Prospectus dated 15 May 2019

Nationale-Nederlanden Bank N.V.

(a public limited liability company (naamloze vennootschap) incorporated under the laws of The Netherlands)

€3,000,000,000

Debt Issuance Programme

Under the Debt Issuance Programme described in this Prospectus (the "Programme"), Nationale-Nederlanden Bank N.V. (the "Issuer"), subject to compliance with all relevant laws, regulations and directives, may from time to time issue debt instruments (the "Notes"). The aggregate nominal amount of Notes outstanding will not at any time exceed €3,000,000,000 (or the equivalent in other currencies).

The Netherlands Authority for the Financial Markets (*Autoriteit Financiële Markten*, the "AFM") in its capacity as competent authority under the Netherlands Financial Supervision Act (*Wet op het financieel toezicht*, the "WFT") has approved this Prospectus as a base prospectus for the purposes of Article 5.4 of Directive 2003/71/EC, as amended or superseded to the extent that such amendments have been implemented in the relevant Member State of the European Economic Area (the "Prospectus Directive"). Application has also been made to Euronext Amsterdam N.V. ("Euronext") for the Notes issued under the Programme to be listed and admitted to trading on the regulated market of Euronext in Amsterdam ("Euronext Amsterdam"). References in this Prospectus to Notes being "listed" (and all related references) shall mean that such Notes have been listed and admitted to trading on the regulated market of Euronext Amsterdam. Euronext Amsterdam is a regulated market for the purposes of Directive 2014/65/EU of the European Parliament and of the Council on markets in financial instruments. However, unlisted Notes may be issued pursuant to the Programme. The relevant Final Terms in respect of the issue of any Notes will specify whether or not such Notes will be listed and admitted to trading on the Euronext Amsterdam (or any other stock exchange).

Each Series (as defined in "Overview of the Programme—Method of Issue") of Notes in bearer form will be represented on issue by a temporary global note in bearer form (each a "temporary Global Note") or a permanent global note in bearer form (each a "permanent Global Note"). If the Global Notes are stated in the applicable Final Terms to be issued in new global note ("NGN") form, the Global Notes will be delivered on or prior to the original issue date of the relevant Tranche to a common safekeeper (the "Common Safekeeper") for Euroclear Bank SA/NV ("Euroclear") and Clearstream Banking, S.A. ("Clearstream, Luxembourg"). Notes in registered form will be represented by registered certificates (each a "Certificate"), one Certificate being issued in respect of each Noteholder's entire holding of Registered Notes of one Series. Registered Notes issued in global form will be represented by registered global certificates ("Global Certificates"). If a Global Certificate is held under the New Safekeeping Structure (the "NSS") the Global Certificate will be delivered on or prior to the original issue date of the relevant Tranche to a Common Safekeeper for Euroclear and Clearstream, Luxembourg.

Global notes which are not issued in NGN form ("Classic Global Notes" or "CGNs") and Global Certificates which are not held under the NSS will be deposited on the issue date of the relevant Tranche with a common depositary on behalf of Euroclear and Clearstream, Luxembourg (the "Common Depositary").

The provisions governing the exchange of interests in Global Notes for other Global Notes and definitive Notes are described in "Summary of Provisions Relating to the Notes while in Global Form".

The Issuer is rated A- by S&P Global Ratings Europe Limited ("S&P"). S&P is established in the EU and registered under Regulation (EC) No 1060/2009 (the "CRA Regulation").

Tranches of Notes (as defined in "Overview of the Programme—Method of Issue") to be issued under the Programme will be rated or unrated. Where a Tranche of Notes is to be rated, such rating will not necessarily be the same as the rating assigned to Notes already issued. Where a Tranche of Notes is rated, the applicable rating(s) will be specified in the relevant Final Terms. Whether or not a rating in relation to any Tranche of Notes will be treated as having been issued by a credit rating agency established in the European Union and registered under Regulation (EC) No 1060/2009 on credit rating agencies (the "CRA Regulation") will be disclosed in the relevant Final Terms.

A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Amounts payable on Notes may be calculated by reference to the London InterBank Offered Rate ("LIBOR") or the Euro Interbank Offered Rate ("EURIBOR") as specified in the relevant Final Terms. As at the date of this Prospectus, the administrator of LIBOR, ICE Benchmark Administration Limited ("IBA") is included in the European Securities and Markets Authority's ("ESMA") register of administrators under Article 36 of the Regulation (EU) No. 2016/1011 (the "Benchmark Regulation"). The European Money Markets Institute ("EMMI"), the administrator of EURIBOR, does not appear on the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 of the Benchmark Regulation. Under the Benchmark Regulation, the EMMI is currently required to obtain authorisation/registration, but as far as the Issuer is aware, the transitional provisions in Article 51 of the Benchmark Regulation apply.

Prospective investors should have regard to the factors described under the section headed "Risk Factors" in this Prospectus.

Arranger for the Programme

J.P. Morgan

Dealer

J.P. Morgan

This Prospectus comprises a prospectus for the purposes of Article 5.4 of the Prospectus Directive and for the purpose of giving information with regard to the Issuer and its consolidated subsidiaries (the "Group") and the Notes which, according to the particular nature of the Issuer and the Notes, is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Issuer.

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

This Prospectus is to be read in conjunction with all documents which are incorporated herein by reference (see "Documents Incorporated by Reference") and any supplements or amendments hereto from time to time, including any Final Terms in relation to any issue of Notes under the Programme described in this Prospectus.

No person has been authorised to give any information or to make any representation other than those contained in this Prospectus in connection with the issue or sale of the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or any of the Dealers or the Arranger (as defined in "Overview of the Programme"). Neither the delivery of this Prospectus nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer since the date hereof or the date upon which this Prospectus has been most recently amended or supplemented or that there has been no adverse change in the financial position of the Issuer since the date hereof or the date upon which this Prospectus has been most recently amended or supplemented or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

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

The distribution of this Prospectus and the offering or sale of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes are required by the Issuer, the Dealers and the Arranger to inform themselves about and to observe any such restriction. The Notes have not been and will not be registered under the United States Securities Act of 1933 (the "Securities Act") and include Notes in bearer form that are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to U.S. persons. For a description of certain restrictions on offers and sales of Notes and on distribution of this Prospectus, see "Subscription and Sale".

IMPORTANT – EEA RETAIL INVESTORS – If the Final Terms in respect of any Notes includes a legend entitled "Prohibition of Sales to EEA Retail Investors", the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the 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"); or (ii) a customer within the meaning of Directive (EU) 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 Directive 2003/71/EC (as amended or superseded, the "Prospectus Directive"). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been

prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

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

This Prospectus does not constitute an offer of, or an invitation by or on behalf of the Issuer or the Dealers to subscribe for, or purchase, any Notes.

To the fullest extent permitted by law, none of the Dealers or the Arranger accepts any responsibility for the contents of this Prospectus or for any other statement made or purported to be made by the Arranger or a Dealer or on its behalf in connection with the Issuer or the issue and offering of the Notes or any responsibility for any act or omission of the Issuer or any other person (other than the relevant Dealer) in connection with or the issue and offering of the Notes. The Arranger and each Dealer accordingly disclaims all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this Prospectus or any such statement. Neither this Prospectus nor any other annual accounts should be considered as a recommendation by any of the Issuer, the Arranger or the Dealers that any recipient of this Prospectus or any other annual accounts should purchase the Notes. Each potential purchaser of Notes should determine for itself the relevance of the information contained in this Prospectus and its purchase of Notes should be based upon such investigation as it deems necessary. None of the Dealers or the Arranger undertakes to review the financial condition or affairs of the Issuer during the life of the arrangements contemplated by this Prospectus nor to advise any investor or potential investor in the Notes of any information coming to the attention of any of the Dealers or the Arranger.

Potential investors are expressly advised that an investment in the Notes entails certain risks and that they should therefore carefully review the entire content of this Prospectus. A potential investor should not invest in the Notes unless it has the expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the potential investor's overall investment portfolio. Prospective investors should also consult their own tax advisers as to the tax consequences of the purchase, ownership and disposition of the Notes. In addition, investors should ensure that an investment in the Notes is in compliance with their own policies, guidelines and restrictions and that an acquisition by them of any Notes is lawful.

The rating of certain Tranches of Notes to be issued under the Programme and the credit rating agency issuing such ratings may be specified in the applicable Final Terms. The Issuer cannot assure investors that any such ratings will not change in the future. A rating reflects only the views of the relevant rating agency and is not a recommendation to buy, sell or hold the Notes and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

In connection with the issue of any Tranche (as defined in "Overview of the Programme—Method of Issue"), the Dealer or Dealers (if any) named as the stabilising manager(s) (the "Stabilising Manager(s)") (or any person acting on behalf of any Stabilising Manager(s)) in the applicable Final Terms 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, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche and 60 days after the date of the allotment of the relevant Tranche. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager(s) (or any person acting on behalf of any Stabilising Manager(s)) in accordance with all applicable laws and rules.

In this Prospectus, unless otherwise specified or the context otherwise requires, references to "€", "EUR", "Euro" or "euro" are to the single currency of the participating member states of the European Union, references to "$", "USD" and "U.S. Dollars" are to the lawful currency of the United States of America, and references to "£", "GBP" and "Sterling" are to the lawful currency of the United Kingdom.

Certain of the statements contained herein are not historical facts, including, without limitation, certain statements made of future expectations and other forward-looking statements that are based on management's current views and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. Actual results, performance or events may differ materially from those in such statements as described in the section headed "Risk Factors". Any forward-looking statements made by or on behalf of the Issuer speak only as of the date they are made, and the Issuer assumes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information or for any other reason. The Issuer urges investors to read the section headed "Risk Factors" for a more complete discussion of the factors that could affect the Issuer's future performance and the industry in which the Issuer operates.

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RISK FACTORS

Prospective investors should carefully consider the risk factors set out below, together with the other information contained in this Prospectus (including, but not limited to, the audited consolidated annual accounts with the related notes), before making an investment decision with respect to the Notes. If any of the following risks should actually occur, the Issuer's business, revenues, results of operations, financial condition and prospects could be materially adversely affected, which could result in an inability of the Issuer to pay interest and/or principal and could negatively affect the price of the Notes.

Although the Issuer believes that the risks and uncertainties described below are the material risks and uncertainties, they are not the only ones faced by the Issuer. All of these factors are contingencies which may or may not occur. Additional risks and uncertainties not presently known to the Issuer or that the Issuer currently deems immaterial may also have a material adverse effect on the Issuer's business, revenues, results of operations, financial condition and prospects, which could result in an inability of the Issuer to pay interest and/or principal and could negatively affect the price of the Notes.

Prospective investors should carefully review the entire Prospectus, and should form their own views before making an investment decision with respect to the Notes. Before making an investment decision with respect to the Notes, prospective investors should also consult their own financial, legal and tax advisers to carefully review the risks associated with an investment in the Notes and consider such an investment decision in light of the prospective investor's personal circumstances. The sequence in which the risk factors are presented below, and any quantitative historical impacts and sensitivities included, are not indicative of their likelihood of occurrence or the potential magnitude of their financial consequences in the future.

RISK FACTORS REGARDING THE ISSUER

Risks Related to General Economic and Market Conditions

The Issuer's business, revenues, results of operations, financial condition and prospects are materially affected by the condition of global financial markets and economic conditions generally.

The economy typically goes through cycles. In periods of economic downturn, recurring weak macroeconomic conditions, including recessions, and the implementation of austerity measures in many economies, along with global financial market turmoil and volatility, generally affect the behaviour of retail banking customers, and, by extension, the demand for, and supply of, the Issuer's products and services. New economic and financial crises, such as those that started in 2008 and 2010, may occur and have again similar impact. High unemployment levels, reduced consumer and government spending levels, government monetary and fiscal policies, inflation rates, interest rates, credit spreads and credit default rates, liquidity spreads, market indices, equity and other securities prices, the volatility and strength of the capital markets, political events and trends terrorism, cybercrime, cyberattack, real estate prices and changes in customer behaviour, have affected the Issuer in the past and will continue to affect the Issuer in the future. All of these factors are impacted by changes in financial markets and developments in the global and European economies.

Actions by central banks and governments, including the implementation of austerity measures and bail-outs of financial institutions, as well as volatile markets, interest rates and credit spreads, liquidity spreads and significant changes in asset valuations (including material write-offs and write-downs of impaired assets), have all affected the business of financial institutions, including the Issuer. Any future significant deterioration in the Dutch, European and global economies, or renewed volatility in financial markets may affect the Issuer in one or more of the

following ways which, should such events occur, could have a material adverse effect on the Issuer's business, revenues, results of operations, financial condition and prospects:

- The Issuer provides a number of banking products that expose it to risks associated with fluctuations in interest rates, market indices, equity and other securities prices, credit default rates, the value of real estate assets, fluctuations in currency exchange rates and credit and liquidity spreads. Accordingly the profitability of many of these products fluctuate depending on the factors described in the previous sentence.
- Financial market conditions may adversely affect the effectiveness of the hedge instruments used by the Issuer to manage certain risks to which it is exposed. This has resulted, and may result, in the hedge instruments not performing as intended or expected, in turn resulting in higher realised losses and increased cash needs to collateralise or settle these hedge transactions. Such financial market conditions have limited, and may limit, the availability, and increase the costs, of hedging instruments. In certain cases, these costs have not been, and may not be, fully recovered in the pricing of the products to which the hedges relate.
- Disruptions, uncertainty or volatility in financial markets may limit or otherwise adversely impact the Issuer's ability to access the public markets for debt and equity capital. The impact of this is discussed further below under '*Adverse capital and credit market conditions could impact the Issuer's ability to access liquidity and capital, as well as the cost of credit and capital*'.
- The Issuer holds a liquidity portfolio which consists of bonds of at least investment grade. In principle there is the risk that credit and liquidity spreads may increase in the case of a very severe economic downturn scenario or for instance an EU break up scenario (see also the risk factor *'The UK public voted by a majority in favour of the British government taking the necessary action for the UK to leave the European Union'*). This may significantly reduce the value of the bonds in the liquidity portfolio and reduce the liquidity of these typically liquid assets. If the Issuer requires significant amounts of cash on short notice in excess of normal cash requirements or is required to post or return collateral in connection with its derivatives transactions, the Issuer may be forced to sell assets. If those assets are illiquid, the Issuer may be forced to sell them for a lower price than it otherwise would have been able to realise, resulting in losses.

The Issuer is subject to liquidity risk, which may not be timely resolved by available liquidity.

Although the Issuer currently has adequate liquid assets, it could be faced with a lack of liquidity. The Issuer is exposed to the risk of customer deposit outflows and an inability to attract wholesale funding to fund its illiquid assets, in particular its mortgage portfolio. There can be no assurance that liquidity is always timely available or may be made available to the Issuer or that the Issuer will have access to external sources of liquidity.

The Issuer needs liquidity in its day-to-day business activities to pay, *inter alia,* its operating expenses, interest on its debt, loan disbursements, withdrawal on savings accounts, collateral requirements (in relation to interest rate hedging), to maintain its repo activities and to replace certain maturing liabilities.

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

Adverse capital market conditions may affect the availability and cost of borrowed funds, thereby impacting the Issuer's ability to support or grow its businesses.

Without sufficient liquidity, the Issuer may be forced to curtail its operations and its business may suffer. The principal sources of its funding are client deposits, mainly from retail clients, and medium-term and long-term

securitised debt. Other sources of funding may also include a variety of short- and long-term instruments, including repurchase agreements, commercial paper, medium-term and long-term debt, subordinated debt securities, capital securities and shareholders' equity.

In the event that current resources do not satisfy its needs or need to be refinanced, the Issuer may need to seek additional financing. The availability of additional financing will depend on a variety of factors such as market conditions, the general availability of credit, the volume of maturing debt that needs to be refinanced, the overall availability of credit to the financial services industry, the Issuer's credit ratings and credit capacity, as well as the possibility that lenders could develop a negative perception of the long-term or short-term financial prospects of the Issuer. Similarly, the Issuer's access to funds may be limited if regulatory authorities or rating agencies take negative actions against it. If the Issuer's internal sources of liquidity prove to be insufficient, there is a risk that external funding sources might not be available, or available at unfavourable terms.

Disruptions, uncertainty or volatility in the capital and credit markets may also limit the Issuer's access to capital required to operate its business. Such market conditions may in the future limit the Issuer's ability to raise additional capital to support business growth, or to counter-balance the consequences of losses or increased regulatory capital requirements. This could force the Issuer to (a) delay raising additional capital, (b) reduce, cancel or postpone interest payments on its capital securities, (c) issue capital of different types or under less favourable terms than the Issuer would otherwise do, or (d) incur a higher cost of capital than it would otherwise have incurred in a more stable market environment, each of which may have a material effect on the Issuer's capital and liquidity position. Insufficient liquidity in public markets may force the Issuer to curtail certain operations and strategies, and may adversely impact the Issuer's ability to meet regulatory and rating agency requirements.

Furthermore, regulatory liquidity requirements in which the Issuer operates are generally becoming more stringent, including those forming part of the Basel III/CRD IV requirements, discussed further below under '*The impact on the Issuer of recent and ongoing financial regulatory reform initiatives is uncertain*'. Insufficient liquidity in public markets may force the Issuer to curtail certain operations and strategies, and may adversely impact the Issuer's ability to meet regulatory and rating agency requirements.

The occurrence of one or more of the events described above could have a material adverse effect on the business, results of operations, financial condition and prospects of the Issuer.

The continuing risk that one or more European countries could exit the eurozone or the EU could have a material adverse effect on the Issuer's business, results of operations, financial condition and prospects.

There remains a risk that financial difficulties may result in certain European countries exiting the eurozone. The possible exit from the eurozone of one or more European countries and the replacement of the euro by one or more successor currencies could create significant uncertainties regarding the enforceability and valuation of euro denominated contracts to which the Issuer (or its counterparties) are a party and thereby materially and adversely affect the Issuer's (and/or its counterparties') liquidity, business and financial condition.

Such uncertainties may include the risk that (a) a liability that was expected to be paid in euro is redenominated into a new currency (which may not be easily converted into other currencies without significant cost), (b) currencies in some European countries may devalue relative to others, (c) former eurozone member states may impose capital controls that would make it complicated, illegal or more costly to move capital out of such countries, and/or (d) some courts (in particular, courts in countries that have left the eurozone) may not recognise and/or enforce claims denominated in euro (and/or in any replacement currency). The possible exit from the eurozone of one or more European countries and/or the replacement of the euro by one or more successor currencies could also cause other significant market dislocations and lead to other adverse economic and

operational impacts that are inherently difficult to predict or evaluate. As a result, the occurrence of one or more of these events could have a material adverse effect on the business, results of operations, financial condition and prospects of the Issuer and its counterparties.

The UK public voted by a majority in favour of the British government taking the necessary action for the UK to leave the European Union.

The outcome of the UK's referendum on membership in the European Union, held on 23 June 2016, was that the UK public voted by a majority in favour of the British government taking the necessary action for the UK to leave the European Union. Subsequently, initiation of the legal process pursuant to Article 50 of the Lisbon Treaty has commenced.

At this time, it is not certain whether or when the UK will actually leave the European Union, what arrangements (if any) will define the future relationship between the European Union and the UK, or the length of time that this may take. Furthermore, the UK's decision to leave the European Union has caused, and is anticipated to continue to cause, significant uncertainties and instability in the economy and in the financial markets, which may affect the Issuer and the trading price of the Notes. These uncertainties could have a material adverse effect on the business, results of operations, financial condition and prospects of the Issuer and its counterparties. In addition, it is unclear at this stage what the consequences of the UK's departure from the European Union will ultimately be for the Issuer or the trading price of the Notes.

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

Within the financial services industry the severe distress or default of any one institution (including sovereigns) could lead to defaults or severe distress by other institutions. Such distress or defaults could disrupt securities markets or clearance and settlement systems in the Issuer's markets. This could cause market declines or volatility. Such a failure could lead to a chain of defaults that could adversely affect the Issuer and its contract counterparties. Concerns about the creditworthiness of a sovereign or financial institution (or a default by any such entity) could lead to significant liquidity and/or solvency problems, losses or defaults by other institutions, because the commercial and financial soundness of many financial institutions may be closely related as a result of their credit, trading, clearing or other relationships. Even the perceived lack of creditworthiness of, or questions about, a sovereign or a counterparty may lead to market wide liquidity problems and losses or defaults by the Issuer or by other institutions. This risk is sometimes referred to as systemic risk and may adversely affect financial intermediaries, such as clearing agencies, clearing houses, banks, securities firms and exchanges with whom the Issuer interacts on a daily basis and financial instruments of sovereigns in which the Issuer invests. Systemic risk could have a material adverse effect on the Issuer's ability to raise new funding and on its business, financial condition, results of operations, liquidity and/or prospects. In addition, such a failure could impact future product sales as a potential result of reduced confidence in the financial services industry.

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

Inflation and deflation may negatively affect the Issuer’s business.

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

1. decrease the estimated fair value of certain fixed income securities that the Issuer holds in its investment portfolio, resulting in:

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

2. require the Issuer, as an issuer of securities, to pay higher interest rates on debt securities that it issues in the financial markets from time to time and/or as a seller of savings products, to pay higher interest rates to customers on their savings accounts to finance its operations, which would increase its interest expenses and reduce its results of operations; and/or

3. decrease the demand for new mortgage loans due to decreased borrowers' affordability.

A significant and sustained increase in inflation has historically also been associated with decreased prices for equity securities and sluggish performance of equity markets generally. A sustained decline in equity markets may negatively impact the ability of the Issuer's asset management activities to retain and attract assets under management, as well as the value of assets they manage, which may negatively impact their results of operations.

On the other hand, deflation experienced in the Issuer's market may also adversely affect its financial performance. In recent years, the risk of low inflation and even deflation (i.e. a continued period with negative rates of inflation) in the eurozone has materialized. Deflation may erode collateral values and diminish the quality of loans (decreased borrowers' affordability due to lower income growth) and cause a decrease in borrowing levels, which would negatively affect the Issuer's business and results of operations.

Risks Related to the Business

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

Mortgage loans constitute 84 per cent. of the Issuer's balance sheet at year-end 2018. An economic downturn, stagnation or drop in property values, changes in or abolition of the tax deductibility of interest payments on residential mortgage loans in the Netherlands (as further set out below), increased interest rates or a combination thereof, could lead to a decrease in the production of new mortgage loans and/or increased default rates on existing mortgage loans. Further, a decrease in the general level of interest rates could affect the Issuer through, among other things, increased prepayments on the loan and mortgage portfolio for instance as a result of low interest rates on saving accounts. Consequently prepayments on mortgage loans is more beneficial to consumers than savings. Recently there has been a relatively high level of such prepayments. Also, fixation of lower margins for long interest rate reset periods on mortgage loans provided to customers may have a prolonged impact on the Issuer's results of operations.

The Dutch tax system allows borrowers to deduct, subject to certain limitations, mortgage interest payments for owner-occupied residences from their taxable income. The deduction period allowed is restricted to a term of thirty (30) years and it only applies to mortgage loans secured by owner occupied properties. Since 2004, the tax deductibility of mortgage interest payments has been restricted under the so-called additional borrowing regulation (*Bijleenregeling*). On the basis of this regulation, if a home owner acquires a new home and realises a surplus value on the sale of his old home in respect of which interest payments were deducted from taxable income, the interest deductibility is limited to the interest that relates to an amount equal to the purchase price of the new home less the net surplus value realised in the sale of the old home. Special rules apply to moving home owners that do not (immediately) sell their previous home.

As of 1 January 2013, interest deductibility in respect of mortgage loans originated after 1 January 2013 is restricted and is only available in respect of mortgage loans which amortise over thirty (30) years or less and are repaid on at least on annuity basis. Next to these changes, additional restrictions were part of the measures presented in the 2019 Tax Bill (*Belastingplan 2019*) and were enacted into law by the Dutch parliament on 18 December 2018. From 1 January 2020, the annual 0.5 per cent. decrease of the interest deductibility for mortgage loans will be accelerated to 3 per cent. per annum for a four-year period, until the rate is equal to the new first-bracket income tax rate of 37.05 per cent. in 2023.

These changes and any further changes in the tax treatment could ultimately have an adverse impact on the ability of borrowers to pay interest and repay their mortgage receivables. In addition, changes in the deductibility of mortgage interest payments may lead to different prepayment behaviour by borrowers on their mortgage loans resulting in higher or lower prepayment rates of such mortgage loans. A sharp increase in demand for mortgage loans may lead to a situation in which the Issuer is unable to provide all requested loans due to funding and/or operational reasons.

Risks related to prepayment penalties charged by the transferor prior to 14 July 2016

In the Netherlands borrowers of mortgage loans may generally prepay their mortgage loans before the maturity date. If the prepayment exceeds a predefined maximum amount and such prepayment does not result from certain predefined events, such as a sale of the mortgaged property, the provider of a mortgage loan may charge a prepayment penalty.

Under the act implementing the Mortgage Credit Directive in the Netherlands which entered into force on 14 July 2016, prepayment penalties may not exceed the financial loss incurred by the provider of the mortgage loan. In view of the new legislation, the AFM investigated the calculation method for, and the prepayment penalties charged by, different providers of mortgage loans. As a result, on 20 March 2017, the AFM published guidelines setting out certain principles for calculating the prepayment penalty that may be charged in case of a prepayment of a mortgage loan (*Leidraad Vergoeding voor vervroegde aflossing van de hypotheek*).

The AFM guidelines apply for the calculation of the prepayment penalty charged as of 14 July 2016. However, it cannot be ruled out that the principles formulated by the AFM or other legal grounds will be used as a basis to claim that prepayment penalties charged by mortgage providers before 14 July 2016 should be recalculated and/or repaid. On 17 July 2018, two consumer organisations (*Consumentenbond* and *Vereniging Eigen Huis*) started proceedings as a test case against Amstelhuys N.V., a sister company of the Issuer, claiming that prepayment penalties charged prior to 14 July 2016 should be recalculated and potentially be repaid to the borrowers. These claims have been rejected by Amstelhuys N.V. and it defends itself in these proceedings.

The District Court of Amsterdam has suspended the proceedings until further notice. The outcome of the aforementioned test case process may negatively impact Dutch originators (including the Issuer) of mortgage loans who have charged prepayment penalties before 14 July 2016 and, thus, may indirectly impact the Issuer's financial position, business, revenues, result of operations and prospects.

Furthermore, it was decided to start preparations for the legal merger of Amstelhuys N.V. into the Issuer. This merger is expected to be effected in the course of 2019 and therefore, the outcome of the test case process may impact the Issuer's financial position, business, revenues, result of operations and prospects.

Revised treatment of risk premium in mortgage interest rates.

Most (major) offerors of mortgage loans in the Netherlands apply an interest rate pricing system based on risk-based pricing with multiple risk premium categories, whereby the interest rate for a mortgage loan is set depending on the loan-to-valuation ("LTV") ratio (a lower LTV will lead to a lower interest rate). In the past, mortgage loans originated by the Originators were eligible to move into another risk premium category only on the interest reset date.

The Issuer decided to implement a change to this pricing system, under which the mortgage loan can move into another (lower) risk premium category during the fixed interest rate term, if the LTV has decreased due to an increase of the house price and/or repayment.

The Issuer's envisaged interest rate pricing system allows for the adjustment of the mortgage interest rate by moving to a lower risk premium category (1) automatically following (partial) repayment of the loan principal, also taking into account (p)repayments that have already been made, and/or (2) upon request following a proven revaluation of the relevant mortgaged asset. The decision to implement the amended interest rate pricing system has triggered a negative revaluation of the mortgage loans on the balance sheet of the Issuer.

The decision to implement as stated above will affect the proceeds of the Mortgage Receivables and will make the proceeds more dependent on house price changes and prepayment behaviour and/or may likely change the (p)repayment behaviour of Borrowers. This may have a material adverse effect on the Issuer's revenues and results of operations.

Market conditions may increase the risk of loans being impaired. The Issuer is exposed to declining property values on the collateral supporting residential real estate lending.

The Issuer is exposed to the risk that its borrowers may not repay their loans according to their contractual terms and that the collateral securing the payment of these loans may be insufficient. The Issuer may continue to see adverse changes in the credit quality of its borrowers and counterparties, for example as a result of their inability to refinance their indebtedness, with increasing delinquencies, defaults and insolvencies across a range of sectors. This may lead to higher additions to loan loss provisions on the loan portfolio and/or higher level of impaired loans. A significant increase in the size of the Issuer's provision for loan losses or the level of impaired loans could have a material adverse effect on its financial position and results of operations.

Economic and other factors could lead to further contraction in the residential mortgage and commercial lending market (including, without limitation, lending to small and medium-sized enterprises) and to further decreases in residential property prices or increases in arrears which could generate substantial increases in loan loss provisions and/or impaired loans.

A significant portion of the Issuer's funding relates to (short-term) savings deposits.

Customer deposits and other funds on deposit constitute 67 per cent. of the Issuer's balance sheet at year end 2018. Almost half of customer deposits and other funds on deposits relates to deposits on internet-based savings accounts without any restrictions for withdrawals. When a customer with such savings requests a withdrawal, the Issuer will transfer such withdrawal to the external payment account of that customer within one business day. Reduced consumer confidence could lead to an increased withdrawal of savings deposits via internet banking. Consumer confidence in the Issuer may be negatively influenced by for example rumours, negative publicity or a hoax on social media, which in turn may lead to a large increase of withdrawals of savings deposits, and ultimately may lead to a run on the bank. A large amount of withdrawals may materially adversely affect the Issuer's liquidity levels. This could force the Issuer to (i) use its liquidity buffers, (ii) delay or (temporary or permanent) cease new business, (iii) reduce, cancel or postpone interest payments on its capital securities, or (iv) sell its assets under less

favourable terms than the Issuer would otherwise do. This would have the potential to decrease both the Issuer's profitability and its financial flexibility. A continuing run on the bank may lead to the Issuer not meeting its regulatory requirements which ultimately may lead to a default of the Issuer.

Because the Issuer operates in highly competitive markets, it may lose its competitive position and market share, which may have a material adverse effect on the Issuer's business, revenues, results of operations, financial condition and prospects.

The Issuer faces intense competition, including from new competitors in the Dutch market. The Issuer competes based on a number of factors, including the NN brand recognition, reputation, scope of distribution, quality of service, product features and price. A decline in the Issuer's competitive position could have a material adverse effect on its business, revenues, results of operations, financial condition and prospects.

In recent years a number of new competitors entered the Dutch retail mortgage and savings market. Some of these new competitors may have lower (relative) operating costs and an ability to absorb greater risk more competitively, which could adversely affect the Issuer's ability to obtain new, or retain existing, customers, or its ability to adjust prices. These competitive pressures could result in increased pressure on product pricing on a number of the Issuer's products and services, which may adversely affect the Issuer's operating margins, underwriting results and capital requirements, or reduce market share, any of which could have a material adverse effect on the Issuer's business, revenues, results of operations and prospects. Consumer demand, technological changes, regulatory changes and actions and other factors also affect competition. Generally, the Issuer could lose market share, incur losses on some or all of its activities and experience lower growth if it is unable to offer competitive, attractive and innovative products and services that are also profitable, does not choose the right product offering or distribution strategy, fails to implement such a strategy successfully or fails to adhere or successfully adapt to such demands and changes. Developing technologies are accelerating the introduction and prevalence of alternative distribution channels, particularly the internet. Such alternative (direct) distribution channels may also increase the possibility that new competitors whose competencies include the development and use of these alternative distribution channels may enter the markets in which the Issuer operates.

A downgrade or a potential downgrade in the Issuer's credit ratings could have a material adverse effect on the Issuer's ability to issue debt or increase the cost of additional capital and could result in, amongst others, a loss of existing or potential business (including losses on customer withdrawals and lower fee income), and decreased liquidity, each of which could have a material adverse effect on the Issuer's business, revenues, results of operations, financial condition and prospects.

In general, credit ratings are important factors affecting public confidence in banks, and are as such important to the Issuer's ability to sell its products and services to existing and potential customers. Credit ratings represent the opinions of rating agencies regarding an entity's ability to repay its indebtedness. the Issuer's credit ratings are important to its ability to issue debt and to the cost of such financing. In the event of a downgrade the cost of issuing debt will increase, having an adverse effect on net results. The Issuer has the following counterparty credit rating: A- (last confirmed 16 August 2018). S&P's reviews its ratings and rating methodologies on a recurring basis and may decide on a downgrade at any time.

Furthermore, the Issuer's assets are risk weighted. Downgrades of these assets could result in a higher risk weighting which may result in higher capital requirements. This may impact net earnings and the return on capital, and may have an adverse impact on the Issuer's competitive position and liquidity position and, therefore, its ability to make the payment due under the Notes. In addition, a downgrade of the Issuer's credit rating could have a negative effect on the credit rating of the Notes.

Rating agencies review banks' ability to meet their obligations (including to their creditworthiness generally) based on various factors, and assign ratings stating their current opinion in that regard. While most of the factors are specific to the rated company, some relate to general economic conditions, intercompany dependencies and other circumstances outside the rated company's control. Such factors might also include a downgrade of the sovereign credit rating of the Netherlands as rating agencies typically take into account the credit rating of the relevant sovereign in assessing the credit and financial strength ratings of a corporate issuer. Rating agencies have increased the level of scrutiny that they apply to financial institutions, have increased the frequency and scope of their reviews, have requested additional information from the companies that they rate, and may adjust upward the capital and other requirements employed in the rating agency models for maintenance of certain rating levels. The Issuer may need to take actions in response to changing rating methodologies, standards or capital requirements set by any of the rating agencies, which may not otherwise be in the best interests of the Issuer. The Issuer cannot predict what additional actions rating agencies may take, or what actions the Issuer may take in response to the actions of rating agencies. The outcome of such reviews may have adverse ratings consequences, which could have a material adverse effect on the Issuer's business, revenues, results of operations, financial condition and prospects. A downgrade in the Issuer's credit ratings could (a) make it more difficult or more costly to access additional debt and equity capital, (b) increase collateral requirements, give rise to additional payments, or afford termination rights, to counterparties under derivative contracts or other agreements, and (c) impair, or cause the termination of, the Issuer's relationships with customers, creditors, distributors or trading counterparties, each of which may have a material adverse effect on the Issuer's business, revenues, results of operations, financial condition and prospects.

In valuing its balance sheet risks and in pricing its products, the Issuer uses assumptions to model the impact of future customers' behaviour, which may be different from the actual impact of future customers' behaviour. A discrepancy between assumed behaviour and actual experience, as well as changes to the assumptions used in the modelling, may have a material adverse effect on the Issuer's business, revenues, results of operations, financial condition and prospects.

The Issuer is exposed to risks associated with the future behaviour of customers which may have an impact on future payment and prepayment patterns. Relevant customers behaviours include, among others, withdrawal decisions, decisions on whether or not to redeem (part of) their loans, decisions on whether or not to save or invest monies and choices regarding the underlying fund composition in relation to certain investment products. Risks arise from the discretions afforded to customers under the products, and decisions by customers on whether or not to perform under the products. Customer behaviour and patterns can be influenced by many factors, including financial market conditions and economic conditions generally. Factors such as customer perception of the Issuer, awareness and appreciation by customers of potential benefits of early redemptions of (mortgage) loans, and changes in laws (including tax laws that make relevant products more or less beneficial to customers from a tax perspective) can also affect customer behaviour. Other factors, less directly related to the product may also have an impact on customer behaviour. A discrepancy between assumed customer behaviour and actual experience, as well as changes to the assumptions used in the modelling, may have a material adverse effect on the Issuer's business, revenues, results of operations, financial condition and prospects.

One of the Issuer's most important distribution channels is its network of independent intermediaries. A failure by the Issuer to maintain a competitive distribution network, or to attain a market share of new sales and distribution channels that is comparative to its market share of traditional channels, could have a material adverse effect on the Issuer's business, revenues, results of operations, financial condition and prospects.

One of the main distribution channels of the Issuer is its network of intermediaries (which include independent agents) through which it sells and distributes its products. The intermediaries through whom the Issuer sells and distributes its products are independent of the Issuer, with the exception of the own advisors of the Issuer.

Moreover, the Issuer does not have exclusivity agreements with intermediaries, so they are free to offer products from competitors and there is no obligation to favour the Issuer products. The successful distribution of the Issuer products therefore depends in part on the choices an intermediary may make as regards its preferred offeror, and as regards its preferred products and services. A failure by the Issuer to maintain a competitive distribution network, including participation in, or the development of, an internet-based platform to maintain its market share of new sales through this distribution channel compared to its market share of traditional channels could have a material adverse effect on the Issuer's business, revenues, results of operations, financial condition and prospects.

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

Changes in prevailing interest rates may negatively affect the Issuer's business, including the level of net interest revenue the Issuer's earns, and the levels of deposits and the demand for loans. In a period of changing interest rates, interest expense may increase and interest credited to accountholders may change at different rates than the interest earned on assets. Accordingly, changes in interest rates could decrease net interest revenue. Changes in interest rates may negatively affect the value of the Issuer's assets and its ability to realise gains or avoid losses from the sale of those assets, all of which also ultimately affect earnings and capital, as well as the Issuer's regulatory solvency position. A sustained increase in the inflation rate in the Issuer's principal markets may also negatively affect its business, financial condition and results of operations. For example, a sustained increase in the inflation rate may result in an increase in nominal market interest rates.

A failure to accurately estimate inflation and factor it into the Issuer's product pricing, expenses and liability valuations could have a material adverse effect on the Issuer's results of operations and financial condition.

A failure to accurately estimate inflation and factor it into the Issuer's pricing and liability valuations with regard to future claims and expenses could result in mispricing of its products, which could materially and adversely impact its results of operations. On the other hand, recent concerns regarding negative interest rates and the low level of interest rates generally may negatively impact the Issuer's net interest income, which could have an adverse impact on the Issuer's results of operations and financial conditions.

Declining interest rates or a prolonged period of low interest rates may result in:

- higher than expected prepayment or redemption of mortgages and fixed maturity securities in the Issuer's investment portfolio, as borrowers seek to borrow at lower interest rates potentially combined with lower credit spreads. Consequently, the Issuer may be required to reinvest the proceeds into assets at lower interest rates;

- decreased borrowers' affordability as a low interest rate environment often corresponds with a combination of low economic growth, high unemployment and potentially less income growth. Consequently, the Issuer may originate less mortgage loans and face a higher probability of default on existing loans with fixed interests reset tenors;

- lower interest rates may cause asset margins to decrease thereby lowering the Issuer's results of operations. This may for example be the consequence of increased competition for investments as result of the low rates, thereby driving margins down;

- lower profitability as the result of a decrease in the spread between client rates earned on assets and client rates paid on savings, current account and other liabilities;

- higher costs for certain derivative instruments that may be used to hedge certain of the Issuer's product risks;
- (depending on the position) a significant collateral posting requirement associated with the Issuer's interest rate hedge programmes, which could materially and adversely affect liquidity and its profitability;
- outflow of liabilities for example due to low rates paid on them; and/or
- lower earnings over time on investments, as reinvestments will earn lower rates.

All these effects may be amplified in a (prolonged) negative rate environment. In such environment there may also be the risk that a rate is to be paid on assets, while there is no (partial) compensation on the liabilities. This will reduce the Issuer's results of operations.

On the other hand, rapidly increasing interest rates may result in:

- lower than expected prepayment or redemption of mortgages and fixed maturity securities in the Issuer's investment portfolio, as borrowers maintain borrowing at the relatively lower fixed interest rate levels rather than prepaying on their mortgage loans. Consequently, the Issuer may be required to refinance at higher interest rates;
- decreased borrowers' affordability as a high interest rate environment would imply origination and resets at higher interest rate levels. Consequently, the Issuer may face a decrease in the demand for new loans and a higher probability of defaults on existing loans;
- outflow of liabilities for example due to increased competition or higher interest payments on these liabilities;
- higher interest rates to be paid on debt securities that the Issuer has issued or may issue on the financial markets from time to time to finance its operations and on savings/other liabilities, which would increase its interest expenses and reduce its results of operations;
- (depending on the position) a significant collateral posting requirement associated with the Issuer's interest rate hedge programmes, which could materially and adversely affect liquidity and its profitability;
- decreased fee income associated with balances invested in fixed income funds;
- a material adverse effect on the value of the Issuer's investment portfolio by, for example, decreasing the estimated fair values of the fixed income securities within its investment portfolio;
- higher interest rates can lead to lower investments prices and a reduction in the revaluation reserves, thereby lowering IFRS equity and the capital ratios. Also the lower securities value leads to a loss of liquidity generating capacity which needs to be compensated by attracting new liquidity generating capacity which reduces the Issuer's results of operations; and/or
- in the event liability outflow is experienced, this may result in realised investment losses, in case investments are to be sold when prices become depressed due to the higher interest rates and/or

higher credit spreads. Regardless of whether an investment loss is realised, these outflows would result in a decrease in total invested assets, and may decrease the Issuer's net income.

The Issuer's hedging programme may prove inadequate or ineffective for the risks it addresses, which could have a material adverse effect on the Issuer's business, results of operations, financial condition and prospects.

The Issuer employs a hedging programme with the objective of mitigating risks inherent in its business and operations. These risks include current or future changes in the fair value of the Issuer's assets and liabilities, current or future changes in cash flows and the effect of interest rates. As part of its risk management strategy, the Issuer employs the hedging programme to control these risks by entering into derivative financial instruments (typically interest rate swaps). Developing an effective strategy for dealing with the risks described above is complex, and no strategy can completely protect the Issuer from such risks. The Issuer's hedging programme is based on financial market and customer behaviour models using, amongst others, statistics, observed historical market and customer behaviour, underlying (loan) product terms and conditions, and the Issuer's own judgement, expertise and experience. These models are complex and may not identify all exposures, may not accurately estimate the magnitude of identified exposures or may not accurately determine the effectiveness of the hedge instruments, or fail to update hedge positions quickly enough to effectively respond to market movements. Furthermore, the effectiveness of these models depends on information regarding markets, customers, the Issuer's loan portfolio and other matters, each of which may not always be accurate, complete, up to date or properly evaluated. A hedging programme also involves transaction and other costs, and, if the Issuer terminates a hedging arrangement, it may be required to pay additional costs, such as transaction fees or breakage costs. The Issuer may incur losses on transactions after taking into account hedging strategies. Although the Issuer has developed policies and procedures to identify, monitor and manage risks associated with the hedging programme, the hedging programme may not be effective in mitigating the risks that it is intended to hedge, particularly during periods of financial market volatility. Furthermore, the derivative counterparty in a hedging transaction may default on its obligations. Although it is the Issuer's policy to fully collateralise derivative contracts, and differences in market value of the collateral are settled between the relevant parties on a daily basis, it is still exposed to counterparty risk. For instance, the Issuer is dependent on third parties for the daily calculation of the market values of the derivative collateral. If these third parties (mostly large institutions) miscalculate the collateral required and the counterparty fails to fulfil its obligations under the derivative contract, it could result in unexpected losses, which could have a material adverse effect on the business, revenues, results of operations and financial condition of the Issuer. The Issuer's inability to manage risks successfully through derivatives (including a single counterparty's default and the systemic risk that a default is transmitted from counterparty to counterparty) could have a material adverse effect on the Issuer's business, revenues, results of operations, financial condition and prospects.

The Issuer is exposed to counterparty risk. Deteriorations in the financial soundness of other financial institutions, sovereigns or other contract counterparties may have a material adverse effect on the Issuer's business, revenues, results of operations and financial condition.

Due to the nature of the global financial system, financial institutions, such as the Issuer, are interdependent on other financial institutions as a result of trading, counterparty and other relationships. Other financial institutions with whom the Issuer conducts business act as counterparties to the Issuer in such capacities as issuers of securities, customers, banks, reinsurance companies, trading counterparties, counterparties under swaps and credit and other derivative contracts, clearing agents, exchanges, clearing houses, intermediaries, commercial banks, investment banks, mutual and hedge funds and other financial intermediaries. In any of these capacities, a financial institution acting as counterparty may not perform their obligations due to, among other things, bankruptcy, lack of liquidity, market downturns or operational failures, and the collateral or security they provide may prove inadequate to cover their obligations at the time of the default. A default by any financial institution, or by a

sovereign, could lead to additional defaults by other market participants. The failure of a sufficiently large and influential financial institution or sovereign has in the past disrupted, and could in the future disrupt, securities markets or clearance and settlement systems, and could lead to a chain of defaults because the commercial and financial soundness of many financial institutions may be closely related as a result of credit, trading, clearing or other relationships. Even the perceived lack of creditworthiness of one or more counterparties may lead to market-wide liquidity problems and losses or defaults by the Issuer or by other institutions. This risk is sometimes referred to as "systemic risk" and may adversely affect financial intermediaries, such as clearing agencies, clearing houses, banks, securities firms and exchanges with which the Issuer interacts on a daily basis. Systemic risk could have a material adverse effect on the Issuer's business, revenues, results of operations, financial condition and prospects.

With respect to secured transactions, the Issuer's credit risk may be exacerbated when the collateral held by the Issuer cannot be realised, or is liquidated at prices not sufficient to recover the full amount of the relevant secured loan or secured derivative. The Issuer has credit and counterparty exposure to a number of financial institutions.

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

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

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

The determination of the amount of impairments taken on the Issuer's investment and other financial assets is subjective and could have a material adverse effect on the Issuer's results of operations and financial condition.

Impairment evaluation of the Issuer's investment and other financial assets is a complex process that involves significant judgements and uncertainties that may have a significant impact on the Issuer's results of operations and financial condition. All debt and equity securities (other than those carried at fair value through profit and loss) held by the Issuer are subject to impairment testing every reporting period. The carrying value is reviewed in order to determine whether an impairment loss has been incurred. Evaluation for impairment includes both quantitative and qualitative considerations. For debt securities, such considerations include actual and estimated incurred credit losses indicated by payment default, market data on (estimated) incurred losses and other current evidence that the relevant issuer may be unlikely to pay amounts when due. Equity securities are impaired when management believes that, based on (the combination of) a significant or prolonged decline of the fair value below the acquisition price, there is sufficient reason to believe that the acquisition cost may not be recovered. Upon impairment, the full difference between the (acquisition) cost and fair value is removed from equity and recognised

in net result. The identification of impairment is an inherently uncertain process involving various assumptions and factors, including the financial condition of the counterparty, expected future cash flows, statistical loss data, discount rates and observable market prices. Estimates and assumptions are based on management's judgement and other available information. Significantly different results can occur as circumstances change and additional information becomes known.

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

The Issuer has developed risk management policies and procedures and the Issuer expects to continue to do so in the future. Nonetheless, the Issuer's policies and procedures to identify, monitor and manage risks may not be fully effective, particularly during extremely turbulent times. The methods the Issuer uses to manage, estimate and measure risk are partly based on historic market behaviour. The methods may, therefore, prove to be inadequate for predicting future risk exposure, which may be significantly greater than what is suggested by historic experience. For instance, these methods may not predict the losses seen in the stressed conditions in recent periods, and may also not adequately allow prediction of circumstances arising due to the government interventions, stimulus and/or austerity packages, which increase the difficulty of evaluating risks. In order to mitigate these risks, the Issuer engages in stress testing and scenario analysis. However, these procedures will never be able to cover all potential future outcomes. Other methods for risk management are based on evaluation of information regarding markets, customers or other information that is publicly known or otherwise available to the Issuer. Such information may not always be correct, updated or correctly evaluated.

The Issuer's residential mortgage portfolio is exposed to the risk of default by borrowers and to declines in real estate prices; these exposures are concentrated in the Netherlands.

The Issuer is exposed to the risk of default by borrowers under mortgage loans. Borrowers may default on their obligations due to bankruptcy, lack of liquidity, downturns in the economy generally or declines in real estate prices, operational failure, fraud or other reasons. The value of the secured property in respect of these mortgage loans is exposed to decreases in real estate prices, arising for instance from downturns in the economy generally, oversupply of properties in the market, and changes in tax or other regulations related to housing (such as the decrease in deductibility for tax purposes of interest on mortgage payments as well as rules on prepayment). Furthermore, the value of the secured property in respect of these mortgage loans is exposed to destruction and damage resulting from floods and other natural and man-made disasters. Damage or destruction of the secured property also increases the risk of default by the borrower. For the Issuer, all of these exposures are concentrated in the Netherlands because the mortgage loans have been advanced, and are secured by residential property, in the Netherlands. As of the date of this Prospectus, almost all of the aggregate principal amount of mortgage loans advanced in the Netherlands is secured by residential property, and a negligible amount by commercial property. An increase of defaults, or the likelihood of defaults, under the mortgage loans, or a decline in property prices in the Netherlands, has had, and could have, a material adverse effect on the Issuer's results of operations and financial condition.

The Issuer is exposed to the risk of damage to NN Group's brands and its reputation.

The Issuer's business and results of operations are, to a certain extent, dependent on the strength of its brands and NN Group's reputation. NN Group and its products are vulnerable to adverse market perception as it operates in an industry where integrity, customer trust and confidence are paramount. NN Group and therefore the Issuer is exposed to the risk that litigation (such as in connection with mis-selling), employee fraud and other misconduct, operational failures, the negative outcome of regulatory investigations, press speculation and negative publicity, amongst others, whether or not founded, could damage its brands or reputation. Any of NN Group's brands or reputation could also be harmed if products or services recommended by NN Group (or any of its intermediaries)

do not perform as expected or do not otherwise meet customer expectations (whether or not the expectations are founded), or the customer's expectations for the product change. Negative publicity could be based, for instance, on allegations that NN Group failed to comply with regulatory requirements or result from failures in business continuity or the performance of NN Group's information technology ("IT") systems, loss of customer data or confidential information, unsatisfactory service (support) levels, or insufficient transparency or disclosure of cost allocation (cost loading). Negative publicity adversely affecting NN Group's brands or its reputation could also result from any misconduct or malpractice by intermediaries, business promoters or other third parties linked to NN Group (such as strategic partners). Furthermore, negative publicity, and damage to NN Group's brands or reputation, could result from allegations that NN Group has invested in, or otherwise done business with, entities and individuals that are, or which become, subject to political or economic sanctions or are blacklisted, or which do not meet environmental and social responsibility standards. Any damage to NN Group's brands or reputation could cause existing customers or intermediaries to withdraw their business from the Issuer and potential customers or intermediaries to be reluctant or elect not to do business with the Issuer. Furthermore, negative publicity could result in greater regulatory scrutiny and influence market or rating agencies' perception of the Issuer, which could make it more difficult for the Issuer to maintain its credit ratings which is an important factor for both intermediaries and customers when considering what bank to do business with. See also the risk factor "*A downgrade or a potential downgrade in the Issuer's credit ratings could result in, amongst others, a loss of existing or potential business, and decreased liquidity, each of which could have a material adverse effect on the Issuer's business, revenues, results of operations, financial condition and prospects*" above.

Any damage to NN Group's brands or reputation could cause disproportionate damage to the Issuer's business, even if the negative publicity is factually inaccurate or unfounded.

The Issuer's business is primarily concentrated in the Netherlands.

The Issuer generates the majority of its income in the Netherlands and therefore is particularly exposed to the economic, political and social conditions in the Netherlands. Economic conditions in the Netherlands can be difficult. Any long-term persistence of the difficult economic environment in the Netherlands could negatively affect the demand for the Issuer's products and services.

The Issuer forms part of a group.

The Issuer forms part of NN Group and its operations are interdependent on and may be affected by developments concerning NN Group, such as, but not limited to, (i) capital contributions, (ii) credit ratings of NN Group or entities within NN Group and/or (iii) passing on of costs incurred or set off by NN Group or within NN Group. These interdependencies result in the fact that the Issuer may be affected by the realization of certain risks of NN Group. See description of the Issuer section "*Business description of the Issuer*".

Regulatory and Litigation Risks

The Issuer is subject to comprehensive banking and other financial services laws and regulations, and to supervision by many regulatory authorities that have broad administrative powers over the Issuer. These laws and regulations have been and will be subject to changes, the impact of which is uncertain. Failure to comply with applicable laws and regulations may trigger regulatory intervention which may harm the Issuer's reputation, and could have a material adverse effect on the Issuer's business, revenues, results of operations, financial condition and prospects.

The Issuer is subject to comprehensive banking and other financial services laws and regulations, and to supervision by many regulatory authorities that have broad administrative and discretionary power over the Issuer.

Amongst others, the laws and regulations to which the Issuer is subject concern: capital adequacy requirements; liquidity requirements; permitted investments; the distribution of dividends, product and sales suitability; product distribution; payment processing; employment practices; remuneration; ethical standards; anti-money laundering; anti-terrorism measures; prohibited transactions with countries and individuals that are subject to sanctions or otherwise blacklisted; anti-corruption; privacy and confidentiality; recordkeeping and financial reporting; price controls, and exchange controls. The laws and regulations to which the Issuer is subject are becoming increasingly more extensive and complex and regulators are closely monitoring and scrutinising the industries in which the Issuer operates, and on the Issuer itself, placing an increasing burden on the Issuer's resources and expertise, and requiring implementation and monitoring measures that are costly. In some cases, the laws and regulations to which the Issuer is subject have increased because governments are increasingly enacting laws that have an extra-territorial scope. Regulations to which the Issuer is, and may be, subject may limit the Issuer's activities, including through its net capital, customer protection and market conduct requirements, may negatively impact the Issuer's ability to make autonomous decisions in relation to its businesses and may limit the information to which the Issuer has access in relation to those businesses, and result in restrictions on businesses in which the Issuer can operate or invest, each of which may have a material adverse effect on the Issuer's business, results of operations and prospects. As compliance with applicable laws and regulations is time-consuming and personnel-intensive, and changes in laws and regulations have increased, and may further increase, the cost of compliance has increased and is expected to continue to increase. Laws, regulations and policies currently governing the Issuer have changed, and may continue to change in ways which have had and may have a material adverse effect on the Issuer's business, revenues, results of operations, financial condition and prospects.

The Issuer cannot predict whether or when future legislative or regulatory actions may be taken, or what impact, if any, actions taken to date or in the future could have. Financial regulation in the Member State in which the Issuer operates is mainly based on EU directives. However, differences may occur in the regulations of various Member States, and such differences between the regulations of Member States may place the Issuer's business at a competitive disadvantage in comparison to other European financial services groups.

Despite the Issuer's efforts to maintain effective compliance procedures and to comply with applicable laws and regulations, these compliance procedures may be inadequate or otherwise ineffective, including as a result of human or other operational errors in their implementation, and the Issuer might fail to meet applicable standards. The Issuer may also fail to comply with applicable laws and regulations as a result of unclear regulations, regulations being subject to multiple interpretations or being under development, or as a result of a shift in the interpretation or application of laws and regulations (including EU Directives) by regulators. Failure to comply with any applicable laws and regulations could subject the Issuer to administrative penalties and other enforcement measures imposed by a particular governmental or self-regulatory authority, and could lead to unanticipated costs associated with remedying such failures (including claims from the Issuer customers) and adverse publicity, harm the Issuer's reputation, cause temporary interruption of operations and cause revocation or temporary suspension of the licence. Each of these risks, should they materialise, could have a material adverse effect on the Issuer's business, revenues, results of operations, financial condition and prospects.

The impact on the Issuer of recent and ongoing financial regulatory reform initiatives is uncertain.

Financial regulatory reform initiatives could have adverse consequences for the financial services industry generally, including the Issuer. Recent and ongoing regulatory reform initiatives include, amongst others:

CRD V/Basel III/Basel III Reforms

The Issuer is subject to the risk, inherent in all regulated financial businesses, of having insufficient capital resources to meet the minimum regulatory capital requirements. Since the financial crisis that started in 2008,

financial institutions, including credit institutions such as the Issuer, have been subject to increased public and regulatory scrutiny, and new laws and regulations have been enacted. Specifically, in December 2010, the Basel Committee on Banking Supervision published its final standards on the revised capital adequacy framework known as 'Basel III'. These standards are significantly more stringent than the capital adequacy requirements that were in place before Basel III. In order to facilitate the implementation of the Basel III capital and liquidity standards for banks and investment firms, CRD IV has been adopted. CRD IV consists of the CRD IV Directive and the CRR and aims to create a sounder and safer financial system. The CRD IV Directive governs amongst other things the permissibility of deposit-taking activities while the CRR establishes the majority of prudential requirements institutions need to respect. The CRD IV Directive entered into force in the Netherlands on 1 August 2014. The CRD IV Regulation entered into effect on 1 January 2014. Since the introduction of the Basel III framework, the Basel Committee published several consultation documents for amendment of Basel III. Any amendments resulting from these and possible future consultations are likely to affect rules contained in CRD IV and/or the application of CRD IV and the rules and regulations based thereon.

CRD IV resulted, *inter alia*, in the Issuer becoming subject to stricter capital and liquidity requirements and will also affect the scope, coverage, or calculation of capital. In addition, more stringent rules apply to instruments in order to constitute regulatory capital ("*toetsingsvermogen*"). The supervisory authorities could require the Issuer to take remedial action if it breaches any of the regulatory capital requirements. The remedial action could be to work closely with the authorities to protect customers' interests and to restore the Issuer's capital and solvency positions to acceptable levels. This may have a negative impact on the payments on the Notes.

As briefly referred to above, the Basel Committee published several consultation documents for amendment of Basel III. These consultations include, among others, proposals for revision of the standardised approaches for credit, operational and market risk, the introduction of capital floors based on standardised approaches, revision of the leverage ratio framework and enhancement of the Pillar III disclosure requirements. Of these proposals, the proposed revisions of the standardised approach for credit risk, in combination with the proposed capital floor framework based on the revised standard approaches for credit, market and operational risk, may have the most significant impact on the Issuer. The proposal regarding the revisions of the standardised approach for credit risk includes, among others, (i) introduction of due diligence requirements for assessing the creditworthiness of a bank's counterparties, (ii) enhancement of the requirements surrounding the use of external ratings, (iii) the introduction of risk drivers to determine risk weightings of certain asset classes and (iv) the introduction of higher risk weights for certain asset classes. The aim of the revision is to discourage banks from relying mechanically on external ratings for the assessment of an asset's creditworthiness. Relevant for the Issuer are in particular the proposed revisions with respect to exposures secured by real-estate (such as mortgage loans), including the proposal to use the LTV ratio as the main risk driver for risk weighting purposes, certain procedural aspects for being able to apply a preferential risk weight based on the LTV ratio (e.g. required documentation) and the treatment of guarantees (such as the Dutch National Mortgage Guarantee (*Nationale Hypotheek Garantie*)). The proposal regarding the capital floor based on the revised standardised approach for credit, market and operational risk forms part of a range of policy and measures that aim to enhance the reliability and comparability of risk weighted capital ratios across banks. Its objectives are, amongst others, to ensure that the level of capital across the banking system does not fall below a certain level, mitigate model risk and measurement error stemming from internally modelled approaches and address incentive-compatibility issues. Timing for adoption, content and impact of these proposals remains subject to considerable uncertainty. However, the implementation of amendments to the Basel III framework in general, and the revisions to the standardised approach for credit risk and the capital floor framework based thereon in particular, and the amendments of Basel III as already made public in several consultative documents, most notably on the treatment of credit and operational risks (which amendments are referred to as 'Basel IV'), could have a significant impact on the Issuer's financial position and results of operations and therefore its ability to make payments on the Notes.

Following certain proposals of the Basel Committee and the Financial Stability Board, the European Commission ("EC") proposed on 23 November 2016 a comprehensive package of banking reforms to CRD IV, the Bank Recovery and Resolution Directive ("BRRD") and the Single Resolution Mechanism and Single Resolution Fund ("SRM Regulation") (together, the "EU Banking Reforms"), including measures to increase the resilience of EU institutions and enhance financial stability. The EU Banking Reforms are wide-ranging and cover multiple areas, including: (a) a binding 3 per cent. leverage ratio, (b) a binding detailed net stable funding ratio, (c) a requirement to have more risk-sensitive own funds for banks trading in certain instruments (further to Basel Committee's fundamental review of the trading book), (d) a new category of 'non-preferred' senior debt, (e) the introduction of the new total loss-absorbing capacity ("TLAC") standard for G-SIIs, (f) an amendment of the minimum requirement for own funds and eligible liabilities ("MREL") framework to integrate the TLAC standard and (g) a revised calculation method for derivatives exposures. On 16 April 2019, the European Parliament announced that is has approved the EU Banking Reforms in order to reduce risks to EU banks and protect taxpayers. The next step is for the European Council to adopt the proposals. However, except for certain elements, such as the application of TLAC in a phased manner as of 1 January 2019 and the bill implementing the requirement for 'non-preferred' senior debt coming into force in the Netherlands in December 2018, the timing for the entry into force of these reforms is, however, unclear at the date of this Prospectus.

On 7 December 2017, the Basel Committee published the finalised Basel III reforms as improvements to the global regulatory framework ("Basel III Reforms") (informally referred to as Basel IV). Basel III Reforms seeks to restore credibility in the calculation of risk weighted assets ("RWA") and to improve the comparability of banks' capital ratio. The most important changes involve stricter rules for internal models and a capital floor. The Basel III Reforms, however, also include revisions to the standardised approaches for credit risk, operational risk and CVA. Given that the Basel III Reforms will have to be transposed by the EU legislature, the precise impact of the Basel III Reforms on the Issuer remains uncertain.

BRRD, SRM and Wft

The BRRD and the SRM Regulation provide the European framework for the recovery and resolution of (amongst others) ailing banks, certain investment firms and certain group entities.

The BRRD was adopted by the European Council on 6 May 2014 and the SRM Regulation was adopted on 15 July 2014. The SRM Regulation is directly applicable in the Member States participating in the SSM. Those parts of the SRM Regulation dealing with recovery and resolution entered into force as of 1 January 2016. On 26 November 2015, the law to implement the BRRD and to facilitate the application of the SRM Regulation in Netherlands (the "BRRD Implementation Act") entered into force.

The Issuer, as a bank established in a Member State participating in the SSM, is primarily subject to the SRM under the SRM Regulation. The BRRD, however, which has been implemented in Dutch law, in addition provides for certain early intervention measures and for the powers of the competent resolution authority necessary to implement the decisions taken pursuant to the SRM Regulation. Although the SRM Regulation provides for the establishment of a European single resolution board (consisting of representatives of the ECB, the European Commission and the relevant national authorities) to be responsible for the effective and consistent functioning of the SRM (including the implementation of any resolution decisions), the Issuer, because it is a bank subject to the indirect supervision of the ECB, will in principle fall under the competency of the national resolution authority (i.e. DNB). Although the Issuer is currently not subject to MREL requirements, the national resolution authority would be responsible for setting the level of the MREL, writing down or converting relevant capital instruments, adopting resolution decisions and applying resolution tools in accordance with the resolution principles and in order to meet the resolution objectives.

The SRM and BRRD apply not only to banks, but may also apply to certain investment firms, group entities (including financial institutions subject to consolidated supervision and entities consolidated with the Issuer on the basis of the accounting rules) and (to a limited extent) branches of equivalent non-EEA banks and investment firms. In connection therewith, the SRM and BRRD recognise and enable the application of the recovery and resolution framework both on the level of an individual entity as well as on a group level. The below should be read in the understanding that the Issuer or any entity belonging to the group may become subject to requirements and measures under the SRM and BRRD not only with a view to or as a result of its individual financial situation, but also, in certain circumstances, with a view to or as a result of the financial situation of the group that it forms part of.

The early intervention measures that may be imposed by the competent regulator in respect of the Issuer in the event its financial condition is deteriorating could pertain, amongst others, to a change of its legal or operational structure, the removal of (individuals within) senior management or the management body and the appointment of a temporary administrator to work together or replace such (individual within) senior management or management body. The national resolution authority may also under certain circumstances and prior to resolution decide to write down or convert relevant capital instruments, including Common Equity Tier 1, Additional Tier 1 and Tier 2 instruments, in a certain order of priority. If the Issuer would be failing or is likely to fail and the other resolution conditions would also be met, the national resolution authority may decide to place the Issuer under resolution. As part of the resolution scheme to be adopted by the national resolution authority it may decide to apply certain resolution tools and exercise its powers pursuant to the implemented BRRD in order to give effect to such resolution tools. The resolution tools under the SRM Regulation and the BRRD Implementation Act include the sale of business tool, the bridge institution tool and the asset separation tool, each of which, in short, provides for a transfer of certain assets and/or liabilities of the institution under resolution to a third party. In addition, the SRM Regulation and the BRRD Implementation Act introduce the bail-in tool which gives the national resolution authority the power to write down or convert into equity certain debt and other liabilities of the institution.

The SRM Regulation and the BRRD Implementation Act also require banks to meet at all times a certain MREL, expressed as a percentage of the total liabilities and own funds. The competent resolution authority shall set a level of minimum MREL on a bank-by-bank basis based on assessment criteria to be set out in technical regulatory standards. For the avoidance of doubt, as set out above, no minimum level of MREL is set by the national resolution authority at the moment. In addition hereto, the FSB has developed proposals to enhance the TLAC of global systemically important banks in resolution. The FSB proposes minimum TLAC requirements to be set as a percentage of the loss-absorbing capital and debt against the balance sheet (both weighted and unweighted) (as further described below).

Some Member States have implemented legislation to provide for mandatory subordination of certain senior unsecured debt instruments, including bonds in bearer and registered form, amongst other reasons, in order for banks to be able to meet MREL and/or TLAC requirements. With a view to the new category of 'non-preferred' senior debt introduced as part of the EU Banking Reforms that banks could make use of, but which does not provide for any mandatory subordination, it is unlikely that similar legislation will be introduced. If such legislation would be introduced, it could cause certain debt instruments of the Issuer, including any Notes, to become subordinated to other senior debt instruments of the Issuer. As a result, in a resolution of the Issuer, such debt instruments would be bailed in prior to other senior unsecured liabilities and such a subordination may also have retroactive effect.

The resolution framework under the SRM Regulation and the BRRD purports, amongst others, to ensure the critical functionality of the relevant institution, to avoid significant adverse effects on the stability of the financial markets and to protect public funds. The SRM Regulation further introduces the single resolution fund ("SRF"), which for banks established in the members states participating in the SSM will replace the national resolution

funds set up or to be set up further to the implementation of the BRRD. The SRF must be funded in order to ensure that the SRF has adequate financial resources to allow for an effective functioning of the resolution framework under the SRM Regulation. Similar to the national resolution funds under the BRRD, the SRF will be funded by ex-ante annual contributions from banks, such as the Issuer. For the SRF these will be calculated for each bank on the basis of their liabilities, excluding own funds and covered deposits, and adjusted for risk. The SRF will be built up over a period of eight (8) years to reach a target level of at least 1 per cent. of the amount of covered deposits of all banks authorised in all the member states participating in the SSM.

It is possible that, pursuant to the BRRD Implementation Act, the BRRD and/or the SRM Regulation the relevant regulator or resolution authority may use its powers under the new regime in a way that could result in subordinated and/or senior debt instruments of the Issuer, including Notes issued under the Programme, absorbing losses. The use of certain powers pursuant to the SRM Regulation, the BRRD and the BRRD Implementation Act could negatively affect the position of the Noteholders and the credit rating attached to debt instruments then outstanding and could result in losses to the Noteholders, in particular if and when any of the above proceedings would be commenced against the Issuer. These measures could increase the Issuer's cost of funding and thereby have an adverse impact on the Issuer's financial position and results of operations. In addition, there could be amendments to the SRM, BRRD and the BRRD Implementation Act, which may add to these effects.

The EU Banking Reforms (as described above under "*Basel III/Basel III Reforms/CRD V*") include various amendments to the BRRD and the SRM framework. Among others, the EU Banking Reforms contain a proposal for the implementation of the TLAC standard as well as an amendment of the MREL framework to integrate the TLAC standard. The TLAC standard adopted by the Financial Stability Board aims to ensure that G-SIBs have sufficient loss-absorbing and recapitalisation capacity available in resolution. To maintain coherence between the MREL rules (which apply to both G-SIBs and non-G-SIBs) and the TLAC standards, the EU Banking Reforms also propose a number of changes to the MREL rules applicable to non-G-SIBs, such as the Issuer, including (without limitation) the criteria for eligibility of liabilities for MREL. The EU Banking Reforms further provide for the resolution authorities to give guidance to an institution to have own funds and eligible liabilities in excess of the requisite levels for certain purposes. Furthermore, the EU Banking Reforms also include a directive which entered into force on 28 December 2017 amending the BRRD (the "BRRD Amendment Directive"). The BRRD Amendment Directive provides for an EU-harmonised approach on bank creditors' insolvency ranking that would enable banks to issue debt in a new statutory category of unsecured debt, ranking just below the most senior debt and other senior liabilities for the purposes of resolution, while still being part of the senior unsecured debt category. The EU Banking Reforms also propose a moratorium tool allowing for the suspension of certain contractual obligations for a short period of time in resolution as well as in the early intervention phase. As such, the EU Banking Reforms may affect the Issuer (including with regard to the MREL level it must maintain, which could be determined in the future) and the Notes (including with regard to their ranking in insolvency and their being at risk of being bailed-in). Save for certain elements, such as the required implementation in the Member States of the 'non preferred senior debt' ultimately by 29 December 2018, the timing for the final implementation of the EU Banking Reforms as at the date of this Prospectus is unclear. A bill implementing the requirement for 'non preferred senior debt' in the Netherlands came into force in December 2018.

In addition to the SRM Regulation and the BRRD Implementing Act, the Dutch Financial Supervision Act (*Wet op het financieel toezicht* or "**Wft**") contains far-reaching intervention powers for the Dutch Minister of Finance with regard to banks or their parent undertakings established in the Netherlands, such as the Issuer, if the Minister of Finance deems that the stability of the financial system is in serious and immediate danger due to the situation that bank is in. The Wft empowers the Dutch Minister of Finance to (i) commence proceedings leading to ownership by the Dutch State (nationalisation) of the relevant financial institution, or also its parent company and expropriation

of assets and liabilities, claims against it and/or securities, and (ii) take immediate measures which may deviate from statutory provisions or from the articles of association of the relevant financial institution.

The Issuer is unable to predict what effects, if any, the BRRD, the BRRD Implementation Act, the SRM Regulation, the EU Banking Reforms proposals and the special resolution powers under the Wft may have on the financial system generally, the Issuer's counterparties, or on the Issuer, its group entities, its operations and/or its financial position or the Notes.

Act on recovery and resolution failing of insurers

On 1 January 2019, the new Dutch law on recovery and resolution (*Wet herstel en afwikkeling van verzekeraars*) entered into force. Under the new law, new obligations are imposed on Dutch insurers and new resolution powers are conferred to DNB. The new law, amongst other things, requires insurers and mixed insurance holding companies to have a preparatory crisis plan in place which provides for measures an insurer can take to recover from a substantial deterioration of its financial position. This preparatory crisis plan needs to be approved by DNB.

With regard to the resolution elements in the law on recovery and resolution, this new law empowers DNB to draw up resolution plans. In case DNB observes that there are serious constraints to resolve an insurer in case of resolution, DNB can instruct an insurer to take appropriate measures to take away these constraints. This could make it more expensive for NN Group to conduct its business and could require NN Group to make changes to its business model. As a result of entering into force of this law, many of the rules that were introduced by the Dutch Intervention Act are repealed and the emergency regulation (*noodregeling*) and safety-net-scheme (*opvangregeling*) are abolished.

As the Issuer forms a part of NN Group which includes an insurance company, the new law might affect the Issuer.

Remuneration

As from 2011, credit institutions and investment firms based in Member States have to comply with the variable pay constraints following from CRD III. These CRD III rules have been revised and as from 2014, credit institutions and investment firms based in Member States have to comply with the variable pay constraints following from CRD IV, including a bonus cap of 100 per cent. of fixed pay (or 200 per cent. if shareholders approve) for identified staff. These variable pay constraints are applicable to all operations of credit institutions and investment firms based in Member States (including their operations outside the EU). These variable pay constraints following from CRD IV were implemented in Dutch law on 1 August 2014. As a result, the variable pay constraints stemming from CRD IV apply directly to the bank activities of NN Group. These pay constraints may limit the Issuer's ability to attract and retain talented staff. CRD IV allows Member States to introduce a more restrictive bonus cap. On 7 February 2015, the Act on Remuneration Policies in Financial Enterprises (*Wet beloningsbeleid financiële ondernemingen*) ("ARPFE") entered into force which is not only applicable to Dutch-based banks but also to Dutch-based insurance companies. The ARPFE introduces a cap for variable remuneration of 20 per cent. of fixed remuneration for all staff in the Netherlands. In the ARPFE, the following exceptions to the 20 per cent. cap are included: (i) for staff in the Netherlands whose remuneration does not exclusively fall under a collective labour agreement, the 20 per cent. cap does not apply on an individual basis, but it applies to the average variable remuneration of such staff whereby the maximum variable remuneration is capped at 100 per cent. of the fixed remuneration of each individual; (ii) for staff that work predominantly outside of the Netherlands, but within the EU, there is an individual variable remuneration cap of 100 per cent. of fixed remuneration; (iii) for staff that work predominantly outside the EU, an individual variable remuneration cap of 200 per cent. of fixed remuneration applies, subject to shareholder approval and notification to the regulator; and (iv) the 20 per cent. cap does not apply to legal entities whose regular business is managing one or more collective investment undertakings which

are subject to AIFMD or UCITS. In addition, the ARPFE also covers a number of other topics, such as strict conditions on severance pay, prohibition on guaranteed bonuses and claw-back of variable remuneration and severance pay. Although exceptions to the 20 per cent. cap are available, these pay constraints may limit the Issuer's ability to attract and retain talented staff.

The Minister of Finance has informed the Dutch Parliament of the intention of the Dutch Government to introduce additional remuneration rules that will, amongst other things, (i) introduce a retention period for share awards that are part of fixed remuneration received by statutory board members and employees of a financial institution such as a bank or insurance company and (ii) aim to limit the scope of the exception to the 20 per cent cap for staff in the Netherlands whose remuneration does not exclusively fall under a collective labour agreement. These new pay constraints may limit the Issuer's ability to attract and retain talent.

SIFIs

As a result of the financial crisis that started in 2008, international and domestic regulators have moved to protect the global financial system by adopting regulations intended to prevent the failure of systemically important financial institutions ("SIFIs") or, if one does fail, limiting the adverse effects of its failure. In November 2011, the Financial Stability Board published a list of global systemically important financial institutions ("G-SIFIs"). Subsequently, in July 2013, the Financial Stability Board designated nine global insurance companies as global systemically important insurers ("G-SIIs"). As a result, these firms will be subject to enhanced supervision and increased regulatory requirements in the areas of recovery and resolution planning as well as capital. The implementation deadlines for these requirements start after an insurer has been designated as G-SIFI. Although NN Group at this point in time does not expect to be designated a G-SIFI or a G-SII, it cannot be ruled out that this or similar supervision and regulation will apply to NN Group and therefore the Issuer in the future.

Risk associated with Compensation Schemes

In the Netherlands and other jurisdictions Compensation Schemes have been implemented from which compensation may become payable to customers of financial services firms in the event the financial service firm is unable to pay, or unlikely to pay, claims against it. In many jurisdictions these Compensation Schemes are funded, directly or indirectly, by financial services firms which operate and/or are licensed in the relevant jurisdiction. As a result of the increased number of bank failures, in particular since the fall of 2008, the Issuer expects that levies in the industry will continue to rise as a result of the Compensation Schemes. In particular, the Issuer is a participant in the Dutch Deposit Guarantee Scheme, which guarantees an amount of EUR 100,000 per person per bank (regardless of the number of accounts held). The costs involved with making compensation payments under the Deposit Guarantee Scheme are allocated amongst the participating banks by DNB, based on an allocation key related to their market shares with respect to the deposits protected by the Deposit Guarantee Schemes. The ultimate costs to the industry of payments which may become due under the Compensation Schemes remain uncertain, although they may be significant and these and the associated costs to the Issuer may have a material adverse effect on its results of operations and financial condition.

On 16 April 2014, the Recast Deposit Guarantee Directive was adopted. Pursuant to the Recast Deposit Guarantee Directive, the Deposit Guarantee Scheme changes from an ex-post scheme, where the Issuer contributes after the failure of a firm, to an ex-ante scheme where the Issuer and other financial institutions will pay risk-weighted contributions into a fund to cover future drawings under the Deposit Guarantee Scheme. The fund is expected to grow to a target size of 0.8 per cent. of all deposits guaranteed under the Deposit Guarantee Scheme. The target size should be reached by 2024. The Recast Deposit Guarantee Directive was implemented in the Netherlands on 26 November 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". However, Estonia has since stated that it will not participate. As at the date of this Prospectus, it has not been proposed that the Netherlands become a participating Member State. Under the proposed directive, the FTT would have a broad scope and could, 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. The proposed directive has been subject to public and media scrutiny, several rounds of negotiation by the 11 participating Member States, and the legality of certain aspects of the proposal has been questioned.

As of the date of this Prospectus, it is unclear when the FTT will come into force, if at all, and unclear what the content of the FTT would be. During 2016, the participating Member States once again expressed their intention to come to an agreement, however, a new draft legislative proposal has not been published yet. As it is not currently contemplated that the Netherlands would be a participating Member State, and thus part of the FTT-Zone, it is expected that, even if the FTT were to come into force, its impact on the Issuer's results of operations would be relatively limited. However, the impact of the FTT on the Issuer's results of operations could be significantly greater if the Netherlands were to become a participating Member State.

EMIR

The European Market Infrastructure Regulation 648/2012 ("EMIR") entered into force in all the Member States on 16 August 2012. EMIR aimed to increase stability in European OTC derivatives markets and includes measures to require the clearing of certain OTC derivatives contracts through central clearing counterparties and to increase the transparency of OTC derivatives transactions. EMIR is currently under review and slightly amended transaction reporting rules have entered into force per 1 November 2017. The EC has issued two legislative proposals that may have an impact on the clearing of derivatives by the Issuer: (i) Proposal on CCP recovery and resolution to ensure that CCP's critical functions are preserved while maintaining financial stability and avoiding the costs of restructuring falling on taxpayers (ii) Proposal on CCP supervision for a pan-European approach to supervision of EU and third-country CCPs.

As the negotiations between the UK and the EU27 have so far not led to a deal adopted by the UK Parliament, it is currently unclear what the Brexit will look like and hence means for the derivative market. Prospective investors should be aware that the regulatory changes arising from both EMIR review and/or the Brexit may increase the cost for the Issuer of entering into and maintaining derivative contracts and may adversely affect its ability to engage in and/or maintain derivative contracts, for instance to hedge the Issuer's open financial market positions. While temporary measures have been announced by both the UK government and the European Commission to address financial stability concerns in case of a no-deal Brexit, the uncertainty around which Brexit scenario will be executed makes it hard to predict if and when these would enter into force.

The mandatory central clearing of OTC derivative contracts will apply to the classes of OTC derivatives that have been declared subject thereto in regulatory technical standards ("RTS") in the form of delegated regulations developed by ESMA and adopted by the European Commission. On 6 August 2015 the European Commission adopted the first set of RTS, which make central clearing mandatory for certain OTC interest rate derivative contracts (including certain interest rate swaps) (the "Clearing RTS"). On the basis of the Clearing RTS, the clearing obligation in respect of in-scope derivative contracts will be phased-in over three years, with the start date depending on the type of counterparty to such derivative contract. The central clearing obligation for the eligible

OTC interest rate derivative contracts under the Clearing RTS for Category 1 counterparties (i.e. existing clearing members) entered into force as of 21 June 2016. The clearing obligation will start from 21 December 2016 for Category 2 counterparties, 21 June 2017 for Category 3 counterparties and 21 December 2018 for Category 4 counterparties. For Category 1 and Category 2 counterparties, the clearing obligation will have retroactive effect and consequently require such counterparties to clear eligible OTC derivative transactions entered into or novated before the clearing obligation has taken effect.

Some of the EMIR regulations do not apply to the full extent to certain non-financial counterparties ("NFC-") as long as the total exposure of the OTC derivatives contracts of all the NFC- within the consolidated group (in the case of the Issuer, NN Group) remains under a threshold. As (i) the Issuer uses special purpose vehicles ("SPVs") for its securitisation programme, (ii) these SPVs make use of OTC derivative contracts to hedge their respective positions, and (iii) these SPVs are consolidated within the Issuer, the total exposure of the OTC derivatives contracts of all the NFC entities within NN Group is relevant. At this point in time, the total exposure of the NFC entities within NN Group remains below the threshold. Over time, this may change whereupon the SPVs the Issuer uses will qualify as NFC+ under the EMIR regulation.

Pursuant to Article 12 (3) of EMIR any failure by a party to comply with the rules under Title II of EMIR shall not make an OTC derivative contract invalid or unenforceable. However, if any party fails to comply with the rules under EMIR it may be liable for an incremental penalty payment or administrative fine. If any such penalty or fine is imposed on the Issuer, the Issuer may have insufficient funds to pay its liabilities in full.

EMIR may, among other things, lead to more administrative burdens and higher costs for the Issuer. In addition, there is a risk that the Issuer's position in derivatives according to EMIR exceeds the clearing threshold and/or is included in the classes of OTC derivatives that are subject to the clearing obligation. This could lead to higher costs or complications. Separately, further changes will also be made to the EMIR framework in the context of the EMIR review process which is ongoing. We note that the EU Commission has published legislative proposals providing for certain amendments to EMIR. If the proposals are adopted in the form originally proposed by the EU Commission, the classification of certain counterparties under EMIR would change. The compliance position under any adopted amended framework of swap transactions entered into prior to application is uncertain.

Benchmark Regulation

On 29 June 2016, the Regulation on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds (the "Benchmarks Regulation") was published in the official journal and applies from 1 January 2018. The Benchmarks Regulation aims to contribute to the accuracy and integrity of benchmarks used in financial instruments and financial contracts or to measure the performance of investment funds by, among others, (i) ensuring that benchmark administrators are subject to prior authorisation and supervision depending on the type of benchmark, requiring greater transparency on how a benchmark is produced; and (ii) ensuring the appropriate supervision of critical benchmarks, such as EURIBOR/LIBOR, the failure of which might create risks for market participants and for the functioning and integrity of markets and (iii) requiring EU supervised entities to only use benchmarks of administrators that are duly authorised/registered. As user of benchmarks for, amongst others, the debt securities it issues, the Issuer may only use benchmarks, which are in compliance with the Benchmark Regulation. See also the risk factor *'Changes or uncertainty in respect of LIBOR and/or EURIBOR or other interest rate benchmarks may affect the value or payment of interest under the Notes'*.

The Financial Stability Board and additional governmental measures

In addition to the adoption of the laws, regulations and other measures described herein, regulators and lawmakers

around the world are actively reviewing the causes of the financial crisis and exploring steps to avoid similar problems in the future. In many respects, this work is being led by the FSB, consisting of representatives of national financial authorities of the G20 nations. The G20 and the FSB have issued a series of papers and recommendations intended to produce significant changes in how financial companies, particularly companies that are members of large and complex financial groups, should be regulated. These proposals address such issues as financial group supervision, capital and solvency standards, systemic economic risk, corporate governance including executive compensation, and a host of related issues associated with responses to the financial crisis. The lawmakers and regulatory authorities in the Netherlands have already begun introducing legislative and regulatory changes taking into account G20 and FSB recommendations.

Furthermore, governments in the Netherlands and abroad have also intervened over the past few years on an unprecedented scale, responding to stresses experienced in the global financial markets.

The continuing introduction of new regulations, if applicable to the Issuer, could significantly impact the manner in which it operates and could materially and adversely impact the profitability of one or more of the Issuer's business lines or the level of capital required to support its activities. New laws may include the expropriation or nationalisation of assets of the Issuer or its customers. Although the full impact of the regulations described above cannot be determined, including as a result of discretions granted to regulators, uncertainties as to the interpretation and implementation of the regulations by regulators and governmental bodies and, in the case of regulations that have not yet been finalised, until the content of the regulations themselves has become clear, many of their requirements could have material and adverse consequences for the financial services industry, including for the Issuer. These regulations could make it more expensive for the Issuer to conduct its business, require that the Issuer makes changes to its business model, require that the Issuer satisfies increased capital requirements, necessitate time-consuming and costly implementation measures, or subject the Issuer to greater regulatory scrutiny, which could, individually or in the aggregate, have a material adverse effect on the Issuer's business, revenues, results of operations, financial condition and prospects.

The Issuer may be subject to stress tests and other regulatory enquiries. Stress tests and the announcement of the results by regulatory authorities can destabilise the banking sector and lead to a loss of trust with regard to individual companies or the banking sector as a whole. Such stress tests, and the announcement of the results, could negatively impact the Issuer's reputation and financing costs and trigger enforcement actions by regulatory authorities.

In order to assess the level of available capital and liquidity in the banking sector, the national and supra-national regulatory authorities (such as EIOPA and EBA) require capital and liquidity calculations and conduct stress tests where they examine the effects of various adverse scenarios on banks. Announcements by regulatory authorities that they intend to carry out such tests can destabilise the banking sector and lead to a loss of trust with regard to individual companies or the banking sector as a whole. In the event that the Issuer's results in such a calculation or test are worse than those of its competitors and these results become known, this could also have adverse effects on the Issuer's financing costs, customer demand for the Issuer's products and the Issuer's reputation. Furthermore, a poor result by the Issuer in such calculations or tests could influence regulatory authorities in the exercise of their discretionary powers.

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

The Issuer develops financial products whereby it takes into account the internal product approval requirements, compliance procedures and the applicable laws and regulations. When new financial products are brought to the

market, communication and marketing aims to present a balanced view of the product (however there is a focus on potential advantages for the customers). If the Issuer enters into financial transactions and such products or transactions do not generate the expected profit for the Issuer's clients, or result in a loss, or otherwise do not meet expectations, customers may file mis-selling claims against the Issuer. Mis-selling claims are claims from customers who allege that they have received misleading advice or other information from either the Issuer internal or external advisors (even though the Issuer does not always have full control over the external advisors). Complaints may also arise if customers feel that they have not been treated reasonably or fairly, or that the duty of care has not been complied with (see also '*Adverse publicity, claims and allegations, litigation and regulatory investigations and sanctions may have a material adverse effect on the Issuer's business, revenues, results of operations, financial condition and prospects*' below). While a considerable amount of time and money has been invested in reviewing and assessing historic sales "and know your customer" practices, and in the maintenance of risk management, legal and compliance procedures to monitor current sales practices, there can be no assurance that all of the issues associated with current and historic sales practices have been or will be identified, nor that any issues already identified will not be more widespread than presently estimated. The negative publicity associated with any sales practices, any compensation payable in respect of any such issues and/or regulatory changes resulting from such issues could have a material adverse effect on the Issuer's reputation, business, results of operations and prospects. Customer protection regulations as well as changes in interpretation and perception by both the public at large and governmental authorities of acceptable market practices might influence client expectations.

Adverse publicity, claims and allegations, litigation and regulatory investigations and sanctions may have a material adverse effect on the Issuer's business, revenues, results of operations, financial condition and prospects.

The Issuer is subject to litigation, arbitration and other claims and allegations as well as regulatory investigations, concerning, among others, the charge and disclosure of costs, commissions, (default) interest and transparency in respect of certain products and services. The occurrence of such events could result in adverse publicity and reputational harm, lead to increased regulatory supervision, affect the Issuer's ability to attract and retain customers and maintain its access to the capital markets, result in cease-and-desist orders, claims, enforcement actions, fines and civil and criminal penalties, other disciplinary action, or have other material adverse effects on the Issuer in ways that are not predictable.

Over time, the regulatory requirements and expectations of various stakeholders, including customers, regulators and the public at large, as well as standards and market practice, have developed and changed, leading to increasing customer protection. As a result, customers have claimed and may in the future claim that products sold in the past fail to meet current requirements and expectations and that the Issuer or any other financial institution(s) have failed to meet the required level of transparency where it concerns, for instance, cost charges, interest, product characteristics and related risks. In any such proceedings, it cannot be excluded that the relevant court, regulator, governmental authority or other decision-making body will apply current norms, requirements, expectations, standards and market practices on laws and regulations to products sold, issued or advised on by the Issuer.

Some claims and allegations may be brought by or on behalf of a class (a collective action), and claimants may seek large or indeterminate amounts of damages, including compensatory, liquidated, treble and punitive damages. In the Netherlands, the number and size of claims that are the subject of litigation, regulatory proceedings and other adversarial proceedings (including, without limitation, collective actions) against financial institutions are increasing, and could further increase following the adoption of a new bill, that has been approved by the House of Representatives (*Tweede Kamer*) on 29 January 2019 and the Senate (*Eerste Kamer*) on 19 March 2019 (*Kamerstukken I 2018/19, 34608, nr. A*), on the basis of which it will become possible to collectively claim damages, arising from events on or after 15 November 2016, through a collective action. This new bill will enter

into force on a date that has yet to be determined by Royal Decree, which will be published in the Bulletin of Acts and Decrees (*Staatsblad*). These legal risks could potentially involve, but are not limited to, disputes concerning the products and services in which the Issuer acts as principal, intermediary or otherwise. Until the new bill has entered into force, and for claims arising from events occurred before 15 November 2016, a collective action initiated in the Netherlands has as a main characteristic that a plaintiff cannot claim damages on behalf of a class of disadvantaged parties. Instead, Dutch law entitles claims organisations to demand other relief, most importantly, a 'declaration of law' by the court that a certain action was unlawful. Such declaration can then form the basis for an award for damages in individual cases. A declaration of law may also serve as a basis for negotiations between the defendant against which the declaration of law has been awarded and claims organisations representing disadvantaged parties, to come to a collective monetary settlement which can subsequently be declared binding by the Court of Appeal in Amsterdam and applied to the entire class of disadvantaged parties. The Issuer's reserves for litigation liabilities may prove to be inadequate. Claims and allegations, should they become public, need not be well founded, true or successful to have a negative impact on the Issuer's reputation. In addition, press reports and other public statements that assert some form of wrongdoing on the part of the Issuer or other large and well-known companies (including as result of financial reporting irregularities) could result in adverse publicity and in inquiries or investigations by regulators, legislators and law enforcement officials, and responding to these inquiries and investigations, regardless of their ultimate outcome, is time-consuming and expensive.

Adverse publicity, claims and allegations (whether on an individual or collective basis), litigation and regulatory investigations and sanctions may have a material adverse effect on the Issuer's business, revenues, results of operations, financial condition and prospects in any given period.

Risk related to the development, origination and/or servicing of mortgage loans which are (and will be) sold to NN Group entities and/or external parties as investments.

A large part of the mortgage loans originated by the Issuer (or its legal predecessors) are (and will be) sold to internal NN Group parties and to NN Dutch Residential Mortgage Fund as investments. Such mortgage loans remain serviced by the Issuer. In the case errors have been made in the development, origination and/or servicing of such mortgage loans, a dispute may arise whether the Issuer is responsible for any losses related to such mortgage loans. In case it is determined that the Issuer as originating party, or otherwise as seller of such mortgage loans, should bear these losses, this may have a material negative impact on the Issuer's financial position and result of operations.

Financial Conglomerate ("FICO")

On 19 April 2016, DNB designated NN Group as a financial conglomerate (FICO) effective from 1 January 2016. As of that date NN Group qualifies as a mixed financial holding company and is subject to supplemental group supervision by DNB in accordance with the requirements of the EU's Financial Conglomerate Directive. As a result, DNB has required NN Group to deduct its participation in credit institutions from the NN Group Solvency II ratio. Accordingly, NN Group excludes the Issuer from both Own Funds and the SCR. Additional requirements stemming from other European directives and regulations, such as the Recovery and Resolution Directive (2014/59/EU), CRD IV (2013/36/EU) and CRR (575/2013/EU), might also apply to a FICO. For insurance led FICOs, DNB is currently of the view that the CRD IV and CRR requirements do not apply to the holding company given that it is already subject to Solvency II group supervision requirements. However, a different interpretation of these requirements by the EC or future changes to these requirements might lead to DNB taking a different view in this respect.

If so, this could lead to the application of other consolidation requirements for the Issuer, whereby the Issuer would need to include certain group elements in its capital calculation. This could have a material adverse effect on its

business and requires NN Group to make changes to its business model.

The legal merger of Delta Lloyd Bank and the Issuer may not give rise to the intended benefits and/or may have a negative impact on the Issuer's business, including its overall financial, capital or liquidity position, or stability, or otherwise, and may have a material adverse effect on the business, revenues, result of operation, financial condition and prospects of the Issuer

As a result of the acquisition by NN of Delta Lloyd, the Issuer and Delta Lloyd Bank merged on 1 January 2018 ("the Merger"). No assurance is given that the commercial, operational and other benefits, including cost synergies and operational results, that the Issuer believes will arise as a result of the Merger, will in fact arise or arise on a timely basis, or that there will not be any negative impact on the Issuer as a result of the Merger. The discontinuation of Delta Lloyd brands may result in customers either not entering into new business with NN Group, or cancelling their existing contracts. The integration of Delta Lloyd Bank may be complex and expensive, and depends largely on integrating the risk, financial, technological and management standards, processes, procedures and controls of Delta Lloyd Bank, as well as employees and other operational functions, into those of the Issuer's business. Such integration will require management to devote significant time and resources to execute effectively, particularly in areas where the businesses of the Issuer and Delta Lloyd Bank differ. This may present a number of challenges for management, including management distraction and overstretch and the deferral, modification or cancellation of certain management plans and targets. In addition, expected business growth opportunities, increased competitive offering and advantages, revenue growth and cost synergies, operational efficiencies, improved customer proposition, more diversified product offering and other benefits may not materialise for various reasons.

If the anticipated synergies or other benefits of the Merger are not achieved, or not achieved in full, or in each case, not achieved on a timely basis, or those achieved are materially different from those that were expected to be achieved, then this could have a material adverse effect on the Issuer, including its business, operations, financial condition or stability, credit ratings, risk profile and prospects.

Risks related to the unit-linked products as offered by the Dutch insurance subsidiaries of NN Group N.V.

Since the end of 2006, unit-linked products (commonly referred to in Dutch as '*beleggingsverzekeringen*') have received negative attention in the Dutch media, from the Dutch Parliament, the Netherlands Authority for the Financial Markets (*Autoriteit Financiële Markten*) and consumer protection organisations. Costs of unit-linked products sold in the past are perceived as too high and Dutch insurers are in general being accused of being less transparent in their offering of such unit-linked products. The criticism on unit-linked products led to the introduction of compensation schemes by Dutch insurance companies that have offered unit-linked products. In 2008 and 2010, Nationale-Nederlanden and Delta Lloyd (and ABN AMRO Levensverzekering in 2010) reached agreements with consumer protection organisations to offer compensation to unit-linked policyholders. The agreements with the consumer protection organisations are not binding to policyholders, and consequently, do not prevent individual policyholders from initiating legal proceedings against NN Group's Dutch insurance subsidiaries.

On 29 April 2015, the European Court of Justice issued its ruling on preliminary questions submitted by the District Court in Rotterdam, upon request of parties, including Nationale-Nederlanden, to obtain clarity on principal legal questions with respect to cost transparency in relation to unit-linked products. The main preliminary question considered by the European Court of Justice was whether European law permits the application of information requirements based on general principles of Dutch law that extend beyond information requirements as explicitly prescribed by laws and regulations in force at the time the policy was written. The European Court of Justice ruled that the information requirements prescribed by the applicable European directive may be extended

by additional information requirements included in national law, provided that these requirements are necessary for a policyholder to understand the essential characteristics of the commitment and are clear, accurate and foreseeable. Although the European Court does not decide on the applicable standards in specific cases and solely provides clarification on the interpretation of the applicable European directive, the ruling of the European Court of Justice has given clarification on this question of legal principle which is also the subject of other legal proceedings in the Netherlands. Dutch courts will need to take the interpretation of the European Court of Justice into account in relevant proceedings.

In 2013 '*Vereniging Woekerpolis.nl*', and in 2017 '*Vereniging Consumentenbond*' and '*Wakkerpolis*', all associations representing the interests of policyholders of Nationale-Nederlanden, individually initiated so-called 'collective actions' against Nationale-Nederlanden. These claims are all based on similar grounds and have been rejected by Nationale-Nederlanden and Nationale-Nederlanden defends itself in these legal proceedings.

'*Vereniging Woekerpolis.nl*' requested the District Court in Rotterdam to declare that Nationale-Nederlanden sold products which are defective in various respects. '*Vereniging Woekerpolis.nl*' alleges that Nationale-Nederlanden failed to meet the required level of transparency regarding, cost charges and other product characteristics, failed to warn policyholders of certain product related risks, such as considerable stock depreciations, the inability to realise the projected final policy value, unrealistic capital projections due to differences in geometric versus arithmetic returns and that certain general terms and conditions regarding costs were unfair. On 19 July 2017, the District Court in Rotterdam rejected all claims of '*Vereniging Woekerpolis.nl*' and ruled that Nationale-Nederlanden has generally provided sufficient information on costs and premiums. 'Vereniging Woekerpolis.nl' has lodged an appeal with the Court of Appeal in The Hague against the ruling of the District Court in Rotterdam.

'Consumentenbond' alleges that Nationale-Nederlanden failed to adequately inform policyholders on cost charges, risk premium for life insurance cover and the leverage and capital consumption effect and that Nationale-Nederlanden provided misleading capital projections. '*Vereniging Consumentenbond*' requests the District Court in Rotterdam to order a recalculation of certain types of unit-linked insurance products and to declare that Nationale-Nederlanden is liable for any damage caused by a lack of information and misleading capital projections. On 27 March 2019, the District Court in Rotterdam issued an interim ruling, in first instance, in which the District Court rejected several of the claims from 'Consumentenbond' that were made against Nationale-Nederlanden in these proceedings. The District Court furthermore concluded that Nationale-Nederlanden has complied with information requirements prescribed by law and regulations applicable at the time. However, the District Court considered that this does not necessarily mean that the costs are agreed upon (*wilsovereenstemming*) with the customer. As such, the District Court requested Nationale-Nederlanden to provide further information on certain cost components and the agreement thereon.

The claim from '*Wakkerpolis*' primarily concentrates on the recovery of initial costs for policyholders and refers to a ruling of the KiFiD in an individual case against Nationale-Nederlanden. In this case, the KiFiD's Dispute Committee and Committee of Appeal ruled that there is no contractual basis for charging initial costs and that the insurer is obliged to warn against the leverage and capital consumption effect. In its ruling of 22 June 2017, the Appeals Committee concluded that Nationale-Nederlanden, at the time of selling the unit-linked insurance product, should have provided more information to this individual customer than was prescribed by the laws and regulations applicable at that time. In the ruling in the collective action initiated by '*Vereniging Woekerpolis.nl*', the District Court in Rotterdam reached a different conclusion than the Appeals Committee of the KiFiD. The Court's judgment is in line with Nationale-Nederlanden's view, that the provision of information needs to be assessed against the laws and regulations and norms applicable at the time of concluding the unit-linked insurance policy.

All life insurance policies and savings investment insurance policies with an investment alternative related to the mortgage loans may qualify as unit-linked products as referred to in the paragraphs above, and therefore exposed to

this risk. Approximately 16 per cent. of the mortgage loans on the balance sheet of the Issuer has such insurance policies connected to them as collateral for the loans.

If the unit linked products related to the mortgage loans would be legally dissolved or nullified, this would affect the collateral granted to secure these mortgage loans. The Issuer has been advised that in such case the mortgage loans connected thereto can possibly also be dissolved or nullified, but that this will depend on the particular circumstances involved. This may lead to material losses for the Issuer. Even if the mortgage loan is not affected, the borrower/insured may invoke set-off or other defenses against the Issuer. When successful set-off defenses do not lead to compensation by the relevant insurance company, this may lead to material losses for the Issuer.

The Issuer is exposed to the risk of claims from customers who feel misled or treated unfairly because of advice or information received.

The Issuer's products are exposed to claims from customers who allege that they have received misleading advice or other information from advisers (both internal and external) as to which products were most appropriate for them, or that the terms and conditions of the products, the nature of the products or the circumstances under which the products were sold were misrepresented to them. When new financial products are brought to the market, the Issuer engages in a product approval process in connection with the development of such products, including production of appropriate marketing and communication materials. Notwithstanding these processes, customers may make claims against the Issuer if the products do not meet customer expectations. Customer protection regulations, as well as changes in interpretation and perception by both the public at large and governmental authorities of acceptable market practices, influence customer expectations. Products distributed through person-to-person sales forces have a higher exposure to these claims as the sales forces provide face-to-face financial planning and advisory services. Complaints may also arise if customers feel that they have not been treated reasonably or fairly, or that the duty of care has not been complied with. While a considerable amount of time and resources have been invested in reviewing and assessing historic sales practices, and in the maintenance of risk management, and legal and compliance procedures to monitor current sales practices, there can be no assurance that all of the issues associated with current and historic sales practices have been or will be identified, nor that any issues already identified will not be more widespread than presently estimated. The negative publicity associated with any sales practices, any compensation payable in respect of any such issues and regulatory changes resulting from such issues have had and may continue to have a material adverse effect on the Issuer's business, reputation, revenues, results of operations, financial condition and prospects.

The Issuer is required to maintain significant levels of capital and to comply with a number of regulatory requirements relating thereto. If the Issuer was in danger of failing, or fails, to meet regulatory capital requirements or to maintain sufficient assets to satisfy certain regulatory requirements, the supervisory authorities have broad authority to require it to take steps to protect its clients and to compensate for capital shortfalls.

The Issuer is required to maintain significant levels of capital and to comply with a number of regulatory requirements relating thereto. The Issuer's supervisory authorities could require it to take remedial action if the Issuer breaches or is at risk of breaching any of the regulatory capital requirements. Amongst others, such breaches could be as a result of new regulatory requirements, such as a CRD reform, or as a result of material adverse developments in any of the legal and regulatory developments described above. In addition, the supervisory authorities could decide to increase the regulatory capital requirements of the Issuer, or the level of the Issuer's regulatory capital may decrease as a result of a change or difference in the interpretation or application of principle-based regulatory requirements, including capital and liquidity requirements, by or between the Issuer and the supervisory authorities. In this regard, DNB may give instructions on the interpretation of the regulatory requirements, including capital and liquidity requirements, and the application of the Issuer's funds to strengthen

its capital position to levels above regulatory capital requirements, any of which may affect the ability of the Issuer to meet its obligations to its creditors, including Noteholders. Remedial action could include working closely with the authorities to protect clients' interests and to restore the Issuer's capital and liquidity positions to acceptable levels and to ensure that the financial resources necessary to meet obligations to clients are maintained. In taking any such remedial action, the interests of the clients would take precedence over those of Noteholders. If the Issuer is unable to meet its regulatory requirements by redeploying existing available capital, it would have to consider taking other measures to protect its capital and liquidity position. These measures might include divesting parts of its business, which may be difficult or costly or result in a significant loss. The Issuer might also have to raise additional capital in the form of subordinated debt or equity. Raising additional capital from external sources might be impossible due to factors outside the Issuer's control, such as market conditions, or it might be possible only on unfavourable terms. Any of these measures could have a material adverse effect on the Issuer's business, revenues, results of operations, financial condition and prospects. If the regulatory requirements are not met (because the Issuer could not take appropriate measures or because the measures were not sufficiently effective), the Issuer could lose any of its licences and hence be forced to cease some or all of its business operations. The capital requirements applicable to the Issuer are subject to ongoing regulatory change.

Changes in tax laws could materially impact the Issuer's tax position which could affect the ability of the Issuer to make payments to Noteholders. Changes in tax laws may make some of the Issuer's banking products less attractive to customers, decreasing demand for certain of the Issuer's products, which may have a material adverse effect on the Issuer's business, revenues, results of operations, financial condition and prospects.

Changes in the applicable tax legislation, in the interpretation of existing tax laws, amendments to existing tax rates, or the introduction of new tax legislation, specifically with respect to taxation of financial institutions, could lead to a higher tax burden on the Issuer, materially impact the Issuer's tax receivables and liabilities as well as deferred tax assets and deferred tax liabilities, and could have a material adverse effect on the Issuer's business, results of operations and financial condition. Amendments to applicable laws, orders and regulations may be issued or altered with retroactive effect. Additionally, tax authorities may change their interpretations of tax laws at any time, which may lead to a higher tax burden on the Issuer. While changes in taxation laws would affect the financial sector as a whole, changes may be more detrimental to particular operators in the industry. A higher tax burden on the Issuer could negatively impact the ability of the Issuer to make payments to Noteholders.

Similarly, the design of certain of the Issuer's products is predicated on tax legislation valid at that time and these products may be attractive to customers because they afford certain tax benefits. For example: (a) annuity bank savings allow accountholders under certain conditions to deduct their payments from their taxable income; and (b) the tax deductibility of interest payments on mortgage loans. Future changes in tax legislation or its interpretation may, when applied to these products, may have a material adverse effect on the Issuer's customers' demand for these products. Any of these developments could have a material adverse effect on the Issuer's business, revenues, results of operations, financial condition and prospects.

Operational Risks

The Issuer is subject to operational risks, which can originate from inadequate or failed internal the Issuer processes and systems, the conduct of the Issuer personnel and third parties, and from external events that are beyond the Issuer's control. The Issuer's policies and procedures may be inadequate, or may otherwise not be fully effective. Should operational risks occur, they may have a material adverse effect on the Issuer's business, revenues, results of operations and financial condition.

The Issuer is subject to operational risks, which risks can originate from inadequate or failed internal the Issuer's processes and systems, the conduct of the Issuer's personnel and third parties (including intermediaries and other persons engaged by the Issuer to sell and distribute its products and to provide other services to the Issuer), and from external events that are beyond the Issuer's control. The Issuer's internal processes and systems may be inadequate or may otherwise fail to be fully effective due to the failure by the Issuer's personnel and third parties (including intermediaries and other persons engaged by the Issuer to sell and distribute its products and to provide other services to the Issuer) to comply with internal business policies or guidelines, and (unintentional) human error (including during transaction processing), which may result in, among others: the incorrect or incomplete storage of files, data and important information (including confidential customer information); inadequate documentation of contracts and mistakes in the acceptance of mortgage loans applications, and failures in the monitoring of the credit status of debtors. The Issuer has developed policies and procedures to identify, monitor and manage operational risks, and will continue to do so in the future. However, these policies and procedures may be inadequate, or may otherwise not be fully effective.

If any of these operational risks were to occur, it could result in, amongst others, additional or increased costs, errors, fraud, violations of law, investigations and sanctions by regulatory and other supervisory authorities, claims by customers, customer groups and customer protection bodies, loss of existing customers, loss of potential customers and sales, loss of receivables and harm the Issuer's reputation, any of which, alone or in the aggregate, could have a material adverse effect on the Issuer's business, revenues, results of operations, and financial condition.

The occurrence of natural or man-made disasters may endanger the continuity of the Issuer's business operations and the security of the Issuer's employees, which may have a material adverse effect on the Issuer's business, results of operations, financial condition and prospects.

The Issuer is exposed to various risks arising from natural disasters (including hurricanes, floods, fires and disease), as well as man-made disasters and core infrastructure failures (including acts of terrorism, war, military actions and power grid and telephone/internet infrastructure failures). These natural and man-made disasters may endanger the continuity of the Issuer's business operations and the security of the Issuer's employees, and may adversely affect the Issuer's business, results of operations and financial condition by causing, among other things:

- disruptions of the Issuer's normal business operations due to property damage, loss of life or disruption of public and private infrastructure, including information technology and communications services, and financial services;
- losses in the Issuer's investment portfolio due to significant volatility in global financial markets or the failure of counterparties to perform; and
- changes in the rates of mortality, claims, premium holidays, withdrawals, lapses and surrenders of existing policies and contracts, as well as sales of new policies and contracts.

The Issuer's business continuity and crisis management plan or its insurance coverage may not be effective in mitigating the negative impact on operations or profitability in the event of a natural or man-made disaster or core infrastructure failure. The business continuity and crisis management plans of the Issuer's distributors and other third party vendors, on whom the Issuer relies for certain distribution and other services and products, may also not be effective in mitigating any negative impact on the provision of such services and products in the event of such a disaster or failure.

The loss of key personnel, and the failure to attract and retain key personnel with appropriate qualifications and experience, could have a material adverse effect on the Issuer's business and impair its ability to

implement its business strategy.

The Issuer's success depends in large part on its ability to attract and retain key personnel with appropriate knowledge and skills, particularly financial, investment, IT, risk management, underwriting, CRD and other specialist skills and experience. Competition for senior managers as well as personnel with these skills is intense among financial institutions, and the Issuer may incur significant costs to attract and retain such personnel or may fail to do so. While the Issuer does not believe that the departure of any particular individual would cause a material adverse effect on its operations, the unexpected loss of several members of the Issuer's senior management or other key personnel could have a material adverse effect on its operations due to the loss of their skills, knowledge of the Issuer's business and their years of industry experience, as well as the potential difficulty of promptly finding qualified replacement personnel. Any failure by the Issuer to attract or retain qualified personnel could have a material adverse effect on its business, revenues, results of operations and financial condition.

The Issuer is exposed to the risk of fraud and other misconduct or unauthorised activities by the Issuer personnel, distributors, customers and other third parties. The occurrence of fraud and other misconduct and unauthorised activities could result in losses and harm the Issuer's reputation, and may have a material adverse effect on the Issuer's business, revenues, results of operations, financial condition and prospects.

The Issuer is exposed to the risk of fraud and other misconduct or unauthorised activities by the Issuer's personnel, distributors, customers and other third parties. Fraud typically occurs when these persons deliberately abuse the Issuer's procedures, systems, assets, products or services, and includes sales fraud (where, for instance, intermediaries design commission schemes that are not for bona fide customers, or are written for non-existent customers, in order to collect commissions that are typically payable in the first year of the contract, after which the policy is allowed to lapse), fraud in relation to loans (where, for instance, customers files falsified documents in order to get a (mortgage or consumer) loan or payments from a construction depot), fraud in relation to payment execution (where payments of policy benefits are fraudulently routed to bank accounts other than those of the relevant beneficiary), and forgery and other types of bank fraud. The occurrence of fraud and other misconduct and unauthorised activities could result in losses, increased costs, violations of law, investigations and sanctions by regulatory and other supervisory authorities, claims by customers, customer groups and customer protection bodies, loss of potential and existing customers, loss of receivables and harm to the Issuer's reputation, any of which, alone or in the aggregate, could have a material adverse effect on the Issuer's business, revenues, results of operations, financial condition and prospects.

Interruption or other operational failures in telecommunication, IT and other operational systems, or a failure to maintain the security, integrity, confidentiality or privacy of sensitive data in those systems, including as a result of human error, could have a material adverse effect on the Issuer's business, revenues, results of operations, financial condition and prospects.

The Issuer is highly dependent on automated and IT systems to adequately secure confidential and business information, and to maintain the confidentiality, integrity and availability of information and data.

The Issuer could experience a failure of these systems, its employees could fail to monitor and implement enhancements or other modifications to a system in a timely and effective manner, or its employees could fail to complete all necessary data reconciliation or other conversion controls when implementing a new software system or implementing modifications to an existing system. Furthermore, NN Group relies on third party suppliers to provide certain critical information technology and telecommunication services to NN Group and its customers. For instance, in the Netherlands a significant part of NN Group's IT infrastructure is provided by a third party supplier. The failure of any one of these systems, or the failure of a third party supplier to meet its obligations, for

any reason, or errors made by the Issuer's employees or the third party supplier, could in each case cause significant interruptions to the Issuer's operations, harm the Issuer's reputation, adversely affect its internal control over financial reporting and have a material adverse effect on the Issuer's business, results of operations, financial condition and prospects.

The Issuer retains confidential information in its IT systems, and relies on industry standard commercial technologies to maintain the security of those systems. Anyone who is able to circumvent the Issuer's security measures and penetrate its IT systems could access, view, misappropriate, alter or delete information in the systems, including personally identifiable customer information and proprietary business information. Information security risks also exist with respect to the use of portable electronic devices, such as laptops and smartphones, which are particularly vulnerable to loss and theft. In addition, the laws of an increasing number of jurisdictions require that customers be notified if a security breach results in the disclosure of personally identifiable customer information.

Since 1 January 2016, the Issuer is required to notify certain data leakages of personal data to the Dutch Data Protection Authority (**AP**) within 72 hours after becoming aware of the leakage. The same rule applies now pursuant to the General Data Protection Regulation (Regulation (EU) 2016/679). Failure to do so may result in substantial regulatory fines.

Any compromise of the security of the Issuer's IT systems that results in unauthorised disclosure or use of personally identifiable customer information could harm the Issuer's reputation, deter purchases of its products, subject the Issuer to heightened regulatory scrutiny, substantial regulatory fines, or significant civil and criminal liability, and require that the Issuer incur significant technical, legal and other expenses, each of which could have a material adverse effect on the Issuer's business, revenues, results of operations, financial condition and prospects.

The Issuer is dependent in part on the continued performance, accuracy, compliance and security of third party service providers who provide certain critical operational support functions to the Issuer. Inadequate performance by these service providers could result in reputational harm and increased costs, which could have a material adverse effect on the Issuer's business, revenues, results of operations and prospects.

The Issuer has outsourced certain critical operational support functions to third party service providers, including to NN Group. The Issuer is dependent in part on the continued performance, quality of customer service, accuracy, compliance and security of these service providers. If the contractual arrangements with any third party service providers are terminated, the Issuer may not find an alternative provider of the services, on a timely basis, on equivalent terms or at all. Many of these service providers have access to confidential customer information, and any unauthorised disclosure or other mishandling of that confidential customer information could result in adverse publicity, reputational harm, deter purchases of the Issuer products, subject the Issuer to heightened regulatory scrutiny, substantial regulatory fines, or significant civil and criminal liability, and require that the Issuer incur significant legal and other expenses. Any of these events could have a material adverse effect on the Issuer's business, revenues, results of operations and prospects.

Financial Reporting Risks

Changes in accounting standards or policies, or the Issuer's financial metrics, including as a result of choices made by the Issuer, could adversely impact the Issuer's reported results of operations and its reported financial condition.

The Issuer's consolidated annual accounts are subject to the application of 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 authoritative 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 annual accounts and that such changes could have a material adverse effect on the Issuer's results of operations and financial condition.

The Issuer shall change an accounting policy only if the change: is required by IFRS; or results in the annual accounts providing reliable and more relevant information about the effects of transactions, other events or conditions on the entity's financial position, financial performance or cash flows.

Further changes in accounting standards or policies, or the Issuer's financial metrics, 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 its reported financial condition.

Defects and errors in the Issuer's processes, systems and reporting may cause internal and external miscommunication (including incorrect public disclosure), wrong decisions and wrong reporting to customers. Should they occur, such events could harm the Issuer's reputation and could have a material adverse effect on the Issuer's business, revenues, results of operations and financial condition.

Defects and errors in the Issuer's financial processes, systems and reporting, including both human and technical errors, could result in a late delivery of internal and external reports, or reports with insufficient or inaccurate information. Moreover, in recent years the frequency, quality, volume and complexity of the type of financial information that must be processed by the Issuer's financial reporting systems has increased, in part due to more onerous regulatory requirements. For instance, new reporting requirements (such as Deposit Guarantee Scheme reporting) are less mature and significantly more complex than the financial information the Issuer's financial reporting systems processed in the past, and require a higher level of skill by the Issuer's personnel. Defects and errors in the Issuer's financial processes, systems and reporting could lead to wrong decisions in respect of, for instance, product pricing and hedge decisions which could materially adversely affect its results of operations. In addition, misinforming customers and investors could lead to substantial claims and regulatory fines, increased regulatory scrutiny, reputational harm and increased administrative costs to remedy errors. In the event any such defects and errors occur, this could harm the Issuer's reputation and could materially adversely affect the Issuer's business, revenues, results of operations and financial condition.

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

Notes may not be a suitable investment for all investors

Each potential investor in any 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 relevant Notes, the merits and risks of investing in the relevant Notes and the information contained or incorporated by reference in this 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 relevant Notes and the impact such investment will have on its overall investment portfolio;

(iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the relevant

Notes, including where principal or interest is 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 relevant Notes and be familiar with the behaviour of any relevant indices and financial markets; and

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

Some Notes are complex financial instruments and such instruments may be purchased 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 the help of a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of such Notes and the impact this investment will have on the potential investor's overall investment portfolio.

Legal investment considerations may restrict certain investments

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

Risks related to the structure of a particular issue of Notes

A wide range of Notes may be issued under the Programme. A number of these Notes may have features which contain material risks for potential investors. Set out below is a description of such features:

Notes subject to optional redemption by the Issuer

An optional redemption feature is likely to limit the market value of Notes. 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.

Fixed/Floating Rate Notes

Fixed/Floating Rate Notes are Notes that may bear interest at a rate that the Issuer may elect to convert from a fixed rate to a floating rate, or from a floating rate to a fixed rate. The Issuer's ability to convert the interest rate will affect the secondary market and the market value of such Notes since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Issuer converts from a fixed rate to a floating rate, the spread on the Fixed/Floating Rate Notes may be less favourable than 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.

Investors will not be able to calculate in advance their yield to maturity on Floating Rate Notes.

A key difference between Floating Rate Notes on the one hand, and Fixed Rate Notes, on the other hand, is that interest income on Floating Rate Notes cannot be anticipated. Due to varying interest income, investors are not able to determine a definite yield of Floating Rate Notes at the time they purchase them, so that their return on investment cannot be compared with that of investments having fixed interest periods. If the Terms and Conditions of the Notes provide for frequent interest payment dates, investors are exposed to the reinvestment risk if market interest rates decline, because investors may reinvest the interest income paid to them only at the relevant lower interest rates then prevailing.

Changes or uncertainty in respect of LIBOR and/or EURIBOR or other interest rate benchmarks may affect the value or payment of interest under the Notes

Various interest rate benchmarks (including the London Interbank Offered Rate ("LIBOR")) and the Euro Interbank Offered Rate ("EURIBOR") are the subject of recent national and international regulatory guidance and proposals for reform. Some of these reforms are already effective, including the Benchmark Regulation, whilst others are still to be implemented.

Under the Benchmark Regulation, which applies from 1 January 2018, in general, new requirements apply with respect to the provision of a wide range of benchmarks (including LIBOR and EURIBOR), the contribution of input data to a benchmark and the use of a benchmark within the European Union. In particular, the Benchmark Regulation, among other things, (i) requires benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and to comply with extensive requirements in relation to the administration of benchmarks and (ii) prevents certain uses by EU-supervised entities of benchmarks of administrators that are not authorised or registered (or, if non-EU-based, deemed equivalent or recognised or endorsed).

The sustainability of LIBOR has been questioned by the UK Financial Conduct Authority as a result of the absence of relevant active underlying markets and possible disincentives (including possibly as a result of regulatory reforms) for market participants to continue contributing to such benchmarks. Additionally, in March 2017, the European Money Markets Institute ("EMMI") published a position paper referring to certain proposed reforms to EURIBOR, which reforms aim to clarify the EURIBOR specification, to develop a transaction-based methodology for EURIBOR and to align the relevant methodology with the Benchmark Regulation, the IOSCO Principles for Financial Benchmarks and other regulatory recommendations. The EMMI has since indicated that there has been a "change in market activity as a result of the current regulatory requirements and a negative interest rate environment" and "under the current market conditions it will not be feasible to evolve the current EURIBOR methodology to a fully transaction-based methodology following a seamless transition path". It is the current intention of the EMMI to develop a hybrid methodology for EURIBOR.

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

Investors should be aware that, if LIBOR, EURIBOR or any other benchmark were discontinued or otherwise unavailable, the rate of interest on the Notes which reference any such benchmark will be determined for the

relevant period by the fallback provisions applicable to such Notes (see also the risk factor *'Future discontinuance of LIBOR, EURIBOR and any other benchmark may adversely affect the value of Notes which reference LIBOR, EURIBOR or such other benchmark'* below). At this time, it is not possible to predict what the effect of these developments will be or what the impact on the value of the Notes will be. More generally, any of the above changes or any other consequential changes to EURIBOR, LIBOR or any other "benchmark" as a result of international, national, or other proposals for reform or other initiatives or investigations, or any further uncertainty in relation to the timing and manner of implementation of such changes, could have a material adverse effect on the liquidity and value of, and return on, any Notes based on or linked to a "benchmark".

Moreover, any significant change to the setting or existence of LIBOR, EURIBOR or any other relevant interest rate benchmark could affect the ability of the Issuer to meet its obligations under the Notes and could have a material adverse effect on the value or liquidity of, and the amount payable under, the Notes.

Future discontinuance of LIBOR, EURIBOR and any other benchmark may adversely affect the value of Notes which reference LIBOR, EURIBOR or such other benchmark

On 27 July 2017, the Chief Executive of the United Kingdom Financial Conduct Authority announced that it does not intend to continue to persuade, or use its powers to compel, panel banks to submit rates for the calculation of LIBOR to the administrator of LIBOR after 2021. The announcement indicates that the continuation of LIBOR on the current basis is not guaranteed after 2021. It is not possible to predict whether, and to what extent, panel banks will continue to provide LIBOR submissions to the administrator of LIBOR going forwards. This may cause LIBOR to perform differently than it did in the past and may have other consequences which cannot be predicted.

Investors should be aware that, if LIBOR, EURIBOR or any other benchmark were discontinued or otherwise unavailable, the rate of interest on Notes which reference LIBOR, EURIBOR or any other benchmark will be determined for the relevant period by the fallback provisions set out in Condition 4(b)(iii)(D) applicable to such Notes. If the Calculation Agent or the Issuer determines at any time prior to, on or following any Interest Determination Date, that the relevant Reference Rate (as specified in the applicable Final Terms) has been discontinued, the Issuer will, as soon as reasonably practicable (and in any event prior to the next relevant Interest Determination Date) appoint a Rate Determination Agent (as defined in Condition 4(b)(iii)(D)) which will determine in its sole discretion, acting in good faith, a substitute or successor rate, as well as any necessary changes to the business day convention, the definition of business day, the interest determination date, the day count fraction and any method for calculating the Replacement Reference Rate (as defined in Condition 4(b)(iii)(D)), including any adjustment factor needed to make such Replacement Reference Rate comparable to the relevant Reference Rate.

The Rate Determination Agent may be considered an 'administrator' under the Benchmark Regulation. This is the case if it is considered to be in control over the provision of the Replacement Reference Rate and/or the determined rate of interest on the basis of the Replacement Reference Rate and any adjustments made thereto by the Rate Determination Agent and/or otherwise in determining the applicable rate of interest in the context of a fallback scenario. This would mean that the Rate Determination Agent (i) administers the arrangements for determining such rate, (ii) collects, analyses, or processes input data for the purposes of determining such rate and (iii) determines such rate through the application of a method of calculation or by an assessment of input data for that purpose. Furthermore, for the Rate Determination Agent to be considered an 'administrator' under the Benchmark Regulation, the Replacement Reference Rate and/or the determined rate of interest on the basis of the Replacement Reference Rate and any adjustments made thereto by the Rate Determination Agent and/or otherwise in determining the applicable rate of interest in the context of a fallback scenario should be a benchmark (index) within the meaning of the Benchmark Regulation. This may be the case if the Replacement Reference Rate and/or the determined rate of interest on the basis of the Replacement Reference Rate and any adjustments made thereto

by the Rate Determination Agent and/or otherwise in determining the applicable rate of interest in the context of a fallback scenario, is published or made available to the public and regularly determined by the application of a method of calculation or by an assessment, and on the basis of certain values or surveys.

The Benchmark Regulation stipulates that each administrator of a benchmark regulated thereunder or the benchmark itself must be registered, authorised, recognised or endorsed, as applicable, in accordance with the Benchmark Regulation. There is a risk that administrators (which may include EMMI as well as the Rate Determination Agent (which may be the Issuer) in the circumstances as described above) of certain benchmarks will fail to obtain such registration, authorisation, recognition or endorsement, preventing them from continuing to provide such benchmarks, or may otherwise choose to discontinue or no longer provide such benchmark. ICE Benchmark Administration Ltd is registered as an administrator of a benchmark in accordance with the Benchmark Regulation.

The Replacement Reference Rate will (in the absence of manifest error) be final and binding, and will apply to the relevant Notes without any requirement that the Issuer obtains consent of any Noteholders. If the Rate Determination Agent is unable to or otherwise does not determine a Replacement Reference Rate under Condition 4(b)(iii)(D), this could result under Conditions 4(b)(iii)(A),(B) or (D) in the effective application of a fixed rate to what was previously a Floating Rate Note based on the rate which applied in the previous period when the relevant Reference Rate was available (as stated in the Final Terms in respect of a series of Notes). This may lead to a conflict between the interests of the Issuer and the Noteholders. Changes to the Replacement Reference Rate could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility or the level of the published rate or level of the "benchmark".

In addition, due to the uncertainty concerning the availability of successor rates and substitute reference rates and the involvement of a Rate Determination Agent (as defined in Condition 4(b)(iii)(D)), the relevant fallback provisions may not operate as intended at the relevant time. In addition, the Replacement Reference Rate may perform differently from the discontinued benchmark. For example, there are currently proposals to replace LIBOR (which generally has a term of one, three or six months) with an overnight rate. Similarly, proposals have been made to use a rate on highly rated government obligations to replace LIBOR, which is currently based on interbank lending rates and carries an implicit element of credit risk of the banking sector. Any such consequences could have a material adverse effect on the value of and return on any such Notes. Moreover, any of the above matters or any other significant change to the setting or existence of any relevant reference rate could affect the ability of the Issuer to meet its obligations under the Notes or could have a material adverse effect on the value or liquidity of, and the amount payable under, the Notes.

Notes issued at a substantial discount or premium

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

Potential conflicts of interest

Where the Issuer acts as Calculation Agent or Rate Determination Agent, or the Calculation Agent or Rate Determination Agent is an affiliate of the Issuer, potential conflicts of interest may exist between the Calculation Agent or Rate Determination Agent and Noteholders, including with respect to certain determinations and judgements that the Calculation Agent or Rate Determination Agent may make pursuant to the Notes that may influence the amount receivable or specified assets deliverable on redemption of the Notes. The Issuer and/or any

of its affiliates may have existing or future business relationships and will pursue actions and take steps that they or it deems necessary or appropriate to protect their and/or its interests arising therefrom without regard to the consequences for a Noteholder.

Risks related to Notes generally

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

Modification, waivers and substitution

The Terms and Conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally and to obtain Written Resolutions on matters relating to the Notes from Noteholders without calling a meeting. A Written Resolution signed by or on behalf of the holders of not less than 75 per cent. in principal amount of the Notes of the relevant Series who for the time being are entitled to receive notice of a meeting in accordance with the provisions of the Agency Agreement and whose Notes are outstanding shall, for all purposes, take effect as an Extraordinary Resolution.

In certain circumstances, where the Notes are held in global form in the clearing systems, the Issuer will be entitled to rely upon:

(i) where the terms of the proposed resolution have been notified through the relevant clearing system(s), approval of a resolution proposed by the Issuer given by way of electronic consents communicated through the electronic communications systems of the relevant clearing systems in accordance with their operating rules and procedures by or on behalf of the holders of not less than 75 per cent. in nominal amount of the Notes of the relevant Series for the time being outstanding; and

(ii) where electronic consent is not being sought, consent or instructions given in writing directly to the Issuer by accountholders in the clearing systems with entitlements to such global note or certificate or, where the accountholders hold such entitlement on behalf of another person, on written consent from or written instruction by the person for whom such entitlement is ultimately beneficially held (directly or via one or more intermediaries), provided that the Issuer has obtained commercially reasonable evidence to ascertain the validity of such holding and taken reasonable steps to ensure such holding does not alter following the giving of such consent/instruction and prior to effecting such resolution.

A Written Resolution or an electronic consent as described above may be effected in connection with any matter affecting the interests of Noteholders, including the modification of the Conditions, that would otherwise be required to be passed at a meeting of Noteholders satisfying the special quorum in accordance with the provisions of the Agency Agreement, and shall for all purposes take effect as an Extraordinary Resolution passed at a meeting of Noteholders duly convened and held. These provisions permit defined majorities to bind all Noteholders, including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

Furthermore, the Issuer may subject to certain conditions and without any consent of the Noteholders or Couponholders being required, the Noteholders or Couponholders having agreed irrevocably in advance, when no payment of principal of or interest on any of the Notes is in default, be replaced and substituted by any directly or indirectly wholly-owned subsidiary of the Issuer as principal debtor in respect of the Notes and the relative Coupons.

Change of law

The Terms and Conditions of the Notes are based on Dutch law in effect as at the date of issue of the relevant Notes. No assurance can be given as to the impact of any possible judicial decision or change to Dutch law or administrative practice after the date of issue of the relevant Notes.

Bearer Notes where denominations involve integral multiples

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

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.

Risks related to the market generally

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

The secondary market generally

Notes may have no established trading market when issued, and one may never develop (for example, Notes may be allocated to a limited pool of investors). If a market does develop, it may not be 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. 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 trading market.

Exchange rate risks and exchange controls

The Issuer will pay principal and interest on the Notes in the Specified Currency. This presents risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "Investor's Currency") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency equivalent yield on the Notes, (2) the Investor's Currency equivalent value of the principal payable on the Notes and (3) the Investor's Currency equivalent market value of the Notes.

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

Interest rate risks

Investment in Fixed Rate Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of Fixed Rate Notes.

Credit ratings may not reflect all risks

One or more independent credit rating agencies may assign credit ratings to an issue of 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.

Certain considerations regarding hedging

Prospective purchasers intending to purchase Notes to hedge against the market risk associated with investing in a currency or other basis of reference which may be specified in the applicable Final Terms, should recognise the complexities of utilising Notes in this manner. For example, the value of the Notes may not exactly correlate with the value of the currency or other basis which may be specified in the applicable Final Terms. Due to fluctuating supply and demand for the Notes, there is no assurance that their value will correlate with movements of the currency or other basis which may be specified in the applicable Final Terms.

Actions taken by the Calculation Agent may affect the value of Notes

The Calculation Agent for an issue of Notes is the agent of the Issuer and not the agent of the holders of the Notes. The Calculation Agent is not acting as a fiduciary to any holders of Notes. The Calculation Agent will make such determinations and adjustments as it deems appropriate, in accordance with the terms and conditions of the specific issue of Notes. In making its determinations and adjustments, the Calculation Agent will be entitled to exercise substantial discretion and may be subject to conflicts of interest in exercising this discretion.

Over-issuance

As part of its issuing, market-making and/or trading arrangements, the Issuer may issue more Notes than those which are to be subscribed or purchased by third party investors. The Issuer (or any of its affiliates) may hold such Notes for the purpose of meeting any investor interest in the future. Prospective investors in the Notes should therefore not regard the issue size of any Series as indicative of the depth or liquidity of the market for such Series, or of the demand for such Series.

The return on an investment in Notes will be affected by charges incurred by investors

An investor's total return on an investment in Notes will be affected by the level of fees charged to the investor, including fees charged to the investor as a result of the Notes being held in a clearing system. Such fees may include charges for opening accounts, transfers of securities, custody services and fees for payment of principal, interest or other sums due under the terms of the Notes. Investors should carefully investigate these fees before making their investment decision.

Tax risk

This Prospectus includes a general summary of certain Dutch tax considerations relating to an investment in the Notes issued by the Issuer (see "Taxation"). Such summary may not apply to a particular holder of Notes or to a particular issue and does not cover all possible tax considerations. In addition, the tax treatment may change before the maturity, exercise or termination date of Notes. Any potential investor should consult its own independent tax adviser for more information about the tax consequences of acquiring, owning and disposing of Notes in its particular circumstances.

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

Tax initiatives of Dutch government

On 10 October 2017, the four parties that have formed the current Dutch government released their coalition agreement (regeerakkoord) 2017-2021. The coalition agreement does not include concrete legislative proposals, but instead sets out a large number of policy intentions of the current Dutch government.

One of the policy intentions is the introduction of a withholding tax on interest payments made to beneficiaries in low-tax jurisdictions or countries that are included in the EU list of non-cooperative jurisdictions as of 2021. Another policy intention relates to the introduction of a "thin capitalisation rule" that would limit the deduction of interest on debt exceeding 92% of the commercial balance sheet total.

Many aspects of these policy intentions remain unclear, but if the policy intentions are implemented in such a way that the Issuer will become obliged to pay additional amounts as provided or referred to in Condition 7 of the Senior Notes or Condition 8 of the Subordinated Notes or the Issuer will not obtain full or substantially full deductibility for the purposes of Dutch corporation tax for any interest payable in respect of the Subordinated Notes, the Issuer may redeem the relevant Notes pursuant to its option under Condition 5(c) of the Senior Notes or Condition 6(d) of the Subordinated Notes, respectively.

Financial Transaction Tax

On 14 February 2013, the European Commission published a proposal for a Directive for a common FTT in Austria, Belgium, Estonia, France, Germany, Greece, Italy, Portugal, Slovakia, Slovenia and Spain. Estonia, however, withdrew from the enhanced cooperation in March 2016 (the "FTT Participating Member States").

The proposed FTT has a very broad scope and could apply to certain dealings in financial instruments (including secondary market transactions). The FTT could apply to persons both within and outside of the FTT Participating Member States. Generally, it would apply to certain dealings in financial instruments where at least one party is a financial institution, and either (i) at least one party is established or deemed to be established in an FTT Participating Member State or (ii) the financial instruments are issued in an FTT Participating Member State.

In the ECOFIN meeting of 17 June 2016, the FTT was discussed between the EU Member States. It has been reiterated in this meeting that the FTT Participating Member States envisage introducing an FTT by the so-called enhanced cooperation.

The proposed Directive defines how the FTT would be implemented in the FTT Participating Member States. It involves a minimum 0.1% tax rate for transactions in all types of financial instruments, except for derivatives that would be subject to a minimum 0.01% tax rate.

The Directive requires the unanimous agreement of the FTT Participating Member States, after consultation of the European Parliament. All EU Member States can participate in discussions on the proposal, though only FTT Participating Member States can take part in the vote.

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

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

Risk of difference in insolvency law

In the event that the Issuer becomes insolvent, insolvency proceedings will generally be governed by the insolvency laws of the Issuer's place of incorporation. The insolvency laws of the Issuer's place of incorporation may be different from the insolvency laws of an investor's home jurisdiction and the treatment and ranking of holders of Notes issued by the Issuer and the Issuer's other creditors and shareholders under the insolvency laws of the Issuer's place of incorporation may be different from the treatment and ranking of holders of those Notes and the Issuer's other creditors and shareholders if the Issuer was subject to the insolvency laws of the investor's home jurisdiction.

DOCUMENTS INCORPORATED BY REFERENCE

This Prospectus should be read and construed in conjunction with:

(a) the articles of association (*statuten*) of the Issuer (the official Dutch version and an English translation thereof);

(b) the report of the management board on the financial developments of the Issuer which appears on pages 6-13 of the Issuer's Annual Report 2017;

(c) the report of the management board on the financial developments of the Issuer which appears on pages 6-12 of the Issuer's Annual Report 2018;

(d) the audited consolidated annual accounts of the Issuer for the financial year ended 31 December 2017 which appear on pages 18 to 76 of the Issuer's Annual Report 2017 together with the independent auditor's report dated 24 April 2018, which appear on pages 87 to 93 of the Issuer's Annual Report 2017; and

(e) the audited consolidated annual accounts of the Issuer for the financial year ended 31 December 2018 which appear on pages 18 to 77 of the Issuer's Annual Report 2018 together with the independent auditor's report dated 2 April 2019, which appear on pages 88 to 100 of the Issuer's Annual Report 2018,

which have been previously published and which have been filed with the AFM.

Such documents shall be incorporated in and form part of this Prospectus.

Any documents themselves incorporated by reference in the documents incorporated by reference in this Prospectus shall not form part of this Prospectus.

Any non-incorporated parts of a document referred to herein are either deemed not relevant for an investor or are otherwise covered elsewhere in this Prospectus.

Copies of documents incorporated by reference in this Prospectus may be obtained (without charge) from the Issuer's website at www.nn.nl/over-NationaleNederlanden/wie-zijn-wij/jaarverslagen.htm

SUPPLEMENTARY PROSPECTUS

If at any time the Issuer shall be required to prepare a supplementary prospectus pursuant to the WFT, the Issuer will prepare and make available an appropriate amendment or supplement to this Prospectus which, in respect of any subsequent issue of Notes to be listed and admitted to trading on Euronext Amsterdam, shall constitute a supplementary prospectus as required by the WFT.

The Issuer has given an undertaking to the Dealers that if at any time during the duration of the Programme there is a significant new factor, material mistake or inaccuracy relating to information contained in this Prospectus which is capable of affecting the assessment of any Notes and whose inclusion in or removal from this Prospectus is necessary for the purpose of allowing an investor to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer and the rights attaching to the Notes, the Issuer shall prepare an amendment or supplement to this Prospectus or publish a replacement Prospectus for use in connection with any subsequent offering of the Notes and shall supply to each Dealer such number of copies of such supplement hereto as such Dealer may reasonably request.

OVERVIEW OF THE PROGRAMME

The following overview is qualified in its entirety by the remainder of this Prospectus.

Issuer:	Nationale-Nederlanden Bank N.V.
Description:	Debt Issuance Programme
Size:	Up to €3,000,000,000 (or the equivalent in other currencies at the date of issue) aggregate nominal amount of Notes outstanding at any one time.
Arranger:	J.P. Morgan Securities plc
Dealers:	J.P. Morgan Securities plc The Issuer may from time to time terminate the appointment of any dealer under the Programme or appoint additional dealers either in respect of one or more Tranches or in respect of the whole Programme. References in this Prospectus to "Permanent Dealers" are to the persons listed above as Dealers and to such additional persons that are appointed as dealers in respect of the whole Programme (and whose appointment has not been terminated) and references to "Dealers" are to all Permanent Dealers and all persons appointed as a dealer in respect of one or more Tranches.
Fiscal Agent and Calculation Agent:	HSBC Bank plc
Registrar and Transfer Agent	HSBC Bank plc
Amsterdam Listing Agent	ING Bank N.V.
Method of Issue:	The Notes will be issued on a syndicated or non-syndicated basis. The Notes will be issued in series (each a "Series") having one or more issue dates and on terms otherwise identical (or identical other than in respect of the first payment of interest), the Notes of each Series being intended to be interchangeable with all other Notes of that Series. Each Series may be issued in tranches (each a "Tranche") on the same or different issue dates. The specific terms of each Tranche (which will be completed, where necessary, with the relevant terms and conditions and, save in respect of the issue date, issue price, first payment of interest and nominal amount of the Tranche, will be identical to the terms of other Tranches of the same Series) will be completed in the final terms (the "Final Terms").
Issue Price:	Notes may be issued at their nominal amount or at a discount or premium to their nominal amount.
Form of Notes:	The Notes may be issued in bearer form ("Bearer Notes") or in registered form ("Registered Notes") only. Each Tranche of Bearer Notes will be represented on issue by a temporary Global Note if (i) definitive Notes are to be made available to Noteholders following the expiry of 40 days after their issue date or (ii) such Notes have an

	initial maturity of more than one year and are being issued in compliance with the D Rules (as defined in "—Selling Restrictions" below), otherwise such Tranche will be represented by a permanent Global Note. Registered Notes will be represented by Certificates, one Certificate being issued in respect of each Noteholder's entire holding of Registered Notes of one Series. Certificates representing Registered Notes that are registered in the name of a nominee for one or more clearing systems are referred to as "Global Certificates".
Clearing Systems:	Clearstream, Luxembourg, Euroclear and, in relation to any Tranche, such other clearing system as may be agreed between the Issuer, the Fiscal Agent and the relevant Dealer.
Initial Delivery of Notes:	On or before the issue date for each Tranche, if the relevant Global Note is a NGN or the relevant Global Certificate is held under the NSS, the Global Note or Global Certificate will be delivered to a Common Safekeeper for Euroclear and Clearstream, Luxembourg. On or before the issue date for each Tranche, if the relevant Global Note is a CGN or the relevant Global Certificate is not held under the NSS, the Global Note representing Bearer Notes or the Global Certificate representing Registered Notes may be deposited with a common depositary for Euroclear and Clearstream, Luxembourg. Global Notes or Global Certificates may also be deposited with any other clearing system or may be delivered outside any clearing system, provided that the method of such delivery has been agreed in advance by the Issuer, the Fiscal Agent and the relevant Dealer. Registered Notes that are to be credited to one or more clearing systems on issue will be registered in the name of nominees or a common nominee for such clearing systems.
Currencies:	Subject to compliance with all relevant laws, regulations and directives, Notes may be issued in any currency agreed between the Issuer and the relevant Dealers.
Maturities:	Any maturity, subject to compliance with all relevant laws, regulations and directives.
Specified Denomination:	Definitive Notes will be in such denominations as may be specified in the relevant Final Terms save that: (i) in the case of any Notes which are to be admitted to trading on a regulated market within the European Economic Area or offered to the public in a Member State of the European Economic Area in circumstances which require the publication of a prospectus under the Prospectus Directive, the minimum specified denomination shall be €100,000 (or its equivalent in any other currency as at the date of issue of the Notes); and (ii) unless otherwise permitted by then current laws and regulations, Notes (including Notes denominated in Sterling) which have a maturity of less than one year and in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of section 19 of the Financial Services and Markets Act 2000 ("FSMA") will have a minimum denomination of £100,000 (or its equivalent in other currencies).

Fixed Rate Notes:	Fixed interest will be payable in arrear on the date or dates in each year specified in the relevant Final Terms.
Floating Rate Notes:	Floating Rate Notes will bear interest determined separately for each Series as follows: (i) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the relevant ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc.; or (ii) by reference to LIBOR or EURIBOR as adjusted for any applicable margin. Interest periods will be specified in the relevant Final Terms. Upon the outcome of a Benchmark Event, a Rate Determination Agent will determine a Replacement Reference Rate in accordance with condition 4(b)(iii)(D).
Zero Coupon Notes:	Zero Coupon Notes (as defined in "Terms and Conditions of the Notes") may be issued at their nominal amount or at a discount to it and will not bear interest.
Interest Periods and Interest Rates:	The length of the interest periods for the Notes and the applicable interest rate or its method of calculation may differ from time to time or be constant for any Series. Notes may have a maximum interest rate, a minimum interest rate, or both. The use of interest accrual periods permits the Notes to bear interest at different rates in the same interest period. All such information will be set out in the relevant Final Terms.
Redemption:	The relevant Final Terms will specify the basis for calculating the redemption amounts payable. Unless permitted by then current laws and regulations, Notes (including Notes denominated in Sterling) which have a maturity of less than one year and in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of section 19 of the FSMA must have a minimum redemption amount of £100,000 (or its equivalent in other currencies).
Taxation:	This Prospectus includes a general summary of certain Dutch tax considerations relating to an investment in the Notes. See the "Taxation" section of this Prospectus. Such summary may not apply to a particular holder of Notes or to a particular issue and does not cover all possible tax considerations. In addition, the tax treatment may change after the date of this Prospectus. Any potential investor should consult his own tax adviser for more information about the tax consequences of acquiring, owning and disposing of Notes in its particular circumstances.
Redemption by Instalments:	The Final Terms issued in respect of each issue of Notes that are redeemable in two or more instalments will set out the dates on which,

	and the amounts in which, such Notes may be redeemed.
Optional Redemption:	The Final Terms issued in respect of each issue of Notes will state whether such Notes may be redeemed prior to their stated maturity at the option of the Issuer (either in whole or in part) and/or the holders, and, if so, the terms applicable to such redemption.
Status of Notes:	The Notes will constitute unsubordinated and unsecured obligations of the Issuer, as described in "Terms and Conditions of the Notes—Status".
Negative Pledge:	None
Cross Default:	None
Ratings:	The Issuer is rated A- by S&P. Tranches of Notes will be rated or unrated. Where a Tranche of Notes is to be rated, such rating will be specified in the relevant Final Terms. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.
Early Redemption:	Except as provided in "—Optional Redemption" above, Notes will be redeemable at the option of the Issuer prior to maturity only for tax reasons. See "Terms and Conditions of the Notes—Redemption, Purchase and Options".
Withholding Tax:	All payments of principal and interest in respect of the Notes will be made free and clear of withholding taxes of The Netherlands, unless the withholding is required by law. In such event, the Issuer shall, subject to customary exceptions, pay such additional amounts as shall result in receipt by the Noteholder of such amounts as would have been received by it had no such withholding been required, all as described in "Terms and Conditions of the Notes—Taxation".
Governing Law:	Dutch
Listing and Admission to Trading:	Application has been made to list Notes issued under the Programme and to admit them to trading on Euronext Amsterdam or as otherwise specified in the relevant Final Terms, and references to listing shall be construed accordingly. As specified in the relevant Final Terms, a Series of Notes may be unlisted.
Selling Restrictions:	The United States, the United Kingdom, The Netherlands and Japan. See "Subscription and Sale". The Issuer is Category 2 for the purposes of Regulation S under the Securities Act, as amended. The Notes will be issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(D) (or any successor United States Treasury Regulation section, including, without limitation, regulations issued in accordance with Internal Revenue Service Notice 2012-20 or otherwise in connection with the United States Hiring Incentives to Restore

Employment Act of 2010) (the "D Rules") unless (i) the relevant Final Terms states that Notes are issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(C) (or any successor United States Treasury Regulation section, including, without limitation, regulations issued in accordance with Internal Revenue Service Notice 2012-20 or otherwise in connection with the United States Hiring Incentives to Restore Employment Act of 2010) (the "C Rules") or (ii) the Notes are issued other than in compliance with the D Rules or the C Rules but in circumstances in which the Notes will not constitute "registration required obligations" under the United States Tax Equity and Fiscal Responsibility Act of 1982 ("TEFRA"), which circumstances will be referred to in the relevant Final Terms as a transaction to which TEFRA is not applicable.

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the terms and conditions that, subject to completion and amendment and as supplemented or varied in accordance with the provisions of Part A of the relevant Final Terms, shall be applicable to the Notes in definitive form (if any) issued in exchange for the Global Note(s) representing each Series. Either (i) the full text of these terms and conditions together with the relevant provisions of Part A of the Final Terms or (ii) these terms and conditions as so completed, amended, supplemented or varied (and subject to simplification by the deletion of non-applicable provisions), shall be endorsed on such Bearer Notes or on the Certificates relating to such Registered Notes. All capitalised terms that are not defined in these Conditions will have the meanings given to them in Part A of the relevant Final Terms. Those definitions will be endorsed on the definitive Notes or Certificates, as the case may be. References in the Conditions to "Notes" are to the Notes of one Series only, not to all Notes that may be issued under the Programme.

The Notes are issued pursuant to an Agency Agreement (as amended or supplemented as at the Issue Date, the "Agency Agreement") dated 15 May 2019 between the Issuer, HSBC Bank plc as fiscal agent and the other agents named in it. The fiscal agent, the paying agents, the registrar, the transfer agents and the calculation agent(s) for the time being (if any) are referred to below, respectively, as the "Fiscal Agent", the "Paying Agents" (which expression shall include the Fiscal Agent), the "Registrar", the "Transfer Agents" and the "Calculation Agent(s)". The Noteholders (as defined below), the holders of the interest coupons (the "Coupons") relating to interest bearing Notes in bearer form and, where applicable in the case of such Notes, talons for further Coupons (the "Talons") (the "Couponholders") and the holders of the receipts for the payment of instalments of principal (the "Receipts") relating to Notes in bearer form of which the principal is payable in instalments are deemed to have notice of all of the provisions of the Agency Agreement applicable to them.

As used in these terms and conditions (the "Conditions"), "Tranche" means Notes which are identical in all respects.

Copies of the Agency Agreement are available for inspection at the specified offices of each of the Paying Agents, the Registrar and the Transfer Agents.

1. Form, Denomination and Title

The Notes are issued in bearer form ("Bearer Notes") or in registered form ("Registered Notes"), in each case in the Specified Denomination(s) shown hereon.

This Note is a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, an Instalment Note or a combination of any of the foregoing, depending upon the Interest and Redemption/Payment Basis shown hereon.

Bearer Notes are serially numbered and are issued with Coupons (and, where appropriate, a Talon) attached, save in the case of Zero Coupon Notes in which case references to interest (other than in relation to interest due after the Maturity Date), Coupons and Talons in these Conditions are not applicable. Instalment Notes are issued with one or more Receipts attached.

Registered Notes are represented by registered certificates ("Certificates") and, save as provided in Condition 2(c), each Certificate shall represent the entire holding of Registered Notes by the same holder.

Title to the Bearer Notes and the Receipts, Coupons and Talons shall pass by delivery. Title to the Registered Notes shall pass by registration in the register that the Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement (the "Register"). Except as ordered by a court of competent jurisdiction or as required by law, the holder (as defined below) of any Note, Receipt, Coupon or Talon shall be deemed to be and may be treated as its absolute owner for all purposes, whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it, any writing on it (or on the Certificate representing it) or its theft or loss (or that of the related Certificate), and no person shall be liable for so treating the holder.

In these Conditions, "Noteholder" means the bearer of any Bearer Note and the Receipts relating to it or the person in whose name a Registered Note is registered (as the case may be), "holder" (in relation to a Note, Receipt, Coupon or Talon) means the bearer of any Bearer Note, Receipt, Coupon or Talon or the person in whose name a Registered Note is registered (as the case may be) and capitalised terms have the meanings given to them hereon, the absence of any such meaning indicating that such term is not applicable to the Notes.

2. No Exchange of Notes and Transfers of Registered Notes

(a) **No Exchange of Notes**: Registered Notes may not be exchanged for Bearer Notes. Bearer Notes of one Specified Denomination may not be exchanged for Bearer Notes of another Specified Denomination. Bearer Notes may not be exchanged for Registered Notes.

(b) **Transfer of Registered Notes**: One or more Registered Notes may be transferred upon the surrender (at the specified office of the Registrar or any Transfer Agent) of the Certificate representing such Registered Notes to be transferred, together with the form of transfer endorsed on such Certificate (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Issuer), duly completed and executed and any other evidence as the Registrar or Transfer Agent may reasonably require. In the case of a transfer of part only of a holding of Registered Notes represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor. All transfers of Notes and entries on the Register will be made subject to the detailed regulations concerning transfers of Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer, with the prior written approval of the Registrar and the Noteholders. A copy of the current regulations will be made available by the Registrar to any Noteholder upon request.

(c) **Exercise of Options or Partial Redemption in Respect of Registered Notes**: In the case of an exercise of an Issuer's or Noteholders' option in respect of, or a partial redemption of, a holding of Registered Notes represented by a single Certificate, a new Certificate shall be issued to the holder to reflect the exercise of such option or in respect of the balance of the holding not redeemed. In the case of a partial exercise of an option resulting in Registered Notes of the same holding having different terms, separate Certificates shall be issued in respect of those Notes of that holding that have the same terms. New Certificates shall only be issued against surrender of the existing Certificates to the Registrar or any Transfer Agent. In the case of a transfer of Registered Notes to a person who is already a holder of Registered Notes, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding.

(d) **Delivery of New Certificates**: Each new Certificate to be issued pursuant to Conditions 2(b) or (c) shall be available for delivery within three business days of receipt of the form of transfer or Exercise Notice (as defined in Condition 5(e)) and surrender of the Certificate for exchange. Delivery of the new Certificate(s) shall be made at the specified office of the Transfer Agent or of the Registrar (as the case may be) to whom delivery or surrender of such form of transfer, Exercise Notice or Certificate shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the form of transfer, Exercise Notice or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Certificate to such address as may be so specified, unless such holder requests otherwise and pays in advance to the relevant Agent (as defined in the Agency Agreement) the costs of such other method of delivery and/or such insurance as it may specify. In this Condition 2(d), "business day" means a day, other than a Saturday or Sunday, on which banks are open for business in the place of the specified office of the relevant Transfer Agent or the Registrar (as the case may be).

(e) **Transfer Free of Charge**: Transfers of Notes and Certificates on registration, transfer, partial redemption or exercise of an option shall be effected without charge by or on behalf of the Issuer, the Registrar or the Transfer Agents, but upon payment of any tax or other governmental charges that may be imposed in relation to it (or the giving of such indemnity as the Registrar or the relevant Transfer Agent may require).

(f) **Closed Periods**: No Noteholder may require the transfer of a Registered Note to be registered (i) during the period of 15 days ending on the due date for redemption of, or payment of any Instalment Amount in respect of, that Note, (ii) during the period of 15 days before any date on which Notes may be called for redemption by the Issuer at its option pursuant to Condition 5(d), (iii) after any such Note has been called for redemption or (iv) during the period of seven days ending on (and including) any Record Date.

3. Status

The Notes and the Receipts and Coupons constitute unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Issuer under the Notes and the Receipts and the Coupons shall, save for such exceptions as may be provided by applicable legislation, at all times rank at least equally with all other unsecured and unsubordinated indebtedness and monetary obligations of the Issuer, present and future.

4. Interest and other Calculations

(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 per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 4(f).

(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 per annum (expressed as a percentage) equal to the Rate of Interest, such interest being

payable in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 4(f). Such Interest Payment Date(s) is/are either shown hereon as Specified Interest Payment Dates or, if no Specified Interest Payment Date(s) is/are shown hereon, Interest Payment Date shall mean each date which falls the number of months or other period shown hereon as the Interest Period after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

(ii) *Business Day Convention*: If any date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then, if the Business Day Convention specified is (A) the Floating Rate Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event (x) such date shall be brought forward to the immediately preceding Business Day and (y) each subsequent such date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment, (B) the Following Business Day Convention, such date shall be postponed to the next day that is a Business Day, (C) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day or (D) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day.

(iii) *Rate of Interest for Floating Rate Notes*: The Rate of Interest in respect of Floating Rate Notes for each Interest Accrual Period shall be determined in the manner specified hereon and the provisions below relating to either ISDA Determination or Screen Rate Determination shall apply, depending upon which is specified hereon.

(A) ISDA Determination for Floating Rate Notes

Where ISDA Determination is specified hereon as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be determined by the Calculation Agent as a rate equal to the relevant ISDA Rate. For the purposes of this sub-paragraph (A), "ISDA Rate" for an Interest Accrual Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under a Swap Transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

(x) the Floating Rate Option is as specified hereon;

(y) the Designated Maturity is a period specified hereon; and

(z) the relevant Reset Date is the first day of that Interest Accrual Period unless otherwise specified hereon.

For the purposes of this sub-paragraph (A), "Floating Rate", "Calculation Agent", "Floating Rate Option", "Designated Maturity",

"Reset Date" and "Swap Transaction" have the meanings given to those terms in the ISDA Definitions.

(B) Screen Rate Determination for Floating Rate Notes

(x) Where Screen Rate Determination is specified hereon as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period will, subject as provided below, be either:

(1) the offered quotation; or

(2) the arithmetic mean of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at either 11.00 a.m. (London time in the case of LIBOR or Brussels time in the case of EURIBOR) on the Interest Determination Date in question as determined by the Calculation Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean of such offered quotations.

If the Reference Rate from time to time in respect of Floating Rate Notes is specified hereon as being other than LIBOR or EURIBOR, the Rate of Interest in respect of such Notes will be determined as provided hereon.

(y) if the Relevant Screen Page is not available, or if sub-paragraph (x)(1) applies and no such offered quotation appears on the Relevant Screen Page, or if sub-paragraph (x)(2) applies and fewer than three such offered quotations appear on the Relevant Screen Page, in each case as at the time specified above, subject as provided below, the Calculation Agent shall request, if the Reference Rate is LIBOR, the principal London office of each of the Reference Banks or, if the Reference Rate is EURIBOR, the principal Euro-zone office of each of the Reference Banks to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time), or, if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time) on the Interest Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Rate of Interest for such Interest Accrual Period shall be the arithmetic mean of such offered quotations as determined by the Calculation Agent.; and

(z) if paragraph (y) above applies and the Calculation Agent determines that fewer than two Reference Banks are providing offered quotations, subject as provided below, the Rate of Interest shall be the arithmetic mean of the rates per annum (expressed as a percentage) as communicated to (and at the request of) the Calculation Agent by the Reference Banks or any two or more of them, at which such banks were offered, if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time) or, if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time) on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in, if the Reference Rate is LIBOR, the London inter-bank market or, if the Reference Rate is EURIBOR, the Euro-zone inter-bank market, as the case may be, or, if fewer than two of the Reference Banks provide the Calculation Agent with such offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time) or, if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time), on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Issuer suitable for such purpose) informs the Calculation Agent it is quoting to leading banks in, if the Reference Rate is LIBOR, the London inter-bank market or, if the Reference Rate is EURIBOR, the Euro-zone inter-bank market, as the case may be, provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum or Minimum Rate of Interest is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin or Maximum or Minimum Rate of Interest relating to the relevant Interest Accrual Period, in place of the Margin or Maximum or Minimum Rate of Interest relating to that last preceding Interest Accrual Period).

(C) Linear Interpolation

Where Linear Interpolation is specified hereon as applicable in respect of an Interest Accrual Period, the Rate of Interest for such Interest Accrual Period shall be calculated by the Calculation Agent by straight line linear interpolation by reference to two rates based on the relevant Reference Rate (where Screen Rate Determination is specified hereon as applicable) or the relevant Floating Rate Option (where ISDA Determination is specified hereon as applicable), one of which shall be determined as if the Applicable Maturity were the period

of time for which rates are available next shorter than the length of the relevant Interest Accrual Period and the other of which shall be determined as if the Applicable Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Accrual Period, provided, however, that if there is no rate available for the period of time next shorter or, as the case may be, next longer, then the Calculation Agent shall determine such rate at such time and by reference to such sources as it determines appropriate.

"Applicable Maturity" means: (a) in relation to Screen Rate Determination, the period of time designated in the Reference Rate, and (b) in relation to ISDA Determination, the Designated Maturity.

(D) Replacement Reference Rate Determination for Discontinued Reference Rate

Notwithstanding the provisions above in this Condition 4(b), if the Principal Paying Agent or the Issuer determines at any time prior to, on or following any Interest Determination Date, discontinued a Benchmark Event has occurred, the Issuer will, as soon as reasonably practicable (and in any event prior to the next relevant Interest Determination Date), appoint an agent ("Rate Determination Agent"), which will determine in its sole discretion, acting in good faith and in a commercially reasonable manner, whether a substitute or successor rate for purposes of determining the relevant Reference Rate on each Interest Determination Date falling on such date or thereafter that is substantially comparable to the Reference Rate is available or a successor rate that has been recommended or selected by the monetary authority or similar authority (or working group thereof) in the jurisdiction of the applicable currency. If the Rate Determination Agent determines that there is an industry-accepted successor rate, the Rate Determination Agent will use such successor rate to determine the relevant Reference Rate. If the Rate Determination Agent has determined a substitute or successor rate in accordance with the foregoing (such rate, the "Replacement Reference Rate") for purposes of determining the Reference Rate on the relevant Interest Determination Date falling on or after such determination, (A) the Rate Determination Agent will also determine changes (if any) to the business day convention, the definition of business day, the interest determination date, the day count fraction and any method for calculating the Replacement Reference Rate, including any adjustment factor needed to make such Replacement Reference Rate comparable to the relevant Reference Rate, in each case in a manner that is consistent with industry-accepted practices for such Replacement Reference Rate; (B) references to the Reference Rate in these Conditions applicable to the relevant Floating Rate Note will be deemed to be references to the relevant Replacement Reference Rate, including any alternative method for determining such rate as described in (A) above; (C) the Rate Determination Agent will notify the Issuer of the foregoing as soon as reasonably practicable; and (D) the Issuer will give notice as soon as reasonably practicable to the Noteholders (in accordance with Condition 14 (Notices)) and the Principal Paying Agent specifying the Replacement Reference Rate, as well as the details described in (A) above.

The determination of the Replacement Reference Rate and the other matters referred to above by the Rate Determination Agent will (in the absence of manifest error) be final and binding on the Issuer, the Principal Paying Agent, and will apply to the relevant Notes without any requirement that the Issuer obtains consent of any Noteholders. If the Rate Determination Agent is unable to or otherwise does not determine a substitute Replacement Reference Rate, then the Reference Rate will be equal to the Reference Rate last determined in relation to the Notes in respect of a preceding Interest Accrual Period.

For the avoidance of doubt, each Noteholder shall be deemed to have accepted the Replacement Reference Rate or such other changes pursuant to this Condition (iii).

The Rate Determination Agent will be (A) a major bank or broker-dealer in a principal financial center of the European Union or the United Kingdom as appointed by the Issuer; or (B), if it is not reasonably practicable to appoint a party as referred to under (A), the Issuer.

(c) **Zero Coupon Notes**: Where a Note the Interest Basis of which is specified to be Zero Coupon is repayable prior to the Maturity Date and is not paid when due, the amount due and payable prior to the Maturity Date shall be the Early Redemption Amount of such Note. As from the Maturity Date, the Rate of Interest for any overdue principal of such a Note shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield (as described in Condition 5(b)(i)).

(d) **Accrual of Interest**: Interest shall cease to accrue on each Note on the due date for redemption unless, upon due presentation, payment is improperly withheld or refused, in which event interest shall continue to accrue (both before and after judgment) at the Rate of Interest in the manner provided in this Condition 4 to the Relevant Date (as defined in Condition 7).

(e) **Margin, Maximum/Minimum Rates of Interest, Instalment Amounts and Redemption Amounts and Rounding**:

(i) If any Margin is specified hereon (either (x) generally, or (y) in relation to one or more Interest Accrual Periods), an adjustment shall be made to all Rates of Interest, in the case of (x), or the Rates of Interest for the specified Interest Accrual Periods, in the case of (y), calculated in accordance with Condition 4(b) above by adding (if a positive number) or subtracting the absolute value (if a negative number) of such Margin, subject always to the next paragraph, Condition 4(e)(ii).

(ii) If any Maximum or Minimum Rate of Interest, Instalment Amount or Redemption Amount is specified hereon, then any Rate of Interest, Instalment Amount or Redemption Amount shall be subject to such maximum or minimum, as the case may be.

(iii) For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (x) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 of a percentage point being rounded up), (y) all figures shall be rounded to seven significant figures (provided that, if the eighth significant figure is a 5 or greater,

the seventh significant shall be rounded up) and (z) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with half a unit being rounded up), save in the case of yen, which shall be rounded down to the nearest yen. For these purposes, "unit" means the lowest amount of such currency that is available as legal tender in the country of such currency.

(f) **Calculations**: The amount of interest payable per Calculation Amount in respect of any Note for any Interest Accrual Period shall be equal to the product of the Rate of Interest, the Calculation Amount specified hereon, and the Day Count Fraction for such Interest Accrual Period, unless an Interest Amount (or a formula for its calculation) is applicable to such Interest Accrual Period, in which case the amount of interest payable per Calculation Amount in respect of such Note for such Interest Accrual Period shall equal such Interest Amount (or be calculated in accordance with such formula). Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable per Calculation Amount in respect of such Interest Period shall be the sum of the Interest Amounts payable in respect of each of those Interest Accrual Periods. In respect of any other period for which interest is required to be calculated, the provisions above shall apply save that the Day Count Fraction shall be for the period for which interest is required to be calculated.

(g) **Determination and Publication of Rates of Interest, Interest Amounts, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts and Instalment Amounts**: The Calculation Agent shall, as soon as practicable on such date as the Calculation Agent may be required to calculate any rate or amount, obtain any quotation or make any determination or calculation, determine such rate and calculate the Interest Amounts for the relevant Interest Accrual Period, calculate the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or Instalment Amount, obtain such quotation or make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amounts for each Interest Accrual Period and the relevant Interest Payment Date and, if required to be calculated, the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or any Instalment Amount to be notified to the Fiscal Agent, the Issuer, each of the Paying Agents, the Noteholders, any other Calculation Agent appointed in respect of the Notes that is to make a further calculation upon receipt of such information and, if the Notes are listed on a stock exchange and the rules of such exchange or other relevant authority so require, such exchange or other relevant authority as soon as possible after their determination but in no event later than (i) the commencement of the relevant Interest Period, if determined prior to such time, in the case of notification to such exchange of a Rate of Interest and Interest Amount, or (ii) in all other cases, the fourth Business Day after such determination. Where any Interest Payment Date or Interest Period Date is subject to adjustment pursuant to Condition 4(b)(ii), the Interest Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. If the Notes become due and payable under Condition 9, the accrued interest and the Rate of Interest payable in respect of the Notes shall nevertheless continue to be calculated as previously in accordance with this Condition but no publication of the Rate of Interest or the Interest Amount so calculated need be made. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent(s) shall (in the absence of manifest error) be final and binding upon all parties.

(h) **Definitions**: In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

"Benchmark Event" means:

1. the Original Reference Rate ceasing be published for a period of at least 5 Business Days or ceasing to exist; or

2. a public statement by the administrator of the Original Reference Rate that it will, by a specified date within the following six months, cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate); or

3. a public statement by the supervisor of the administrator of the Original Reference Rate, that the Original Reference Rate has been or will, by a specified date within the following six months, be permanently or indefinitely discontinued; or

4. a public statement by the supervisor of the administrator of the Original Reference Rate as a consequence of which the Original Reference Rate will be prohibited from being used either generally, or in respect of the Notes, in each case within the following six months; or

5. it has become unlawful for any Calculation Agent or the Issuer to calculate any payments due to be made to any Noteholder using the Original Reference Rate.

"Business Day" means:

1. in the case of a currency other than euro, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the principal financial centre for such currency; and/or

2. in the case of euro, a day on which the TARGET System is operating (a "TARGET Business Day"); and/or

3. in the case of a currency and/or one or more Business Centres, a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in such currency in the Business Centre(s) or, if no currency is indicated, generally in each of the Business Centres.

"Day Count Fraction" means, in respect of the calculation of an amount of interest on any Note for any period of time (from and including the first day of such period to but excluding the last) (whether or not constituting an Interest Period or an Interest Accrual Period, the "Calculation Period"):

1. if "Actual/Actual" or "Actual/Actual - ISDA" is specified hereon, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);

2. if "Actual/365 (Fixed)" is specified hereon, the actual number of days in the Calculation Period divided by 365;

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

4. if "Actual/360" is specified hereon, the actual number of days in the Calculation Period divided by 360;

5. if "30/360", "360/360" or "Bond Basis" is specified hereon, the number of days in the Calculation 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 Calculation Period falls;

"Y_2" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"M_1" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M_2" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"D_1" is the first calendar day, expressed as a number, of the Calculation 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 Calculation Period, unless such number would be 31 and D_1 is greater than 29, in which case D_2 will be 30.

6. if "30E/360" or "Eurobond Basis" is specified hereon, the number of days in the Calculation 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 Calculation Period falls;

"Y_2" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"M_1" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M_2" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"D_1" is the first calendar day, expressed as a number, of the Calculation 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 Calculation Period, unless such number would be 31, in which case D_2 will be 30.

7. if "30E/360 (ISDA)" is specified hereon, the number of days in the Calculation 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 Calculation Period falls;

"Y_2" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"M_1" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M_2" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"D_1" is the first calendar day, expressed as a number, of the Calculation 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 Calculation 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.

8. if "Actual/Actual-ICMA" is specified hereon,

if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation 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

if the Calculation Period is longer than one Determination Period, the sum of:

(x) the number of days in such Calculation Period falling in the Determination Period in which it begins 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; and

(y) the number of days in such Calculation Period falling in the next Determination 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

where:

"Determination Period" means the period from and including a Determination Date in any year to but excluding the next Determination Date; and

"Determination Date" means the date(s) specified as such hereon or, if none is so specified, the Interest Payment Date(s).

"Euro-zone" means the region comprised of member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended.

"Interest Accrual Period" means the period beginning on and including the Interest Commencement Date and ending on but excluding the first Interest Period Date and each successive period beginning on and including an Interest Period Date and ending on but excluding the next succeeding Interest Period Date.

"Interest Amount" means:

1. in respect of an Interest Accrual Period, the amount of interest payable per Calculation Amount for that Interest Accrual Period and which, in the case of Fixed Rate Notes, and unless otherwise specified hereon, shall mean the Fixed Coupon Amount or Broken Amount specified hereon as being payable on the Interest Payment Date ending the Interest Period of which such Interest Accrual Period forms part; and

2. in respect of any other period, the amount of interest payable per Calculation Amount for that period.

"Interest Commencement Date" means the Issue Date or such other date as may be specified hereon.

"Interest Determination Date" means, with respect to a Rate of Interest and Interest Accrual Period, the date specified as such hereon or, if none is so specified, (i) the first day of such Interest Accrual Period if the Specified Currency is Sterling or (ii) the day falling two Business Days in London for the Specified Currency prior to the first day of such Interest Accrual Period if the Specified Currency is neither Sterling nor euro or (iii) the day falling two TARGET Business Days prior to the first day of such Interest Accrual Period if the Specified Currency is euro.

"Interest Period" means the period beginning on and including the Interest Commencement Date and ending on but excluding the first Interest Payment Date and each successive period beginning on and including an Interest Payment Date and ending on but excluding the next succeeding Interest Payment Date unless otherwise specified hereon.

"Interest Period Date" means each Interest Payment Date unless otherwise specified hereon.

"ISDA Definitions" means the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc., unless otherwise specified hereon.

"Original Reference Rate" means the originally-specified benchmark or screen rate (as applicable) used to determine the Rate of Interest (or any component part thereof) on the Notes.

"Rate of Interest" means the rate of interest payable from time to time in respect of this Note and that is either specified or calculated in accordance with the provisions hereon.

"Reference Banks" means, in the case of a determination of LIBOR, the principal London office of four major banks in the London inter-bank market and, in the case of a determination of EURIBOR, the principal Euro-zone office of four major banks in the Euro-zone inter-bank market, in each case selected by the Calculation Agent or as specified hereon.

"Reference Rate" means the rate specified as such hereon.

"Relevant Screen Page" means such page, section, caption, column or other part of a particular information service as may be specified hereon (or any successor or replacement page, section, caption, column or other part of a particular information service).

"Specified Currency" means the currency specified as such hereon or, if none is specified, the currency in which the Notes are denominated.

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

(i) **Calculation Agent**: The Issuer shall procure that there shall at all times be one or more Calculation Agents if provision is made for them hereon and for so long as any Note is outstanding (as defined in the Agency Agreement). Where more than one Calculation Agent is appointed in respect of the Notes, references in these Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its respective duties under the Conditions. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest for an Interest Accrual Period or to calculate any Interest Amount, Instalment Amount, Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, or to comply with any other requirement, the Issuer shall appoint a leading bank or financial institution engaged in the inter bank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the calculation or determination to be made by the Calculation Agent (acting through its principal London office or any other office actively involved in such market) to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid.

5. Redemption, Purchase and Options

(a) **Redemption by Instalments and Final Redemption:**

(i) Unless previously redeemed, purchased and cancelled as provided in this Condition 5, each Note that provides for Instalment Dates and Instalment Amounts shall be partially redeemed on each Instalment Date at the related Instalment Amount specified hereon. The outstanding nominal amount of each such Note shall be reduced by the Instalment Amount (or, if such Instalment Amount is calculated by reference to a proportion of the nominal amount of such Note, such proportion) for all purposes with effect from the related Instalment Date, unless payment of the Instalment Amount is improperly withheld or refused, in which case such amount shall remain outstanding until the Relevant Date relating to such Instalment Amount.

(ii) Unless previously redeemed, purchased and cancelled as provided below, each Note shall be finally redeemed on the Maturity Date specified hereon at its Final Redemption Amount (which, unless otherwise provided, is its nominal amount) or, in the case of a Note falling within paragraph (i) above, its final Instalment Amount.

(b) **Early Redemption:**

(i) Zero Coupon Notes:

(A) The Early Redemption Amount payable in respect of any Zero Coupon Note upon redemption of such Note pursuant to Condition 5(c), Condition 5(d) or Condition 5(e) or upon it becoming due and payable as provided in Condition 9 shall be the Amortised Face Amount (calculated as provided below) of such Note unless otherwise specified hereon.

(B) Subject to the provisions of sub-paragraph (C) below, the Amortised Face Amount of any such Note shall be the scheduled Final Redemption Amount of such Note on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the Amortisation Yield (which, if none is shown hereon, shall be such rate as would produce an Amortised Face Amount equal to the issue price of the Notes if they were discounted back to their issue price on the Issue Date) compounded annually.

(C) If the Early Redemption Amount payable in respect of any such Note upon its redemption pursuant to Condition 5(c), Condition 5(d) or Condition 5(e) or upon it becoming due and payable as provided in Condition 9 is not paid when due, the Early Redemption Amount due and payable in respect of such Note shall be the Amortised Face Amount of such Note as defined in sub-paragraph (B) above, except that such sub-paragraph shall have effect as though the date on which the Note becomes due and payable were the Relevant Date. The calculation of the Amortised Face Amount in accordance with this sub-paragraph shall continue to be made (both before and after judgment) until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Final

Redemption Amount of such Note on the Maturity Date together with any interest that may accrue in accordance with Condition 4(c).

Where such calculation is to be made for a period of less than one year, it shall be made on the basis of the Day Count Fraction shown hereon.

(ii) *Other Notes*: The Early Redemption Amount payable in respect of any Note (other than Notes described in (i) above), upon redemption of such Note pursuant to Condition 5(c), Condition 5(d) or Condition 5(e) or upon it becoming due and payable as provided in Condition 9, shall be the Final Redemption Amount unless otherwise specified hereon.

(c) **Redemption for Taxation Reasons**: The Notes may be redeemed at the option of the Issuer in whole, but not in part, on any Interest Payment Date (if this Note is a Floating Rate Note) or, at any time (if this Note is not a Floating Rate Note), on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable), at their Early Redemption Amount (as described in Condition 5(b) above) (together with interest accrued to the date fixed for redemption), if (i) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 7 as a result of any change in, or amendment to, the laws or regulations of The Netherlands (in the case of payment by the Issuer) 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 date on which agreement is reached to issue the first Tranche of the Notes, and (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes then due. Prior to the publication of any notice of redemption pursuant to this Condition 5(c), the Issuer shall deliver to the Fiscal Agent a certificate duly signed on behalf of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment.

(d) **Redemption at the Option of the Issuer**: If Call Option is specified hereon, the Issuer may, on giving not less than 15 nor more than 30 days' irrevocable notice to the Noteholders (or such other notice period as may be specified hereon), redeem all or, if so provided, some of the Notes on any Optional Redemption Date. Any such redemption of Notes shall be at their Optional Redemption Amount specified hereon (which may be the Early Redemption Amount (as described in Condition 5(b) above)), together with interest accrued to the date fixed for redemption. Any such redemption or exercise must relate to Notes of a nominal amount at least equal to the Minimum Redemption Amount to be redeemed specified hereon and no greater than the Maximum Redemption Amount to be redeemed specified hereon.

All Notes in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition 5.

In the case of a partial redemption the notice to Noteholders shall also contain the certificate numbers of the Bearer Notes, or in the case of Registered Notes shall specify the nominal amount of Registered Notes drawn and the holder(s) of such Registered Notes, to be redeemed, which

shall have been drawn in such place and in such manner as may be fair and reasonable in the circumstances, taking account of prevailing market practices, subject to compliance with any applicable laws and stock exchange or other relevant authority requirements.

(e) **Redemption at the Option of Noteholders**: If Put Option is specified hereon, the Issuer shall, at the option of the holder of any such Note, upon the holder of such Note giving not less than 15 nor more than 30 days' notice to the Issuer (or such other notice period as may be specified hereon), redeem such Note on the Optional Redemption Date(s) at its Optional Redemption Amount specified hereon (which may be the Early Redemption Amount (as described in Condition 5(b) above)), together with interest accrued to the date fixed for redemption.

To exercise such option, the holder must deposit (in the case of Bearer Notes) such Note (together with all unmatured Receipts and Coupons and unexchanged Talons) with any Paying Agent or (in the case of Registered Notes) the Certificate representing such Note(s) with the Registrar or any Transfer Agent at its specified office, together with a duly completed option exercise notice ("Exercise Notice") in the form obtainable from any Paying Agent, the Registrar or any Transfer Agent (as applicable) within the notice period. No Note or Certificate so deposited and option exercised may be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer.

(f) **Purchases**: The Issuer and its Subsidiaries as defined in the Agency Agreement may at any time purchase Notes (provided that all unmatured Receipts and Coupons and unexchanged Talons relating thereto are attached thereto or surrendered therewith) in the open market or otherwise at any price.

(g) **Cancellation**: All Notes purchased by or on behalf of the Issuer or any of its Subsidiaries may be surrendered for cancellation, in the case of Bearer Notes, by surrendering each such Note together with all unmatured Receipts and Coupons and all unexchanged Talons to the Fiscal Agent and, in the case of Registered Notes, by surrendering the Certificate representing such Notes to the Registrar and, in each case, if so surrendered, shall, together with all Notes redeemed by the Issuer, be cancelled forthwith (together with all unmatured Receipts and Coupons and unexchanged Talons attached thereto or surrendered therewith). Any Notes so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer in respect of any such Notes shall be discharged.

6. Payments and Talons

(a) **Bearer Notes**: Payments of principal and interest in respect of Bearer Notes shall, subject as mentioned below, be made against presentation and surrender of the relevant Receipts (in the case of payments of Instalment Amounts other than on the due date for redemption and provided that the Receipt is presented for payment together with its relative Note), Notes (in the case of all other payments of principal and, in the case of interest, as specified in Condition 6(f)(vi)) or Coupons (in the case of interest, save as specified in Condition 6(f)(vi)), as the case may be, at the specified office of any Paying Agent outside the United States by a cheque payable in the relevant currency drawn on, or, at the option of the holder, by transfer to an account denominated in such currency with, a Bank. "Bank" means a bank in the principal financial centre for such currency or, in the case of euro, in a city in which banks have access to the TARGET System.

(b) **Registered Notes**:

(i) Payments of principal (which for the purposes of this Condition 6(b) shall include final Instalment Amounts but not other Instalment Amounts) in respect of Registered Notes shall be made against presentation and surrender of the relevant Certificates at the specified office of any of the Transfer Agents or of the Registrar and in the manner provided in paragraph (ii) below.

(ii) Interest (which for the purpose of this Condition 6(b) shall include all Instalment Amounts other than final Instalment Amounts) on Registered Notes shall be paid to the person shown on the Register at the close of business on the fifteenth day before the due date for payment thereof (the "Record Date"). Payments of interest on each Registered Note shall be made in the relevant currency by cheque drawn on a Bank and mailed to the holder (or to the first-named of joint holders) of such Note at its address appearing in the Register. Upon application by the holder to the specified office of the Registrar or any Transfer Agent before the Record Date, such payment of interest may be made by transfer to an account in the relevant currency maintained by the payee with a Bank.

(c) **Payments in the United States**: Notwithstanding the foregoing, if any Bearer Notes are denominated in U.S. dollars, payments in respect thereof may be made at the specified office of any Paying Agent in New York City in the same manner as aforesaid if (i) the Issuer shall have appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment of the amounts on the Notes in the manner provided above when due, (ii) payment in full of such amounts at all such offices is illegal or effectively precluded by exchange controls or other similar restrictions on payment or receipt of such amounts and (iii) such payment is then permitted by United States law, without involving, in the opinion of the Issuer, any adverse tax consequence to the Issuer.

(d) **Payments Subject to Laws**: All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives in the place of payment, but without prejudice to the provisions of Condition 7. No commission or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.

(e) **Appointment of Agents**: The Fiscal Agent, the Paying Agents, the Registrar, the Transfer Agents and the Calculation Agent initially appointed by the Issuer and their respective specified offices are listed below. The Fiscal Agent, the Paying Agents, the Registrar, Transfer Agents and the Calculation Agent(s) act solely as agents of the Issuer and do not assume any obligation or relationship of agency or trust for or with any Noteholder or Couponholder. The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal Agent, any other Paying Agent, the Registrar, any Transfer Agent or the Calculation Agent(s) and to appoint additional or other Paying Agents or Transfer Agents, provided that the Issuer shall at all times maintain (i) a Fiscal Agent, (ii) a Registrar in relation to Registered Notes, (iii) a Transfer Agent in relation to Registered Notes, (iv) one or more Calculation Agent(s) where the Conditions so require, (v) Paying Agents having specified offices in at least two major European cities and (vi) such other agents as may be required by any other stock exchange on which the Notes may be listed.

In addition, the Issuer shall forthwith appoint a Paying Agent in New York City in respect of any Bearer Notes denominated in U.S. dollars in the circumstances described in paragraph (c) above.

Notice of any such change or any change of any specified office shall promptly be given to the Noteholders.

(f) **Unmatured Coupons and Receipts and unexchanged Talons:**

(i) Upon the due date for redemption of Bearer Notes which comprise Fixed Rate Notes, those Notes should be surrendered for payment together with all unmatured Coupons (if any) relating thereto, failing which an amount equal to the face value of each missing unmatured Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unmatured Coupon that the sum of principal so paid bears to the total principal due) shall be deducted from the Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, due for payment. Any amount so deducted shall be paid in the manner mentioned above against surrender of such missing Coupon within a period of 10 years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 8).

(ii) Upon the due date for redemption of any Bearer Note comprising a Floating Rate Note, unmatured Coupons relating to such Note (whether or not attached) shall become void and no payment shall be made in respect of them.

(iii) Upon the due date for redemption of any Bearer Note, any unexchanged Talon relating to such Note (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.

(iv) Upon the due date for redemption of any Bearer Note that is redeemable in instalments, all Receipts relating to such Note having an Instalment Date falling on or after such due date (whether or not attached) shall become void and no payment shall be made in respect of them.

(v) Where any Bearer Note that provides that the relative unmatured Coupons are to become void upon the due date for redemption of those Notes is presented for redemption without all unmatured Coupons, and where any Bearer Note is presented for redemption without any unexchanged Talon relating to it, redemption shall be made only against the provision of such indemnity as the Issuer may require.

(vi) If the due date for redemption of any Note is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Bearer Note or Certificate representing it, as the case may be. Interest accrued on a Note that only bears interest after its Maturity Date shall be payable on redemption of such Note against presentation of the relevant Note or Certificate representing it, as the case may be.

(g) **Talons**: On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Bearer Note, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Fiscal Agent in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet) (but excluding any Coupons that may have become void pursuant to Condition 8).

(h) **Non-Business Days**: If any date for payment in respect of any Note, Receipt or Coupon is not a business day, the holder shall not be entitled to payment until the next following business day nor

to any interest or other sum in respect of such postponed payment. In this paragraph, "business day" means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in the relevant place of presentation, in such jurisdictions as shall be specified as "Financial Centres" hereon and:

(i) (in the case of a payment in a currency other than euro) where payment is to be made by transfer to an account maintained with a bank in the relevant currency, on which foreign exchange transactions may be carried on in the relevant currency in the principal financial centre of the country of such currency; or

(ii) (in the case of a payment in euro) which is a TARGET Business Day.

7. Taxation

All payments of principal and interest by or on behalf of the Issuer in respect of the Notes, the Receipts and the Coupons shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by The Netherlands or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law. In that event, the Issuer shall pay such additional amounts as shall result in receipt by the Noteholders and the Couponholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable with respect to any Note, Receipt or Coupon:

(a) **Other connection**: to, or to a third party on behalf of, a holder who is liable to such taxes, duties, assessments or governmental charges in respect of such Note, Receipt or Coupon by reason of his having some connection with The Netherlands other than the mere holding of the Note, Receipt or Coupon; or

(b) **Presentation more than 30 days after the Relevant Date**: presented (or in respect of which the Certificate representing it is presented) for payment more than 30 days after the Relevant Date except to the extent that the holder of it would have been entitled to such additional amounts on presenting it for payment on the thirtieth such day.

As used in these Conditions, "Relevant Date" in respect of any Note, Receipt or Coupon means the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date seven days after that on which notice is duly given to the Noteholders that, upon further presentation of the Note (or relative Certificate), Receipt or Coupon being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such presentation. References in these Conditions to (i) "principal" shall be deemed to include any premium payable in respect of the Notes, all Instalment Amounts, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts, Amortised Face Amounts and all other amounts in the nature of principal payable pursuant to Condition 5 or any amendment or supplement to it, (ii) "interest" shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 4 or any amendment or supplement to it and (iii) "principal" and/or "interest" shall be deemed to include any additional amounts that may be payable under this Condition.

Condition relating to FATCA

Notwithstanding any other provision in these Conditions, the Issuer shall be permitted to withhold or deduct any amounts imposed or required pursuant to Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended (the "Code"), any current or future regulations or official interpretations thereof, any agreement entered into pursuant to Section 1471(b) of the Code, or any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement ("IGA") entered into in connection with the implementation of such Sections of the Code (or any law implementing such an IGA) (a "FATCA Withholding Tax"), and the Issuer will have no obligation to pay additional amounts or otherwise indemnify a holder/an investor on account of any FATCA Withholding Tax deducted or withheld by the Issuer, any Paying Agent, the Registrar or any other party.

8. Prescription

Claims against the Issuer for payment in respect of the Notes, Receipts and Coupons (which for this purpose shall not include Talons) shall be prescribed and become void unless made within five years from the date on which such payment first became due.

9. Events of Default

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

(a) default is made for more than 30 days in the payment of interest or principal in respect of the Notes; or

(b) the Issuer fails to perform or observe any of its other obligations under the 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

(c) the Issuer is declared bankrupt; or

(d) an order is made or an effective resolution is passed for the winding-up or liquidation of the Issuer, or the Issuer ceases to carry on the whole of its business, unless this is done in connection with a merger, consolidation or other form of combination with another company, the terms of which merger, consolidation or combination (A) have the effect of the emerging or such other surviving company assuming all obligations contracted by the Issuer in connection with the Notes or (B) have previously been approved by an Extraordinary Resolution of the Noteholders,

then any Noteholder may, by written notice to the Issuer at the specified office of the Fiscal Agent, effective upon the date of receipt thereof by the Fiscal Agent, declare the Note held by the holder to be forthwith due and payable whereupon the same shall become forthwith due and payable at the Early Redemption Amount (as described in Condition 5(b)(ii)), together with accrued interest (if any) to the date of repayment, without presentment, demand, protest or other notice of any kind, provided that the right to declare Notes due and payable shall terminate if the situation giving rise to it has been cured before the relevant notice has become effective.

10. Meeting of Noteholders and Modifications

(a) **Meetings of Noteholders**: The Agency Agreement contains provisions for convening meetings of Noteholders to consider any matter affecting their interests, including the sanctioning by

Extraordinary Resolution (as defined in the Agency Agreement) of a modification of any of these Conditions. Such a meeting may be convened by Noteholders holding not less than 10 per cent. in nominal amount of the Notes for the time being outstanding. The quorum for any meeting convened to consider an Extraordinary Resolution shall be two or more persons holding or representing a clear majority in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting two or more persons being or representing Noteholders whatever the nominal amount of the Notes held or represented, unless the business of such meeting includes consideration of proposals, *inter alia* (i) to amend the dates of maturity or redemption of the Notes, any Instalment Date or any date for payment of interest or Interest Amounts on the Notes, (ii) to reduce or cancel the nominal amount of, or any Instalment Amount of, or any premium payable on redemption of, the Notes, (iii) to reduce the rate or rates of interest in respect of the Notes or to vary the method or basis of calculating the rate or rates or amount of interest or the basis for calculating any Interest Amount in respect of the Notes, (iv) if a Minimum and/or a Maximum Rate of Interest, Instalment Amount or Redemption Amount is shown hereon, to reduce any such Minimum and/or Maximum, (v) to vary any method of, or basis for, calculating the Final Redemption Amount, the Early Redemption Amount or the Optional Redemption Amount, including the method of calculating the Amortised Face Amount, (vi) to vary the currency or currencies of payment or denomination of the Notes or (vii) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass the Extraordinary Resolution, in which case the necessary quorum shall be two or more persons holding or representing not less than 75 per cent. or at any adjourned meeting not less than 25 per cent. in nominal amount of the Notes for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on Noteholders (whether or not they were present at the meeting at which such resolution was passed) and on all Couponholders.

The Agency Agreement provides that a resolution in writing signed by or on behalf of the holders of not less than 75 per cent. in nominal amount of the Notes outstanding shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Noteholders duly convened and held. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

These Conditions may be amended, modified or varied in relation to any Series of Notes by the terms of the relevant Final Terms in relation to such Series.

(b) **Modification of Agency Agreement**: The Agent and the Issuer may, and the Noteholders hereby agree that the Agent and the Issuer may, without any further consent of the Noteholders or Couponholders being required, agree to:

(i) any modification (except as mentioned above) of the Agency Agreement which, in the opinion of the Issuer, is not materially prejudicial to the interests of the Noteholders; or

(ii) any modification of the Notes, the Coupons or the Agency Agreement which is of a formal, minor or technical nature or is made to correct a manifest or proven error or to comply with mandatory provisions of the law of the jurisdiction in which the Issuer is incorporated.

Any such modification shall be binding on the Noteholders and the Couponholders and any such modification shall be notified to the Noteholders in accordance with Condition 14 as soon as practicable thereafter.

11. Substitution

(a) The Issuer may, and the Noteholders hereby irrevocably agree in advance that the Issuer may, without any further consent of the Noteholders or Couponholders being required, when no payment of principal of or interest on any of the Notes is in default, be replaced and substituted by any directly or indirectly wholly-owned subsidiary of the Issuer (the "Substituted Debtor") as principal debtor in respect of the Notes and the relative Coupons, provided that:

(i) such documents shall be executed by the Substituted Debtor and the Issuer as may be necessary to give full effect to the substitution (together the "Documents") and (without limiting the generality of the foregoing) pursuant to which the Substituted Debtor shall undertake in favour of each Noteholder and Couponholder to be bound by the Conditions and the provisions of the Agency Agreement as fully as if the Substituted Debtor had been named in the Notes, and the relative Coupons, the Agency Agreement as the principal debtor in respect of the Notes and the relative Coupons in place of the Issuer and pursuant to which the Issuer shall guarantee, which guarantee shall be unconditional and irrevocable, (the "Guarantee") in favour of each Noteholder and each holder of the relative Coupons the payment of all sums payable in respect of the Notes and the relative Coupons;

(ii) the Documents shall contain a covenant by the Substituted Debtor and the Issuer to indemnify and hold harmless each Noteholder and Couponholder against all liabilities, costs, charges and expenses (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 and which would not have been so incurred or levied had such substitution not been made (and, without limiting the foregoing, such liabilities, costs, charges and expenses shall include any and all taxes or duties which are imposed on any such Noteholder or Couponholder by any political subdivision or taxing authority of any country in which such Noteholder or Couponholder resides or is subject to any such tax or duty and which would not have been so imposed had such substitution not been made);

(iii) the Documents shall contain a warranty and representation by the Substituted Debtor and the Issuer (a) that each of the Substituted Debtor and the Issuer has obtained all necessary governmental and regulatory approvals and consents for such substitution and the performance of its obligations under the Documents, and that all such approvals and consents are in full force and effect and (b) that the obligations assumed by each of the Substituted Debtor and the Issuer under the Documents are all valid and binding in accordance with their respective terms and enforceable by each Noteholder;

(iv) each stock exchange which has Notes listed thereon shall have confirmed that, following the proposed substitution of the Substituted Debtor, such Notes would continue to be listed on such stock exchange;

(v) the Substituted Debtor shall have delivered to the Fiscal Agent or procured the delivery to the Fiscal 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 Noteholders and Couponholders 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 the internal legal adviser to the Issuer to the effect that the Documents (including the Guarantee) constitute legal, valid and binding obligations of the Issuer, such opinion to be dated not more than three days prior to the date of substitution of the Substituted Debtor for the Issuer and to be available for inspection by Noteholders and Couponholders at the specified office of the Fiscal Agent; and

(vii) 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 Noteholders and Couponholders at the specified office of the Fiscal Agent.

(b) In connection with any substitution effected pursuant to this Condition, neither the Issuer nor the Substituted Debtor need have any regard to the consequences of any such substitution for individual Noteholders or Couponholders resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory and no Noteholder or Couponholder, except as provided in Condition 11(a)(ii), shall be entitled to claim from the Issuer or any Substituted Debtor under the Notes and the relative Coupons any indemnification or payment in respect of any tax or other consequences arising from such substitution.

(c) The Issuer shall be entitled, by notice to the Noteholders given in accordance with Condition 14, at any time to effect a substitution which does not comply with this Condition 11, provided that the terms of such substitution have been approved by an Extraordinary Resolution or to waive all and any rights to effect a substitution of the principal debtor pursuant to this Condition 11. Any such notice of waiver shall be irrevocable.

(d) Upon the execution of the Documents as referred to in paragraph (a) above, and subject to the notification as referred to in paragraph (f) below having been given, the Substituted Debtor shall be deemed to be named in the Notes and the relative Coupons as the principal debtor in place of the Issuer and the Notes and the relative Coupons shall thereupon be deemed to be amended to give effect to the substitution. The execution of the Documents shall operate to release the Issuer as issuer from all of its obligations as principal debtor in respect of the Notes and the relative Coupons, save that any claims under the Notes and the relative Coupons prior to release shall ensure for the benefit of Noteholders and Couponholders.

(e) The Documents shall be deposited with and held by the Fiscal Agent for so long as any Notes or Coupons remain outstanding and for so long as any claim made against the Substituted Debtor by

any Noteholder or Couponholder in relation to the Notes or the relative Coupons or the Documents shall not have been finally adjudicated, settled or discharged. The Substituted Debtor and the Issuer shall acknowledge in the Documents the right of every Noteholder and Couponholder to the production of the Documents for the enforcement of any of the Notes or the relative Coupons or the Documents.

(f) Not later than 15 business days after the execution of the Documents, the Substituted Debtor shall give notice thereof to the Noteholders in accordance with Condition 14.

12. Replacement of Notes, Certificates, Receipts, Coupons and Talons

If a Note, Certificate, Receipt, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations and stock exchange or other relevant authority regulations, at the specified office of the Fiscal Agent (in the case of Bearer Notes, Receipts, Coupons or Talons) and of the Registrar (in the case of Certificates) or such other Paying Agent or Transfer Agent, as the case may be, as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Noteholders, in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, *inter alia*, that, if the allegedly lost, stolen or destroyed Note, Certificate, Receipt, Coupon or Talon is subsequently presented for payment or, as the case may be, for exchange for further Coupons, there shall be paid to the Issuer on demand the amount payable by the Issuer in respect of such Notes, Certificates, Receipts, Coupons or further Coupons) and otherwise as the Issuer may require. Mutilated or defaced Notes, Certificates, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

13. Further Issues

The Issuer may from time to time without the consent of the Noteholders or Couponholders create and issue further notes having the same terms and conditions as the Notes (so that, for the avoidance of doubt, references in these Conditions to "Issue Date" shall be to the first issue date of the Notes) and so that the same shall be consolidated and form a single series with such Notes, and references in these Conditions to "Notes" shall be construed accordingly.

14. Notices

Notices to the holders of Registered Notes shall be mailed to them at their respective addresses in the Register and deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the date of mailing. Notices to the holders of Bearer Notes shall be valid if published in a daily newspaper of general circulation in The Netherlands (which is expected to be *Het Financieele Dagblad*). So long as the Notes are listed on any stock exchange, notices to holders of the Notes shall also be made as required under the rules of such stock exchange. If any such publication is not practicable, notice shall be validly given if published in another leading daily English language newspaper with general circulation in Europe. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the date of the first publication as provided above.

Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the holders of Bearer Notes in accordance with this Condition 14.

15. Currency Indemnity

Any amount received or recovered in a currency other than the currency in which payment under the relevant Note, Coupon or Receipt is due (whether as a result of, or of the enforcement of, a judgment or order of a court of any jurisdiction, in the insolvency, winding-up or dissolution of the Issuer or otherwise) by any Noteholder or Couponholder in respect of any sum expressed to be due to it from the Issuer shall only constitute a discharge to the Issuer to the extent of the amount in the currency of payment under the relevant Note, Coupon or Receipt that the recipient is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so). If the amount received or recovered is less than the amount expressed to be due to the recipient under any Note, Coupon or Receipt, the Issuer. In any event, the Issuer shall indemnify the recipient against the cost of making any such purchase. For the purposes of this Condition 15, it shall be sufficient for the Noteholder or Couponholder, as the case may be, to demonstrate that it would have suffered a loss had an actual purchase been made. These indemnities constitute a separate and independent obligation from the Issuer's other obligations, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by any Noteholder or Couponholder and shall continue in full force and effect despite any other judgment, order, claim or proof for a liquidated amount in respect of any sum due under any Note, Coupon or Receipt or any other judgment or order.

16. Governing Law and Jurisdiction

(a) **Governing Law**: The Agency Agreement, the Notes, the Receipts, the Coupons, and the Talons, and any non-contractual obligations arising out of or in connection with them, are governed by, and shall be construed in accordance with, the laws of The Netherlands.

(b) **Jurisdiction**: The courts of Amsterdam, the Netherlands are to have jurisdiction to settle any disputes that may arise out of or in connection with the Agency Agreement, any Notes, Receipts, Coupons or Talons and, accordingly, any legal action or proceedings arising out of or in connection with the Agency Agreement, any Notes, Receipts, Coupons or Talons may be brought in such courts.

SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM

1. Initial Issue of Notes

If the Global Notes or the Global Certificates are stated in the applicable Final Terms to be issued in NGN form or to be held under the NSS (as the case may be), the Global Notes or the Global Certificates will be delivered on or prior to the original issue date of the Tranche to a Common Safekeeper. Depositing the Global Notes or the Global Certificates with the Common Safekeeper does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.

Global notes which are issued in CGN form and Global Certificates which are not held under the NSS may be delivered on or prior to the original issue date of the Tranche to a Common Depositary.

If the Global Note is a CGN, upon the initial deposit of a Global Note with a common depositary for Euroclear and Clearstream, Luxembourg (the "Common Depositary") or registration of Registered Notes in the name of any nominee for Euroclear and Clearstream, Luxembourg and delivery of the relative Global Certificate to the Common Depositary, Euroclear or Clearstream, Luxembourg will credit each subscriber with a nominal amount of Notes equal to the nominal amount thereof for which it has subscribed and paid. If the Global Note is a NGN, the nominal amount of the Notes shall be the aggregate amount from time to time entered in the records of Euroclear or Clearstream, Luxembourg. The records of such clearing system shall be conclusive evidence of the nominal amount of Notes represented by the Global Note and a statement issued by such clearing system at any time shall be conclusive evidence of the records of the relevant clearing system at that time.

Notes that are initially deposited with the Common Depositary may also be credited to the accounts of subscribers with (if indicated in the relevant Final Terms) other clearing systems through direct or indirect accounts with Euroclear and Clearstream, Luxembourg held by such other clearing systems. Conversely, Notes that are initially deposited with any other clearing system may similarly be credited to the accounts of subscribers with Euroclear, Clearstream, Luxembourg or other clearing systems.

2. Relationship of Accountholders with Clearing Systems

Each of the persons shown in the records of Euroclear, Clearstream, Luxembourg or any other permitted clearing system ("Alternative Clearing System") as the holder of a Note represented by a Global Note or a Global Certificate must look solely to Euroclear, Clearstream, Luxembourg or any such Alternative Clearing System (as the case may be) for his share of each payment made by the Issuer to the bearer of such Global Note or the holder of the underlying Registered Notes, as the case may be, and in relation to all other rights arising under the Global Notes or Global Certificates, subject to and in accordance with the respective rules and procedures of Euroclear, Clearstream, Luxembourg or such Alternative Clearing System (as the case may be). Such persons shall have no claim directly against the Issuer in respect of payments due on the Notes for so long as the Notes are represented by such Global Note or Global Certificate and such obligations of the Issuer will be discharged by payment to the bearer of such Global Note or the holder of the underlying Registered Notes, as the case may be, in respect of each amount so paid.

3. Exchange

3.1 Temporary Global Notes

Each temporary Global Note will be exchangeable, free of charge to the holder, on or after its Exchange Date:

(i) if the relevant Final Terms indicates that such Global Note is issued in compliance with the C Rules or in a transaction to which TEFRA is not applicable (as to which, see "Overview of the Programme—Selling Restrictions"), in whole, but not in part, for the Definitive Notes defined and described below; and

(ii) otherwise, in whole or in part, upon certification as to non-U.S. beneficial ownership in the form set out in the Agency Agreement for interests in a permanent Global Note or, if so provided in the relevant Final Terms, for Definitive Notes.

3.2 Permanent Global Notes

Each permanent Global Note will be exchangeable, free of charge to the holder, on or after its Exchange Date in whole but not, except as provided under paragraph 3.4 below, in part for Definitive Notes:

(i) if the permanent Global Note is held on behalf of Euroclear or Clearstream, Luxembourg or an Alternative Clearing System and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or in fact does so; or

(ii) if principal in respect of any Notes is not paid when due, by the holder giving notice to the Fiscal Agent of its election for such exchange.

In the event that a Global Note is exchanged for Definitive Notes, such Definitive Notes shall be issued in Specified Denomination(s) only. A Noteholder who holds a principal amount of less than the minimum Specified Denomination will not receive a definitive Note in respect of such holding and would need to purchase a principal amount of Notes such that it holds an amount equal to one or more Specified Denominations.

3.3 Permanent Global Certificates

If the Final Terms state that the Notes are to be represented by a permanent Global Certificate on issue, the following will apply in respect of transfers of Notes held in Euroclear or Clearstream, Luxembourg or an Alternative Clearing System. These provisions will not prevent the trading of interests in the Notes within a clearing system whilst they are held on behalf of such clearing system, but will limit the circumstances in which the Notes may be withdrawn from the relevant clearing system.

Transfers of the holding of Notes represented by any Global Certificate pursuant to Condition 2(b) may only be made in part:

(i) if the relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so; or

(ii) if principal in respect of any Notes is not paid when due; or

(iii) with the consent of the Issuer,

provided that, in the case of the first transfer of part of a holding pursuant to paragraph 3.3(i) or 3.3(ii) above, the Registered Holder has given the Registrar not less than 30 days' notice at its specified office of the Registered Holder's intention to effect such transfer.

3.4 Partial Exchange of Permanent Global Notes

For so long as a permanent Global Note is held on behalf of a clearing system and the rules of that clearing system permit, such permanent Global Note will be exchangeable in part on one or more occasions for Definitive Notes (i) if principal in respect of any Notes is not paid when due or (ii) if so provided in, and in accordance with, the Conditions (which will be set out in the relevant Final Terms) relating to Partly Paid Notes.

3.5 Delivery of Notes

If the Global Note is a CGN, on or after any due date for exchange, the holder of a Global Note may surrender such Global Note or, in the case of a partial exchange, present it for endorsement to or to the order of the Fiscal Agent. In exchange for any Global Note, or the part thereof to be exchanged, the Issuer will (i) in the case of a temporary Global Note exchangeable for a permanent Global Note, deliver, or procure the delivery of, a permanent Global Note in an aggregate nominal amount equal to that of the whole or that part of a temporary Global Note that is being exchanged or, in the case of a subsequent exchange, endorse, or procure the endorsement of, a permanent Global Note to reflect such exchange or (ii) in the case of a Global Note exchangeable for Definitive Notes, deliver, or procure the delivery of, an equal aggregate nominal amount of duly executed and authenticated Definitive Notes or, if the Global Note is a NGN, the Issuer will procure that details of such exchange be entered pro rata in the records of the relevant clearing system. In this Prospectus, "Definitive Notes" means, in relation to any Global Note, the definitive Bearer Notes for which such Global Note may be exchanged (if appropriate, having attached to them all Coupons and Receipts in respect of interest or Instalment Amounts that have not already been paid on the Global Note and a Talon). Definitive Notes will be security printed in accordance with any applicable legal and stock exchange requirements in or substantially in the form set out in the Schedules to the Agency Agreement. On exchange in full of each permanent Global Note, the Issuer will, if the holder so requests, procure that it is cancelled and returned to the holder together with the relevant Definitive Notes.

3.6 Exchange Date

"Exchange Date" means, in relation to a temporary Global Note, the day falling after the expiry of 40 days after its issue date and, in relation to a permanent Global Note, a day falling not less than 60 days or, in the case of failure to pay principal in respect of any Notes when due 30 days, after that on which the notice requiring exchange is given and on which banks are open for

business in the city in which the specified office of the Fiscal Agent is located and in the city in which the relevant clearing system is located.

4. Amendment to Conditions

The temporary Global Notes, permanent Global Notes and Global Certificates contain provisions that apply to the Notes that they represent, some of which modify the effect of the terms and conditions of the Notes set out in this Prospectus. The following is a summary of certain of those provisions:

4.1 Payments

No payment falling due after the Exchange Date will be made on any Global Note unless exchange for an interest in a permanent Global Note or for Definitive Notes is improperly withheld or refused. Payments on any temporary Global Note issued in compliance with the D Rules before the Exchange Date will only be made against presentation of certification as to non-U.S. beneficial ownership in the form set out in the Agency Agreement. All payments in respect of Notes represented by a Global Note in CGN form will be made against presentation for endorsement and, if no further payment falls to be made in respect of the Notes, surrender of that Global Note to or to the order of the Fiscal Agent or such other Paying Agent as shall have been notified to the Noteholders for such purpose. If the Global Note is a CGN, a record of each payment so made will be endorsed on each Global Note, which endorsement will be prima facie evidence that such payment has been made in respect of the Notes. If the Global Note is a NGN or if the Global Certificate is held under the NSS, the Issuer shall procure that details of each such payment shall be entered pro rata in the records of the relevant clearing system and, in the case of payments of principal, the nominal amount of the Notes recorded in the records of the relevant clearing system and represented by the Global Note or the Global Certificate will be reduced accordingly. Payments under a NGN will be made to its holder. Each payment so made will discharge the Issuer's obligations in respect thereof. Any failure to make the entries in the records of the relevant clearing system shall not affect such discharge. For the purpose of any payments made in respect of a Global Note, the relevant place of presentation shall be disregarded in the definition of "business day" set out in Condition 6(h) (*Non-Business Days*).

All payments in respect of Notes represented by a Global Certificate will be made to, or to the order of, the person whose name is entered on the Register at the close of business on the record date which shall be on the Clearing System Business Day immediately prior to the date for payment, where "Clearing System Business Day" means Monday to Friday inclusive except 25 December and 1 January.

4.2 Prescription

Claims against the Issuer in respect of Notes that are represented by a permanent Global Note will become void unless it is presented for payment within a period of five years from the date on which such payment first became due.

4.3 Meetings

The holder of a permanent Global Note or of the Notes represented by a Global Certificate shall (unless such permanent Global Note or Global Certificate represents only one Note) be treated as being two persons for the purposes of any quorum requirements of a meeting of Noteholders and,

at any such meeting, the holder of a permanent Global Note shall be treated as having one vote in respect of each integral currency unit of the Specified Currency of the Notes. (All holders of Registered Notes are entitled to one vote in respect of each integral currency unit of the Specified Currency of the Notes comprising such Noteholder's holding, whether or not represented by a Global Certificate.)

4.4 Cancellation

Cancellation of any Note represented by a permanent Global Note that is required by the Conditions to be cancelled (other than upon its redemption) will be effected by reduction in the nominal amount of the relevant permanent Global Note.

4.5 Purchase

Notes represented by a permanent Global Note may only be purchased by the Issuer or any of its subsidiaries if they are purchased together with the rights to receive all future payments of interest and Instalment Amounts (if any) thereon.

4.6 Issuer's Option

Any option of the Issuer provided for in the Conditions of any Notes while such Notes are represented by a permanent Global Note shall be exercised by the Issuer giving notice to the Noteholders within the time limits set out in and containing the information required by the Conditions, except that the notice shall not be required to contain the serial numbers of Notes drawn in the case of a partial exercise of an option and, accordingly, no drawing of Notes shall be required. In the event that any option of the Issuer is exercised in respect of some but not all of the Notes of any Series, the rights of accountholders with a clearing system in respect of the Notes will be governed by the standard procedures of Euroclear and/or Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion) or any other Alternative Clearing System (as the case may be).

4.7 Noteholders' Options

Any option of the Noteholders provided for in the Conditions of any Notes while such Notes are represented by a permanent Global Note may be exercised by the holder of the permanent Global Note giving notice to the Fiscal Agent within the time limits relating to the deposit of Notes with a Paying Agent set out in the Conditions substantially in the form of the notice available from any Paying Agent, except that the notice shall not be required to contain the serial numbers of the Notes in respect of which the option has been exercised, and stating the nominal amount of Notes in respect of which the option is exercised and at the same time, where the permanent Global Note is a CGN, presenting the permanent Global Note to the Fiscal Agent, or to a Paying Agent acting on behalf of the Fiscal Agent, for notation. Where the Global Note is a NGN or where the Global Certificate is held under the NSS, the Issuer shall procure that details of such exercise shall be entered *pro rata* in the records of the relevant clearing system and the nominal amount of the Notes recorded in those records will be reduced accordingly.

4.8 NGN nominal amount

Where the Global Note is a NGN, the Issuer shall procure that any exchange, payment, cancellation, exercise of any option or any right under the Notes, as the case may be, in addition to the circumstances set out above shall be entered in the records of the relevant clearing systems and upon any such entry being made, in respect of payments of principal, the nominal amount of the Notes represented by such Global Note shall be adjusted accordingly.

4.9 Events of Default

Each Global Note provides that the holder may cause such Global Note, or a portion of it, to become due and repayable in the circumstances described in Condition 9 by stating in the notice to the Fiscal Agent the nominal amount of such Global Note that is becoming due and repayable. If principal in respect of any Note is not paid when due, the holder of a Global Note or Registered Notes represented by a Global Certificate may elect for direct enforcement rights against the Issuer under the terms of that Global Note to come into effect in relation to the whole or a part of such Global Note or one or more Registered Notes in favour of the persons entitled to such part of such Global Note or such Registered Notes, as the case may be, as accountholders with a clearing system. Following any such acquisition of direct rights, the Global Note or, as the case may be, the Global Certificate and the corresponding entry in the Register kept by the Registrar will become void as to the specified portion or Registered Notes, as the case may be. However, no such election may be made in respect of Notes represented by a Global Certificate unless the transfer of the whole or a part of the holding of Notes represented by that Global Certificate shall have been improperly withheld or refused.

4.10 Notices

So long as any Notes are represented by a Global Note and such Global Note is held on behalf of a clearing system, notices to the holders of Notes of that Series may be given by delivery of the relevant notice to that clearing system for communication by it to entitled accountholders in substitution for publication as required by the Conditions or by delivery of the relevant notice to the holder of the Global Note. So long as the Notes are listed on any stock exchange, notices to holders of the Notes shall also be made as required under the rules of such stock exchange.

5. Electronic Consent and Written Resolution

While any Global Note is held on behalf of, or any Global Certificate is registered in the name of any nominee for, a clearing system, then:

(a) approval of a resolution proposed by the Issuer given by way of electronic consents communicated through the electronic communications systems of the relevant clearing system(s) in accordance with their operating rules and procedures by or on behalf of the holders of not less than 75 per cent. in nominal amount of the Notes outstanding (an "Electronic Consent" as defined in the Fiscal Agency Agreement) shall, for all purposes (including matters that would otherwise require an Extraordinary Resolution to be passed at a meeting for which the special quorum was satisfied), take effect as an Extraordinary Resolution passed at a meeting of Noteholders duly convened and held, and shall be binding on all Noteholders and holders of Coupons, Talons and Receipts whether or not they participated in such Electronic Consent; and

(b) where Electronic Consent is not being sought, for the purpose of determining whether a Written Resolution (as defined in the Fiscal Agency Agreement) has been validly passed, the Issuer shall be entitled to rely on consent or instructions given in writing directly to the Issuer by (a) accountholders in the clearing system with entitlements to such Global Note or Global Certificate and/or, where (b) the accountholders hold any such entitlement on behalf of another person, on written consent from or written instruction by the person identified by that accountholder as the person for whom such entitlement is held. For the purpose of establishing the entitlement to give any such consent or instruction, the Issuer shall be entitled to rely on any certificate or other document issued by, in the case of (a) above, Euroclear, Clearstream, Luxembourg or any other relevant alternative clearing system (the "**relevant clearing system**") and, in the case of (b) above, the relevant clearing system and the accountholder identified by the relevant clearing system for the purposes of (b) above. Any resolution passed in such manner shall be binding on all Noteholders and Couponholders, even if the relevant consent or instruction proves to be defective. Any such certificate or other document shall, in the absence of manifest error, be conclusive and binding for all purposes. Any such certificate or other document may comprise any form of statement or print out of electronic records provided by the relevant clearing system (including Euroclear's EUCLID or Clearstream, Luxembourg's CreationOnline system) in accordance with its usual procedures and in which the accountholder of a particular principal or nominal amount of the Notes is clearly identified together with the amount of such holding. The Issuer shall not be liable to any person by reason of having accepted as valid or not having rejected any certificate or other document to such effect purporting to be issued by any such person and subsequently found to be forged or not authentic.

USE OF PROCEEDS

The net proceeds from the issue of each Tranche of Notes will be applied by the Issuer for general corporate purposes. If, in respect of any particular issue, there is a particular identified use of proceeds, this will be stated in the applicable Final Terms.

BUSINESS DESCRIPTION OF THE ISSUER

General

The Issuer is a public company with limited liability (*naamloze vennootschap)* organised under Dutch law and incorporated on 26 April 2011 under the name Nationale-Nederlanden Bank N.V. The Issuer operates under the business names 'Nationale-Nederlanden Bank N.V.' and 'Nationale-Nederlanden Bank', 'NN Bank', 'Nationale-Nederlanden', 'NN', 'Brickler', 'Delta Lloyd Bank' and 'OHRA Bank'.

The Issuer has its statutory seat in The Hague, the Netherlands and its registered office at Prinses Beatrixlaan 35-37, 2595 AK The Hague, the Netherlands, telephone number +31 (0)70 3418418. It is registered with the Business Register held by the Chamber of Commerce under number 52605884. According to article 2 of the Issuer's articles of association, its objectives are to conduct the banking business in the widest sense of the word, including to offer bank savings products, to broker in insurances, acquire, establish and develop real estate, and furthermore to participate in, to conduct the business of, to provide the funding and to give personal or collateral security for the commitments of and to provide services to other companies and institutions, of any type, but especially companies and institutions which are active in the area of the credit system, investments, and/or other financial services, as well as to undertake all actions that are deemed to be necessary to the foregoing, or in furtherance thereof.

The Legal Entity Identifier (LEI) of the Issuer is 724500BICUQ0LF1AH770.

Share capital

The Issuer's authorised share capital at 31 December 2018 amounted to EUR 50,000,000, divided into 5,000,000 ordinary shares, each with a nominal value of EUR 10. The Issuer's issued share capital amounts to EUR 10,000,000, consisting of 1,000,000 ordinary shares, with a nominal value of EUR 10 each. The rights of the shareholders are described in the Issuer's articles of association in conjunction with Dutch company law. The Issuer is fully owned by NN Group.

Brief history

The Issuer was founded on 26 April 2011 as a Dutch retail bank. It is a fully-owned subsidiary of NN Group, and its broad range of banking products is complementary to Nationale-Nederlanden's individual life and non-life insurance products for retail customers in the Netherlands. On 1 July 2013, the Issuer entered into a legal merger with WestlandUtrecht Effectenbank N.V. (WUE) and Nationale-Nederlanden Financiële Diensten B.V. (NNFD). As a result of this merger, WUE and NNFD ceased to exist as separate entities and the Issuer acquired all assets and liabilities of WUE and NNFD under universal title of succession (*algemene titel*), effective on 2 July 2013. The Issuer's purpose is to help retail customers secure their financial futures: helping them manage and protect their assets and income through mortgage loans, (internet) savings, bank annuities, consumer lending and retail investment products. In addition, the Issuer provides administration and management services to NN Group companies and external parties.

Legal Merger with Delta Lloyd Bank

After the acquisition of Delta Lloyd N.V. by NN Group in 2017, the Issuer and Delta Lloyd Bank N.V. decided to integrate their businesses. On 31 December 2017, the Issuer entered into a legal merger with Delta Lloyd Bank. As

a result of this merger, Delta Lloyd Bank ceased to exist as a separate entity and the Issuer acquired all assets and liabilities of Delta Lloyd Bank under universal title of succession (*algemene titel*), effective on 1 January 2018.

Upcoming legal mergers with Amstelhuys N.V. and OHRA Hypotheken Fonds N.V.

In 2018, it was decided to start preparations for the legal mergers of Amstelhuys N.V. and OHRA Hypotheken Fonds N.V. ('OHF') into the Issuer. These mergers are expected to be effected in the course of 2019. It is expected that these mergers will have a marginal impact on Shareholder's equity and Net result of the Issuer due to the limited size and activities of these companies.

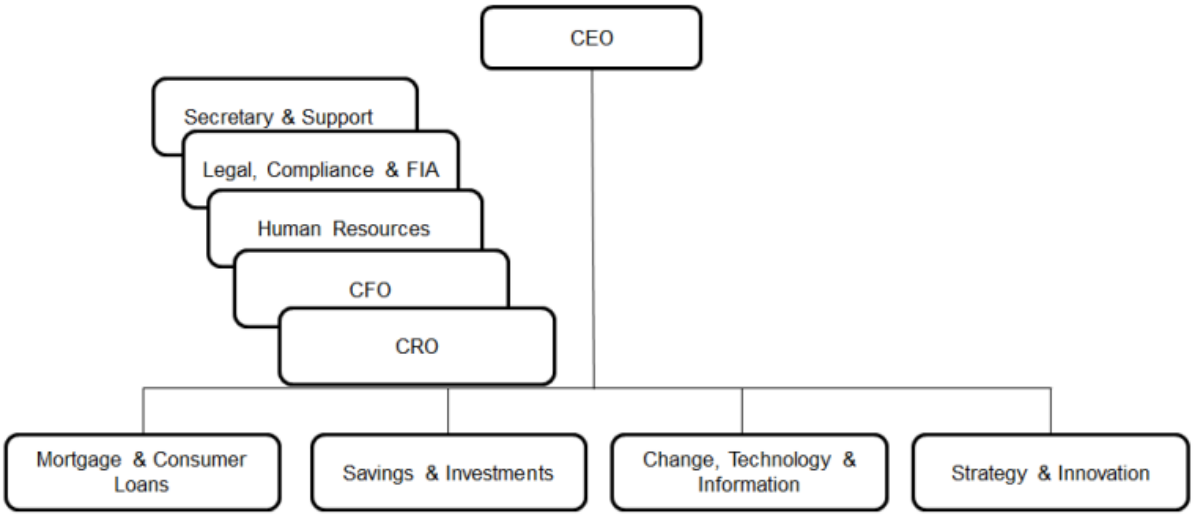
Subsidiaries

The Issuer has two fully-owned subsidiaries:

- HQ Hypotheken 50 B.V., which was founded on 21 August 2012 with statutory seat in Rotterdam, the Netherlands. Through this subsidiary, the Issuer offers mortgage loans to customers via a business partner.
- Nationale-Nederlanden Beleggingsrekening N.V. This is a dormant company, not currently conducting any business or other activities.

Organisation

The Issuer is part of Nationale-Nederlanden in the Netherlands. The Issuer is organised in a value chain structure focused on its core retail banking activities: Mortgages & Consumer Loans and Savings & Investments. Each value chain is organised in such a way, that all responsibilities and activities regarding a specific product (e.g. mortgage loans) are embedded within that chain, i.e. from front to back.



In addition to these two operational chains, a separate Change, Technology & Information domain is responsible for general IT and operations not linked to a particular value chain and a Strategy & Innovation domain focuses on long term value creation.

The Issuer operates a stand-alone Treasury department, responsible for capital planning and the management of the funding (medium and long-term), liquidity (short-term) and interest rate risk position. The starting point for the

management of capital and the liquidity and interest rate risk position are the mortgage and customer savings portfolios.

Strategy

The Issuer helps customers to secure their financial future. This is its common purpose, and the Issuer aims to achieve this by primarily focusing on the situation and demands of its customers. The approach to customers is personal, and the products and services are designed to meet their needs. Wherever possible, these products and services are available online, so the bank's customers can organise their finances quickly and easily.

The customer strategy of the Issuer is based on the overall strategy of NN Group and the 'Strategy NL'. The common objective is to help customers, particularly when it comes to securing their financial future. According to the Dutch Strategy NL, "digital", "personal" and "relevant" are the key words that characterise the Nationale Nederlanden service. The Issuer added a fourth keyword: "convenience", which is essential in today's competitive market, as the data driven online world leads to consumers expecting personalised service and convenience. The Issuer's business unit offers various banking products and services to private individuals. Core products are mortgage loans and (bank annuity) savings.

The Issuer is able to compete with conventional banks since it does not have a branch network and hence can keep its costs low. This allows the Issuer to place the needs of its customers first and ensures that customers are happy to remain with the bank, purchase a greater share of their financial products from the Issuer and also recommend the Issuer to others.

In the coming years the Issuer will continue its current business strategy:

- primary focus on growth in mortgage loans and savings;
- investing in its customer service and processes; and
- simplifying its IT landscape.

In addition to the integration and investing in the customer relationship, the Issuer started exploring future business opportunities.

Revenue model

The activities of the Issuer generate the following income flows:

- *Interest result*: which is the difference between (i) interest income (mainly comprising (long-term) interest received on mortgages and consumer loans) and (ii) interest expense (including (short-term) interest paid on internet savings accounts, deposits and wholesale funding as well as interest expense on debt securities issued, subordinated loans and other borrowed funds).
- *Net fee and commission income*: which is the difference between commission received and commission paid. Commission received mainly comprises the origination fee received on mortgage production for Group entities and NN Dutch Residential Mortgage Fund, servicing fees related to mortgage portfolios of other Group entities NN Dutch Residential Mortgage Fund and ING Bank which the Issuer services and management fees on the investment portfolio. The commission paid mainly relates to lending commission on mortgages and consumer credits and services bought from third parties e.g. for servicing the mortgage offering process.
- *Other income*: mainly comprises gains and losses on financial transactions and valuation results on derivatives. Premiums and discounts depend on the market rates at the time of the sale versus the client rate on the sold mortgage.

Business

The Issuer offers a range of banking products to mainly retail customers in the Netherlands. In 2018, the Issuer started offering an online savings product in Spain.

The Issuer's banking product offering, with mortgages and savings as its key products, includes the following: mortgages, (bank annuity) savings products, consumer credit and retail investments.

Mortgage Loans

As at 31 December 2018, the total outstanding amount of mortgage loans on the Issuer's balance is EUR 18.2bn, of which EUR 5.3bn (29 per cent.) NHG guaranteed (i.e. with a guarantee from Stichting WEW) and EUR 12.9bn non-NHG guaranteed.

The Issuer, selling mortgages in 2018 through the Issuer, HQ Hypotheken 50 B.V. ('HQ 50') and Delta Lloyd's former mortgage originator Amstelhuys, originated EUR 6.1bn of new mortgage loans in 2018. EUR 5.3bn was originated by the Issuer, EUR 0.7bn was originated by Amstelhuys N.V., and EUR 0.1bn was produced through HQ 50. Of the EUR 6.1bn production, EUR 3.4bn was originated on behalf of Nationale-Nederlanden Levensverzekering Maatschappij N.V. ('NN Leven'), EUR 0.5bn was ceded to Delta Lloyd Levensverzekering N.V. and EUR 0.5bn to the NN Dutch Residential Mortgage Fund. Other NN Group entities bought EUR 0.3bn in mortgages.

In addition to the business of originating mortgage loans, the Issuer is also servicing mortgage loan portfolios for other NN group companies, NN Dutch Residential Mortgage Fund and ING Bank. In total the Issuer services EUR 47.1bn of mortgage loans, of which EUR 16.8bn for its own portfolio, EUR 22.4bn for the life insurance businesses (NN Leven and Delta Lloyd Levensverzekering N.V.), EUR 3.5bn for other NN Group entities, EUR 2.0bn for the NN Dutch Residential Mortgage Fund and EUR 2.4bn for ING Bank.

(Bank annuity) savings

Main categories of savings products are Bank Annuities and On-line Savings Accounts. Bank Annuities are fiscally driven savings products and include Immediate Annuities, Deferred Annuities and Severance Payment Annuities.

Key risk metrics

In addition to the key capital ratio's (Total Capital Ratio of 17.9%, CET1 ratio of 16.3% and Leverage Ratio of 4.1%) at year-end 2018, the Issuer has the following key liquidity and funding ratios: Liquidity Coverage Ratio (LCR) of 171%, Net Stable Funding Ratio (NSFR) of 127%, Loan-to Deposit ratio of 125% and Asset Encumbrance ratio of 25.9%.

Legal proceedings

The Issuer is, and could be, involved in litigation and other binding proceedings involving claims by and against the Issuer that arise in the ordinary course of its business, including in connection with its activities as bank, investor and its position as employer and taxpayer. Such proceedings could entail that large or indeterminate amounts are sought. While it is not feasible to predict or determine the ultimate outcome of all pending or threatened legal and regulatory proceedings, the Issuer's management is - at the date of this Prospectus - not aware that the Issuer or any of its subsidiaries was involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) during the twelve months prior to the date of this Prospectus that may have or have in the recent past, had a significant effect on the

financial condition or profitability of the Issuer and its subsidiaries. On 17 July 2018, two consumer organisations (Consumentenbond and Vereniging Eigen Huis) started proceedings as a test case against Amstelhuys N.V., a sister company of the Issuer, claiming that prepayment penalties charged prior to 14 July 2016 should be recalculated and potentially be repaid to the borrowers. These claims have been rejected by Amstelhuys N.V. and it defends itself in these proceedings. The outcome of the aforementioned test case process may negative impact Dutch originators (including the Issuer) of mortgage loans who have charged prepayment penalties before 14 July 2016 and, thus, may indirectly impact the Issuer's financial position, business, revenues, result of operations and prospects.

Furthermore, it was decided to start preparations for the legal merger of Amstelhuys N.V. into the Issuer. This merger is expected to be effected in the course of 2019 and therefore, the outcome of the test case process may impact the Issuer's financial position, business, revenues and result of operations.

See for more information '*Risk Factors - Risks related to prepayment penalties charged by the Transferor prior to 14 July 2016*'.

Currently, several legal proceedings regarding unit-linked products are pending before Dutch Courts and the KiFiD against Dutch insurance subsidiaries of NN Group N.V. Although the Issuer is not subject to any governmental, legal or arbitration proceedings regarding unit-linked products, actions against Dutch insurance subsidiaries of NN Group N.V. might lead to material losses for the Issuer. See for more information '*Risk Factors–Risks related to the unit-linked products as offered by the Dutch insurance subsidiaries of NN Group N.V.*'.

Material agreements

The Issuer has not entered into any material contract (other than in its ordinary course of business) which could result in an obligation or entitlement that is material to the Issuer's ability to meet its obligation to investors in the Notes.

MANAGEMENT BOARD AND SUPERVISORY BOARD

General

The Issuer has a two tier board structure consisting of a management board (*raad van bestuur*) (the "Management Board") and a supervisory board (*raad van commissarissen*) (the "Supervisory Board").

The Issuer is managed by a three-member Management Board under the supervision of the Supervisory Board. The Management Board has the ultimate executive responsibility for the Issuer. The Management Board is responsible for profitability and for business and operational activities and the risks and controls they entail. The Management Board establishes the Issuer's risk appetite (ratified by the Supervisory Board) and determines the risk policy framework, which it implements and monitors under the supervision of the Supervisory Board.

Supervisory Board

Powers, responsibilities and functioning

The Supervisory Board is responsible for supervising the management of the Management Board and the general course of affairs of the Issuer and the business connected with it and providing advice to the Management Board. The Supervisory Board may, on its own initiative, provide the Management Board with advice and may request any information from the Management Board that it deems appropriate. In performing its duties, the Supervisory Board must consider and act in accordance with the interests of the Issuer and the business connected with it,

taking into consideration the relevant interests of all the stakeholders of the Issuer (including its customers and personnel). The Management Board must timely provide the Supervisory Board with the information necessary for the performance of its duties. At least once a year, the Management Board must provide the Supervisory Board with a written report outlining the Issuer's strategy, the general and financial risks faced by the Issuer and the Issuer's management and control system.

The Supervisory Board has appointed one of its members as chairman. The Supervisory Board is assisted by the head of the Legal and Compliance department of the Issuer.

Members of the Supervisory Board

As at the date of this Prospectus, the Supervisory Board consists of the following persons:

- Mr H.G.M. (Hein) Blocks (1945), chair (independent). Mr Blocks has a long background in the banking industry. He is also chair of Bestuur Stichting Administratiekantoor KLM (SAK2), member of the Raad van Advies Autoriteit Persoonsgegevens, member of the Commissie Toegang Notariaat (Min. Veiligheid en Justitie), member Raad van Toezicht Elisabeth Otter Knoll Stichting, member board Stichting Elah Nederland, chair Vereniging van Eigenaars Zuid Een Egmond, chair supervisory board Zeedijk N.V., member board Verzetsmuseum, member board Stichting BlocksGoetheer Fonds.
- Mr. A.A.G. (André) Bergen (1950) (independent member), former CEO of the Belgian KBC Group, is an experienced management and supervisory board member of large financial institutions.
- Mr D.E. (David) Knibbe (1971), also member of the management board of NN Group, chief executive officer of NN Netherlands and member and chair of the supervisory boards of Natrionale-Nederlanden, ABN AMRO Verzekeringen Holding B.V., ABN AMRO Schadeverzekering N.V. and ABN AMRO Levensverzekering N.V., member of the board and treasurer of VNO-NCW, vice-chair of the board of the Dutch Association of Insurers (*Verbond van Verzekeraars*), member of the board of the Johan Cruyff Foundation and member of the advisory board of JINC;
- Mr D. (Delfin) Rueda (1964), also chief financial officer and member and vice-chair of the executive board and management board of NN Group and member of the supervisory boards of NN Re (Netherlands) N.V., Nationale-Nederlanden Levensverzekering Maatschappij N.V., Movir N.V., Nationale-Nederlanden Schadeverzekering Maatschappij and NN Non-Life Insurance N.V., vice-chair of the CFO Forum and supervisory board member and chair of the audit committee of the supervisory board of Adyen N.V.
- Mr. J.H. (Jan-Hendrik) Erasmus (1980), also chief risk officer and member of the management board of NN Group, member of the supervisory board of Nationale-Nederlanden Levensverzekering Maatschappij N.V., member and chair of the supervisory boards of Movir N.V., Nationale-Nederlanden Schadeverzekering Maatschappij N.V. and NN Non-Life Insurance N.V. and chair of the CRO Forum.

The business address of the members of the Supervisory Board is the registered address of the Issuer, at Prinses Beatrixlaan 35-37, 2595 AK The Hague, the Netherlands.

Potential conflicts of interest

Other than the fact that three members of the Supervisory Board Members are not independent from an NN Group N.V. perspective, because they are member of the executive board and/or management board, the Issuer is not aware of any actual or potential conflicts of interests between any duties owed by the members of the Supervisory Board to the Issuer and any private interests or other duties that such person may have. There is no family relationship between any member of the Management Board or the Supervisory Board.

Conflicting interests are considered to be absent and are not reported if a member of the Supervisory Board obtains financial products and services from the Issuer, which are provided by the Issuer in the ordinary course of business on terms that apply to all personnel.

Management Board

Powers, responsibilities and functioning

The Management Board is entrusted with the general and day-to-day management, the strategy and the operations of the Issuer under the supervision of the Supervisory Board. In performing its duties, the Management Board must carefully consider and act in accordance with the interests of the Issuer and the business connected with it, taking into consideration the interest of all the stakeholders of the Issuer (including its customers and personnel). The Management Board, through the CEO, is required to keep the Supervisory Board informed, to consult with the Supervisory Board on important matters and to submit certain important decisions to the Supervisory Board for its approval (such as the Issuer's risk appetite, the medium term planning and the Issuer's risk policies). At least once a year, the Management Board must provide the Supervisory Board with a written report outlining the Issuer's strategy and the general and financial risks faced by the Issuer. Each of the members of the Management Board is responsible and accountable within the Management Board for the specific tasks as assigned. The members of the Management Board will attend Supervisory Board meetings if so requested.

The tasks and responsibilities of the members of the Management Board are allocated as follows:

- Chief Executive Officer (CEO)
  As chairman, the CEO is responsible for the liaison between the various members of the Management Board, so that they can take collective management responsibility for profitability and business and operational activities, and thus also the risk profile and control of the bank. The CEO reports hierarchically as well as functionally to the CEO Netherlands Insurance.

- Chief Financial Officer (CFO)
  The CFO is responsible for the financial function, including Financial accounting, Business Control and Treasury. The CFO reports hierarchically to the Issuer's CEO and functionally ultimately into NN Group N.V.'s CFO.

- Chief Risk Officer (CRO)
  The CRO is responsible for the risk management function (second-line) and is jointly responsible with the business (first-line) for the risk profile within the Issuer. The CRO reports hierarchically to the Issuer's CEO and functionally ultimately into NN Group N.V.'s CRO.

Members of the Management Board

As at the date of this Prospectus, the Management Board consists of the following persons:

- Mr A.J.M. (Marcel) Zuidam (1970), CEO and chairman; chairman of the Supervisory Board of Stichting NJHC, member of the Supervisory Board of Stichting Stayokay.
- Mrs J.E. (Sandra) van Eijk (1971), CFO; also member of the Boards of ING CDC Pension Fund and NN CDC Pension Fund.
- Mrs M.E. (Monique) Tailor-Hemerijck (1960), CRO

The business address of the members of the Management Board is the registered address of the Issuer, at Prinses Beatrixlaan 35-37, 2595 AK The Hague, the Netherlands.

Potential conflicts of interest

The Issuer is not aware of any actual or potential conflicts of interests between any duties owed by the members of the Management Board to the Issuer and any private interests or other duties that such person may have. There is no family relationship between any member of the Management Board or the Supervisory Board.

Conflicting interests are considered to be absent and are not reported if a member of the Management Board obtains financial products and services from the Issuer, which are provided by the Issuer in the ordinary course of business on terms that apply to all personnel.

Committees

The Management Board has delegated a number of activities to specific committees within the Issuer. These committees have an advisory role to the Management Board or have been granted delegated authority. Those committees are as follows:

Asset and Liability Committee (ALCO)

The responsibilities of the Management Board with respect to asset and liability management are delegated to the ALCO. The ALCO is responsible for managing interest rate risk, liquidity risk, customer behaviour and for determining which capital instruments are to be deployed and for overseeing the implementation of (new) instruments. Within the ALCO financial risks associated with the banking business are discussed and reviewed with the individual members in order to address the risks in an integrated way. Credit Risk and Operational Risk are out of scope of ALCO's responsibilities, being dealt with by Credit Risk Management and Operational Risk Management respectively. The Management Board remains ultimately responsible for policy regarding, and management of, all the Issuer's risks.

Credit Risk Committee (CRC)

The responsibilities of the Management Board with respect to credit risk management are delegated to the CRC. The CRC is responsible for managing the Issuer's credit risk. The Management Board remains ultimately responsible for policy regarding, and management of, all the Issuer's risks.

Data Governance Committee (DGC)

Responsibilities of the Management Board with respect to data governance & quality management are delegated to the DGC. The DGC is responsible for maintenance and implementation of the policies regarding data governance & quality management. Decisions made in the DGC are mandatory guidance for those with an identified role in the data governance & quality management policy (e.g. data owners, data custodians, data stewards). The Management Board remains ultimately responsible for data governance and quality management within the Issuer.

Impairment and Provisioning Committee (IPC)

The IPC has been mandated to determine the Loan Loss Provisioning (LLP) of the Issuer in accordance with the methodology as described in the credit risk policy of the Issuer. The Management Board remains ultimately responsible for the LLP and the correctness of the used methodology and processes.

Non-Financial Risk Committee (NFRC)

The responsibilities of the Management Board with respect to non-financial risk management are delegated to the NFRC. The NFRC is responsible for managing non-financial risk. The Management Board remains ultimately responsible for policy regarding, and management of, all the Issuer's risks.

Crisis Committee (CC)

The main scope and responsibility of the CC is handling financial and non-financial crisis situations in accordance with the crisis management governance as described in the Issuer's recovery plan. The Issuer's crisis management governance frameworks meets four key crisis management governance criteria:

- Ensure separation between decision making and execution;
- Ensure tracking & logging of actions;
- Ensure unity of command;
- Ensure that the Issuer speaks with a single voice to its stakeholders and other parties.

The framework provides the necessary flexibility to tackle different financial crisis situations. It effectively facilitates the Issuer's mobilisation of the required expertise and to focus all efforts on finding, deciding on and bringing about an effective solution.

Balance Sheet Management Committee (BMC)

Responsibilities of the Management Board of the Issuer with respect to managing the balance sheet concerning ROE/profitability are delegated to the Balance Sheet Optimisation Committee (BSO). The BSO is responsible for optimisation of the pricing of savings and mortgages to ensure meeting at least ROE/profitability targets while striving for economic profit per product greater than zero. Decisions made in the BSO are mandatory guidance for the pricing committees. In scope are all products and the current key focus is on mortgages and savings.

Model Committee (MoC)

The responsibilities of the Management Board with respect to model risk management has been delegated to the MoC, including the approval authority for the models, methodologies and parameters. The Management Board remains ultimately responsible for policy regarding, and management of, all the Issuer's risks.

Product Approval & Review Committee (PRC)

The PRC has been established to support the Management Board with product approval and review. The PRC is responsible for coordination and oversight of approval and review of (new and existing) products of the Issuer.

Pricing Committees (PC)

There are two Pricing Committees, the Wealth Finance Pricing Committee (WFPC) for mortgages and consumer lending rates and the Wealth Accumulation Pricing Committee (WAPC) for savings products (including "*Box 3*" savings and "*Banksparen*"). Both Pricing Committees support the Management Board in determining and evaluating the client rates that the Issuer sets for its mortgages (including "*overbruggingskredieten*"), consumer lending and savings products. The Pricing Committees are mandated to decide on rate setting within limits set by the Management Board. When no limits are set the Pricing Committees advises the Management Board on rate setting.

Disclosure Committee (DC)

The Disclosure Committee advises the NN Group Disclosure Committee on bank relevant disclosures. Furthermore the committee assists the Issuer in providing full, fair, accurate, timely and understandable information in documents required to be filed by the Issuer in compliance with regulations (e.g. Annual Report, COREP, FINREP, Prospectus). The Disclosure Committee ensures that all disclosures made by the Issuer are accurate, complete, appropriate and fairly present the Issuer's condition.

Disclosure Committee, specific for inside information

The Disclosure Committee decides on issues (potentially) relating to inside information. It (i) decides whether information is inside information, (ii) decides whether or not to delay a publication of inside information, (iii) decides if a draft (emergency) press release must be prepared, (iv) records the time when the inside information first existed within the Issuer, (v) informs and liaises with the Disclosure Committee secretary of NN Group and (other members of the) Disclosure Committee of NN Group in relation to the possibility of inside information pertaining to the Issuer affecting NN Group.

Supervision

The Issuer is a credit institution with a full Netherlands banking license and as such is supervised by the Dutch Central Bank (*De Nederlandsche Bank*) and by the Netherlands Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten*).

Credit rating

In January 2016, S&P assigned a long-term rating of single A and short-term rating of A-1 and the stable outlook to the Issuer. On 11 April 2016, Fitch Ratings Limited assigned NN Group a financial strength rating of A+. On 7 October 2016, S&P placed NN Group on CreditWatch negative, after NN Group initially announced its intention to purchase Delta Lloyd Group in an all-cash transaction on 5 October 2016. Due to the highly strategic status to its parent, the Issuer was also put on CreditWatch negative as per 7 October 2016. On 11 May 2017, S&P lowered the insurer financial strength rating of NN Group with one notch to 'A' and the long-term counterparty credit rating of NN Group with one notch to 'BBB+' and the long-term counterparty credit rating of the Issuer to A-, both with a stable outlook.

On 16 Augustus 2018, S&P reconfirmed the Issuer's long-term rating of A- and short-term rating of A-1, with stable outlook.

NN Group N.V.

NN Group N.V. is a financial service company active in 18 countries with a leading position in the Netherlands and a strong presence in a number of European markets and Japan. NN Group N.V. includes Nationale-Nederlanden, NN Investment Partners, ABN AMRO Insurance, Movir, AZL, BeFrank and OHRA.

NN Group N.V.'s roots lie in the Netherlands with a rich history that stretches back more than 170 years. With more than 14.000 employees, NN Group N.V. offers retirement services, insurance, investment and banking products to retail, self-employed workers, SME, large corporate and institutional customers.

NN Group N.V. is a public limited liability company ("*naamloze vennootschap"*) incorporated under the laws of the Netherlands. NN Group became a standalone company on 2 July 2014. Since that date, the shares in the share capital of NN Group N.V. are listed on Euronext in Amsterdam under the listing name "NN Group".

According to the NN Group Decision Structure, certain decisions of the Issuer require the approval of NN Group N.V. prior to those decisions being taken. Examples of such decisions are: (a) the acquisition, increase, decrease and/or spinning-off of shareholder interests in a company (insofar as the transaction exceeds a specific threshold value); (b) intra group transactions (insofar as the transaction exceeds a specific threshold value); (c) the development of structurally new business activities or cessation of current business activities; and (d) proposals that may result in significant damage to reputation or harbours a substantial financial risk.

The NN Group governance manual describes the key structures, organisation and operating principles of NN Group, governing the standard management practices that must apply to all operations of NN Group, amongst which the Issuer's operations. This also includes a reporting model between certain functions of the Issuer and NN Group N.V.

NN Group has a framework of policies, procedures and minimum standards in place to create consistency throughout its entire organisation, and to define minimum requirements that are binding to all group companies such as the Issuer.

The Issuer is not only dependent on NN Group N.V. in its capacity as the Issuer´s sole shareholder, but it also has certain outstanding debt facilities with NN Group N.V. NN Group N.V. has provided the Issuer with (i) subordinated (Tier 2) loans and (ii) a credit facility commitment.

TAXATION

General

The comments below are of a general nature and are not intended to be exhaustive. They assume that there will be no substitution of the Issuer and do not address the consequences of any such substitution (notwithstanding that such substitution may be permitted by the terms and conditions of the Notes). Each prospective investor should consult a professional tax adviser with respect to the tax consequences of an investment in the Notes.

The Netherlands

General

The following summary outlines certain principal Dutch tax consequences of the acquisition, holding, settlement, redemption and disposal of the Notes, but does not purport to be a comprehensive description of all Dutch tax considerations that may be relevant. For the purposes of Dutch tax law, a Noteholder may include an individual or entity who does not have the legal title of these Notes, but to whom nevertheless the Notes or the income thereof is attributed based on specific statutory provisions or on the basis of such individual or entity having an interest in the Notes or the income thereof. This summary is intended as general information only and each prospective investor should consult a professional tax adviser about the tax consequences of the acquisition, holding, settlement, redemption and disposal of the Notes.

This summary is based on tax legislation, published case law, treaties, regulations and published policy, in each case as in force as of the date of this Prospectus, and does not take into account any developments or amendments thereof after that date whether or not such developments or amendments have retroactive effect.

This summary does not address the Dutch tax consequences for:

(a) investment institutions (*fiscale beleggingsinstellingen*);

(b) pension funds, exempt investment institutions (*vrijgestelde beleggingsinstellingen*) or other entities that are not subject to or exempt from Dutch corporate income tax;

(c) holders of Notes holding a substantial interest (*aanmerkelijk belang*) or deemed substantial interest (*fictief aanmerkelijk belang*) in the Issuer and holders of Notes of whom a certain related person holds a substantial interest in the Issuer. Generally speaking, a substantial interest in the Issuer arises if a person, alone or, where such person is an individual, together with his or her partner (statutory defined term), directly or indirectly, holds or is deemed to hold: (i) an interest of 5 per cent. or more of the total issued capital of the Issuer or of 5 per cent. or more of the issued capital of a certain class of shares of the Issuer, (ii) rights to acquire, directly or indirectly, such interest, or (iii) certain profit-sharing rights in the Issuer;

(d) persons to whom the Notes and the income from the Notes are attributed based on the separated private assets (*afgezonderd particulier vermogen*) provisions of the Dutch Income Tax Act 2001 (*Wet inkomstenbelasting 2001*) and the Dutch Gift and Inheritance Tax Act 1956 (*Successiewet 1956*);

(e) entities which are a resident of Aruba, Curacao or Saint Maarten that have an enterprise which is carried on through a permanent establishment or a permanent representative on Bonaire, Saint Eustatius or Saba and the Notes are attributable to such permanent establishment or permanent representative; and

(f) individuals to whom Notes or the income therefrom are attributable to employment activities which are taxed as employment income in the Netherlands.

Where this summary refers to the Netherlands, such reference is restricted to the part of the Kingdom of the Netherlands that is situated in Europe and the legislation applicable in that part of the Kingdom.

Withholding tax

All payments made by the Issuer under the Notes may be made free of withholding or deduction for any taxes of whatsoever nature imposed, levied, withheld or assessed by the Dutch or any political subdivision or taxing authority thereof or therein provided that the Notes do not in fact function as equity of the Issuer within the meaning of article 10, paragraph 1, under d of the Dutch Corporate Income Tax Act 1969 (*Wet op de vennootschapsbelasting 1969*).

Corporate and individual income tax

Residents of the Netherlands

If a Noteholder is a resident of the Netherlands or deemed to be a resident of the Netherlands for Dutch corporate income tax purposes and is fully subject to Dutch corporate income tax or is only subject to Dutch corporate income tax in respect of an enterprise to which the Notes are attributable, income derived from the Notes and gains realised upon the redemption, settlement or disposal of the Notes are generally taxable in the Netherlands (at up to a maximum rate of 25 per cent.).

If an individual is a resident of the Netherlands or deemed to be a resident of the Netherlands for Dutch individual income tax purposes, income derived from the Notes and gains realised upon the redemption, settlement or disposal of the Notes are taxable at the progressive rates (at up to a maximum rate of 51.75 per cent.) under the Dutch Income Tax Act 2001, if:

(a) the individual is an entrepreneur (*ondernemer*) and has an enterprise to which the Notes are attributable or the individual has, other than as a shareholder, a co-entitlement to the net worth of an enterprise (*medegerechtigde*), to which enterprise the Notes are attributable; or

(b) such income or gains qualify as income from miscellaneous activities (*resultaat uit overige werkzaamheden*), which includes activities with respect to the Notes that exceed regular, active portfolio management (*uitgaat boven normaal, actief vermogensbeheer*).

If neither condition (a) nor condition (b) above applies, an individual that holds the Notes must determine taxable income with regard to the Notes on the basis of a deemed return on income from savings and investments (*sparen en beleggen*), rather than on the basis of income actually received or gains actually realised. This deemed return on savings and investments is fixed at a percentage of the individual's yield basis (*rendementsgrondslag*) at the beginning of the calendar year (1 January), insofar as the individual's yield basis exceeds a statutory threshold (*heffingvrij vermogen*). The individual's yield basis is determined as the fair market value of certain qualifying assets held by the individual less the fair market value of certain qualifying liabilities on 1 January. The fair market value of the Notes will be included as an asset in the individual's yield basis. The deemed return percentage to be applied to the yield basis increases progressively depending on the amount of the yield basis. The deemed return on savings and investments is taxed at a rate of 30 per cent.

Non-residents of the Netherlands

If a person is not a resident of the Netherlands nor is deemed to be a resident of the Netherlands for Dutch corporate or individual income tax purposes, such person is not liable to Dutch income tax in respect of income derived from the Notes and gains realised upon the settlement, redemption or disposal of the Notes, unless:

(a) the person is not an individual and such person: (i) has an enterprise that is, in whole or in part, carried on through a permanent establishment or a permanent representative in the Netherlands to which permanent establishment or permanent representative the Notes are attributable, or (ii) is (other than by way of securities) entitled to a share in the profits of an enterprise or a co-entitlement to the net worth of an enterprise, which is effectively managed in the Netherlands and to which enterprise the Notes are attributable;

This income is subject to Dutch corporate income tax at up to a maximum rate of 25 per cent.

(b) the person is an individual and such individual (i) has an enterprise or an interest in an enterprise that is, in whole or in part, carried on through a permanent establishment or a permanent representative in the Netherlands to which permanent establishment or permanent representative the Notes are attributable, or (ii) realises income or gains with respect to the Notes that qualify as income from miscellaneous activities in the Netherlands which includes activities with respect to the Notes that exceed regular, active portfolio management (*normaal, actief vermogensbeheer*), or (iii) is other than by way of securities entitled to a share in the profits of an enterprise which is effectively managed in the Netherlands and to which enterprise the Notes are attributable.

Income derived from the Notes as specified under (i) and (ii) is subject to individual income tax at progressive rates up to a maximum rate of 51.75 per cent. Income derived from a share in the profits of an enterprise as specified under (iii) that is not already included under (i) or (ii) will be taxed on the basis of a deemed return on income from savings and investments (as described above under "*—Residents of the Netherlands*"). The fair market value of the share in the profits of the enterprise (which includes the Notes) will be part of the individual's Dutch yield basis.

Gift and inheritance tax

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:

(a) the holder of a Note is, or is deemed to be, resident in the Netherlands for the purpose of the relevant provisions; or

(b) 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.

Value added tax

No value added tax will arise in respect of payments in consideration for the issue of the Notes or in respect of a cash payment made under the Notes, or in respect of a transfer of Notes.

Other taxes and duties

No registration tax, customs duty, transfer tax, stamp duty or any other similar documentary tax or duty will be payable in the Netherlands by a holder in respect of or in connection with the subscription, issue, placement, allotment, delivery or transfer of the Notes.

Foreign Account Tax Compliance Act

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a foreign financial institution (as defined by FATCA) may be required to withhold on certain payments it makes (foreign passthru payments) to persons that fail to meet certain certification, reporting or related requirements. The Issuer is a foreign financial institution for these purposes. A number of jurisdictions (including the Netherlands) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (IGAs), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as Notes, such withholding would not apply prior to the date that is two years after the date on which final regulations defining foreign passthru payments are published in the U.S. Federal Register and Notes issued on or prior to the date that is six months after the date on which final regulations defining foreign passthru payments are filed with the U.S. Federal Register generally would be grandfathered for purposes of FATCA withholding unless materially modified after such date. However, if additional the Notes (as described under "Terms and Conditions—Further Issues") that are not distinguishable from previously issued the Notes are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all the Notes, including the Notes offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA.

Holders should consult their own tax advisers regarding how these rules may apply to their investment in the Notes. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, no person will be required to pay additional amounts as a result of the withholding.

FATCA is particularly complex and its application is uncertain at this time. The above description is based in part on regulations, official guidance and model IGAs, all of which are subject to change or may be implemented in a materially different form. Prospective investors should consult their tax advisers on how these rules may apply to the Issuer and to payments they may receive in connection with the Notes.

SUBSCRIPTION AND SALE

Summary of Dealer Agreement

Subject to the terms and on the conditions contained in a dealer agreement dated 15 May 2019 (the "Dealer Agreement") between the Issuer, the Permanent Dealers and the Arranger, the Notes will be offered on a continuous basis by the Issuer to the Permanent Dealers. However, the Issuer has reserved the right to sell Notes directly on its own behalf to Dealers that are not a Permanent Dealer. The Notes may be resold at prevailing market prices, or at prices related thereto, at the time of such resale, as determined by the relevant Dealer. The Notes may also be sold by the Issuer through the Dealers, acting as agents of the Issuer. The Dealer Agreement also provides for Notes to be issued in syndicated Tranches that are jointly and severally underwritten by two or more Dealers.

The Issuer will pay each relevant Dealer a commission as agreed between them in respect of Notes subscribed by it. The Issuer has agreed to reimburse the Arranger for certain of its expenses incurred in connection with the establishment of the Programme. The commissions in respect of an issue of Notes on a syndicated basis will be stated in the relevant Final Terms.

The Issuer has agreed to indemnify the Dealers against certain liabilities in connection with the offer and sale of the Notes. The Dealer Agreement entitles the Dealers to terminate any agreement that they make to subscribe Notes in certain circumstances prior to payment for such Notes being made to the Issuer.

Selling Restrictions

Prohibition of sales to EEA Retail Investors

Unless the Final Terms in respect of any Notes specifies "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by the Offering Circular as completed by the Final Terms in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision:

(a) the expression "retail investor" means a person who is one (or more) of the following:

  (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "MiFID II"); or

  (ii) a customer within the meaning of Directive (EU) 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 Directive 2003/71/EC (as amended or superseded, the "Prospectus Directive"); and

(b) the expression an **offer** includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes.

United States

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

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

Each Dealer has represented and agreed that, except as permitted by the Dealer Agreement, it has not offered, sold or delivered and will not offer, sell or deliver the Notes of any identifiable Tranche (i) as part of their distribution at any time or (ii) otherwise until 40 days after completion of the distribution of such Tranche as determined, and certified to the Issuer, by the Fiscal Agent, or in the case of Notes issued on a syndicated basis, the relevant lead manager, within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each dealer to which it sells Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons.

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

United Kingdom

Each Dealer has represented and agreed that:

(i) in relation to any Notes which have a maturity of less than one year, (a) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (b) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of section 19 of the FSMA by the Issuer;

(ii) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and

(iii) 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.

The Netherlands

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that bearer Zero Coupon Notes and other Notes which qualify as savings certificates or

spaarbewijzen as defined in the Savings Certificates Act (*Wet inzake spaarbewijzen*) may only be transferred or accepted through the intermediary of the Issuer of those Notes or a member of Euronext in Amsterdam and with due observance of the Savings Certificates Act (including registration requirements). However, no such intermediary services are required in respect of (i) the initial issue of those Notes to the first holders thereof, (ii) any transfer and acceptance by individuals who do not act in the conduct of a profession or trade, and (iii) the transfer or acceptance of those Notes, if they are physically issued outside the Netherlands and are not distributed in the Netherlands in the course of primary trading or immediately thereafter.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended; the "FIEA") and each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

Belgium

Other than in respect of Notes for which "Prohibition of Sales to Belgian Consumers" is specified as "Not Applicable" in the applicable Final Terms, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that an offering of Notes may not be advertised to any individual in Belgium qualifying as a consumer within the meaning of Article I.1 of the Belgian Code of Economic Law, as amended from time to time (a Belgian Consumer) and that it has not offered, sold or resold, transferred or delivered, and will not offer, sell, resell, transfer or deliver, the Notes, and that it has not distributed, and will not distribute, any prospectus, memorandum, information circular, brochure or any similar documents in relation to the Notes, directly or indirectly, to any Belgian Consumer.

General

These selling restrictions may be modified by the agreement of the Issuer and the Dealers following a change in a relevant law, regulation or directive. Any such modification will be set out in the Final Terms issued in respect of the issue of Notes to which it relates or in a supplement to this Prospectus.

No representation is made that any action has been taken in any jurisdiction that would permit a public offering of any of the Notes, or possession or distribution of the Prospectus or any other offering material or any Final Terms, in any country or jurisdiction where action for that purpose is required.

Each Dealer has agreed that it shall, to the best of its knowledge, comply with all relevant laws, regulations and directives in each jurisdiction in which it purchases, offers, sells or delivers Notes or has in its possession or distributes the Prospectus, any other offering material or any Final Terms in all cases at its own expense.

FORM OF FINAL TERMS

The following is the form of Final Terms that, subject to completion and deletion of non-applicable provisions, will be applicable to, and issued in respect of, each issue of Notes.

[PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the 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**); or (ii) a customer within the meaning of Directive (EU) 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 Directive. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the **PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.] [1]

[**MIFID II product governance / Professional investors and ECPs only target market** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in [Directive 2014/65/EU (as amended, **MiFID II**)][MiFID II]; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a **distributor**) should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

Final Terms dated [●]

Nationale-Nederlanden Bank N.V.

Legal entity identifier (LEI): 724500BICUQ0LF1AH770

Issue of **[Aggregate Nominal Amount of Tranche] [Title of Notes]**

under the **€3,000,000,000**
Debt Issuance Programme

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the prospectus dated 15 May 2019 [and the supplement(s) to it dated [●]] which [together] constitute[s] a base prospectus (the "Prospectus") for the purposes of Directive 2003/71/EC (as amended or superseded, the "Prospectus Directive"). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Prospectus. Full information on

[1] Legend to be included on front of the Final Terms if the Notes potentially constitute "packaged" products and no key information document will be prepared or the issuer wishes to prohibit offers to EEA retail investors for any other reason, in which case the selling restriction should be specified to be "Applicable".

the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Prospectus. The Prospectus has been published on www.nn-group.com.

[Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs (in which case the sub-paragraphs of the paragraphs which are not applicable can be deleted). Italics denote guidance for completing the Final Terms.]

[When completing any final terms consideration should be given as to whether such terms or information constitute "significant new factors" and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.]

1.	Issuer:		Nationale-Nederlanden Bank N.V.
2.	[(i)]	Series Number:	[●]
	[(ii)	Tranche Number:	[●]
	[(iii)	Date on which the Notes become fungible:	[Not Applicable/The Notes shall be consolidated, form a single series and be interchangeable for trading purposes with the [*insert description of the Series*] on [*insert date*/the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph [21] below [which is expected to occur on or about [*insert date*]]].]
3.	Specified Currency:		[●]
4.	Aggregate Nominal Amount:		[●]
	[(i)]	Series:	[●]
	[(ii)	Tranche:	[●]]
5.	Issue Price:		[●] per cent. of the Aggregate Nominal Amount [plus accrued interest from [*insert date*] (*if applicable*)]
6.	(i)	Specified Denominations:	[●] [*If the specified denomination is expressed to be €100,000 or its equivalent and multiples of a lower principal amount (for example €1,000), insert the following wording*: "€100,000 and integral multiples of [€1,000] in excess thereof up to and including [€199,000]. No notes in definitive form will be issued with a denomination above [€199,000]."] *[In addition, Notes (including Notes denominated in Sterling) in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of Section 19 FSMA and which have a maturity of less than one year must have a minimum redemption value of £100,000 (or its equivalent in other currencies).]*
	(ii)	Calculation Amount:	[●]

			(*If there is only one Specified Denomination, insert the Specified Denomination. If there are several Specified Denominations (including where the circumstances referred to in 6(i) above apply of having Specified Denominations of €100,000 and multiples of €1,000), insert the highest common factor of those Specified Denominations (note: there must be a common factor in the case of two or more Specified Denominations*)).
7.	(i)	Issue Date:	[●]
	(ii)	Interest Commencement Date:	[*Specify*/Issue Date/Not Applicable]
8.	Maturity Date:		[*Specify date or (for Floating Rate Notes)* Interest Payment Date falling in or nearest to *[specify the relevant month and year]*]
9.	Interest Basis:		[[●] per cent. Fixed Rate] [[●] month [LIBOR/EURIBOR]] +/– [●] per cent. Floating Rate] [Zero Coupon] (See paragraph [14/15/16] below)
10.	Redemption/Payment Basis:		Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at [[●]/[100]] per cent. of their nominal amount.
11.	Change of Interest Basis:		[*Specify the date when any fixed to floating rate change occurs or refer to paragraphs 14 and 15 below and identify there*/For the period from (and including) the Interest Commencement Date, up to (but excluding) [*date*] paragraph [14/15] applies and, for the period from (and including) [*date*], up to (and including) the Maturity Date, paragraph [14/15] applies]/Not Applicable]
12.	Put/Call Options:		[Issuer Call] [Investor Put] (See paragraph [17/18] below)]
13.	[(i)]	Status of the Notes:	Senior
	[(ii)] [Date [Board] approval for issuance of Notes obtained:		[●] [and [●], respectively]] (*N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes*)

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14.	Fixed Rate Note Provisions	[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)

	(i)	Rate[(s)] of Interest:	[●] per cent. per annum payable in arrear on each Interest Payment Date
	(ii)	Interest Payment Date(s):	[●] in each year
	(iii)	Fixed Coupon Amount[(s)]:	[●] per Calculation Amount
	(iv)	Broken Amount(s):	[●] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [●]
	(v)	Day Count Fraction:	[30/360 / Actual/Actual (ICMA) / *include any other option from the Conditions*]
	(vi)	[Determination Dates:	[●] in each year (*insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon. N.B. only relevant where Day Count Fraction is Actual/Actual (ICMA)*)]
15.	Floating Rate Note Provisions		[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i)	Interest Period(s):	[[●][, subject to adjustment in accordance with the Business Day Convention set out in (iv) below/, not subject to any adjustment[, as the Business Day Convention in (v) below is specified to be Not Applicable]]]
	(ii)	Specified Interest Payment Dates:	[[●] in each year[, subject to adjustment in accordance with the Business Day Convention set out in (iv) below/, not subject to any adjustment[, as the Business Day Convention in (iv) below is specified to be Not Applicable]]]
	(iii)	Interest Period Date:	[Not Applicable]/[[●] in each year[, subject to adjustment in accordance with the Business Day Convention set out in (v) below/, not subject to any adjustment[, as the Business Day Convention in (v) below is specified to be Not Applicable]]]
	(iv)	First Interest Payment Date:	[●]
	(v)	Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention] [Not Applicable]
	(vi)	Business Centre(s):	[●]
	(vii)	Manner in which the Rate(s) of Interest is/are to be determined:	[Screen Rate Determination/ISDA Determination]
	(viii)	Party responsible for calculating the Rate(s) of Interest and/or Interest	[●]

		Amount(s) (if not the Fiscal Agent):	
	(ix)	Screen Rate Determination:	
		– Reference Rate:	[[●]-month [LIBOR/EURIBOR]]
		– Interest Determination Date(s):	[●]
		– Relevant Screen Page:	[●]
	(x)	ISDA Determination:	
		– Floating Rate Option:	[●]
		– Designated Maturity:	[●]
		– Reset Date:	[●]
		[– ISDA Definitions	[2006]]
			(N.B. The fall-back provisions applicable to ISDA Determination under the 2006 ISDA Definitions are reliant upon the provision by reference banks of offered quotations for LIBOR and/or EURIBOR which, depending on market circumstances, may not be available at the relevant time)
	(xi)	Linear Interpolation:	Not Applicable/Applicable – the Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation (*specify for each short or long interest period*)
	(xii)	Margin(s):	[+/-][●] per cent. per annum
	(xiii)	Minimum Rate of Interest:	[[●] per cent. per annum]/[Not Applicable]
	(xiv)	Maximum Rate of Interest:	[[●] per cent. per annum]/[Not Applicable]
	(xv)	Day Count Fraction:	[[30/360][Actual/360][Actual/365]][*Include any other option from the Conditions*]
16.	Zero Coupon Note Provisions		[Applicable/Not Applicable]
			(*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i)	Amortisation Yield:	[●] per cent. per annum
	(ii)	Day Count Fraction in relation to Early Redemption Amounts:	[[30/360][Actual/360][Actual/365]][*Include any other option from the Conditions*]

PROVISIONS RELATING TO REDEMPTION

17.	Call Option		[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	[●] per Calculation Amount

		each Note:	
	(iii)	If redeemable in part:	
		Minimum Redemption Amount:	[●] per Calculation Amount
		Maximum Redemption Amount:	[●] per Calculation Amount
	(iv)	Notice period:	[●] days *(N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example clearing systems (which require a minimum of five business days' notice for a call) and custodians, as well as any other notice requirements which may apply.)*
18.	Put Option		[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)	Notice period:	[●] days *(N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of fifteen business days' notice for a put) and custodians, as well as any other notice requirements which may apply.)*
19.	Final Redemption Amount of each Note:		[●][Par] per Calculation Amount
20.	Early Redemption Amount		
	Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons or on event of default or other early redemption:		[●]/[Par] per Calculation Amount

GENERAL PROVISIONS APPLICABLE TO THE NOTES

21.	Form of Notes:	**Bearer Notes:** [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note] [Temporary Global Note exchangeable for Definitive Notes on [●] days' notice] *(The exchange at any time upon due notice option should not be expressed to be applicable if the Specified*

		Denomination of the Notes in paragraph 6(i) includes language substantially to the following effect: "[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000]." Furthermore, such Specified Denomination construction is not permitted in relation to any issue of Notes which is to be represented on issue by a Temporary Global Note exchangeable for Definitive Notes, other than in the limited circumstances specified in the permanent Global Note.) [Permanent Global Note exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note] **Registered Notes:** [Global Certificate registered in the name of a nominee for [a common depositary for Euroclear and Clearstream, Luxembourg/a common safekeeper for Euroclear and Clearstream, Luxembourg]]
22.	New Global Note:	[Yes] [No]
23.	Financial Centre(s):	[Not Applicable/*give details. Note that this paragraph relates to the date of payment, and not the end dates of interest periods for the purposes of calculating the amount of interest, to which sub-paragraph 15(vi) relates.*]
24.	Talons for future Coupons to be attached to Definitive Notes (and dates on which such Talons mature):	[No/Yes. As the Notes have more than 27 coupon payments, talons may be required if, on exchange into definitive form, more than 27 coupon payments are still to be made.]

THIRD PARTY INFORMATION

[(*Relevant third party information*) 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 Nationale-Nederlanden Bank N.V.:

By:	By:
Duly authorised	Duly authorised

PART B – OTHER INFORMATION

1. **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 in Amsterdam 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 in Amsterdam with effect from [●].] [Not Applicable.] (*Where documenting a fungible issue need to indicate that original Notes are already admitted to trading.)*
(ii)	Estimate of total expenses related to admission to trading:	[●]

2. **RATINGS**

(i)	Ratings:	[The Notes to be issued [have been/are expected to be] rated]: [S & P: [●]] [Moody's: [●]] [[Other]: [●]]

3. **INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER**

(Need to include a description of any interest, including conflicting ones, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the statement below:)

[Save for any fees payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer. The [Managers/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business. (*Amend as appropriate if there are other interests*).]

[(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 Prospectus under Article 16 of the Prospectus Directive.)]

4. **[Fixed Rate Notes only – YIELD**

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.]

5. **OPERATIONAL INFORMATION**

ISIN:	[●]

Common Code:	[●]
CFI:	[[See/[[*include code*], as updated, as set out on] the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available]
FISN:	[[See/[[*include code*], as updated, as set out on] the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available]
Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, société anonyme and the relevant identification number(s):	[Not Applicable/*give name(s) and number(s)*]
Delivery:	Delivery [against/free of] payment
Names and addresses of additional Paying Agent(s) (if any):	[●]
Intended to be held in a manner which would allow Eurosystem eligibility:	[Yes. Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper [(and registered in the name of a nominee of one of the ICSDs acting as common safekeeper)] [*include this text for registered notes*] and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.] [No. Whilst the designation is specified as "no" at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them, the Notes may then be deposited with one of the ICSDs as common safekeeper [(and registered in the name of a nominee of one of the ICSDs acting as common safekeeper) [*include this text for registered notes*]. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]

6. **DISTRIBUTION**

(i)	Method of distribution:		[Syndicated/Non-syndicated]
(ii)	If syndicated:		
	(A)	Names of Managers:	[Not Applicable/*give names*]
	(B)	Stabilisation Manager(s) (if any):	[Not Applicable/*give names*]
(iii)	If non-syndicated, name of Dealer:		[Not Applicable/*give name*]
(iv)	U.S. Selling Restrictions:		[Reg. S Compliance Category 2; TEFRA C/ TEFRA D/ TEFRA not applicable]
(v)	Prohibition of Sales to EEA Retail Investors:		[Applicable/Not Applicable] *(If the Notes clearly do not constitute "packaged" products or the Notes do constitute "packaged" products and a key information document will be prepared, "Not Applicable" should be specified. If the Notes may constitute "packaged" products and no key information document will be prepared, "Applicable" should be specified.)*
(vi)	[Prohibition of Sales to Belgian Consumers:		[Applicable/Not Applicable] *(N.B. advice should be taken from Belgian counsel before disapplying this selling restriction)]*

GENERAL INFORMATION

(1) Application has been made to Euronext for Notes issued under the Programme to be listed and admitted to trading on Euronext Amsterdam.

(2) The Issuer has obtained all necessary consents, approvals and authorisations in The Netherlands in connection with the establishment of the Programme. The update of the Programme was authorised by the Management Board and the Supervisory Board and passed on 13 May 2019.

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

(4) There has been no significant change in the financial or trading position of the Issuer or of the Group since 31 December 2018 and no material adverse change in the prospects of the Issuer since 31 December 2018.

(5) Each Bearer Note (other than a Temporary Bearer Note) having a maturity of more than one year, Receipt, Coupon and Talon will bear the following legend: "Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code".

(6) Notes have been accepted for clearance through the Euroclear and Clearstream, Luxembourg systems (which are the entities in charge of keeping the records). The Common Code, the International Securities Identification Number (ISIN) and (where applicable) the identification number for any other relevant clearing system for each Series of Notes will be set out in the relevant Final Terms.

The address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium and the address of Clearstream, Luxembourg is 42 Avenue JF Kennedy, L-1855 Luxembourg. The address of any alternative clearing system will be specified in the applicable Final Terms.

(7) Where information in this Prospectus has been sourced from third parties, this information has been accurately reproduced and, as far as the Issuer is aware and is able to ascertain from the information published by such third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading. The source of third party information is identified where used.

(8) The issue price and the amount of the relevant Notes will be determined, before filing of the relevant Final Terms of each Tranche, based on the prevailing market conditions. The Issuer does not intend to provide any post-issuance information in relation to any issues of Notes.

(9) For so long as Notes may be issued pursuant to this Prospectus, the following documents will be available, during usual business hours on any weekday (Saturdays and public holidays excepted), for inspection at the registered office of the Issuer:

(i) the Agency Agreement (which includes the form of the Global Notes, the definitive Bearer Notes, the Certificates, the Coupons, the Receipts and the Talons);

(ii) the Articles of Association of the Issuer;

(iii) each Final Terms (save that Final Terms relating to a Note which is neither admitted to trading on a regulated market within the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Directive will only be available for inspection by a holder of such Note and such holder must produce evidence satisfactory to the Issuer and the Issuing and Paying Agent as to its holding of Notes and identity); and

(iv) a copy of this Prospectus together with any supplement to this Prospectus or further Prospectus.

(10) Copies of the Agency Agreement will be available for inspection, at the specified offices of each of the Paying Agents during normal business hours, so long as any of the Notes is outstanding.

(11) The Issuer's consolidated annual accounts for the year ended 31 December 2017 and the consolidated annual accounts for the year ended 31 December 2018 have been audited by KPMG Accountants N.V., independent auditors. The auditors of KPMG Accountants N.V. are members of the Netherlands Institute of Chartered Accountants (*Nederlandse Beroepsorganisatie van Accountants*). KPMG Accountants N.V. have issued unqualified auditor's reports on the consolidated annual accounts for the years ended 31 December 2017 and 2018 dated 24 April 2018 and 2 April 2019, respectively. These auditor's reports have been included in the form and context in which they appear with the consent of KPMG Accountants N.V., who have authorised the contents of these auditor's reports.

(12) Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services to, the Issuer and/or its affiliates in the ordinary course of business.

(13) Certain of the Dealers and their affiliates may have positions, deal or make markets in the Notes issued under the Programme, related derivatives and reference obligations, including (but not limited to) entering into hedging strategies on behalf of the Issuer and its affiliates, investor clients, or as principal in order to manage their exposure, their general market risk, or other trading activities.

(14) In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or the Issuer's affiliates. Certain of the Dealers or their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes issued under the Programme. Any such positions could adversely affect future trading prices of Notes issued under the Programme. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

Registered Office of the Issuer

Nationale-Nederlanden Bank N.V.
Prinses Beatrixlaan 35-37
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The Netherlands

Dealers

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London E14 5JP
United Kingdom

Fiscal Agent, Calculation Agent and Paying Agent

HSBC Bank plc
8 Canada Square
London E14 5HQ
United Kingdom

Registrar and Transfer Agent

HSBC Bank plc
8 Canada Square
London E14 5HQ
United Kingdom

Arranger

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Legal Advisers

to the Issuer

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to the Dealers

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