ordinary income from sources outside the United States according to such U.S. Holder's regular method of accounting for tax purposes, provided that such interest is qualified stated interest (as defined below). Interest on Floating Rate Notes will generally accrue at a hypothetical fixed rate equal to the rate at which the Notes bore interest on their issue date. The amount of interest actually recognized for any accrual period will increase (or decrease) if the interest actually paid during the period is more (or less) than the amount accrued at the hypothetical rate. U.S. Holders of Floating Rate Notes, therefore, generally will recognize income for each period equal to the amount paid during that period.

Original issue discount

A Series of Notes may be issued with original issue discount ("**OID**") for U.S. federal income tax purposes. A Note will be issued with OID to the extent that the Note's "**stated redemption price at maturity**" exceeds its "**issue price**". A Note generally will not have OID if such excess is less than 1/4 of 1% of the Note's stated redemption price at maturity multiplied by the number of complete years to maturity ("**de minimis OID**").

The issue price of a Note is the initial offering price at which a substantial amount of the Notes are sold (excluding sales to underwriters, brokers or similar persons acting in their capacity as such). The stated redemption price at maturity of a Note is the total of all payments on the Note other than payments of "**qualified stated interest**". Qualified stated interest means, in general, stated interest that is payable unconditionally in cash or in property at least annually at a single fixed rate (or at certain floating rates) that appropriately takes into account the length of the interval between stated interest payments.

A U.S. Holder of a Note issued with OID and having a maturity in excess of one year must include OID in income over the term of the Note. An initial U.S. Holder generally must include in gross income the sum of the daily portions of OID that accrue on the Note for each day during the taxable year in which such U.S. Holder held the Note. To determine the daily portion of OID, OID accruing during an accrual period (generally the period not exceeding one year between dates on which interest is paid) is divided by the number of days in the accrual period.

The amount of OID accruing during an accrual period is determined by using a constant yield to maturity method. For any accrual period, the OID allocable to the accrual period is the excess of (i) the product of the Note's adjusted issue price at the beginning of the accrual period and its yield to maturity (determined on the basis of compounding at the close of each accrual period and appropriately adjusted for the length of the accrual period) over (ii) the sum of any qualified stated interest payments allocable to the accrual period. A Note's adjusted issue price generally equals the issue price of the Note increased by the aggregate amount of OID accrued on a Note in all prior accrual periods (determined without regard to the amortization of any acquisition premium, as discussed below, or bond premium, as discussed below) and reduced by the amount of all payments previously received (other than payments of qualified stated interest).

As described below in "*Optional Redemption*", certain of the Notes may be subject to special redemption features, which may affect the yield to maturity and accrual periods with respect to a Note.

Notes bearing interest at a variable rate, including Floating Rate Notes, are subject to special OID rules. In the case of a Floating Rate Note, both the yield to maturity and qualified stated interest will be determined as though the Note will bear interest in all periods at a fixed rate generally equal to the rate that would be applicable on the date of issue or, in the case of certain Floating Rate Notes, the rate that reflects the yield to maturity that is reasonably expected for the Note. In certain cases, Floating Rate Notes that bear stated interest and are issued at par may have OID, with the result that the inclusion of interest in income may vary from the actual cash payments of interest made on such Notes.

OID on a Note that is denominated in a single currency other than U.S. dollars will be determined for any accrual period in the applicable currency and then translated into U.S. dollars in the same manner as other interest income accrued by an accrual method U.S. Holder, as described below under "*Foreign Currency Notes*". A U.S. Holder will recognize exchange gain or loss when OID is paid to the extent of the difference between the U.S. dollar value of the accrued OID and the U.S. dollar value of the currency received at the spot rate on the date of receipt. For this purpose, all payments (other than qualified stated interest) on a Note will first be treated as payments of previously accrued OID, with payments considered made for the earliest accrual periods first.

A U.S. Holder may elect to treat all interest on a Note as OID applying the constant yield method described above to accrue such interest, with the modifications described below. For purposes of this election, interest includes stated interest, OID, de minimis OID, acquisition discount, market discount, de minimis market discount and unstated interest, as adjusted by any amortizable bond premium or acquisition premium. In applying the constant yield method to a Note with respect to which this election has been made, the issue price of a Note will equal the electing U.S. Holder's adjusted basis in the Note immediately after its acquisition, the issue date of the Note will be the date of its acquisition by the electing U.S. Holder, and no payments on the Note will be treated as payments of qualified stated interest. If a U.S. Holder makes this election, it will apply only to the Note with respect to which it is made and the U.S. Holder may not revoke it without the consent of the IRS. A U.S. Holder making this election with respect to a Note with bond premium will be deemed to have made the elections (discussed below in "*Bond premium*") to amortize bond premium currently with respect to all debt instruments with bond premium held or acquired by such U.S. Holder as of the beginning of that taxable year.

Foreign currency notes

A cash basis U.S. Holder receiving interest denominated in a currency other than U.S. dollars must include a U.S. dollar amount in income based on the spot exchange rate on the date of receipt whether or not the payment is converted to U.S. dollars. An accrual basis U.S. Holder (or a cash basis U.S. Holder in the case of interest, such as OID, that must be accrued prior to receipt) receiving interest denominated in a currency other than U.S. dollars must include in income a U.S. dollar amount based on the average exchange rate during the accrual period (or, if an accrual period spans two taxable years, the partial period within the taxable year). Upon receipt of an interest payment in a currency other than U.S. dollars, U.S. Holders that have accrued interest will recognize exchange gain or loss equal to the difference, if any, between the U.S. dollar amount of interest previously accrued and the U.S. dollar value of the payment received determined at the spot exchange rate on the date of receipt. Such exchange gain or loss will be U.S. source ordinary income or loss and generally will not be considered additional interest income or expense.

An accrual basis U.S. Holder (and a cash basis U.S. Holder with respect to OID, if any) may elect to translate accrued interest into U.S. dollars at the spot exchange rate on the last day of the accrual period (or, if an accrual period spans two taxable years, at the exchange rate on the last day of the partial accrual period in the relevant taxable year). If accrued interest actually is received within five business days of the last day of the accrual period, an electing accrual basis U.S. Holder instead may translate the accrued interest at the spot exchange rate on the date of actual receipt for purposes of translating accrued interest income into U.S. dollars (in which case no exchange gain or loss will be taken into account upon receipt). Any currency translation elections will apply to all debt instruments that the electing U.S. Holder holds or acquires as of the beginning of that taxable year. A U.S. Holder may not revoke this election without the consent of the IRS.

For purposes of this discussion, the "**spot exchange rate**" generally means a rate that reflects a fair market rate of exchange available to the public for currency under a "**spot contract**" in a free market and involving representative amounts. A "spot contract" is a contract to buy or sell a currency other than the U.S. dollar on or before two business days following the date of the execution of the contract. If such a spot rate cannot be demonstrated, the IRS has the authority to determine the spot rate. The "**average rate**" for an accrual period (or partial period) is the average of the spot exchange rates for each business day of such period or other average exchange rate for the period reasonably derived and consistently applied by a U.S. Holder.

The tax basis of currency other than U.S. dollars received by a U.S. Holder generally will equal the U.S. dollar equivalent of such foreign currency at the spot rate on the date it is received. Upon the subsequent exchange of such foreign currency for U.S. dollars, another currency, or property, a U.S. Holder generally

will recognize exchange gain or loss equal to the difference between the U.S. Holder's tax basis in the foreign currency and the U.S. dollars received or the U.S. dollar value of the other currency (at the spot rate on the date of exchange) or property. Such gain or loss will be U.S. source ordinary gain or loss.

Short-term notes

A U.S. Holder of a Note with a maturity of one year or less (a "**Short-Term Note**") will be subject to special rules.

The OID rules do not treat interest payments on a Short-Term Note as qualified stated interest, but instead treat a Short-Term Note as having OID determined by including any stated interest payments in a Short-Term Note's stated redemption price at maturity. Except as noted below, a cash-basis U.S. Holder of a Short-Term Note generally will not be required to accrue OID currently, but will be required to treat any gain realized on a sale or other disposition of a Short-Term Note as ordinary income to the extent such gain or loss does not exceed the OID accrued with respect to the Short-Term Note during the period the U.S. Holder held it. Accrual basis (and electing cash-basis) U.S. Holders will include OID on a Short-Term Note in income on a current basis.

A U.S. Holder will accrue OID on a Short-Term Note on a straight-line method unless it elects a constant yield method. If a U.S. Holder makes this election, it will apply only to the Short-Term Note with respect to which it is made, and the U.S. Holder may not revoke it. Furthermore, unless a U.S. Holder elects to include OID into income on a current basis as described above, a U.S. Holder of a Short-Term Note having OID may be required to defer the deduction of all or a portion of the interest expense on any debt incurred or maintained to purchase or carry such Short-Term Note.

Contingent debt obligations

A Series of Notes may provide for contingent payments ("**Contingent Debt Obligations**"). Special rules govern the tax treatment of Contingent Debt Obligations. These rules generally require a U.S. Holder to treat all interest as OID and to accrue OID at a rate equal to the comparable yield on a non-contingent fixed rate debt instrument of the Issuer with similar terms and conditions and a projected payment schedule that produces such comparable yield. The amount of OID will then be allocated on a ratable basis to each day in the period that the U.S. Holder holds the Contingent Debt Obligation. The OID would be ordinary income from sources outside of the United States.

If the actual payments made on a Contingent Debt Obligation in a year differ from the projected contingent payments, U.S. Holders will recognize additional interest income or ordinary loss (after offsetting and reducing OID for such periods). Ordinary loss is recognized only to the extent of OID accrued in prior years, with any further excess being carried forward to offset OID accruals in future taxable years or as a reduction in the amount realized upon sale maturity or other disposition of the Contingent Debt Obligation. U.S. Holders therefore might be required to recognize income greater or less than the interest and other cash payments on the Contingent Debt Obligations.

The OID rules do not treat Notes as having OID by reason of the contingent U.S. dollar values of payments on Notes denominated in a single currency other than U.S. dollars. U.S. Holders of Contingent Debt Obligations denominated in a single currency other than U.S. dollars generally are required to accrue interest at a comparable yield in units of foreign currency and translate OID into U.S. dollars in accordance with the rules for accrual basis taxpayers. Special rules apply to the conversion of adjustments.

Gain on the sale or other disposition of a Contingent Debt Obligation generally will be treated as ordinary income from sources outside of the United States. Loss will be treated as ordinary loss to the extent of prior net interest inclusions and capital loss to the extent of any excess. Loss generally would be treated as arising from foreign sources.

Optional redemption

Generally, if the Issuer has an option to redeem a Note or a U.S. Holder has an option to cause a Note to be repurchased prior to the Note's stated maturity, the option will be presumed to be exercised if, utilizing an early redemption or repurchase and the amount payable on such date, the yield on the Note would (i) in the case of an option of the Issuer, be lower than its yield to stated maturity, or (ii) in the case of an option of the U.S. Holder, be higher than its yield to stated maturity. A determination of the payment schedule most likely to occur is binding upon all U.S. Holders of the Notes except for a U.S. Holder that explicitly discloses on it U.S. federal income tax return for the taxable year in which it acquired the Note that it has determined the yield and maturity of the Note on a different basis. If the option is not exercised when presumed to be exercised, the Note would be treated as if it were repurchased or redeemed and a new Note were issued on the presumed exercise date for an amount equal to the Note's adjusted issue price on that date.

Market discount

If the stated redemption price at maturity of a Note exceeds a U.S. Holder's tax basis in the Note by more than a de minimis amount, the Note (other than a Short-Term Note) will have market discount. A Note generally will not have market discount if such excess is less than ¼ of 1% of the Note's stated redemption price at maturity multiplied by the number of complete years to maturity.

Generally, a U.S. Holder will treat gain that it recognizes on the sale or other disposition of a Note as ordinary income to the extent of the market discount accrued while such U.S. Holder held the Note. Alternatively, a U.S. Holder may elect to report accrued market discount as income annually over the term of the Note. If a U.S. Holder makes this election, it will apply to all debt instruments with market discount that the electing U.S. Holder holds or acquires as of the beginning of that taxable year. A U.S. Holder may not revoke this election without the consent of the IRS.

A U.S. Holder will accrue market discount on a Note on a straight-line method unless it elects a constant-yield method. If a U.S. Holder makes this election, it will apply only to the Note with respect to which it is made and the U.S. Holder may not revoke it.

Furthermore, unless a U.S. Holder elects to include market discount in income on a current basis as described above, a U.S. Holder of a Note having market discount may be required to defer the deduction of all or a portion of the interest expense on any debt incurred or maintained to purchase or carry such Note.

In the case of a Note denominated in a currency other than U.S. dollars, (i) market discount is determined in units of the relevant foreign currency, (ii) accrued market discount required to be taken into account on the maturity or earlier disposition of a Note is translated into U.S. dollars at the spot rate on maturity or earlier date of disposition of the Note (and no part of such market discount is treated as exchange gain or loss), and (iii) accrued market discount currently includible in income by a U.S. Holder is translated into U.S. dollars at the average exchange rate for the accrual period, and exchange gain or loss is determined on the maturity or earlier date of disposition of the Note in the manner described in "*Foreign Currency Notes*" above, with respect to computation of exchange gain or loss on the receipt of accrued interest.

Bond premium

A U.S. Holder that has a tax basis in a Note that is greater than its principal amount may elect to treat the excess as amortizable bond premium. If a U.S. Holder makes this election, it will reduce the amount required to be included in income each year with respect to interest on the Note by the amount of amortizable bond premium allocable to that year. If a U.S. Holder makes an election to amortize bond premium, it will apply to all the debt instruments of a U.S. Holder with bond premium that the electing

U.S. Holder holds or acquires as of the beginning of that taxable year. A U.S. Holder may not revoke this election without the consent of the IRS.

In the case of a Note denominated in a currency other than U.S. dollars, bond premium is computed in units of the relevant foreign currency and amortizable bond premium reduces interest income in units of such foreign currency. At the time amortizable bond premium offsets interest income, foreign currency exchange gain or loss (taxable as ordinary income or loss, but not generally as interest income or expense) is realized based on the difference between spot rates at that time and at the time of the acquisition of the Note.

If a Note can be optionally redeemed after the U.S. Holder acquires it at a price in excess of its principal amount, special rules would apply that could result in a deferral of the amortization of some bond premium until later in the term of the Note.

With respect to a holder that does not elect to amortize bond premium, the amount of bond premium constitutes a capital loss when the bond matures. In the case of a Note denominated in a currency other than U.S. dollars, foreign currency exchange gain or loss with respect to the premium is realized based on the difference between the spot rates on the sale or other disposition of the Note and at the time of the acquisition of the Note. In such case, the amount of any capital loss relating to the premium may be offset or eliminated by exchange gain.

Special rules apply to Notes issued with OID that are purchased at a premium.

Disposition of the notes

A U.S. Holder generally will recognize capital gain or loss upon a sale or other disposition of a Note in an amount equal to the difference between the amount realized from such disposition (less any accrued unpaid qualified stated interest, which will be taxable as such to the extent not previously included in income) and the U.S. Holder's adjusted tax basis in the Note. Gain or loss on the sale or other disposition of the Note generally will be long-term capital gain or loss if the Note has been held for more than a year. Special rules apply to gains or losses on Contingent Debt Obligations as described above.

A U.S. Holder's adjusted tax basis in a Note generally will equal the U.S. Holder's cost of the Note, increased by any accrued market discount or OID included in income and decreased by the amount of any amortized bond premium or payment (other than qualified stated interest) received with respect to the Note. The cost of a Note denominated in a currency other than U.S. dollars will be the U.S. dollar value of the currency on the date of purchase determined at the spot rate.

A U.S. Holder that receives currency other than U.S. dollars upon sale or other disposition of the Notes will realize an amount equal to the U.S. dollar value of the currency on the date of sale. If the Notes are traded on an established securities market, a cash basis U.S. Holder or electing accrual basis taxpayer will determine the amount realized on the settlement date. A U.S. Holder will have a tax basis in the currency equal to the U.S. dollar amount realized. Any gain or loss realized by a U.S. Holder on a subsequent conversion of currency for U.S. dollars will be U.S. source ordinary income or loss.

The election available to accrual basis U.S. holders in respect of the sale of Notes traded on an established securities market must be applied consistently to all debt instruments from year to year and cannot be changed without the consent of the IRS.

In the case of a Note denominated in a currency other than U.S. Dollars, to the extent recognized gain or loss is attributable to changes in the exchange rates with respect to the relevant foreign currency between the date of acquisition and disposition of the Note, the exchange gain or loss will be treated as U.S. source ordinary income or loss and generally will not be considered additional interest income or expense. However, exchange gain or loss is taken into account only to the extent of total gain or loss realized on the transaction. Generally, any gain or loss realized on the transaction in excess of such exchange gain or

loss will be U.S. source capital gain or loss and will be long-term capital gain or loss if the Note has been held for more than one year.

For U.S. federal income tax purposes, a substitution of obligors under the Notes, as described under Condition 15 (*Substitution of the Issuer*), may be treated as a deemed taxable exchange of Notes for new Notes issued by the Substituted Debtor. If the substitution of obligors were treated as a deemed taxable exchange, a U.S. Holder generally would recognize capital gain or loss in an amount equal to the difference between the issue price of the new Notes and the U.S. Holder's adjusted tax basis in the Notes. In addition, other possible adverse tax consequences may apply. U.S. Holders should consult their own tax advisers regarding the U.S. federal income tax consequences of a deemed taxable exchange in the event of a substitution of obligors.

Medicare Contribution Tax

Interest (including OID, if any) received on a Note and gain realized on the disposition of a Notes will generally be includible in "net investment income" for purposes of the Medicare contribution tax imposed on certain individuals, estates and trusts.

Information reporting and backup withholding

Payments of interest (including OID, if any), principal, premium, or the proceeds from sale of Notes that are made within the United States or through certain U.S. related financial intermediaries may be reported to the IRS unless the Holder is a U.S. Holder that is a corporation or otherwise establishes a basis for exemption. Backup withholding tax may apply to amounts subject to reporting if a U.S. Holder fails to provide an accurate taxpayer identification number, or to otherwise establish a basis for exemption. A U.S. Holder can claim a credit against U.S. federal income tax liability for amounts withheld under the backup withholding rules, and it can claim a refund of amounts in excess of its liability by providing required information to the IRS in a timely manner. Prospective investors should consult their tax advisors as to their qualification for exemption from backup withholding and the procedure for establishing an exemption.

Certain U.S. Holders are required to report information with respect to their investment in Notes not held through an account with a U.S. financial institution to the IRS. Investors who fail to report required information are subject to substantial penalties. Potential investors are encouraged to consult with their own tax advisors regarding the implications of this legislation on their investment in Notes.

A U.S. Holder may be required specifically to report a sale, retirement or other taxable disposition of Notes to the IRS if it recognizes a loss over a threshold amount, including a foreign currency loss from a single transaction that exceeds, in the case of an individual or trust, US$50,000 in a single taxable year or, in other cases, various higher thresholds. U.S. Holders that recognize a loss on a Note should consult their tax advisors.

THE DISCUSSION ABOVE IS A GENERAL SUMMARY. IT DOES NOT COVER ALL TAX MATTERS THAT MAY BE IMPORTANT TO A PARTICULAR INVESTOR. EACH PROSPECTIVE INVESTOR IS URGED TO CONSULT ITS OWN TAX ADVISOR ABOUT THE TAX CONSEQUENCES TO IT OF AN INVESTMENT IN THE NOTES.

BENEFIT PLAN INVESTOR CONSIDERATIONS

Each fiduciary of a pension, profit-sharing or other employee benefit plan (a "**plan**") subject to the U.S. Employee Retirement Income Security Act of 1974, as amended ("**ERISA**"), should consider the fiduciary standards of ERISA in the context of the plan's particular circumstances before authorizing an investment in the Notes. Accordingly, among other factors, the fiduciary should consider whether the investment would satisfy the prudence and diversification requirements of ERISA and would be consistent with the documents and instruments governing the plan, and whether the investment would involve a prohibited transaction under Section 406 of ERISA or Section 4975 of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**").

Section 406 of ERISA and Section 4975 of the Code prohibit plans, as well as individual retirement accounts and Keogh plans subject to Section 4975 of the Code (also "**plans**") from engaging in certain transactions involving "plan assets" with persons who are "parties in interest" under ERISA or "disqualified persons" under the Code ("**parties in interest**") with respect to the plan or account. A violation of these prohibited transaction rules may result in civil penalties or other liabilities under ERISA and/or an excise tax under Section 4975 of the Code for those persons, unless exemptive relief is available under an applicable statutory, regulatory or administrative exemption. Certain employee benefit plans and arrangements including those that are governmental plans (as defined in section 3(32) of ERISA), certain church plans (as defined in Section 3(33) of ERISA) and non-U.S. plans (as described in Section 4(b) (4) of ERISA) ("**non-ERISA arrangements**") are not subject to the requirements of Section 404 of ERISA or Section 4975 of the Code but may be subject to similar provisions under applicable federal, state, local, non-U.S. or other regulations, rules or laws ("**similar laws**").

The acquisition of the Notes by a plan with respect to which the Issuer or certain of its affiliates is or becomes a party in interest may constitute or result in a prohibited transaction under Section 404 of ERISA or Section 4975 of the Code, unless those Notes are acquired pursuant to and in accordance with an applicable exemption. The U.S. Department of Labor has issued prohibited transaction class exemptions, or "**PTCEs**", that may provide exemptive relief if required for direct or indirect prohibited transactions that may arise from the purchase or holding of the Notes. These class exemptions (as may be amended from time to time) include, without limitation: (1) PTCE 84-14, an exemption for certain transactions determined or effected by independent qualified professional asset managers; (2) PTCE 90-1, an exemption for certain transactions involving insurance company pooled separate accounts; (3) PTCE 91-38, an exemption for certain transactions involving bank collective investment funds; (4) PTCE 95-60, an exemption for transactions involving certain insurance company general accounts; and (5) PTCE 96-23, an exemption for plan asset transactions managed by in-house asset managers. In addition, ERISA Section 408(b) (17) and Section 4975(d)(20) of the Code provides a limited exemption for the purchase and sale of securities and related lending transactions, provided that neither the issuer of the securities nor any of its affiliates have or exercise any discretionary authority or control or render any investment advice with respect to the assets of any plan involved in the transaction and provided further that the plan pays not more than adequate consideration in connection with the transaction (the so-called "service provider exemption"). There can be no assurance that any of these class or statutory exemptions will be available with respect to transactions involving the Notes.

Accordingly, the Notes may not be purchased or held by (1) any plan, (2) any entity whose underlying assets include, or are deemed for purposes of ERISA or the Code to include "plan assets" by reason of any plan's investment in the entity (a "**plan asset entity**") or (3) any person investing "plan assets" of any plan, unless in each case the purchaser or Holder is eligible for exemptive relief. Any purchaser or Holder of the Notes or any interest in the Notes will be deemed to have represented by its purchase and holding of the Notes that either (1) it is not a plan or a plan asset entity and is not purchasing those Notes on behalf of or with "plan assets" of any plan or plan asset entity or (2) such purchase and holding of the

Notes will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code. In addition, any purchaser or Holder of the Notes or any interest in the Notes which is a non-ERISA arrangement will be deemed to have represented by its purchase and holding of the Notes that its purchase and holding will not violate the provisions of any similar law.

Due to the complexity of these rules and the penalties that may be imposed upon persons involved in non-exempt prohibited transactions, it is important that fiduciaries or other persons considering purchasing the Notes on behalf of or with "plan assets" of any plan, plan asset entity or non-ERISA arrangement consult with their counsel regarding the availability of exemptive relief under any of the PTCEs listed above or any other applicable exemption, or the potential consequences of any purchase or holding under similar laws, as applicable.

Each purchaser and Holder of the Notes has exclusive responsibility for ensuring that its purchase and holding of the Notes does not violate the prohibited transaction rules of ERISA, the Code or any similar laws. The sale of any Notes to a plan, plan asset entity or non-ERISA arrangement is in no respect a representation by the Issuer or any of its affiliates or representatives that such an investment meets all relevant requirements with respect to plans, plan asset entities or non-ERISA arrangements generally or any particular plan, plan asset entity or non-ERISA arrangement, or that such an investment is appropriate for plans, plan asset entities or non-ERISA arrangements generally or any particular plan, plan asset entity or non-ERISA arrangement.

THE DISCUSSION ABOVE IS A GENERAL SUMMARY. IT DOES NOT COVER ALL ERISA AND OTHER U.S. MATTERS THAT MAY BE IMPORTANT TO A PARTICULAR INVESTOR. EACH PROSPECTIVE INVESTOR IS URGED TO CONSULT ITS OWN LEGAL, TAX, FINANCIAL AND OTHER ADVISORS ABOUT THE CONSEQUENCES TO IT OF AN INVESTMENT IN THE NOTES.

PLAN OF DISTRIBUTION

The Notes are being offered on a continuous basis for sale by (i) the Issuer through an agent acting as principal for its own account for resale to investors and other purchasers, to be determined by such agent or (ii) the Issuer, who has reserved the right to sell, solicit and accept offers to purchase, Notes directly on its own behalf. Any such agent would be appointed in accordance with a Private Placement Agreement, (each an "**Agent**"), in which it would agree to solicit offers to purchase the Notes pursuant to a Private Placement Agreement or such other arrangements as may be entered into from time to time, if applicable. The Issuer will pay the applicable Agent a commission which will equal a percentage of the principal amount of any such Note sold through such Agent or such other commissions as may be agreed from time to time between the Issuer and such Agent. The Issuer may also sell Notes to an Agent, as principal, at a discount from the principal amount thereof, and such Agent may later resell such Notes to investors at varying prices related to prevailing market prices at the time of sale as determined by such Agent. The Issuer may also sell Notes directly to, and may solicit and accept offers to purchase directly from, investors on its own behalf in those jurisdictions where it is authorized to do so.

ABN AMRO Bank is not a registered broker-dealer in the United States and, therefore, to the extent that it intends to effect any offers or sales of the Notes in the United States, it will do so through ABN AMRO Securities (USA) LLC or another U.S. registered broker-dealer in accordance with applicable securities laws and as permitted by FINRA regulation. Accordingly, ABN AMRO Bank, as Agent, will offer and sell Notes outside the United States only.

In addition, an Agent may offer any such Notes it has purchased as principal to other Agents. An Agent may sell Notes to any Agent at a discount. Unless otherwise indicated in the applicable Pricing Term Sheet and/or Final Terms, as the case may be, any Note sold to an Agent as principal will be purchased by such Agent at a price equal to 100% of the principal amount thereof less a commission to be agreed, and may be resold by such Agent to investors and other purchasers from time to time in one or more transactions, including negotiated transactions, at a fixed offering price or at varying prices determined at the time of sale or may be resold to certain Agents as described above. After the initial offering of Notes to be resold to investors and other purchasers on a fixed offering price basis, the offering price, concession and discount may be changed.

The Issuer reserves the right to withdraw, cancel or modify the offer made hereby without notice and may reject orders in whole or in part whether placed directly with the Issuer or through an Agent. Each Agent will have the right, in its discretion reasonably exercised, to reject any offer to purchase Notes received by it, in whole or in part.

In connection with the issue of any Tranche of Notes, an Agent or Agents (if any) named as the Stabilizing Manager(s) (or persons acting on behalf of any Stabilizing Manager(s)) in the applicable Final Terms and/or Pricing Term Sheet may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that any Stabilizing Manager(s) (or persons acting on behalf of a Stabilizing Manager) will undertake stabilization action. Any stabilization action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilization action or over-allotment must be conducted by the relevant Stabilizing Manager(s) (or person(s) acting on behalf of any Stabilizing Manager(s)) in accordance with all applicable laws and rules.

None of the Issuer or, to the extent so appointed, Agents, makes any representation or prediction as to the direction or magnitude of any effect that the transactions described in the immediately preceding paragraph may have on the price of notes. In addition, neither the Issuer nor any of the Agents makes any representation that such Agents will engage in any such transactions or that such transactions, once commenced, will not be discontinued without notice.

The Issuer has agreed to indemnify any Agents severally against and to make contributions relating to certain liabilities, including liabilities under the Securities Act. An Agent appointed under this Program may engage in transactions with, or perform services for, the Issuer in the ordinary course of business.

Prior to the offering of a particular issuance of Notes, there may not be an active markets for such Notes. From time to time, an Agent appointed under this program may make a market in the Notes as permitted by applicable laws and regulations, but any such Agent will have no obligation to do so, and any such market making activities with respect to the Notes may be discontinued at any time without notice. There can be no assurance that there will be a secondary market for the Notes or liquidity in the secondary market if one develops.

Certain of the Agents and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, investment research, principal investment, hedging, financing and brokerage activities. In the ordinary course of their business activities, some of the Agents or their affiliates may have, directly or indirectly, performed investment and/or commercial banking or financial advisory services for ABN AMRO Bank or its affiliates, for which they may have received customary fees and commissions, and they expect to provide these services to ABN AMRO Bank and its affiliates in the future, for which they may also receive customary fees and commissions. In addition, in the ordinary course of their business activities, the Agents and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or Issuer's affiliates. Certain of the Agents or their respective affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Agents and their respective affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes issued under the Program. Any such short positions could adversely affect future trading prices of Notes issued under the Program. The Agents and their respective affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may at any time hold, or recommend to clients that they acquire, long and/or short positions in such securities and financial instruments.

The Notes have not been and will not be registered under the Securities Act, or the securities laws of any State or other jurisdiction of the United States, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in reliance upon an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. The Notes are being offered hereby only (A) to QIBs within the meaning of Rule 144A and (B) outside the United States to persons other than U.S. persons (as defined in Regulation S) in offshore transactions in reliance upon Regulation S. The minimum principal amount of Notes which may be purchased for any account is US$200,000 (or the equivalent thereof in another currency or composite currency, or in the case of Foreign Currency Notes, 1,000 units of such currency, if such Notes are clearing through DTC) but so that in no event the minimum denomination will be lower than EUR 100,000.

Prior to any issuance of Notes in reliance on Regulation S, each Agent appointed under this program will be required to represent and agree that:

Public Offer Selling Restriction

1. In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), each Agent appointed under this Program will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**") it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant Member State:

(a) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;

(b) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

(c) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes referred to in (a) to (c) above shall require the Issuer or any Agent to publish a prospectus pursuant to Article 3 of the Prospectus Directive, or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an "**offer of Notes to the public**" in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression "**Prospectus Directive**" means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU), and includes any relevant implementing measure in the Relevant Member State.

2. In relation to each Tranche of Notes to be issued by the Issuer under the Program, each Agent appointed under this Program will be required to represent and agree that:

(a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes, except for Notes which are a "structured product" as defined in the SFO (Cap. 571) of Hong Kong (the "**SFO**"), other than (i) to "professional investors" as defined in the SFO and any rules made under the SFO; or (ii) in other circumstances which do not result in the document being a "Prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the "**Companies Ordinance**") or which do not constitute an offer to the public within the meaning of the Companies Ordinance; and

(b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO.

3. This prospectus has not been registered as a prospectus with the Monetary Authority of Singapore under the Securities and Futures Act (Chapter 289 of Singapore) (the "**SFA**"). Accordingly, this prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes to be issued from time to time by the Issuer under the Program may not be circulated or distributed, nor may the Notes be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to any person in Singapore other than (a) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA, (b) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to an offer referred to in Section 275(1A) of the SFA, and in accordance with the applicable conditions specified in Section 275 of the SFA or (c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are acquired by persons who are relevant persons specified in Section 276 of the SFA, namely:

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

the shares, debentures and units of shares and debentures of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within 6 months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

(1) to an institutional investor (under Section 274 of the SFA) or to a relevant person as defined in Section 275(2) of the SFA, or any person pursuant to an offer that is made on terms that such shares, debentures and units of shares and debentures of that corporation or such rights or interest in that trust are acquired at a consideration of not less than S$200,000 (or its equivalent in a foreign currency) for each transaction, whether such amount is to be paid for in cash or by exchange of securities or other assets and further for corporations, in accordance with the conditions specified in Section 275(1A) of the SFA;

(2) where no consideration is or will be given for the transfer;

(3) where the transfer is by operation of law;

(4) as specified in Section 276(7) of the SFA; or

(5) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

4. The Notes have not been and will not be registered under the Financial Instruments and Exchange Law of Japan Act No. 25 of 1948, or "the Financial Instruments and Exchange Law" and each Agent has agreed 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 as used herein means any person resident in Japan, including any corporation or other entity organized 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 pursuant to an exemption from the

registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Law and any other applicable laws, regulations and ministerial guidelines of Japan.

5. With respect to offers and sales outside the United States, the Issuer will send to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases Notes from them during the distribution compliance period (as defined in Regulation S) a confirmation or notice substantially to the following effect:

> "The Notes covered hereby have not been registered under the U.S. Securities Act of 1933 (the "**Securities Act**") and may not as a matter of U.S. law be offered and sold 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 later of the commencement of the offering and the closing date, except in either case in accordance with Regulation S under the Securities Act (or Rule 144A under the Securities Act, if available) under the Securities Act. Terms used above have the meaning given to them by Regulation S".

Until the expiration of the period ending 40 days after the later of the commencement of the offering and the date of issue of the Notes, an offer or sale of Notes within the United States by a dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A under the Securities Act or pursuant to another exemption from registration under the Securities Act. Furthermore, if any such Notes are sold within the United States or to, or for the account or benefit of, a U.S. person (as defined in Regulation S) pursuant to Rule 144A or pursuant to another exemption from registration under the Securities Act, such person (i) must hold its interest in the Notes offshore through Euroclear or Clearstream, Luxembourg, as the case may be, until the expiration of the distribution compliance period (as defined in Regulation S) and (ii) upon the expiration of such distribution compliance period, must certify that it bought such Notes pursuant to Rule 144A or pursuant to another exemption from registration under the Securities Act.

6. With respect to offers and sales in the United Kingdom, each Agent appointed under this Program will be required to represent and agree, that:

(i) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (the "**FSMA**")) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and

(ii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

7. Each Agent appointed under this Program will be required to agree that it will not make an offer of Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms and/or Pricing Term Sheet in relation thereto to the public in The Netherlands in reliance on Article 3(2) of the Prospectus Directive unless:

(a) such offer is made exclusively to legal entities which are qualified investors (as defined in the Wft and which includes authorized discretionary asset managers acting for the account of retail investors under a discretionary investment management contract) in The Netherlands; or

(b) standard exemption logo and wording are disclosed as required by article 5:20(5) of the Wft; or

(c) such offer is otherwise made in circumstances in which article 5:20(5) of the Wft is not applicable,

provided that no such offer of Notes shall require the Issuer or any Agent to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expressions (i) an "**offer of Notes to the public**" in relation to any Notes in The Netherlands; and (ii) "**Prospectus Directive**", have the meaning given to them above in paragraph 1.

8. This Base Prospectus is not intended to constitute an offer or solicitation to purchase or invest in the Notes described herein. The Notes may not be publicly offered, sold or advertised, directly or indirectly, in, into or from Switzerland and will not be listed on the SIX Swiss Exchange or on any other exchange or regulated trading facility in Switzerland. Neither this Base Prospectus nor any other offering or marketing material relating to the Notes constitutes a prospectus as such term is understood pursuant to article 652a or article 1156 of the Swiss Code of Obligations or a listing prospectus within the meaning of the listing rules of the SIX Swiss Exchange or any other regulated trading facility in Switzerland, and neither this Base Prospectus nor any other offering or marketing material relating to the Notes may be publicly distributed or otherwise made publicly available in Switzerland.

Each Agent appointed under the Program will be required to represent and agree that it will (a) only offer or sell the Notes in, into or from Switzerland in compliance with all applicable laws and regulations in force in Switzerland and (b) to the extent necessary, obtain any consent, approval or permission required, for the offer or sale by it of the Notes under the laws and regulations in force in Switzerland.

9. Each Agent appointed under the Program will be required to represent and agree with the Issuer that (i) this Base Prospectus will not be registered as a prospectus in terms of the South African Companies Act, 2008 (the "**SA Companies Act**") in South Africa and as such, any offer of the Notes in South Africa will not be an offer to the public as contemplated under the SA Companies Act and may only be made to persons falling within the categories of persons listed in section 96(1) of the SA Companies Act and (ii) any offer or sale of the Notes shall be subject to compliance with South African exchange control regulations.

10. The Notes have not been and will not be registered under the Financial Investment Services and Capital Markets Act of Korea and each Agent appointed under the Program will be required to represent and Agree that none of the Notes may be offered or sold, directly or indirectly, in Korea or to any resident of Korea or to any persons for reoffering or resale, directly or indirectly, in Korea or to any resident of Korea (as defined under the Foreign Exchange Transaction Law of Korea and the regulations thereunder) except pursuant to an exemption from the registration requirements of the Financial Investment Services and Capital Markets Act of Korea available thereunder and/or in compliance with applicable laws and regulations of Korea.

11. Each Agent appointed under the Program will be required to represent and agree that it will comply with all laws, regulations and guidelines applicable to the offering of Notes in Norway.

12. Each Agent appointed under this Program will be required to agree that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes this 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, sales or deliveries and neither the Issuer nor any other Agent appointed under the Program shall have any responsibility therefor.

The Issuer and any Agent appointed under the Program 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 Agent will be required to comply with such other restrictions as the Issuer and the relevant Agent shall agree and as shall be set out in the applicable Final Terms and/or Pricing Term Sheet.

There is no undertaking to register the Notes hereafter and they cannot be resold except pursuant to an effective registration statement or an exemption from the registration requirements of the Securities Act. Each purchaser of the Notes offered hereby in making its purchase shall be deemed to have made the acknowledgments, representations and agreements as set forth under "*Notice to Purchasers*".

LEGAL MATTERS

Certain matters with respect to the establishment of the Program and the issue of the Notes thereunder have been passed upon for the Issuer by its United States and Dutch counsel, Clifford Chance LLP, 10 Upper Bank Street, London E14 5JJ, United Kingdom. Certain legal matters relating to establishment of the Program and the issue of Notes thereunder have been passed upon for the Agents by their United States counsel, Sidley Austin LLP, Woolgate Exchange, 25 Basinghall Street, London EC2V 5HA, United Kingdom and their Dutch counsel, Allen & Overy LLP, Apollolaan 15, 1077 AB Amsterdam, The Netherlands.

GENERAL INFORMATION

Authorization

The establishment of, and the issue of Notes under, the Program have been duly authorized by a resolution of the Supervisory Board and Managing Board of the Issuer dated 6 April 2010 and 10 May 2010, respectively. All consents, approvals, authorizations or other orders of all regulatory authorities required by the Issuer under the laws of The Netherlands have been given for the issue of Notes and for the Issuer to undertake and perform its obligations under the Amended and Restated Private Placement Agreement, the Senior Notes Agency Agreement, the Subordinated Notes Agency Agreement and the Notes.

Corporate information

ABN AMRO Bank N.V. was incorporated on 9 April 2009. ABN AMRO Bank N.V. is a private limited liability company incorporated under the laws of The Netherlands and has its statutory seat in Amsterdam, The Netherlands and its registered office at Gustav Mahlerlaan 10, 1082 PP Amsterdam, The Netherlands. ABN AMRO Bank N.V. is registered with the Trade Register of the Chamber of Commerce under number 34334259.

Shareholder and change of control

ABN AMRO Group N.V. is ABN AMRO Bank's sole shareholder. Following the Legal Merger, ABN AMRO Bank is the only direct subsidiary of ABN AMRO Group N.V. and ABN AMRO Group N.V. has no significant activities other than holding the shares in ABN AMRO Bank. The managing board and the supervisory board of ABN AMRO Group N.V. are composed of the same members as ABN AMRO Bank. NLFI is the sole shareholder of ABN AMRO Group N.V. by holding all ordinary shares in its share capital until the IPO. See "*The Issuer—3. Management and Governance*".

Listing

Application has been made to Euronext Amsterdam for Notes issued under the Program and up to the expiry of 12 months from the date of this Base Prospectus to be admitted to trading and to be listed on Euronext Amsterdam.

Documents available

So long as Notes are capable of being issued under the Program, copies of the following documents will, when published, be available, free of charge, from the registered office of the Issuer:

(i) an English translation of the most recent Articles of Association of the Issuer;

(ii) copies of the documents listed under "*Documents Incorporated by Reference*";

(iii) the most recently available audited financial statements of ABN AMRO Group N.V. and the most recently available unaudited interim financial statements of ABN AMRO Group N.V.;

(iv) the Senior Notes Agency Agreement (which contains the forms of the Senior Notes);

(v) the Subordinated Notes Agency Agreement (which contains the forms of the Subordinated Notes);

(vi) a copy of this Base Prospectus and any supplements thereto; and

(vii) in the case of each issue of listed Notes subscribed, the applicable Final Terms and/or Pricing Term Sheet.

A copy of the 403 Declaration is available for inspection at the Trade Register of the Chamber of Commerce, De Ruyter Kade 5, PO Box 1000 CW, Amsterdam, The Netherlands.

Notices

All notices regarding the Notes shall be in accordance with any applicable rule or regulation or decree by a governmental body and the rules and customary procedures of the Stock Exchange or applicable clearing system and need not be given by mail unless required by the rules of the Stock Exchange or applicable clearing system. See also Condition 12 (*Notices*).

Information Sourced from a third party

All information presented in this Prospectus sourced from a third party has been accurately reproduced and, as far as the Issuer is aware and is able to ascertain from such information, no facts have been omitted which would render the information inaccurate or misleading.

Issuer ratings

Credit rating agencies periodically review the creditworthiness and publish ratings which assess the level of risk attached to debt instruments. Credit ratings on ABN AMRO Bank N.V. (or their legal predecessors) are presented in the table below.

Corporate rating	S&P	Moody's	Fitch	DBRS
Long term credit rating	A	A2	A+	A(high)
Outlook long term credit rating	Negative	Stable	Negative	Stable
Short term credit rating	A-1	P-1	F1+	R-1(middle)

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

Notes issued under this Program may be rated or unrated. Subordinated Notes issued under the Program may be lower rated than the corporate rating on ABN AMRO Bank N.V.

Clearing and settlement systems

The Notes may be accepted for clearance through DTC, Euroclear, Clearstream, Luxembourg or any other relevant clearing system (which will be the entity in charge of keeping the records). The appropriate CUSIP number, together with ISIN's and Common Codes, if applicable, will be contained in the Pricing Term Sheet or Final Terms, as the case may be, relating thereto. The applicable Pricing Term Sheet or Final Terms, as the case may be, shall specify each clearing system which has accepted the relevant Notes for clearance together with any further appropriate information. See also the more detailed discussion of settlement arrangements for the Notes under "*Book Entry, Delivery, Form and Settlement—Global clearance and settlement*".

The address of DTC is 55 Water Street, New York, New York 10041, U.S.A., the address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium and the address of Clearstream, Luxembourg is 42 Avenue J.F. Kennedy, L-1855 Luxembourg.

Conditions for determining price

The price and amount of any issue of Notes to be issued under the Program will be determined by the Issuer and the relevant Agent at the time of issue in accordance with prevailing market conditions.

Significant or material change

There has been no (i) material adverse change in the Issuer's prospects or (ii) significant change in the financial position of the Issuer and its subsidiaries since 31 December 2014.

There has been no (i) material adverse change in the ABN AMRO Group N.V.'s prospects or (ii) significant change in the financial position of the ABN AMRO Group N.V. and its subsidiaries since 31 December 2014.

Independent Auditor

The consolidated annual financial statements of ABN AMRO Group N.V. as of 31 December 2014, and for the year then ended, incorporated by reference in this Base Prospectus, have been audited by KPMG Accountants N.V., independent auditors ("**KPMG**"), as stated in their report appearing herein. The consolidated annual financial statements of ABN AMRO Group N.V. as of 31 December 2013 (including the comparative 2011), and for the year then ended, incorporated by reference in this Base Prospectus, have been audited by KPMG, as stated in their report appearing herein. The individual auditors of KPMG are members of the Dutch Professional Association of Accountants (*Nederlandse Beroepsorganisatie van Accountants*). KPMG has given, and has not withdrawn, its consent to the inclusion of its report in this Base Prospectus in the form and context in which it is included. As the offered Notes have not been and will not be registered under the Securities Act of 1933, KPMG Accountants N.V. has not filed a consent under the Securities Act of 1933.

Post-issuance information

Save as set out in the Final Terms and/or Pricing Term Sheet and other information described under "*Available Information*", the Issuer does not intend to provide any post-issuance information in relation to any issues of Notes.

Substitution of the Issuer

The Issuer may, under certain conditions as set out in Condition 15 (*Substitution of the Issuer*), be replaced and substituted by either (a) any directly or indirectly wholly owned subsidiary of the Issuer or (b) in the case of Senior Notes only, ABN AMRO Group N.V.

Legal and arbitration proceedings

ABN AMRO is involved in a number of governmental, legal and arbitration proceedings in the ordinary course of its business in a number of jurisdictions, including those set out in *"The Issuer—1. ABN AMRO Bank N.V.—1.8 Legal and arbitration proceedings*". However, on the basis of information currently available, and having taken legal counsel with advisors, ABN AMRO is of the opinion that it is not, nor has it been, involved in any governmental, legal or arbitration proceedings (including any such

proceedings which are pending or threatened of which ABN AMRO or the Issuer is aware) during the 12 months preceding the date of this Base Prospectus which may have, or have had in the recent past, significant effects on the financial position or profitability of ABN AMRO, the Issuer and/or its subsidiaries.

SELECTED DEFINITIONS AND ABBREVIATIONS

Definitions

In this Base Prospectus, unless the context otherwise requires:

"**403 Declaration**" refers to a statement of joint and several liability within the meaning of Article 403, subsection 1, paragraph f, Book 2 of the Dutch Civil Code (*Burgerlijk Wetboek*).

"**AACF**" refers to ABN AMRO Commercial Finance B.V.

"**AAHG**" refers to ABN AMRO Hypotheken Groep B.V.

"**ABN AMRO**" or the "**Group**" refers to ABN AMRO Group N.V. incorporated on 18 December 2009 ("**ABN AMRO Group**") and its consolidated subsidiaries.

"**ABN AMRO Bank**" or the "**Issuer**" refers to ABN AMRO Bank N.V. incorporated on 9 April 2009 (formerly known as "ABN AMRO II N.V.").

"**ABN AMRO Bank Standalone**" refers to ABN AMRO Bank N.V. in the period between the Legal Demerger on 6 February 2010 and the Legal Merger on 1 July 2010, which contained the businesses of ABN AMRO Holding acquired by the Dutch State.

"**ABN AMRO Clearing**" refers to ABN AMRO Clearing Bank N.V.

"**ABN AMRO Groenbank**" refers to ABN AMRO Groenbank B.V.

"**ABN AMRO Holding**" refers to ABN AMRO Holding N.V. and its consolidated subsidiaries which was acquired by the Consortium and renamed RBS Holdings N.V. upon the Legal Separation. "**RBS Holdings N.V.** " is part of The Royal Bank of Scotland Group plc.

"**ABN AMRO Lease**" refers to ABN AMRO Lease N.V.

"**ABN AMRO Verzekeringen**" refers to Delta Lloyd ABN AMRO Verzekeringen Holding B.V.

"**AFM**" refers to the Dutch *Stichting Autoriteit Financiële Markten*.

"**Ageas**" refers to ageas SA/NV (formerly known as "Fortis SA/NV") and ageas N.V. (formerly known as "Fortis N.V.") together.

"**Agent**" refers to any agent under this Program appointed by the Issuer from time to time.

"**Alfam**" refers to Alfam Holding N.V.

"**ALM/T**" refers to ALM/Treasury.

"**Annual Report 2014**" refers to ABN AMRO Group N.V.'s Annual Report 2014.

"**AuM**" refers to assets under management.

"**Bail-In Tool**" refers to the power provided to resolution authorities by the BRRD to ensure that capital instruments and eligible liabilities absorb losses at the point of non-viability of the issuing institution, through the write-down or conversion of equity of such instruments.

"**Banque Neuflize OBC**" refers to Banque Neuflize OBC S.A.

"**Basel Committee**" refers to the Basel Committee on Banking Supervision.

"**Basel III Final Recommendations**" refers to the proposals of the Basel Committee set out in its paper released on 16 December 2010 (revised in June 2011) and press release of 13 January 2011.

"**Beneficial**" refers to a owner of beneficial interests in a Global Certificate.

"**Bethmann**" refers to Bethmann Bank AG.

"**BLMIS**" refers to Bernard L. Madoff Investment Securities.

"**C&MB**" refers to Commercial & Merchant Banking.

"**CCPs**" refers to central counterparties.

"**Clearstream, Luxembourg**" refers to Clearstream Banking, *société anonyme*.

"**CFTC**" refers to the U.S. Commodity Futures Exchange Commission.

"**Code**" refers to of the U.S. Internal Revenue Code of 1986, as amended.

"**Consolidated Annual Financial Statements 2014**" refers to ABN AMRO Group N.V.'s publicly available audited consolidated annual financial statements for the financial year ended 31 December 2014 (as set out on pages 258 to 265 in relation to the financial statements 2014, including the notes to the financial statements as set out on pages 266 to 372, pages 87 to 210 (certain information in the Risk & Capital Report), and the auditors' report thereon on pages 376 to 382, all as included in ABN AMRO Group N.V.'s Annual Report 2014.

"**Consolidated Annual Financial Statements 2013**" refers to ABN AMRO Group N.V.'s publicly available audited consolidated annual financial statements for the financial year ended 31 December 2013 (as set out on pages 243 through 251 in relation to the financial statements 2013, including the notes to the financial statements as set out on pages 252 through 366 and the information marked as audited in Chapter 15 (*Risk management*) on pages 132 through 213, in Chapter 16 (*Capital management*) on pages 214 through 222, in Chapter 17 (*Liquidity & funding*) on pages 223 through 237 and in Chapter 18 (*Securitisation*) on pages 238 through 242 and the auditors' report thereon on pages 370 through 373, all as included in ABN AMRO Group N.V.'s Annual Report 2013).

"**Consortium**" refers to The Royal Bank of Scotland Group plc, Ageas and Banco Santander S.A. which jointly acquired ABN AMRO Holding on 17 October 2007 through RFS Holdings B.V. ("**RFS Holdings**").

"**Council**" refers to the Council of the European Union.

"**CRA Regulation**" refers to Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies.

"**CRD**" refers to the capital requirements directives.

"**CRD IV**" refers to together, (i) the CRD IV Directive, (ii) the CRD IV Regulation and (iii) the Future Capital Instruments Regulations.

"**CRD IV Capital Event**" is deemed to have occurred if the whole of the outstanding nominal amount of the Subordinated Notes can no longer be included in full in the Tier 2 capital of the Issuer by reason of their non-compliance with CRD IV or such other regulatory capital rules applicable to the Issuer at the relevant time.

"**CRD IV Directive**" means Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC (as amended from time to time).

"**CRD IV Regulation**" means Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 (as amended from time to time).

"**Credit Umbrella**" refers to a financial guarantee that covered part of the potential credit losses on the portfolio existing at the time of the closing of the transaction, included in the sale of the EC Remedy Businesses to Deutsche Bank.

"**DBRS**" refers to DBRS Rating Limited.

"**Definitive Note**" refers to a Note in individual certificated registered form.

"**DNB**" refers to The Dutch Central Bank (*De Nederlandsche Bank N.V.*).

"**Dodd-Frank Act**" refers to the Dodd-Frank Wall Street Reform and Consumer Protection Act.

"**DTC**" refers to The Depository Trust Company.

"**DTC Global Certificate**" refers to a DTC Regulation S Global Certificate together with any Rule 144A Global Certificate.

"**DTC Regulation S Global Certificate**" refers to a Global Certificate deposited with the U.S. Registrar as custodian for, and registered in the name of a nominee of, DTC, registered in respect of Notes sold outside the United States.

"**Dutch Intervention Act**" refers to the Special Measures Financial Institutions Act (*Wet bijzondere maatregelen financiële ondernemingen*).

"**Dutch State**" refers to the State of The Netherlands.

"**EC**" refers to the European Commission.

"**EC Remedy**" refers to the divestment of the EC Remedy Businesses by ABN AMRO Bank Standalone in order to satisfy the conditions imposed by the European Commission for approval of the integration of FBN with ABN AMRO Bank Standalone through the Legal Merger.

"**EC Remedy Businesses**" refers to New HBU II N.V. and IFN Finance BV.

"**ECB**" refers to the European Central Bank.

"**ECT**" refers to Energy, Commodities & Transportation.

"**EMIR**" refers to the European Market Infrastructure Regulation EU 648/2012.

"**ERISA**" refers to the U.S. Employee Retirement Income Security Act of 1974, as amended.

"**Euro Regulation S Global Certificate**" refers to a Global Certificate representing Notes sold pursuant to an offering made outside the United States.

"**Euroclear**" refers to Euroclear Bank S.A./N.V.

"**Euronext Amsterdam**" refers to Euronext in Amsterdam, the regulated market of Euronext Amsterdam N.V.

"**Exchange Act**" refers to the United States Securities Exchange Act of 1934, as amended.

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

"**FBN**" refers to the legal entity Fortis Bank (Nederland) N.V., previously named "Fortis Bank Nederland (Holding) N.V.", which merged with ABN AMRO Bank Standalone pursuant to the Legal Merger.

"**FFI**" refers to a non-U.S. financial institution.

"**FFI Agreement**" refers to an agreement concluded between the FFI and the IRS, under which an FFI agrees to comply with certain reporting, client due diligence and withholding requirements.

"**Final Terms**" refers to a final terms document with respect to Notes to be listed on Euronext Amsterdam, substantially in the form set out herein.

"**Finance**" refers to Finance, an area of Group Functions.

"**Fitch**" refers to Fitch Ratings Ltd.

"**Foreign Currency Notes**" refers to Notes not denominated in U.S. dollars

"**Former ABN AMRO Group**" refers to the former group of ABN AMRO headed by ABN AMRO Holding N.V. as acquired on 17 October 2007 by the Consortium through RFS Holdings.

"**Former Fortis group**" refers to the former group of companies headed by Fortis SA/NV (renamed "ageas SA/NV") and Fortis N.V. (renamed "ageas N.V.").

"**Future Capital Instruments Regulations**" means any regulatory capital rules implementing the CRD IV Regulation or the CRD IV Directive which may from time to time be introduced, including, but not limited to, delegated or implementing acts (regulatory technical standards or implementing technical standards) adopted by the European Commission, national laws and regulations, and regulations and guidelines issued by DNB, the European Banking Authority or other relevant authority, which are applicable to the Issuer (on a solo or consolidated basis) and which lay down the requirements to be

fulfilled by financial instruments for inclusion in the regulatory capital of the Issuer (on a solo or consolidated basis) as required by (i) the CRD IV Regulation or (ii) the CRD IV Directive.

"**Global Certificate**" refers to a Note issued in global registered form.

"**IASB**" refers to International Accounting Standards Board.

"**ICAAP**" refers to internal capital adequacy assessment process.

"**ICS**" refers to International Card Services B.V.

"**IFRS**" refers to International Financial Reporting Standards.

"**IFRS-EU**" refers to International Financial Reporting Standards as adopted by the European Union.

"**IGA**" refers to an Inter-governmental Agreement between the local Government in a so called IGA jurisdiction and the U.S. to facilitate the implementation of FATCA.

"**Investor's Currency**" refers to the currency or currency unit in which an investor's financial activities are principally denominated.

"**IPO**" refers to an Initial Public Offering.

"**IRS**" refers to the United States Internal Revenue Service.

"**KID**" refers to a standard key information document.

"**KPMG**" refers to KPMG Accountants N.V., independent auditors.

"**LC&MB**" refers to Large Corporates & Merchant Banking.

"**Legal Demerger**" refers to the legal demerger effectuated on 6 February 2010 in accordance with the demerger proposal filed with the Amsterdam Chamber of Commerce on 30 September 2009, thereby demerging the majority of the Dutch State acquired businesses formerly held by RBS N.V. into ABN AMRO Bank Standalone.

"**Legal Merger"** refers to the legal merger effectuated on 1 July 2010 between ABN AMRO Bank Standalone and FBN. ABN AMRO Bank Standalone was the surviving entity and FBN was the disappearing entity.

"**Legal Separation**" refers to the transfer on 1 April 2010 of the shares of ABN AMRO Bank Standalone from ABN AMRO Holding to ABN AMRO Group N.V.

"**Managing Board**" refers to ABN AMRO's managing board.

"**MCI**" refers to Maas Capital Investments B.V.

"**MiFID**" refers to the Markets in Financial Instruments Directive 2004/39/EC.

"**MiFID II**" refers to the Markets in Financial Instruments II Directive (2014/65/EU) and the Markets in Financial Instruments Regulation (Regulation 600/2014).

"**MoneYou**" refers to MoneYou B.V.

"**Moody's**" refers to Moody's Investors Service, Limited.

"**Moratorium**" refers to the situation that a competent court has declared that the Issuer is in a situation which requires special measures (*noodregeling*) in the interests of all creditors, as referred to in Chapter 3.5.5 of the Wft.

"**MTF**" refers to Multilateral Trading Facility.

"**Neuflize Vie**" refers to Neuflize Vie S.A.

"**NLFI**" refers to *Stichting administratiekantoor beheer financiële instellingen* (trade name NL Financial Investments).

"**non-ERISA arrangement**" refers to a governmental, church or other plan subject to provisions under similar law.

"**Notes**" refers to the Senior Notes and the Subordinated Notes together.

"**NSS**" refers to New Safekeeping Structure.

"**OTC**" refers to over-the-counter.

"**OTF**" refers to Organised Trading Facility.

"**PFS**" refers to Prime Fund Solutions.

"**PR&I**" refers to People, Regulations & Identity, an area of Group Functions.

"**Pricing Term Sheet**" refers to a pricing term sheet relating to a Tranche of Notes to be sold in the United States.

"**PRIPS**" refers to Packaged Retail Investment Products.

"**Program**" refers to this Debt Issuance Program.

"**Prospectus Directive**" refers to Directive 2003/71/EC (as amended, including by Directive 2010/73/EU, and as implemented in the Relevant Member State).

"**PSD 2**" refers to a revised Payment Services Directive proposed by a legislative package in the field of the EU payments framework adopted by the European Commission on 24 July 2013.

"**QIBs**" refers to "qualified institutional buyers" as defined in Rule 144A.

"**R&PB**" refers to Retail & Private Banking.

"**RBS N.V.**" refers to The Royal Bank of Scotland N.V., formerly known as ABN AMRO Bank N.V. prior to the Legal Demerger.

"**Regulation S**" refers to Regulation S under the Securities Act.

"**Capital Event**" refers to the event described as such in "*Overview—The Program and Terms and Conditions of the Notes—Redemption*".

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

"**Relevant Member State**" refers to a Member State of the EEA which has implemented the Prospectus Directive, as amended.

"**Relevant Regulator**" refers to the European Central Bank, the Dutch Central Bank (*De Nederlandsche Bank N.V.*) or other authority having primary responsibility for the prudential oversight and supervision of the Issuer, as determined by the Issuer.

"**Revised State Aid Guidelines**" refers to the temporary state aid rules for assessing public support to financial institutions during the crisis, the adoption of which was announced by the European Commission on 10 July 2013.

"**RM&S**" refers to Risk Management & Strategy, an area of Group Functions.

"**Rule 144A**" refers to Rule 144A under the Securities Act.

"**Rule 144A Global Certificate**" refers to a Global Certificate (representing Notes sold pursuant to an offering made within the United States) deposited with the U.S. Registrar as custodian for, and registered in the name of a nominee of, DTC.

"**S&P**" refers to Standard & Poor's Credit Market Services France SAS, a division of The McGraw-Hill Companies, Inc.

"**SEC**" refers to the Securities and Exchange Commission.

"**SEC Rules and Regulations**" refers to the accounting rules and regulations adopted by the SEC.

"**Securities Act**" refers to the under the United States Securities Act of 1933, as amended.

"**Senior Notes**" refers to the U.S. Senior Medium Term Notes which are being offered on a continuous basis by the Issuer under the Program.

"**Series**" refers to series in which the Notes will be issued.

"**similar law**" refers to applicable federal, state, local or non-U.S. law that are similar to the requirements of section 404 of ERISA or Section 4975 of the Code.

"**SMEs**" refers to small and medium enterprises.

"**Specified Currency**" refers to any currency other than U.S. dollars.

"**SR**" refers to the Single Rulebook, a pillar of the EU banking union.

"**SRM**" refers to the Single Resolution Mechanism, a pillar of the EU banking union.

"**SSM**" refers to the Single Supervisory Mechanism, a pillar of the EU banking union.

"**Statutory Loss Absorption**" has the meaning ascribed thereto in Condition 6(h) (*Statutory Loss Absorption of Subordinated Notes*) of the Terms and Conditions of the Subordinated Notes.

"**Subordinated Noteholders**" refers to the holders of the Subordinated Notes of each Series.

"**Subordinated Notes**" refers to the U.S. Subordinated Medium Term Notes which are being offered on a continuous basis by the Issuer under the Program.

"**Substituted Debtor**" refers to the substituting entity described in Condition 15 (*Substitution of the Issuer*).

"**Supervisory Board**" refers to ABN AMRO's supervisory board.

"**Tier 2 Notes**" refers to Subordinated Notes qualifying as Tier 2 capital for the purposes of the regulatory capital rules applicable to the Issuer from time to time.

"**TOPS**" refers to Technology, Operations & Property Services, an area of Group Functions.

"**Tranches**" refers to one or more tranches of which each Series may compromise.

"**U.S. GAAP**" refers to generally accepted accounting principles in the United States.

"**U.S. person**" refers to a "U.S. person" as defined in Regulation S.

"**Wft**" refers to the Dutch Financial Markets Supervision Act (*Wet op het financieel toezicht*) and its subordinate and implementing decrees and regulations.

Abbreviations

AIRB	Advanced Internal Ratings-Based
ALM	Asset & Liability Management
AMA	Advanced Measurement Approach
bp	Basis point
CD	Certificate of Deposit
CDC	Collective defined contribution
CET1	Common Equity Tier 1
CFO	Chief Financial Officer
CLA	Collective labour agreement
CVA	Credit Value Adjustment
DPA	Dutch Data Protection Act
EBA	European Banking Authority
ECT	Energy, Commodities & Transportation
EU	European Union
FIRB	Foundation Internal Ratings-Based
FTEs	Full-time equivalents (a measurement of number of staff)
GAAP	General Accepted Accounting Principles
IAS	International Accounting Standards
ID&JG	International Diamond & Jewelry Group
ILAAP	Internal Liquidity Adequacy Assessment Process
IMA	Internal Models Approach
IT	Information Technology
LIBOR	London Interbank Offered Rate
M&A	Mergers & Acquisitions
NHG	*Nationale Hypotheek Garantie* (Dutch State guaranteed mortgages)
PSI	Private Sector Involvement
RARORAC	Risk-Adjusted Return on Risk-Adjusted Capital
RMBS	Residential Mortgage Backed Securitization
R&PB	Retail & Private Banking
REA	Risk Exposure Amount
SA	Standardized Approach
SREP	Supervisory Review and Evaluation Process
UCITS	Undertakings for Collective Investment in Transferable Securities (directives)
VaR	Value-at-Risk

Registered office of the Issuer
ABN AMRO Bank N.V.
Gustav Mahlerlaan 10
1082 PP Amsterdam
The Netherlands

Arrangers

ABN AMRO Bank N.V.

Gustav Mahlerlaan 10
1082 PP Amsterdam
The Netherlands

Morgan Stanley & Co. LLC

1585 Broadway, 29th Floor
New York, New York 10036
United States of America

Agents

Morgan Stanley & Co. LLC

1585 Broadway, 29th Floor
New York, New York 10036
United States of America

ABN AMRO Bank N.V.
Gustav Mahlerlaan 10
1082 PP Amsterdam
The Netherlands

Citigroup Global Markets Inc.

388 Greenwich Street
New York, New York 10013
United States of America

Goldman, Sachs & Co.

200 West Street
New York, New York 10013
United States of America

J.P. Morgan Securities LLC

383 Madison Avenue
New York, New York 10179
United States of America

Merrill Lynch, Pierce, Fenner & Smith Incorporated

One Bryant Park
New York, New York 10036
United States of America

Fiscal Agent & Transfer Agent

The Bank of New York Mellon, London Branch
One Canada Square
London E14 5AL
United Kingdom

U.S. Registrar & Paying Agent

The Bank of New York Mellon, New York

101 Barclay Street
New York, NY 10286
United States of America

European Registrar & Paying Agent

The Bank of New York Mellon (Luxembourg) S.A.
Vertigo Building – Polaris
2-4, rue Eugene Ruppert
L-2453 Luxembourg

Legal advisers to the Issuer as to Dutch law

Clifford Chance LLP
Droogbak 1A
1013 GE Amsterdam
The Netherlands

Legal advisers to the Issuer as to U.S. law

Clifford Chance LLP
10 Upper Bank Street
London E14 5JJ
United Kingdom

Legal advisers to the Agents as to Dutch law

Allen & Overy LLP
Apollolaan 15
1077 AB Amsterdam
The Netherlands

Legal advisers to the Agents as to U.S. law

Sidley Austin LLP
Woolgate Exchange
25 Basinghall Street
London EC2V 5HA
United Kingdom

Independent Auditor to ABN AMRO Group N.V. in relation to ABN AMRO Group N.V.'s Consolidated Annual Financial Statements 2013 and 2014

KPMG Accountants N.V.
Laan van Langerhuize 1
1186 DS Amstelveen
The Netherlands