



BANK

TERMS SHEET

19 January 2022

To: **Mizuho Securities Europe GmbH**

Taunustor 1
60310 Frankfurt am Main
Germany

Nomura Financial Products Europe GmbH

Rathenauplatz 1
60313 Frankfurt am Main
Germany

Royal Bank of Canada

(ABN 86 076 940 880)
Level 47
2 Park Street
Sydney NSW 2000
Australia

TD Global Finance unlimited company

5th Floor
One Molesworth Street
Dublin 2, D02 RF29
Ireland

BNG Bank N.V.

Back Office – Dealing Room
Koninginnegracht 2
2514 AA The Hague
The Netherlands

BNG BANK N.V. - MTN PROGRAMME

MiFID II product governance / Professional investors and ECPs only target market –

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

SINGAPORE SFA PRODUCT CLASSIFICATION –

In connection with Section 309B of the Securities and Futures Act 2001 of Singapore (the "**SFA**") and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "**CMP Regulations 2018**"), the Issuer has determined, and hereby notifies all relevant person (as defined in Section 309A(1) of the SFA), that the MTNs are prescribed capital markets products (as defined in the CMP Regulations 2018) and are Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendation on Investment Products).

We hereby confirm the following agreement for the issue to Mizuho Securities Europe GmbH, Nomura Financial Products Europe GmbH, Royal Bank of Canada and TD Global Finance unlimited company of MTNs, each having the terms and conditions set out below, and otherwise in accordance with the terms and conditions of the Deed of Terms and Conditions dated 14 September 1999 (as amended and restated on 15 October 2020) made by the Issuer, the Manager and the Registrar. Terms not defined herein have the meanings given to them in the Deed of Terms and Conditions.

**Overall MTN Details**

Issuer:		BNG Bank N.V.
Dutch Bail-in Power and Dutch Stay Power:		See clause 5.2 ("Dutch Bail-in Power") of the Deed of Terms and Conditions as amended as set out in Schedule 1 to this Terms Sheet - by subscribing or otherwise acquiring the MTNs, the Noteholders shall be bound by the exercise of any Dutch Bail-in Power or the application of any Dutch Stay Power by the Resolution Authority. See also the sections of the Information Memorandum dated 15 October 2020 entitled "Programme Summary – Bail-in" on page 7 and "Dutch Bail-in Power" on pages 11 to 14, each as amended as set out in Schedule 2 to this Terms Sheet.
EEA and UK selling restrictions:		MTNs may only be offered, sold, transferred or delivered within the European Economic Area and the United Kingdom, subject to applicable European Economic Area and United Kingdom selling restrictions, including restrictions on the offer of MTNs to retail investors.
Principal Amount (face amount) on the Issue Date of each MTN:		A\$1,000 (Note: Subject to minimum consideration payable within Australia of A\$500,000 disregarding moneys lent by the offeror or its associates or the MTNs are otherwise offered and transferred in a manner that does not require disclosure under Part 6D.2 of the Corporations Act 2001 of Australia and, in all cases, all offers, sales and transfers comply with the Conditions)
Number of MTNs to be issued:		500,000
Aggregate Principal Amount of MTNs to be issued:		A\$500,000,000
Total Principal Amount of the Series:		A\$500,000,000
Type of MTNs:	<input type="checkbox"/>	Amortised Notes
	<input checked="" type="checkbox"/>	Fixed Rate Notes
	<input type="checkbox"/>	Floating Rate Notes
	<input type="checkbox"/>	Indexed Notes
	<input type="checkbox"/>	Structured Notes
	<input type="checkbox"/>	Zero Coupon Notes
	<input type="checkbox"/>	Other (specify) _____
Australian Notes/ New Zealand Notes:		Australian Notes
Maturity Date:		21 July 2032
Issued at:	<input type="checkbox"/>	Par
	<input checked="" type="checkbox"/>	Discount
	<input type="checkbox"/>	Premium
Purchase Price:		99.931% of the Aggregate Principal Amount of A\$500,000,000

In the event the Tenor of the MTN consists of a number of days which is not evenly divisible by the number of whole months in the Interest Period, the Purchase Price of the MTN will take into account the interest owed for days not in the Tenor of the MTN (in the event the number of months is rounded up) or interest not owed for days in the Tenor of the MTN (in the event the number of months is rounded down).



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Issue Date:	21 January 2022
Joint Lead Managers:	Mizuho Securities Europe GmbH Nomura Financial Products Europe GmbH Royal Bank of Canada TD Global Finance unlimited company

Interest Calculation and Payment, Repayment

(a) Amortised Notes		N/A
(b) Fixed Rate Notes		
Fixed Interest Rate:		2.45 per cent. per annum payable semi-annually in arrear
Interest Payment Dates:		21 January and 21 July in each year from, and including, 21 July 2022 to, and including the Maturity Date (subject to adjustment in accordance with clause 8.7 of the Deed of Terms and Conditions).
Redemption Amount:		A\$1,000 per MTN (100 per cent. of the Principal Amount (face amount) of each MTN)
Fixed Coupon Amount:		A\$12.25 per MTN (or A\$6,125,000 for all MTNs to be issued in this tranche) on each Interest Payment Date
Business Day Convention:		Following Business Day, Unadjusted
Day Count Fraction:		RBA Bond Basis
Business Days:		Sydney, London and TARGET Business Day. "TARGET Business Day" means a day in which the Trans European Automated Real Time Gross Settlement Express Transfer (TARGET2) System is open.
(c) Floating Rate Notes		N/A
Floating Rate Basis:	<input type="checkbox"/>	BBSW Rate
	<input type="checkbox"/>	Other (specify and detail source and procedures if not available)
Margin(s) to Floating Rate Basis:		N/A
Interest Payment Dates:		N/A
Redemption Amount:		N/A
Business Days:		N/A
(d) Indexed Notes		N/A
Index:		N/A
Specify method of calculation of Variable Indexed Amount:		N/A
Details to include:		
• Source for index:		N/A
• Person responsible for calculations:		N/A
• Provision for calculation on early redemption, where reference to Index or formula is impossible or impracticable etc:		N/A



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Base Index Figure:		N/A
Interest Payment Dates:		N/A
Redemption Amount:		N/A
(e) Structured Notes		N/A
Describe characteristics:		N/A
(f) Zero Coupon Notes		N/A
Redemption Price:		N/A
Amortisation Rate for Early Redemption:		N/A
(g) Other Options		N/A

Other Issue Details

Clearing System(s):		Austraclear System
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On admission to the Austraclear System, interests in the Notes may be held through Euroclear Bank SA/NV as operator of the Euroclear System ("Euroclear") or Clearstream Banking S.A. ("Clearstream, Luxembourg"). In these circumstances, entitlements in respect of holdings of interests in the Notes in Euroclear would be held in the Austraclear System by HSBC Custody Nominees (Australia) Limited as a nominee of Euroclear while entitlements in respect of holdings of interests in the Notes in Clearstream, Luxembourg would be held in the Austraclear System by BNP Paribas Securities Services, Australia Branch as a nominee of Clearstream, Luxembourg.

The rights of a holder of interests in Notes held through Euroclear or Clearstream, Luxembourg are subject to the respective rules and regulations for accountholders of Euroclear and Clearstream, Luxembourg, the terms and conditions of agreements between Euroclear and Clearstream, Luxembourg and their respective nominee and the rules and regulations of the Austraclear System.

Special Issuance Instructions:		N/A
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Other Special Conditions including, as appropriate:

Events Affecting Maturity:		N/A
Call Option (early redemption at the option of the Issuer) (give details):		N/A
Put Option (early redemption at the option of the Noteholders) (give details):		N/A
Maturity Extension Option (option of the Noteholder to extend maturity, at the offer of the Issuer) (give details):		N/A
Other:		Clauses 1.1 ("Definitions"), 5.2 ("Dutch Bail-in Power"), 11.3 ("Events of Default") and 13 ("Governing Law and Jurisdiction") of the Deed of Terms and Conditions are amended as set out in Schedule 1 to this Terms Sheet.
Use of proceeds:		The net proceeds of the issue of the MTNs will be used to finance and/or refinance SDG (the Sustainable Development Goals defined by the United Nations)-linked loans to Dutch Social Housing Associations, as described in the "BNG Bank N.V. Sustainable Finance Framework" dated November 2021 (the " Framework ").



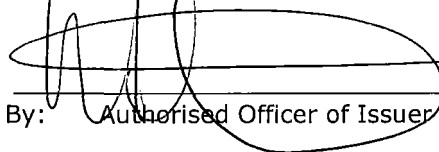
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	<p>The Framework and the second party opinion provided by ISS ESG are available on the Issuer's website, at https://www.bngbank.com/Home. Neither of these documents is incorporated into, or forms part of, this Terms Sheet or the Information Memorandum dated 15 October 2020.</p> <p>The proceeds will be allocated and managed on a portfolio basis, as described in the Framework. Allocation and impact reporting will be made available to investors as described in the Framework.</p>
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The above details are confirmed by the Issuer, in respect of:

ISIN:	AU3CB0285898
Common Code:	243581451

BNG BANK N.V.

By:  Authorised Officer of Issuer

M.V. Ketting
Manager Capital Markets

Date: 19 January 2022



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SCHEDULE 1

Clause 1.1 ("Definitions") of the Deed of Terms and Conditions shall be amended as follows:

(1) by inserting the following new definition following the definition of Dutch Bail-in Power:

"Dutch Stay Power" means any statutory power to suspend any payment or delivery obligation in respect of the MTNs, restrict the enforcement of any security interest over any assets of the Issuer or suspend any termination right under the terms of the MTNs, any statutory exclusion of certain creditors' rights and contractual terms in case of any crisis prevention measure or crisis management measure in respect of the Issuer, an event directly linked to such measure or otherwise in case of the early intervention or resolution of the Issuer, or any similar statutory power, restriction or exclusion, existing from time to time under any laws, regulations, rules or requirements relating to the resolution of credit institutions, investment firms and their parent undertakings incorporated in the Netherlands in effect and applicable in the Netherlands to the Issuer or other members of the Issuer's group, including but not limited to any laws, regulations, rules or requirements that are implemented, adopted or enacted within the context of the BRRD and/or the Dutch Financial Supervision Act (*Wet financieel toezicht*) (including Articles 33a, 68, 69, 70 and 71 of the BRRD, as transposed by applicable national law), as the same may be amended from time to time;" and

(2) by deleting and replacing the definition of Resolution Authority with the following:

"Resolution Authority" means any authority with the ability to exercise a Dutch Bail-in Power or apply a Dutch Stay Power in respect of the Issuer, including but not limited to, the European Single Resolution Board and the Dutch Central Bank (*De Nederlandsche Bank N.V.*);".

Clause 5 ("Status, Dutch Bail-in Power and Negative Pledge") - Clause 5.2 ("Dutch Bail-in Power") of the Deed of Terms and Conditions is deleted and replaced with the following:

"5 Status, Dutch Bail-in Power, Dutch Stay Power and Negative Pledge

...

5.2 Dutch Bail-in Power and Dutch Stay Power

- (a) By acquiring any MTNs, each Noteholder and beneficial owner of MTNs or any interest therein recognises, acknowledges, agrees and accepts:
- (i) to be bound by the effect of, and consents to the exercise of, any Dutch Bail-in Power by the relevant Resolution Authority;
 - (ii) that, in the exercise of such Dutch Bail-in Power by the relevant Resolution Authority, MTNs may be subject to:
 - (A) the reduction or cancellation of all, or a portion, of the principal amount or outstanding amount due of, or accrued but unpaid interest in respect of, the MTNs; and/or
 - (B) the conversion of all, or a portion, of the principal amount or outstanding amount due of, or accrued but unpaid interest in respect of, the MTNs into the Issuer's or another person's ordinary shares or other instruments of ownership or other securities or obligations; and/or
 - (C) an amendment, cancellation, suspension, modification or variation of the terms of the MTNs that implements such a reduction, cancellation or conversion, which amendment, cancellation, suspension, modification or variation shall be binding on each holder and beneficial owner; and/or



- (D) expropriation;
- (iii) to be bound by the effect of, and consents to the exercise of the Dutch Stay Power by the relevant Resolution Authority;
- (iv) that, in the exercise of such Dutch Stay Power by the relevant Resolution Authority, MTNs may be subject to:
 - (A) the suspension of any payment or delivery obligation in respect of the MTNs, including an obligation to pay the principal amount or outstanding amount due; and/or
 - (B) the suspension of any termination right under the terms of the MTNs; and/or
 - (C) a restriction on the enforcement of a security interest in relation to any assets of the Issuer; and/or
 - (D) the exclusion of any termination, suspension, modification, netting or set-off rights or certain other contractual terms and creditors' rights as those may be applicable to the MTNs or otherwise vis-à-vis the Issuer or a group entity; and
- (v) that ordinary shares or other instruments of ownership or other securities or obligations may be issued to or conferred on such Noteholder or beneficial owner (as the case may be), in each case to give effect to the exercise by the relevant Resolution Authority of such Dutch Bail-in Power or Dutch Stay Power.
- (b) Each Noteholder and beneficial owner of MTNs or any interest therein further recognises, acknowledges, agrees, accepts and consents that its rights are subject to the exercise of any Dutch Bail-in Power or the application of any Dutch Stay Power by the Resolution Authority and that this clause 5.2 is exhaustive on the matters described herein, and excludes and supersedes any other agreements, arrangements or understandings between the Issuer and such Noteholder and beneficial owner in relation to the MTNs.
- (c) In addition, the exercise of any Dutch Bail-in Power or application of any Dutch Stay Power may require interests in the MTNs and/or other actions implementing any Dutch Bail-in Power or Dutch Stay Power to be held or taken, as the case may be, through clearing systems, intermediaries or persons other than the preferred or agreed clearing system and may include the replacement or substitution of the Issuer with another person and a delisting of the MTNs on any trading platform.
- (d) The Issuer shall provide a written notice directly to the relevant Registrar as soon as practicable of any exercise of the Dutch Bail-in Power or any application of the Dutch Stay Power with respect to the MTNs by the relevant Resolution Authority for purposes of notifying Noteholders of such occurrence.
- (e) No repayment of the principal amount or outstanding amount due of the MTNs or payment of accrued but unpaid interest on the MTNs will become due and payable after the exercise of any Dutch Bail-in Power or Dutch Stay Power by the relevant Resolution Authority unless, at the time that such repayment or payment, respectively, is scheduled to become due, such repayment or payment would be permitted to be made by the Issuer under the laws and regulations of the Netherlands and the European Union applicable to the Issuer.
- (f) This clause 5.2 and each Noteholder's consent hereunder to the exercise of any Dutch Bail-in Power or application of any Dutch Stay Power will be governed by, and construed in accordance with, the laws of the Netherlands."



Clause 11.3 ("Events of Default") of the Deed of Terms and Conditions is deleted and replaced with the following:

"11.3 Events of Default

An Event of Default occurs if:

- (a) **non-payment:** default has been made for a period of 30 calendar days or more in the payment of interest on, or principal of, the MTNs or any of them; or
- (b) **other obligation:** the Issuer has been in default in the performance of any other obligation in respect of the MTNs for 60 calendar days after the service of notice on the Issuer requiring the event to be remedied; or
- (c) **insolvency:** any order is made by a competent court or other authority or resolution passed for the dissolution or winding-up of the Issuer or for the appointment of a liquidator or receiver of the Issuer or of all or substantially all of its respective assets or if the Issuer enters into a composition with its creditors, or the Issuer admits in writing that it cannot pay its debts generally as they become due, initiates a proceeding in bankruptcy, or is adjudicated bankrupt.

Neither a reduction or cancellation, in part or in full, of any amounts due under or in connection with MTNs, the conversion thereof (in whole or in part) into shares (or other instruments of ownership), other securities or other obligations of the Issuer or another person, as a result of the exercise of the Dutch Bail-in Power or application of the Dutch Stay Power by the Resolution Authority, nor the exercise of the Dutch Bail-in Power or application of the Dutch Stay Power by the Resolution Authority with respect to the MTNs will be an Event of Default."

Clause 13 ("Governing Law and Jurisdiction") of the Deed of Terms and Conditions is deleted and replaced with the following:

"13 Governing Law and Jurisdiction

This Deed and the MTNs are governed by and construed in accordance with the laws of New South Wales, except that clause 5.2 ("Dutch Bail-in Power and Dutch Stay Power") will be governed by Dutch law, and, in relation to any suit, action or proceeding in respect of this Deed or the MTNs, each Noteholder from time to time and each of the Issuer, the Manager and the Registrar irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of New South Wales and courts of appeal from them.

Each party waives any right it has to object to an action being brought in those courts including, without limitation, by claiming that the action has been brought in an inconvenient forum or that those courts have no jurisdiction."



SCHEDULE 2

The section entitled "Programme Summary – Bail in" on page 7 of the Information Memorandum dated 15 October 2020 is deleted and replaced with the following:

"Dutch Bail-in Power and Dutch Stay Power:

By subscribing for or otherwise acquiring the MTNs, the Noteholders acknowledge, consent, accept and agree to be bound by the exercise of any Dutch Bail-in Power by the Resolution Authority. The exercise of such Dutch Bail-in Power may result in, among other things:

- the write-down, reduction or cancellation of all, or a portion of, the principal amount of, and/or interest on, the MTNs; and/or
- the conversion of all, or a portion, of the principal amount of, or interest on, the MTNs into shares (or other instruments of ownership) or other securities or other obligations of the Issuer or another person.

In addition, the Noteholders acknowledge, consent, accept and agree to be bound by the effect of the exercise or the application of the Dutch Stay Power (as defined below), such as suspension of any payment or delivery obligation in respect of the MTNs, the suspension of any termination right under the terms of the MTNs, a restriction on the enforcement of a security interest in relation to any assets of the Issuer and/or the exclusion of any termination, suspension, modification, netting or set-off rights or certain other contractual terms and creditors' rights as those may be applicable to the MTNs or otherwise vis-à-vis the Issuer or a group entity.

No repayment of the principal amount of the MTNs or payment of interest thereon (to the extent of the portion thereof affected by the exercise of the Dutch Bail-in Power or the Dutch Stay Power) shall become due and payable after the exercise of any Dutch Bail-in Power or Dutch Stay Power by the Resolution Authority, unless such repayment or payment would be permitted to be made by the Issuer under the laws and directives then applicable to the Issuer."

The section entitled "Dutch Bail-in Power" on pages 11 to 14 of the Information Memorandum dated 15 October 2020 is deleted and replaced with the following:

"Bank Recovery and Resolution Directive and Dutch Bail-in and Dutch Stay Power

Legal framework

The Bank Recovery and Resolution Directive ("**BRRD**") and the Single Resolution Mechanism Regulation ("**SRM Regulation**") provide for the European framework for the recovery and resolution of (amongst others) failing banks, certain investment firms and certain of their group entities.

The BRRD has been transposed into Dutch law on 26 November 2015 and applies to BNG Bank. On 7 June 2019, the BRRD was amended with effect from 27 June 2019 by a further directive ("**BRRD II**") as part of the EU Banking Reforms (as defined below) in order to implement, amongst other things, the TLAC (as defined below) standard by adapting the existing regime relating to MREL (as defined below). BRRD II has been transposed into Dutch law, and applies as of 20 December 2021.

The SRM Regulation applies to banks subject to the single supervisory mechanism ("**SSM**") such as BNG Bank, and provides for a single resolution framework ("**SRM**") in respect of such banks. This includes both significant and less significant banks. The SRM Regulation has been fully



applicable since 1 January 2016 and prevails over the implementation in national law of the BRRD where it concerns the resolution of such banks.

Authorities

The SRM Regulation also provides for the establishment of a European Single Resolution Board ("**SRB**"), which is responsible for the effective and consistent functioning of the SRM. The SRB acts as the competent resolution authority for (inter alia) significant banks under the SSM, such as BNG Bank, and is in that capacity responsible for adopting resolution decisions in respect of such banks.

The BRRD, as implemented in Dutch law, provides De Nederlandsche Bank N.V. ("**DNB**"), in its capacity as competent national resolution authority, with the powers necessary to implement the resolution decisions taken by the SRB in respect of significant banks in the Netherlands, such as BNG Bank.

In addition, the European Central Bank ("**ECB**"), as the competent supervisory authority in respect of significant banks, is allowed to take certain recovery measures in the event the financial condition of a bank is deteriorating (subject to further conditions). Such measures could pertain, amongst others, to a change of the legal or operational structure, the removal of (individuals within) senior management or the management body and the appointment of a temporary administrator.

Resolution tools

To support bail-in, a minimum requirement for own funds and eligible liabilities ("**MREL**") applies under the BRRD and the SRM Regulation. The MREL is subject to ongoing change, and is expected to become more stringent. If BNG Bank were to experience difficulties in raising MREL eligible liabilities, it may have to reduce its lending or investments in other operations which would have a material adverse effect on the business, financial position and results of operations of BNG Bank. If BNG Bank is deemed no longer viable (or one or more other conditions apply), the SRB may decide to write-down, cancel or convert relevant capital instruments of BNG Bank, independently or in combination with a resolution action. The SRB shall ensure that DNB will exercise the write-down and conversion powers pursuant to the BRRD, as implemented in Dutch law, in order to write-down, cancel or convert the relevant capital instruments into shares or other instruments of ownership, and in accordance with a certain order of priority.

If BNG Bank is deemed to be failing or likely to fail and the other resolution conditions would also be met, the SRB may decide to place BNG Bank under resolution. As part of the resolution scheme to be adopted by the SRB, it may decide to apply certain resolution tools, subject to the general resolution objectives and principles laid down in the SRM Regulation. These resolution tools include the sale of the business tool, the bridge institution tool and the asset separation tool, each of which, in summary, provides for a transfer of certain assets and/or liabilities of the institution under resolution to a third party. In addition, the SRM provides for the bail-in tool (further referred to as the "**Dutch Bail-in Power**"). The Dutch Bail-in Power may be applied to absorb losses, recapitalise BNG Bank or convert to equity or reduce the principal amount of claims or debt instruments (such as the MTNs) of BNG Bank that have been transferred pursuant to one of the aforementioned transfer tools. The Dutch Bail-in Power extends further than the relevant capital instruments of BNG Bank, and may also result in the write-down or conversion of eligible liabilities of BNG Bank (such as the MTNs) in accordance with a certain order of priority. In order to ensure the effectiveness of the Dutch Bail-in Power, the SRM prescribes at all times a MREL which may be subject to the Dutch Bail-in Power.

Next to the Dutch Bail-in Power, the Resolution Authority (as defined below) further may, for a limited period of time, (i) suspend contractual payment or delivery obligations due under a contract with BNG Bank when under resolution or in certain circumstances before resolution, (ii) restrict the enforcement of any security interest over any assets of BNG Bank and (iii) suspend certain



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rights of counterparties to, for instance, close out, net gross obligations, accelerate future payments or otherwise terminate financial contracts (the "**Dutch Stay Power**").

According to the SRM Regulation, the national resolution authorities shall take the necessary action to implement decisions of the SRB. They shall exercise their powers granted to them under the BRRD, as implemented in national law. In addition to the resolution powers described above, DNB has been granted certain other resolution and ancillary powers to implement any resolution decision by the SRB in respect of BNG Bank. It may for instance decide to terminate or amend any agreement (including a debt instrument) to which BNG Bank is a party or replace BNG Bank as a party thereto. Furthermore, DNB may, subject to certain conditions, suspend the exercise of certain rights of counterparties vis-à-vis BNG Bank or suspend the performance of payment or delivery obligations of BNG Bank. In addition, pursuant to Dutch law, certain counterparty rights may be excluded in the event such rights come into existence or become enforceable as a result of any recovery or resolution measure or any event in connection therewith (subject to further conditions).

On 23 November 2016, the European Commission announced a further package of reforms (the "**EU Banking Reforms**"), including various amendments to the BRRD and SRM framework. Among others, the EU Banking Reforms contain a proposal for the implementation of the total loss-absorbing capacity ("**TLAC**") standard as well as an amendment of the minimum requirement for own funds and eligible liabilities ("**MREL**") framework to integrate the TLAC standard. The TLAC standard adopted by the Financial Stability Board aims to ensure that global systematically important banks ("**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 include a number of changes to the MREL rules applicable to non-G-SIBs, such as BNG Bank, including (without limitation) the criteria for eligibility of liabilities for MREL. Furthermore, the EU Banking Reforms also include Directive (EU) 2017/2399 (Bank Creditor Hierarchy) 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 enables 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 contains 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 BNG Bank (including with regard to the MREL it must maintain in the future and the MTNs (including with regard to their ranking in insolvency and their being at risk of being bailed-in, which risk is however not expected to become lower or higher, respectively). The BRRD Amendment Directive had to be implemented by each Member State by 29 December 2018 and was implemented into Dutch law on 14 December 2018.

On 14 September 2020, the SRB announced that the MREL requirement for BNG Bank is 10.25% Total Risk Exposure Amount and 3% Total Exposure Measure. BNG Bank has to comply with this requirement per 1 January 2022. Based on the current SRB guidelines, an MREL requirement equal to the Loss Absorption Amount, consisting of pillar 1 and pillar 2 requirements plus the combined buffer requirement applies. Hence, BNG Bank's current capitalisation is sufficient to meet the MREL requirements. In two years, the SRB will evaluate the decision taken in accordance with legislation. It is uncertain how any future decisions of the SRB will affect BNG Bank or holders of the MTNs but it cannot be excluded that any future decision may negatively impact BNG Bank's financial condition and results of operations.

Finally, the Dutch Intervention Act (*Wet bijzondere maatregelen financiële ondernemingen* or *Interventiewet*) provides the Dutch Minister of Finance with certain powers to intervene in a bank, such as BNG Bank, if the Dutch 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. These powers may result in the expropriation by the Dutch State of assets or liabilities of BNG Bank, claims against it, and securities (such as the MTNs) issued by or with the cooperation of BNG Bank. Also, the Dutch Minister of Finance may take certain immediate measures which may deviate from statutory

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provisions or from the articles of association of BNG Bank. As a result of the entry into force of the SRM and the implementation of the BRRD, the foregoing powers have been referred to by the Dutch legislator as constituting state emergency regulations and it is expected that these will only be applied if the SRM and BRRD regime would not be effective. The exclusion of certain rights against BNG Bank, as discussed above, applies similarly in this context.

The rights of the holders of the MTNs may be directly or indirectly affected as a result of the exercise by the competent authority of the Dutch Bail-in Power, the Dutch Stay Power or other recovery or resolution power in respect of BNG Bank and there are limited rights of holders to challenge such rights.

With the implementation of the BRRD into Dutch law, the future implementation of the BRRD II, the SRM Regulation and the Dutch Intervention Act, the Resolution Authority may decide to take certain measures and exercise certain powers thereunder, including the Dutch Bail-in Power, the Dutch Stay Power or other recovery or resolution power, in such a manner that could result in debt instruments or other liabilities of BNG Bank, including the MTNs, absorbing losses. The taking of such measures and the exercise of such powers could negatively affect the rights of the holders of the MTNs or the enforcement thereof, and could result in losses being incurred by the holders of the MTNs to the extent that the holder of the MTNs could lose part or all of its investment in the MTNs, including any accrued but unpaid interest. The taking of any recovery or resolution measures or exercise of any power pursuant thereto could also indirectly negatively affect the position of the holders of the MTNs. Even if no measures are taken or powers are exercised directly in respect of the MTNs, any remedies by the holders of the MTNs may be restricted, the market value of the MTNs may be affected and the powers could increase BNG Bank's cost of funding and thereby have an adverse impact on BNG Bank's financial position.

In addition, whether all or part of the principal amount of the MTNs will be subject to the Dutch Bail-in Power and/or Dutch Stay Power is unpredictable and may depend on a number of factors which may be outside BNG Bank's control. Trading behaviour in respect of MTNs which are subject to the Dutch Bail-in and Dutch Stay Power is not necessarily expected to follow trading behaviour associated with other types of securities. Any indication herein that the MTNs may become subject to the Dutch Bail-in and Dutch Stay Power could have an adverse effect on the market price of the relevant MTNs.

The circumstances under which the Resolution Authority would take any recovery or resolution measure are uncertain.

Despite there being certain conditions for the taking of recovery or resolution measures, and the exercise of any powers to implement such measures, there is uncertainty regarding the specific factors which the Resolution Authority would consider in deciding whether to take any recovery or resolution measure, and how to implement such measure, with respect to BNG Bank and its assets or liabilities, such as the MTNs. The criteria that the Resolution Authority would consider provide it with considerable discretion. Holders of the MTNs may not be able to refer to publicly available criteria in order to anticipate a potential taking of any recovery or resolution measure or the exercise of any power pursuant thereto, and consequently its potential effect on BNG Bank and the MTNs.

The rights of holders of the MTNs to challenge the exercise of the bail-in tool or other recovery or resolution powers by the Resolution Authority are likely to be limited.

Holders of the MTNs may have limited rights to challenge, to demand compensation for losses, seek a suspension or nullification of any decision of the Resolution Authority to take certain recovery or resolution measures, and exercise the bail-in tool or other recovery or resolution



powers to implement such measures, to have that decision reviewed by a judicial or administrative process or otherwise, or to exercise any other remedy in this context.

Future bank recovery and resolution regimes may affect the rights of holders of the MTNs even further.

It is possible that under the BRRD (including BRRD II), the SRM Regulation, the Intervention Act, the EU Banking Reforms or any other future similar proposals, any new resolution powers granted by way of statute to the SRB, DNB, the ECB, the Dutch Minister of Finance and/or any other relevant authority could be used in such a way as to result in the debt instruments of BNG Bank, such as the MTNs, absorbing losses or otherwise affecting the rights of holders of the MTNs in the course of any resolution of BNG Bank.

“Resolution Authority” means any authority with the ability to exercise a Dutch Bail-in Power or apply a Dutch Stay Power in respect of BNG Bank, including but not limited to, the SRB and DNB.”