

8th December, 2011

Buffer Convertible Capital Securities

Common Term Sheet

in yellow: provisions to be determined on a case-by-case basis and not framed precisely by EBA except setting up minimum requirements to be met. All these provisions will have to be agreed by the relevant national supervisor (who may ask for stricter requirements than the minimum requirements or ask for specific requirements when none is mentioned in this term sheet).

Issuer	[•] ("Bank", "Issuer")
Securities Offered	Buffer Convertible Capital Securities ("BCCS")
Total issue size	Up to € [•]
Nominal Value	€ [•]
Issue Price	At par
Issue Date	[•] <i>To be determined on a case by case basis - minimum requirement: not later than 30 June 2012</i>
Status and Subordination	<p>The BCCS constitute direct, unsecured, undated and subordinated securities of the Issuer and rank <i>pari passu</i> without any preference among themselves. They are fully issued and paid-in.</p> <p>The rights and claims of the holders of BCCS of this issue:</p> <ul style="list-style-type: none"> • are subordinated to the claims of the creditors of the Bank, who are: <ul style="list-style-type: none"> - depositors or other unsubordinated creditors of the Bank - subordinated creditors, except those creditors whose claims

	<p>rank or are expressed to rank <i>pari passu</i> with the claims of the holders of the BCCS</p> <ul style="list-style-type: none"> - holders of subordinated Bonds of the Bank. • rank <i>pari passu</i> with the rights and claims of holders of other junior capital subordinated issues qualifying as Tier 1 capital • have priority over the ordinary shareholders of the Bank <p>For the avoidance of doubt, the BCCS will be treated for regulatory purposes as hybrid instruments and will qualify as Tier 1 capital.</p> <p>The amount BCCS holders may claim in the event of a winding-up or administration of the Bank is an amount equal to the principal amount plus accrued interest but no amount of cancelled coupon payments will be payable.</p> <p>Cancellation of any payment does not constitute an event of default and does not entitle holders to petition for the insolvency of the Bank.</p> <p>In the event of Conversion of the BCCS to shares, the holders of BCCS will be shareholders of the Bank and their claim will rank <i>pari passu</i> with the rights and claims of the Bank's ordinary shareholders.</p>
Maturity date	Unless previously called and redeemed or converted, the BCCS are perpetual without a maturity date.
Coupon	The BCCS will bear an interest of [•] <i>To be determined on a case by case basis - minimum requirement: no incentive to redeem to be included.</i>
Interest Payment	<i>To be determined on a case by case basis -</i>

and Interest Date	<i>minimum requirement: dates to be aligned with dividend payment dates</i>
Conversion Rate	<i>To be determined on a case by case basis- minimum requirement: either i) specification of a predetermined range within which the instruments will convert into ordinary shares or ii) a rate of conversion and a limit on the permitted amount of conversion.</i>
Conversion Period	<i>To be determined on a case by case basis. The provisions to be included shall not undermine the conversion features of the instrument and shall not in particular restrict the automaticity of the conversion.</i>
Issuer's Call Option	<p>The Bank may, on its own initiative, elect to redeem all but not some of the BCCS, at their principal amount together with accrued interest, on fifth anniversary or any other Interest Payment Date thereafter, subject to the prior approval of the [name of the national supervisor] and provided that:</p> <p>(a) the BCCS have been or will be replaced by regulatory capital of equal or better quality; or</p> <p>(b) the Bank has demonstrated to the satisfaction of the [name of the national supervisor] that its own funds would, following the call, exceed by a margin that the [name of the national supervisor] considers to be significant and appropriate, (i) a Core Tier 1 Ratio of at least 9% by reference to the EBA Recommendation EBA/REC/2011/1 published on 8 December 2011 or (ii) in case the Recommendation referred to under (i) has been repealed or cancelled, the minimum capital requirements in accordance with the final provisions for a Regulation on prudential requirements for credit institutions and investment firms to be adopted by the European Union.</p>
Optional Coupon Cancellation	The Bank may, at its sole discretion at all times, elect to cancel any interest payment on a non cumulative basis. Any coupon not paid

	<p>is no longer due and payable by the Bank. Cancellation of a coupon payment does not constitute an event of default of interest payment and does not entitle holders to petition for the insolvency of the Bank.</p>
<p>Mandatory Coupon Cancellation</p>	<p>Upon breach of applicable minimum solvency requirements, or insufficient Distributable Items, the Bank will be required to cancel interest payments on the BCCS.</p> <p>The Bank has full discretion at all times to cancel interest payments on the BCCS.</p> <p>The [name of the national supervisor] may require, in its sole discretion, at all times, the Bank to cancel interest payments on the BCCS.</p> <p>“Distributable Items” means the net profit of the Bank for the financial year ending immediately prior to the relevant coupon payment date together with any net profits and retained earnings carried forward from any previous financial years and any net transfers from any reserve accounts in each case available for the payment of distributions to ordinary shareholders of the Bank. <i>[formulation to be amended as far as necessary according to applicable national law]</i></p> <p>Any coupon payment cancelled will be fully and irrevocably cancelled and forfeited and will no longer be payable by the Bank. Cancellation of a coupon payment does not constitute an event of default of interest payment and does not entitle holders to petition for the insolvency of the Bank.</p>
<p>Mandatory Conversion</p>	<p>1/ If a Contingency Event or Viability Event occurs, the BCCS shall be mandatorily fully converted into Ordinary Shares.</p>

	<p><i>2/ Open option - to be determined on a case by case basis: possibility to include a mandatory conversion at a fixed date.</i></p> <p>The Issuer undertakes to take all necessary measures to propose at one or more general meetings to be convened for this purpose the increase of the authorised share capital of the Bank so as the authorised share capital of the Bank to be sufficient for the Mandatory Conversion of all of the BCCS. All necessary authorisations are to be obtained at the date of issuance of the BCCS.</p>
<p>Contingency Event(s)</p>	<p>“Core Tier 1 Ratio Contingency Event” means the Bank has given notice that its Core Tier 1 Ratio is below 7% by reference to the EBA Recommendation EBA/REC/2011/1. The Bank shall give notice without delay when it has established that its Core Tier 1 Ratio is below 7%.</p> <p>For the purpose of this issuance, the Core Tier 1 Ratio is equal to the definition used in the European Banking Authority ("EBA")'s 2011 EU-wide stress test (http://www.eba.europa.eu/News--Communications/Year/2011/The-EBA-details-the-EU-measures-to-restore-confidence.aspx). This definition excludes all private hybrid instruments which encompass all the BCCS to be issued under this term sheet.</p> <p>“Common Equity Tier 1 Capital Ratio Contingency Event” means that, after 1 January 2013, the Bank has given notice that its “Common Equity Tier 1 Capital Ratio”, in accordance with the final provisions for a Regulation on prudential requirements for credit institutions and investment firms to be adopted by the European Union and taking into account the transitional arrangements, is below 5.125% [<i>or a level higher than 5.125% as determined by the institution - to be determined on a case by case basis</i>]. The</p>

	<p>Bank shall give notice as soon as it has established that its Common Equity Tier 1 Capital Ratio is below 5.125% [<i>or a level higher than 5.125% as determined by the institution - to be determined on a case by case basis</i>].</p> <p>The Common Equity Tier 1 Capital Ratio Contingency Event is applicable as of 1 January 2013. In addition, the Core Tier 1 Ratio Contingency Event remains applicable after 1 January 2013 as long as the EBA Recommendation EBA/REC/2011/1 has not been repealed or cancelled.</p>
Viability Event	<p>A Viability Event is the earlier of:</p> <p>a) a decision that a conversion, without which the firm would become non-viable, is necessary, as determined by [name of the relevant authority]; and</p> <p>b) the decision to make a public sector injection of capital, or equivalent support, without which the firm would have become non-viable, as determined by [name of the relevant authority].</p> <p><i>[In case a statutory approach is claimed, the clause will have to make clear that the jurisdiction has an equivalent regime in place].</i></p>
Holders right for Conversion	<p><i>Open option - to be determined on a case by case basis: possibility to include a right for holders to convert the BCCS into shares.</i></p>
Substitution, Variation, Redemption for Regulatory / Legal Purposes	<p>In case of changes in the laws or the relevant regulations of the European Union or of the [name of the country] or the [name of the national regulator], which would lead in particular to the situation where the proceeds of the BCCS do not qualify after January 2013 as Additional Tier capital in accordance with the final provisions for a Regulation on prudential requirements for credit institutions and investment firms to be adopted by the European Union, the Bank may, with the prior consent of the [name of the national regulator], redeem all the BCCS together with</p>

	<p>any accrued interest outstanding.</p> <p>Alternatively, the BCCS, with the consent of the [name of the national supervisor], may be exchanged or their terms may be varied so that they continue to qualify as Additional Tier 1 capital or Tier 2 capital in accordance with the final provisions for a Regulation on prudential requirements for credit institutions and investment firms to be adopted by the European Union or qualify as senior debt of the Bank. Substitution/Variation should not lead to terms materially less favourable to the investors except where these changes are required by reference to the final provisions for a Regulation on prudential requirements for credit institutions and investment firms to be adopted by the European Union.</p>
<p>Use of Proceeds</p>	<p>The net proceeds of the Issue will be used to maintain a Core Tier 1 Ratio of at least 9% by reference to the EBA Recommendation EBA/REC/2011/1.</p> <p>For the avoidance of doubt, the BCCS features do not prejudice for the future regulatory framework to be applicable in accordance with the final provisions for a Regulation on prudential requirements for credit institutions and investment firms to be adopted by the European Union.</p>