

SECOND SUPPLEMENTAL

TO THE BASE PROSPECTUS DATED 19 DECEMBER 2019

d e V o l k s b a n k N . V .

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

€ 15,000,000,000 Covered Bond Programme guaranteed as to payments of interest and principal by

VOLKS COVERED BOND COMPANY B.V.

(incorporated as a private limited liability company under Dutch law and having its statutory seat in Amsterdam, the Netherlands)

Under its € 15,000,000,000 Covered Bond Programme (the “**Programme**”) de Volksbank N.V. (the “**Issuer**” or “**de Volksbank**”) may from time to time issue covered bonds (the “**Covered Bonds**”) denominated in any currency agreed between the Issuer and the relevant Dealer, if any.

This supplement (the “**Supplement**”) is based on Article 23 of Regulation (EU) 2017/1129, including any commission delegated regulation thereunder (the “**Prospectus Regulation**”) and constitutes the second supplement to the base prospectus dated 19 December 2019 of de Volksbank N.V. supplemented by the first supplement dated 3 April 2020 (the “**Base Prospectus**”) and is prepared to update and amend the Base Prospectus, and is supplemental to, forms part of and should be read in conjunction with the Base Prospectus. Terms defined in the Base Prospectus shall have the same meaning in this Supplement, unless specified otherwise.

This Supplement has been approved by the Dutch Authority for the Financial Markets (“**Stichting Autoriteit Financiële Markten**”, the “**AFM**”), as competent authority under the Prospectus Regulation for the purpose of giving information with regard to the issue of Covered Bonds under the Programme during the period of twelve months after the date of the Base Prospectus.

The Issuer has requested the AFM to provide the competent authority in Luxembourg with a certificate of approval attesting that this Supplement has been drawn up in accordance with the Prospectus Regulation (the “**Notification**”).

An investment in the Covered Bonds involves certain risks. Prospective investors should have regard to the risk factors described in section 3 (*Risk factors*) of the Base Prospectus.

This Supplement is supplemental to, forms part of, and must be read and construed together with the Base Prospectus and with the documents incorporated by reference therein (which can be found on the website of the Issuer, www.devолksbank.nl and may be obtained by contacting the Issuer by telephone (+31 30 291 42 46/ + 31 30 291 48 07) or by email: jacob.bosscha@devолksbank.nl and davey.hak@devолksbank.nl), and in relation to any Tranche, the Base Prospectus and this Supplement should be read and construed together with the applicable Final Terms.

The date of this Supplement is 28 August 2020.

IMPORTANT INFORMATION

Responsibility statement

The Issuer accepts responsibility for the information contained in this Supplement and the CBC accepts responsibility for the information relating to the CBC. To the best of their knowledge the information (in the case of the CBC, in respect of the information that relates to it) contained in this Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information. Any information from third parties identified in this Supplement as such has been accurately reproduced and as far as the Issuer and the CBC are aware and are able to ascertain from the information published by a third party, does not omit any facts which would render the reproduced information inaccurate or misleading. The Issuer and the CBC accept responsibility accordingly.

Neither the Arranger, the Dealers nor the Security Trustee have independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Arranger, the Dealers or the Security Trustee as to the accuracy or completeness of the information contained or referred to in this Supplement or any other information provided by the Issuer and the CBC in connection with the Programme. Neither the Arranger, the Dealers nor the Security Trustee accepts any liability in relation to the information contained in this Supplement or any other information provided by the Issuer and the CBC in connection with the Programme.

Notice

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

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

No person has been authorised to give any information or to make any representation not contained in or not consistent with this Supplement or any other information supplied in connection with the Programme or the offering of the Covered Bonds and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the CBC, the Arranger or any of the Dealers.

Neither this Supplement nor any other information supplied in connection with the Programme or any Covered Bonds should be considered as a recommendation by the Issuer or the CBC that any recipient of this Supplement or any other information supplied in connection with the Programme or any Covered Bonds should purchase any Covered Bonds. Each investor contemplating purchasing any Covered Bonds should make its own independent investigation of the financial condition and affairs and its own appraisal of the creditworthiness of the Issuer and the CBC. In particular, each potential investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Covered Bonds and the merits of investing in the Covered Bonds (including an evaluation of the financial condition, creditworthiness and affairs of the Issuer) and the information contained or incorporated by reference in the Base Prospectus, the applicable Final Terms and this 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 Covered Bonds and the impact the Covered Bonds 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 Covered Bonds, including Covered Bonds 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 Covered Bonds and be familiar with the behaviour of any relevant indices and financial markets; and

(v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks (including, without limitation, those described in 'Risk Factors' in the Base Prospectus).

Some Covered Bonds 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 and appropriate addition of risk to their overall portfolios. A potential investor should not invest in Covered Bonds unless it has the expertise (either alone or with a financial adviser) to evaluate how the Covered Bonds will perform under changing conditions, the resulting effects on the value of the Covered Bonds and the impact this investment will have on the potential investor's overall investment portfolio.

Neither this Supplement nor any other information supplied in connection with the Programme or the issue of any Covered Bonds constitutes an offer or invitation by or on behalf of the Issuer to any person to subscribe for or to purchase any Covered Bonds.

The distribution of this Supplement and the offering, sale and delivery of the Covered Bonds may be restricted by law in certain jurisdictions. Persons into whose possession the Base Prospectus, this Supplement or any Covered Bond comes must inform themselves about, and observe, any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Covered Bonds and on distribution of this Supplement and other offering material relating to the Covered Bonds, see section 7 (*Covered Bonds*) under '*Subscription and Sale*' in the Base Prospectus.

The Covered Bonds have not been approved or disapproved by the US Securities and Exchange Commission, any state securities commission or any other regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the accuracy or adequacy of this Supplement. Any representation to the contrary is unlawful.

The Covered Bonds have not been and will not be registered under the United States Securities Act of 1933 (as amended) (the "**Securities Act**") and include Covered Bonds in bearer form that are subject to United States tax law requirements. The Covered Bonds may not be offered, sold or delivered within the United States or to United States persons as defined in Regulation S under the Securities Act, except in certain transactions permitted by US tax regulations and the Securities Act. See *Subscription and Sale* in the Base Prospectus. The Covered Bonds and the Guarantee have not been and will not be registered under the Securities Act, or the securities laws or any state of the U.S. or other jurisdiction. The securities may not be offered or sold within the U.S. or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act ("**Regulation S**")), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state or local securities laws. Accordingly, the Covered Bonds are being offered, sold or delivered only to non-U.S. persons (as defined in Regulation S) outside the U.S. in reliance on Regulation S.

Prohibition of sales to EEA retail investors: The Covered Bonds shall not be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to, any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); (ii) a customer within the meaning of Directive 2016/97 (the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Regulation. Consequently no key information document required by Regulation (EU) No 1286/2014 (the "**PRIIPs Regulation**") for offering or selling the Covered Bonds or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Covered Bonds or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

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

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

MODIFICATIONS TO THE BASE PROSPECTUS

The following are amendments to the Base Prospectus.

References to page numbers are to page numbers of the Base Prospectus (unless stated otherwise below).

1. On page 86 under “**Ratings of de Volksbank per date of this Base Prospectus**” the tables with the ratings of de Volksbank will be replaced in their entirety by the following tables:

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

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

2. On page 92 under the chapter “**Recent Developments**” the following paragraphs will be added after the last paragraph of “*Changes to the Board of Directors*”:

On 27 May 2020, in an Extraordinary General Meeting of Shareholders, it has been decided to appoint Martijn Gribnau as a member of the Board of Directors as well as Chief Executive Officer as of 17 June 2020. This appointment has been approved by the supervisory authorities. Martijn Gribnau has joined the Board of Directors of de Volksbank as of 15 August 2020 and will take over the position of Chairman of the Board of Directors from Maurice Oostendorp.

On 14 August 2020, the Supervisory Board of de Volksbank announced it had decided to part ways with Pieter Veuger, Chief Financial Officer of de Volksbank, after concluding that the dynamics between the members of the Board of Directors did not provide an adequate basis for constructive cooperation. The Supervisory Board is currently investigating the future structure and composition of the Board, in which the new 2021-2025 strategy is the key element.

3. On page 94 under the chapter “**Recent Developments**” the following paragraph will be added after the paragraph “*Capital Distribution*”:

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

4. On page 94 under the chapter “**Recent Developments**” the following paragraph will be added as the second last paragraph thereof:

On 14 August 2020 the Issuer published its publicly available interim financial statements for the period ended 30

June 2020 (English translation). Page 44 (auditor's review report) of this interim financial report contains the following statement of the auditor:

“Emphasis of matter relating to uncertainty about Corona

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

5. On page 94 under the chapter “**Recent Developments**” the following paragraph will be added as the last paragraph thereof:

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

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

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

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

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

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

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

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

6. On page 252 under the chapter "**19. DOCUMENTS INCORPORATED BY REFERENCE**" the documents mentioned under (c) and (k) shall be deleted from the list of documents incorporated in the Base Prospectus, and shall be replaced with the following documents:

(c) The Issuer's publicly available interim financial statements for the period ended 30 June 2020 (set forth on pages 34 to 43 (financial statements) and pages 44-45 (auditor's review report) of its interim financial report first half of 2020 (English translation)), which can also be obtained from:

<https://www.devolsbank.nl/assets/files/jaarcijfers/Interim-Financial-Report-2020.pdf>;

(k) A press release published by the Issuer on 14 August 2020 regarding the Issuer's 2020 half-year results, which can also be obtained from: <https://www.devolsbank.nl/assets/files/jaarcijfers/Press-release-2020-interim-results.pdf>;

7. On pages 252-253 under the chapter "**19. DOCUMENTS INCORPORATED BY REFERENCE**" the following documents shall be added to the list of documents incorporated in and to form part of, the Base Prospectus (with the deletion of "and" at the end of paragraph (m) and replacement of "." at the end of paragraph (n) with "; and"):

(o) A press release published by the Issuer on 27 May 2020 regarding the appointment of Martijn Gribnau as Chief Executive Officer of de Volksbank, which can also be obtained from: <https://www.devolsbank.nl/en/press/martijn-gribnau-to-succeed-maurice-oostendorp-as-chairman-of-the-board-of-de-volksbank>;

(p) A press release published by the Issuer on 6 July 2020 with an update on the consequences of the COVID-19 pandemic on the Issuer, which can also be obtained from:

<https://www.devolsbank.nl/en/press/update-over-de-gevolgen-van-de-covid-19-pandemie-voor-de-volksbank>;

(q) A press release published by the Issuer on 16 July 2020 regarding the issue of € 500 million of subordinated Tier 2 green bonds, which can also be obtained from: <https://www.devolsbank.nl/en/press/de-volksbank-geeft-als-eerste-bank-in-europa-met-succes-achtergestelde-groene-tier-2-obligaties-uit>;

(r) A press release published by the Issuer on 14 August 2020 regarding the decision of the Supervisory Board to part ways with CFO, which can also be obtained from: <https://www.devolsbank.nl/en/press/persbericht-14-augustus>;