



QUINTET PRIVATE BANK (EUROPE) S.A.
(formerly KBL European Private Bankers S.A.)
(Incorporated with limited liability in Luxembourg)

€125,000,000 7.5 per cent. Fixed Rate Resetable Callable Perpetual Additional Tier 1 Capital Notes

The issue price of the €125,000,000 7.5 per cent. Fixed Rate Resetable Callable Perpetual Additional Tier 1 Capital Notes (the “Notes”) of Quintet Private Bank (Europe) S.A. (the “Issuer” or “Quintet”) is 100 per cent. of their principal amount.

The Notes will, subject to certain interest cancellation provisions described in Condition 3 (*Interest Cancellation*) in “*Terms and Conditions of the Notes*” (the “Conditions” and each, a “Condition”), bear interest on their Prevailing Principal Amount (as defined in Condition 17 (*Interpretation*)) on a non-cumulative basis from (and including) 23 October 2020 (the “Issue Date”) to (but excluding) 23 January 2026 (the “First Reset Date”) at a fixed rate of 7.5 per cent. per annum. Interest will be payable semi-annually in arrear on 23 January and 23 July of each year commencing on 23 January 2021 (each an “Interest Payment Date”). The rate of interest will reset on the First Reset Date and each date which falls five, and each multiple of five, years after the First Reset Date (each, a “Reset Date”).

The Issuer may elect, at its sole and absolute discretion, to cancel (in whole or in part) the payment of interest on the Notes otherwise scheduled to be paid on an Interest Payment Date. Furthermore, interest shall be cancelled (in whole or in part) if, and to the extent that (a) the payment of such interest, when aggregated with any interest payments or other distributions which have been paid or made or which are scheduled to be paid or made on the Notes or any other own funds items of the Issuer in the then current financial year (excluding any such interest payments or other distributions which are not required to be made out of Distributable Items (as defined in Condition 17 (*Interpretation*)) and any other amounts which the Regulator (as defined in Condition 17 (*Interpretation*)) may require to be taken into account, would cause the amount of Distributable Items (if any) then available to the Issuer to be exceeded; (b) the payment of such interest would cause, when aggregated together with other distributions of the kind referred to in article 59-13(2) and (3) of the Financial Sector Law (as defined in Condition 17 (*Interpretation*)) (transposing Article 141(2) of the CRD IV Directive (as defined in Condition 17 (*Interpretation*))) or any other analogous provisions of the Applicable Banking Regulations which require a maximum distributable amount to be calculated, the Maximum Distributable Amount (as defined in Condition 17 (*Interpretation*)) (if any) then applicable to the Issuer on a solo basis, the Group on a consolidated basis or the PC Group on a consolidated basis to be exceeded; or (c) the Regulator orders the Issuer to cancel the payment of interest. Any interest that has been cancelled shall not accumulate or be payable to the holders of Notes (the “Noteholders”) at any time thereafter. Noteholders shall have no right to the interest payment (or part thereof) not paid, whether in a bankruptcy (*faillite*) or dissolution or as a result of the insolvency of the Issuer or otherwise. See Condition 3 (*Interest Cancellation*).

The Prevailing Principal Amount of the Notes will be written down if, at any time, the Solo CET1 Ratio (as defined in Condition 17 (*Interpretation*)), the Consolidated CET1 Ratio of the Group (as defined in Condition 17 (*Interpretation*)) and/or the Consolidated CET1 Ratio of the PC Group (as defined in Condition 17 (*Interpretation*)), as the case may be, is less than 5.125 per cent. Noteholders may lose some or substantially all of their investment in the Notes as a result of such a write-down. Following such reduction, the Prevailing Principal Amount may, at the Issuer’s discretion, be written-up to the Original Principal Amount (as defined in Condition 17 (*Interpretation*)) if certain conditions are met (see Condition 8 (*Principal Write-down and Principal Write-up*)).

The Notes will constitute direct, unsecured and subordinated obligations of the Issuer, and shall at all times rank *pari passu* and without any preference among themselves. If an order is made for the judicial liquidation (*liquidation judiciaire*) of the Issuer or an effective resolution is passed for the voluntary liquidation (*liquidation volontaire*) of the Issuer in accordance with the BRR Act 2015 (as defined in Condition 17 (*Interpretation*)), the Noteholders shall be entitled to receive in respect of each Note an amount equal to the Prevailing Principal Amount of the relevant Note, together with any interest accrued to such date which has not been cancelled as provided in Condition 3 (*Interest Cancellation*) and together with any damages (if payable), out of the

liquidation proceeds after satisfaction of all claims of Senior Creditors (as defined in Condition 17 (*Interpretation*)) and *pari passu* (by percentage of the amount payable) with the satisfaction of all claims of other creditors of the Issuer (including holders of Additional Tier 1 Capital Instruments (as defined in Condition 17 (*Interpretation*))) ranking *pari passu* with the Notes, but prior to the satisfaction of the claims of the shareholders (including holders of CET1 Capital (as defined in Condition 17 (*Interpretation*))) of the Issuer in their capacity as shareholders and of any creditors of the Issuer whose claims are, or are expressed to be, junior to the claims of the Noteholders (see Condition 1(b) (*Status and Subordination*)). As at the date of this listing prospectus (the “**Offering Circular**”), the Issuer had 4,336 preferred shares which are eligible as Tier 2 Capital (as defined in Condition 17 (*Interpretation*)) of the Issuer and which are Senior Creditors (as defined in Condition 17 (*Interpretation*)).

The Notes have no fixed maturity and Noteholders do not have the right to call for their redemption. As a result, the Issuer is not required to make any payment of the principal amount of the Notes at any time prior to its winding-up. The Issuer may, at its option, redeem the Notes (i) at any time in the three months prior to (and including) the First Reset Date or (ii) on any Interest Payment Date thereafter in whole, but not in part, at their Prevailing Principal Amount, together with any accrued but unpaid interest (if any) (which excludes any interest cancelled or deemed cancelled in accordance with the Conditions) to (but excluding) the date of redemption. The Issuer may not redeem the Notes pursuant to Condition 4(b) (*Issuer’s call option*) on the First Reset Date or on any Interest Payment Date thereafter if the Prevailing Principal Amount of the Notes is lower than their Original Principal Amount at such time. The Issuer may also, at its option, redeem the Notes in whole, but not in part, at their Prevailing Principal Amount, together with any accrued but unpaid interest (excluding any interest which has been cancelled or deemed cancelled in accordance with the Conditions) to (but excluding) the date of redemption, upon the occurrence of a Tax Event or a Regulatory Event (each as defined in Condition 17 (*Interpretation*)) (see Condition 4 (*Redemption and Purchase*)). In addition, the Issuer may, if a Tax Event or a Regulatory Event has occurred and is continuing, substitute all (but not some only) of the Notes or vary the terms of all (not some only) of the Notes so that they become or remain or, as the case may be, Qualifying Securities (as defined in Condition 7 (*Substitution and Variation*)).

Amounts payable under the Notes on any Interest Payment Date falling on or after the First Reset Date are calculated by reference to the mid-swap rate for euro swaps with a term of 5 years which appears on the Reuters screen “ICESWAP2” as of 11:00 a.m. (Central European time) on such Mid-Swap Rate Determination Date (as defined in Condition 17 (*Interpretation*)) which is provided by reference to EURIBOR, which is provided by the European Money Markets Institute. As at the date of this Offering Circular, the European Money Markets Institute appears on the register of administrators and benchmarks established and maintained by the European and Markets Authority (“**ESMA**”) pursuant to Article 36 of the Benchmark Regulation (EU) 2016/1011 (the “**Benchmark Regulation**”).

An investment in Notes involves certain risks. For a discussion of these risks see “Risk Factors”. Investors should review and consider these risk factors carefully before purchasing any Notes. The Notes may be subject to the application of the general bail-in tool (as defined on page 25 of this Offering Circular) as well as the write-down and conversion power (as described in Condition 9 (*Point of Non-Viability*)), either of which may result in the Notes being written-down or converted into equity (in whole or in part). The Notes are also the subject of contractual write-down provisions as described above. Therefore, investors should review and consider the risk factors relating to the bail-in tool, the write-down and conversion and the contractual write-down provisions of the Notes and the impact these may have on their investment. This Offering Circular does not necessarily describe all the risks linked to an investment in the Notes and additional risks and uncertainties, including those of which the Issuer is not currently aware or deems immaterial, may also potentially have an adverse effect on the Issuer’s business, financial condition, results of operations, or future prospects or may result in other events that could cause investors to lose all or part of their investment. Prospective investors should carefully consider the risks set forth in this Offering Circular and reach their own views prior to making any investment decision and consult their professional advisers.

Application has been made to the Luxembourg Stock Exchange for the Notes to be admitted to trading on the Euro MTF Market of the Luxembourg Stock Exchange (the “**Euro MTF Market**”) and to be listed on the Official List of the Luxembourg Stock Exchange (the “**Official List**”). This Offering Circular constitutes a prospectus for purposes of Part IV of the Luxembourg act dated 16 July 2019 on prospectuses for securities.

References in this Offering Circular to Notes being “**listed**” (and all related references) shall mean that such Notes have been admitted to trading on the Euro MTF Market and have been admitted to the Official List. The Euro MTF Market is not a regulated market pursuant to the provisions of Directive 2014/65/EU (as amended, “**MiFID II**”) but is a multilateral trading

facility within the meaning of article 4 (22) of MiFID II operated by the Luxembourg Stock Exchange and appears on the list of multilateral trading facilities as published by the Luxembourg financial sector regulator, the *Commission de Surveillance de Secteur Financier* (“**CSSF**”).

The Notes have not been, and will not be, registered under the United States Securities Act of 1933, as amended, (the “**Securities Act**”), and are subject to United States tax law requirements. The Notes are being offered outside the United States by J.P. Morgan Securities plc (the “**Lead Manager**”) in accordance with Regulation S under the Securities Act (“**Regulation S**”), and may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

The Notes will be in bearer form and in denominations of €200,000. The Notes will initially be in the form of a temporary global note (the “**Temporary Global Note**”), without interest coupons, which will be deposited on or around the Issue Date with a common depository for Euroclear Bank SA/NV (“**Euroclear**”) and Clearstream Banking S.A. (“**Clearstream, Luxembourg**”). The Temporary Global Note will be exchangeable, in whole or in part, for interests in a permanent global note (the “**Permanent Global Note**”, together with the Temporary Global Note, the “**Global Note**”), without interest coupons, not earlier than 40 days after the Issue Date upon certification as to non-U.S. beneficial ownership. Interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership. The Permanent Global Note will be exchangeable in certain limited circumstances in whole, but not in part, for Notes in definitive form in denominations of €200,000 and with interest coupons attached. See “*Overview of Provisions Relating to the Notes in Global Form*”.

The Notes are expected to be rated BB- by Fitch France S.A.S. (“**Fitch**”)

Furthermore, as of the date of this Offering Circular, the Issuer has been rated BBB stable outlook by Fitch as its long-term issuer default rating.

As of the date of this Offering Circular, Fitch is established in the European Union and is registered under Regulation (EC) No 1060/2009 (as amended) (the “**CRA Regulation**”). As such Fitch is included in the list of credit rating agencies published by the European and Markets Authority on its website in accordance with the CRA Regulation.

Lead Manager

J.P. MORGAN

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IMPORTANT NOTICES

This Offering Circular does not comprise of a prospectus for the purposes of Article 6.3 of Regulation (EU) 2017/1129 (the “**Prospectus Regulation**”).

The Issuer accepts responsibility for the information contained in this Offering Circular and declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Offering Circular to the best of its knowledge is in accordance with the facts and contains no omission likely to affect its import.

The Issuer has confirmed to J.P. Morgan Securities plc (the “**Lead Manager**”) that this Offering Circular contains all information regarding the Issuer and the Notes which is (in the context of the issue of the Notes) material; such information is true and accurate in all material respects and is not misleading; any opinions, predictions or intentions expressed in this Offering Circular on the part of the Issuer are honestly held or made and are not misleading; this Offering Circular does not omit to state any material fact necessary to make such information, opinions, predictions or intentions (in such context) not misleading; and all proper enquiries have been made to ascertain and to verify the foregoing.

The Issuer has not authorised the making or provision of any representation or information regarding the Issuer or the Notes other than as contained in this Offering Circular or as approved for such purpose by the Issuer. Any such representation or information should not be relied upon as having been authorised by the Issuer or the Lead Manager.

Save for the Issuer, no other party has independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Lead Manager or any of its affiliates as to the accuracy or completeness of the information contained or incorporated in this Offering Circular or any other information provided by the Issuer in connection with the offering of the Notes. The Lead Manager does not accept any liability in relation to the information contained or incorporated by reference in this Offering Circular or any other information provided by the Issuer in connection with the offering of the Notes or their distribution.

Neither the delivery of this Offering Circular nor the offering, sale or delivery of any Note shall in any circumstances create any implication that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the condition (financial or otherwise) of the Issuer or the Issuer and its consolidated subsidiaries (the “**Group**” or the “**QPB Group**”) since the date of this Offering Circular or that the information contained in this Offering Circular is true subsequent to the date hereof or that any other information supplied in connection with the Notes is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same. Each recipient of this Offering Circular shall be taken to have made its own investigation and appraisal of the condition (financial or otherwise) of the Issuer, the Group or and the PC Group.

Neither this Offering Circular nor any other information supplied in connection with the offering of the Notes (a) is intended to provide the basis of any credit or other evaluation or (b) should be considered as a recommendation by the Issuer or the Lead Manager that any recipient of this Offering Circular or any other information supplied in connection with the offering of the Notes should purchase any Notes. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. Neither this Offering Circular nor any other information supplied in connection with the offering of the Notes constitutes an offer or invitation by or on behalf of the Issuer or the Lead Manager to any person to subscribe for or to purchase any Notes.

This Offering Circular does not constitute an offer to sell or the solicitation of an offer to buy the Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Offering Circular and the offer or sale of Notes may be restricted by law in certain jurisdictions. Neither the Issuer nor the Lead Manager represents that this Offering Circular may be lawfully distributed, or that the Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer or the Lead Manager which is intended to permit a public offering of the Notes or the

distribution of this Offering Circular in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Offering Circular nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Offering Circular or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Offering Circular and the offering and sale of Notes. For a description of certain restrictions on offers, sales and deliveries of Notes and on distribution of this Offering Circular and other offering material relating to the Notes, see “*Subscription and Sale*”.

In particular, the Notes have not been and will not be registered under the Securities Act and are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the U.S. or to U.S. persons.

Prospective investors should have regard to the factors described in the section headed “*Risk Factors*” herein.

Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should assess, either on its own or with the help of its financial and other professional advisers, whether it:

- (a) has sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Offering Circular or any applicable supplement;
- (b) has access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (c) has sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including where the currency for principal or interest payments is different from the potential investor’s currency (see also – “*Risk Factors – Factors which are material for the purpose of assessing the risks associated with the Notes – Foreign currency notes expose investors to foreign-exchange risks as well as to issuer risk*” below);
- (d) understands thoroughly the terms of the Notes and is familiar with the behaviour of any relevant financial markets; and
- (e) is 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.

Legal investment considerations may restrict certain investments. The investment activities of certain investors are subject to investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (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.

Capitalised terms which are used but not defined in any particular section of this Offering Circular will have the meaning attributed to them in “*Terms and Conditions of the Notes*” or any other section of this Offering Circular.

In this Offering Circular, unless otherwise specified, references to a “**Member State**” are references to a Member State of the European Economic Area, references to “**EUR**”, “**€**” or “**euro**” are to the single currency introduced at the start of the third stage of the European Economic and Monetary Union pursuant to the Treaty establishing the European Community as amended.

Certain figures included in this Offering Circular have been subject to rounding adjustments; accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

This Offering Circular is to be read in conjunction with all information which is deemed to be incorporated herein by reference (see “*Information Incorporated by Reference*”). This Offering Circular should be read and construed on the basis that such information is incorporated in and forms part of the Offering Circular. Information contained in this Offering Circular which is sourced from a third party has been accurately reproduced and, as far as the Issuer is aware and is able to ascertain from information published by the relevant third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. The Issuer has also identified the source(s) of such information.

Other than in relation to the documents which are deemed to be incorporated by reference (see “*Information Incorporated by Reference*”), the information on the websites to which this Offering Circular refers does not form part of this Offering Circular.

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 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**”); 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 manufacturers’ 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 manufacturers’ target market assessment) and determining appropriate distribution channels.

PROHIBITION ON MARKETING AND SALES TO RETAIL INVESTORS

The Notes are complex financial instruments and are not a suitable or appropriate investment for all investors. In some jurisdictions, regulatory authorities have adopted or published laws, regulations or guidance with respect to the offer or sale of such as the Notes to retail investors.

In particular, in June 2015, the United Kingdom (“**UK**”) Financial Conduct Authority (the “**FCA**”) published the Product Intervention (Contingent Convertible Instruments and Mutual Society Shares) Instrument 2015 (the “**PI Instrument**”).

In addition, (i) on 1 January 2018, the provisions of Regulation (EU) No. 1286/2014 on key information documents for packaged and retail and insurance-based investment products (the “**PRIPs Regulation**”) became directly applicable in all European Economic Area (“**EEA**”) member states (including the UK) and (ii) MiFID II was required to be implemented in EEA member states (including the UK) by 3 January 2018. Together, the PI Instrument, the PRIPs Regulation and MiFID II are referred to as the “**Regulations**”.

The Regulations set out various obligations in relation to (i) the manufacture and distribution of financial instruments and (ii) the offering, sale and distribution of packaged retail and insurance-based investment products and certain contingent write-down or convertible securities, such as the Notes.

Potential investors should inform themselves of, and comply with, any applicable laws, regulations or regulatory guidance with respect to any resale of the Notes (or any beneficial interests therein), including the Regulations.

The Lead Manager is required to comply with some or all of the Regulations. By purchasing, or making or accepting an offer to purchase, any Notes (or a beneficial interest in such Notes) from the Issuer and/or the Lead Manager, each prospective investor represents, warrants, agrees with and undertakes to the Issuer and the Lead Manager that:

- (i) it is not a retail client (as defined in MiFID II);
- (ii) whether or not it is subject to the Regulations, it will not:
 - (A) sell or offer the Notes (or any beneficial interests therein) to retail clients (as defined in MiFID II); or

- (B) communicate (including the distribution of this Offering Circular) or approve an invitation or inducement to participate in, acquire or underwrite the Notes (or any beneficial interests therein) where that invitation or inducement is addressed to or disseminated in such a way that it is likely to be received by a retail client (in each case within the meaning of MiFID II).

In selling or offering Notes or making or approving communications relating to the Notes, it may not rely on the limited exemptions set out in the PI Instrument; and

- (iii) it will at all times comply with all applicable laws, regulations and regulatory guidance (whether inside or outside the EEA or the UK) relating to the promotion, offering, distribution and/or sale of the Notes (or any beneficial interests therein), including (without limitation) MiFID II and any other applicable laws, regulations and regulatory guidance relating to determining the appropriateness and/or suitability of an investment in the Notes (or any beneficial interests therein) by investors in any relevant jurisdiction.

Where acting as agent on behalf of a disclosed or undisclosed client when purchasing, or making or accepting an offer to purchase, any Notes (or any beneficial interests therein) from the Issuer and/or the Lead Manager, the foregoing representations, warranties, agreements and undertakings will be given by and be binding upon both the agent and its underlying client.

Singapore SFA Product Classification: In connection with Section 309B of the Securities and Futures Act (Chapter 289) 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 persons (as defined in Section 309A(1) of the SFA), that the Notes are ‘prescribed capital markets products’ (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

PROHIBITION OF SALES TO EEA AND UK 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 EEA or in the UK. 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 MiFID II; or (ii) a customer within the meaning of Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by the PRIIPs Regulation for offering or selling the Notes or otherwise making them available to retail investors in the EEA or the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA or in the UK may be unlawful under the PRIIPs Regulation.

In connection with the issue of the Notes, J.P. Morgan Securities plc (the “Stabilisation Manager”) (or persons acting on behalf of the Stabilisation Manager) may over allot Notes or effect transactions with a view to supporting the 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 Notes 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 Notes and 60 days after the date of the allotment of the Notes. Any stabilisation action or over-allotment must be conducted by the Stabilisation Manager (or persons acting on behalf of the Stabilisation Manager) in accordance with all applicable laws and rules.

PRESENTATION OF FINANCIAL INFORMATION

Most of the financial data presented or incorporated by reference in this Offering Circular is presented in euros.

Quintet’s consolidated financial statements for the years ended 31 December 2018 and 31 December 2019 have been prepared in accordance with international financial reporting standards (“IFRS”) as adopted by the European Union.

RISK FACTORS

In purchasing Notes, investors assume the risk that the Issuer may become insolvent or otherwise be unable to make all payments due in respect of the Notes. There is a wide range of factors which individually or together could result in the Issuer becoming unable to make all payments due in respect of the Notes. The Issuer may not be aware of all relevant factors and certain factors which it currently deems not to be material may become material as a result of the occurrence of events outside the Issuer's control. The Issuer has identified in this Offering Circular a number of factors which could materially adversely affect its business and ability to make payments due under the Notes.

In addition, factors which are material for the purpose of assessing the market risks associated with the Notes are also described below.

Investing in the Notes involves significant risks. Investors should reach their own investment decision only after consultation with their own financial and legal advisers about risks associated with an investment in the Notes and the suitability of investing in the Notes in light of the particular characteristics and terms of the Notes and of the investors' particular financial circumstances. As part of making an investment decision, an investor should make sure it thoroughly understands the terms of the Notes. A potential investor should also carefully consider the risk factors and the other information contained in this Offering Circular, and the other information included and incorporated by reference in this Offering Circular before deciding to invest in the Notes, and it should evaluate (either alone or with the help of a financial advisor) possible scenarios for economic, interest rate and other factors that may affect an investment in the Notes and an investor's ability to bear the loss of all or a portion of an investor's investment. All investors should make their own evaluations of the risks associated with an investment in the Notes and consult their own professional advisers if necessary. The market price of the Notes could decline due to the realisation of these risks, and investors could lose part or all of the value of their investments.

Words and expressions defined in the Conditions have the same meanings in this risk factor section.

RISK FACTORS RELATING TO THE ISSUER

Macroeconomic environment risks

Economic and financial conditions

As a pan-European financial institution, the Issuer's business is sensitive to changes in the financial markets and more generally to economic conditions in Europe and the rest of the world. A deterioration in economic conditions in the markets where the Issuer operates could affect the business and operations of the Issuer's customers, reducing credit demand and trading volume and resulting in an increased rate of default on loans and receivables. A significant economic disruption (such as the global financial crisis of 2008 or the European sovereign debt crisis of 2011) could have a severe impact on all of the Issuer's activities, particularly if the disruption is characterised by an absence of market liquidity that makes it difficult to sell certain categories of assets at their estimated market value or at all.

It is difficult to predict when economic or market downturns will occur, and which markets will be most significantly impacted. If economic or market conditions in the Grand Duchy of Luxembourg or elsewhere in Europe, or global markets more generally, were to deteriorate or become more volatile, the Issuer's operations could be disrupted, and its business, results of operations and financial condition could be adversely affected.

Possible downward pressure on revenue margin and profitability overall in the private banking industry

The financial services industry has experienced and may experience serious difficulties, including extreme levels of instability, liquidity stress and disruption. In particular, there are concerns about an erosion of the revenue margin in the private banking industry. The combined impact of such revenue margin pressure and the contemporaneous occurrence of additional costs or investments required to conduct business and meet standards expected by clients, regulatory bodies

and other stakeholders, could lead to a downward pressure on margin and be detrimental to the Issuer and could adversely affect the ability of the Issuer to meet its obligations under the Notes under its debt obligations more generally.

Market risks

Market risks are all the risks linked to the fluctuations of market prices, including, principally, exposure to loss arising from adverse movements in interest rates, equity values, credit spreads, foreign exchange rates and commodity prices stemming from the Issuer's capital market activities. Due to the nature of its activity and as a result of its strategic positioning as a private banking institution, the Issuer is prevented from assuming significant exposure to market risk. It does not act as a market maker and therefore has very small exposure mainly linked to its short-term cash management. Market risks generated by the commercial businesses are generally hedged and residual risks are handled by the asset and liability management function.

Low interest rate period

Since the 2008-2009 financial crisis, global markets have been characterised by an extended period of low interest rates. If the low interest rate environment continues, the Issuer's profitability may be affected. During such periods, interest rate spreads tend to tighten, and the Issuer may be unable to lower interest rates on deposits sufficiently to offset reduced income from lending at lower interest rates. In addition, the Issuer may face an increase in early repayment and refinancing of fixed-rate loans as clients take advantage of lower borrowing costs. This, along with the issuance of new loans at the low prevailing market interest rates, has resulted and may continue to result in a decrease in the average interest rate of the Issuer's portfolio of loans thereby causing a decline in the Issuer's net interest income from its lending activities. Moreover, an environment of persistently low interest rates can also have the effect of flattening the yield curve in the market more generally, which could reduce the premium generated by the Issuer from its funding activities. A flattening yield curve can also influence financial institutions to engage in riskier activities in an effort to earn the desired level of returns, which can increase overall market risk and volatility.

On the other hand, the end of a period of prolonged low interest rates, in particular due to tightening monetary policy, also carries risks. If market interest rates were to rise, a portfolio containing significant amounts of lower interest loans and fixed income assets would be expected to decline in value. If the Issuer's hedging strategies are ineffective or provide only a partial hedge against such a change in value, the Issuer could incur losses. Any sharper or more rapid than expected tightening could have a negative impact on the economic recovery. On the lending side, it could in particular cause stress in loan and bond portfolios, possibly leading to an increase in non-performing exposures and defaults. More generally, the ending of accommodative monetary policies (including liquidity infusions from central bank asset purchases) may lead to severe corrections in certain markets or asset classes (e.g. non-investment grade corporate and sovereign borrowers, certain sectors of equities and real estate) that particularly benefitted (including from very low risk premia as compared to historical averages) from the prolonged low interest rate and high liquidity environment, and such corrections could potentially be contagious to financial markets generally, including through substantially increased volatility.

Operational risks

QPB is exposed to operational risks, which capture the typologies of loss resulting from inadequate or failed internal processes, people and system failures, or from external events including strategy and reputational risks (as discussed in sections below).

Brexit

The United Kingdom's decision to leave the European Union may lead to significant uncertainty, volatility and disruption in European and broader financial and economic markets and hence may adversely affect the Issuer's affiliate, Brown Shipley (as well as its subsidiary, NW Brown & Co. Limited ("**NW Brown**")), and in consequence the Issuer's operating environment, including regulatory consequences. NW Brown's assets clients and employees have been successfully integrated into Brown Shipley as of April 2020.

Unforeseen external events

Unforeseen events such as an adverse change in the political, military or diplomatic environments, political and social unrest, severe natural disasters, terrorist attacks, military conflicts or other states of emergency could affect the demand for the products and services offered by the Issuer, or lead to an abrupt interruption of the Issuer's operations and, to the extent not covered by insurance, could cause substantial losses. Such losses can relate to property, financial assets, trading positions and key employees. Such unforeseen events could also lead to temporary or longer-term business interruption, additional costs (such as relocation of employees affected) and increase the Issuer's costs (particularly insurance premiums).

Impact of downturns on financial advisory and other fee based services

The fees that the Issuer charges for managing its clients' portfolios are in many cases based on the value or performance of those portfolios, a market downturn that reduces the value of its clients' portfolios or increases the amount of withdrawals would reduce the revenues the Issuer receives from its asset management and private banking businesses. In addition, financial and economic conditions affect the number and size of transactions for which the Issuer provides financial advisory and other execution services. These revenues, which include fees from these services, are directly related to the number and size of the transactions in which it participates and can thus be significantly affected by economic, regulatory or financial changes that are unfavourable to its clients.

Credit risk

As a credit institution, the Issuer is exposed to the creditworthiness of its customers and counterparties. The Issuer may suffer losses related to the inability of its customers or other counterparties to meet their financial obligations. Should one or more of the Issuer's counterparties fail to honour their contractual obligations, the Issuer could suffer some degree of financial loss depending its exposure to these defaulting counterparties. The Issuer could therefore be exposed to heightened credit risk if the creditworthiness of counterparties were to deteriorate significantly or if such counterparties were to default.

Concentration Risk

The concentration risk is the exposure that may arise within or across different risk categories throughout the Issuer with the potential to produce: (i) losses large enough to threaten the Issuer's health or ability to maintain its core operations; or (ii) a material change in the Issuer's risk profile. Concentration risk can have an impact on Issuer's capital, liquidity and earnings.

For example, an issuer highly dependent for its profits on a single business sector and/or a single geographic area may be affected to a greater extent by sectoral or regional business cycles. Different sources of income may not be independent of each other. These interdependencies should be taken into account when assessing concentration risk. The business concentration may increase vulnerability with regard to specific cycles, business and geographic specialisation may still enhance the performance of the Issuer, since focusing on specific sectors, products or regions may generate business concentration risk.

Some concentration risks have been identified in connection with the Issuer as follows:

- Geographical concentration risk

This risk describes the level of risk in the Issuer's portfolio arising from concentration to a single sector or country. This risk arises from the observation that more concentrated portfolios are less diverse and therefore the returns on the underlying assets are more correlated.

As of December 2019, 23% of QPB's total assets under management related to private banking activities were located in the UK, 61% of its total client assets (assets under management and custody) related to its global

institutional and professional services ("**GIS**") business were located in Luxembourg. Across private banking and GIS activities, 34% of its total client assets (assets under management and custody) were located in Luxembourg.

- Securities exposure risk

As of December 2019, the largest counterparty exposure within QPB's treasury portfolio represented approximately 10% of the total investment portfolio.

- Loan portfolio exposure risk

- As of December 2019, the largest exposure within QPB's credit portfolio represented approximately 3% of the total loan portfolio.

Regulatory risk

The Issuer is a credit institution supervised and regulated by the Luxembourg financial sector supervisory authority (*Commission de surveillance du secteur financier*) (the "**CSSF**") and the European Central Bank (the "**ECB**"). Its majority shareholder, Precision Capital S.A. ("**Precision Capital**"), is a holding company incorporated in the Grand Duchy of Luxembourg and supervised by the CSSF and the ECB. Precision Capital represents the interests of a Qatari private investor. The Issuer's business activities are subject to substantial regulation and regulatory oversight in the jurisdictions in which it operates. Current, together with future regulatory developments, including changes to accounting standards and the amount of regulatory capital required to support the risk, could have an adverse effect impacting on how the Issuer conducts its business and on the results of its operations.

The Issuer calculates its capital requirements and publishes its solvency ratios in accordance with the Basel III framework drawn by the Basel Committee on Banking Supervision (the "**Basel Committee**"). One of the components of the solvency ratio are the risk-weighted assets ("**RWA**") that are used to determine the minimum amount of capital that must be held by credit institutions and other institutions to reduce the risk of insolvency. Such capital requirement is based on a risk assessment for each type of bank asset. For example, a loan that is secured by a letter of credit is considered to be riskier and requires more capital than a mortgage loan that is secured with collateral. The standardised method is also used for the calculation of the RWA of the Issuer. As of 30 June 2020, QPB Group's total RWA amounted to EUR3,509 million, compared with EUR3,160 million at the end of 2019. Over the first half of 2020, there was a RWA increase of EUR349 million mainly driven by higher credit risk (EUR208 million) and higher market risk (EUR122 million). As of 30 June 2020, QPB Group's indicative leverage ratio stood at 4.4%. This figure stands above the 3% minimum leverage ratio recommendation of the Basel Committee. The QPB Group's half year 2020 overall capital ratio and CET1 ratio both stand at 16.7%.

The Issuer, as a credit institution, is exposed to the changing legislative and regulatory environment. The Issuer is therefore incurring, and could incur in the future, significant costs in order to comply with, or in anticipation of new, legislative and regulatory measures.

Prudential capital reforms risk

At the European level, many of the provisions of Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms ("**CRR**") and Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms ("**CRD IV**"), implementing the Basel III capital requirements, took effect as of 1 January 2014 and many delegated and implementing acts provided for in the CRR and CRD IV were adopted from 2014 onwards.

Under CRD IV, institutions are required to hold a minimum amount of regulatory capital expressed in RWA. In addition to these so-called "own funds" requirements under CRD IV, supervisors may add extra capital to cover other risks (thereby

increasing the regulatory minimum required under CRD IV) and the Issuer may also decide to hold an additional amount of capital. CRD IV also introduced a number of capital buffers for additional risks that financial institutions may be subject to. These buffers comprise: (i) the capital conservation buffer, (ii) the institution-specific countercyclical buffer, (iii) the global systemically important institutions buffer, (iv) the other systemically important institutions buffer and (v) the systemic risk buffer.

The Issuer is currently bound by the following capital requirements:

- Pillar I requirements: CET 1 requirement is set out at 4.5%, AT1 requirement is set out at 1.5% and Tier 2 requirement is set out at 2.0%;
- Pillar II requirement is set out at 2.0%;
- Capital conservation buffer is set out at 2.5%; and
- Counter-cyclical buffer is set out at 0.04%.

The current regime will evolve as a result of the changes adopted by the EU legislators. On 7 June 2019, as part of the contemplated amendments to, among others, the CRR and CRD IV, the following legislative texts have been published in the European Union's Official Journal:

- Regulation (EU) 2019/876 of the European Parliament and of the Council of 20 May 2019 amending the CRR as regards the leverage ratio, the net stable funding ratio, requirements for own funds and eligible liabilities, counterparty credit risk, market risk, exposures to central counterparties, exposures to collective investment undertakings, large exposures, reporting and disclosure requirements, and Regulation (EU) No 648/2012 (the “**CRR II**”),
- Directive (EU) 2019/879 of the European Parliament and of the Council of 20 May 2019 amending Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms (the “**BRRD**”) as regards the loss-absorbing and recapitalisation capacity of credit institutions and investment firms (the “**BRRD II**”),
- Regulation (EU) 2019/877 of the European Parliament and of the Council of 20 May 2019 amending Regulation (EU) No 806/2014 as regards the loss-absorbing and recapitalisation capacity of credit institutions and investment firms (the “**SRM II Regulation**”), and
- Directive (EU) 2019/878 of the European Parliament and of the Council of 20 May 2019 amending CRD IV as regards exempted entities, financial holding companies, mixed financial holding companies, remuneration, supervisory measures and powers and capital conservation measures (“**CRD V**” and, together with CRR II, the BRR II and the SRM II Regulation, the “**CRD V Package**”).

The CRD V Package will introduce, among other things, the Total Loss Absorbing Capacity Term (“**TLAC**”) standard as implemented by the Financial Stability Board, by adapting, among others, the existing regime relating to the specific minimum requirements for own funds and eligible liabilities (“**MREL**”).

Until these measures are finally implemented into Luxembourg law, fully applicable and applied to QPB Group, it is not possible to determine the ultimate scope and nature of any resulting obligations for QPB Group, nor the impact that they will have on the Issuer. It is possible that the Issuer may have to issue instruments in order to meet the new MREL requirements within the required timeframes and/or that the MREL requirements would impose operational restrictions on QPB Group, increase the Issuer’s expenses and/or otherwise have a material adverse effect on the business, financial condition, results of operations and/or prospects of the Issuer and, in turn, adversely affect the value of the Notes. The Issuer’s capital position may be impacted by the Issuer’s business decisions which may not be fully aligned with the interests of the Noteholders. Such risk of fluctuations in the CET1 ratio of the Issuer will be borne by the Noteholders.

Non-compliance with regulatory requirements risk

Any past and/or current non-compliance with regulatory requirements may result in supervisory bodies taking actions against the Issuer such as licenses revocation, causing the Issuer's inability to service certain jurisdictions or markets and levy of fines on the Issuer or the Issuer's employees. QPB Group may also incur significant costs in defending itself against such claims and suffer reputational risk related to such events. The cost of remediation of such non-compliance events, combined with the possible increased cost of ensuring compliance with applicable laws and regulations in the future, could negatively affect the Issuer's assets under management, revenue and profitability.

Risks related to the QPB's resolution strategy

The Single Resolution Board, acting through the CSSF (acting as a resolution authority for QPB) (the "**Resolution Authority**"), has determined that the liquidation under normal insolvency proceedings shall be the resolution strategy for QPB (as opposed to the use of any of the "resolution tools", provided for by the BRRD, as implemented into the Luxembourg law by, among others, the Luxembourg act dated 18 December 2015 on the failure of credit institutions and certain investment firms, as amended (the "**BRR Act 2015**")). The Resolution Authority's decision to set the liquidation under normal insolvency proceedings as the resolution strategy for QPB may however change in time, which could potentially oblige the Issuer to issue additional regulatory capital or MREL instruments, which could have an adverse effect on the Issuer's profitability and result in the issuance of additional debt securities ranking senior to the claims of holders of the Notes. See also "*The Issuer is not prohibited from issuing additional debt, which may rank pari passu with, or senior to, the Notes*".

Liquidity risk

Liquidity risk measures the Issuer's ability to meet its current and future liquidity requirements, both expected and unexpected, whether or not the situation deteriorates. The objective of liquidity management is to ensure that, at all times, the Issuer holds sufficient funds to meet its contracted and contingent commitments to customers and counterparties, at an economic price. In this context, QPB Group addresses its structural liquidity risk through governance and controls put in place (realised by the Issuer's dedicated risk management department), as well as the follow up made of its main liquidity ratios. The liquidity management process is based upon covering funding requirements with available liquidity reserves. Funding requirements are assessed carefully, dynamically and comprehensively by taking the existing and planned on and off-balance sheet asset and liability transactions into consideration.

The Issuer notably manages its liquidity needs through the regulatory liquidity ratios with a short-term view, Liquidity Coverage Ratio ("**LCR**") and with a long-term view, Net Stable Funding Requirement ("**NSFR**").

- LCR is the main regulatory short-term liquidity reference indicator. It requires the Issuer to hold a sufficient level of high-quality liquid assets (HQLA) to cover its total net cash outflows over 30 days. As of 30 June 2020, QPB Group's LCR amounted to 120%.
- NSFR is a regulatory minimum requirement reflecting the longer-term liquidity position of an institution. It requires the available amount of stable funding (ASF, liability side) to exceed the required amount of stable funding (RSF, asset side) over a one-year period of extended stress.

If the Issuer's liquidity position deteriorates or liquidity disappears entirely, it could make more difficult for the Issuer to structure its operations and meet applicable regulatory requirements in terms of liquidity ratios referred to above, which may adversely affect its results and financial position.

Risks related to the implementation of QPB Group's strategy and its impact on the QPB Group's competitive position

As presented in section "*Quintet Private Bank (Europe) S.A.*" of this Offering Circular, the QPB strategic plan for the period running from 2020 through 2025 has the ambition to build the premier boutique-like European-based pure-play private banking group and to become "the most trusted fiduciary of family wealth". This entails profound changes within

QPB, ranging from addressing new markets and segments, the realisation of efficiencies and group re-organization around three core hubs, including the merger of the Issuer's Eurozone subsidiaries into a single entity in Luxembourg and operating through branches in other Eurozone jurisdictions, the build-up superior independent investment capabilities leveraging an open-architecture product offering approach and the introduction of a new umbrella brand architecture.

The outcome of the contemplated strategy may however not lead to the desired financial outcome and expected synergies, which may adversely affect the Issuer's business. For example, the merger of the entities of QPB Group based in the Eurozone (Germany, Belgium, Netherlands) into the Luxembourg entity and the resulting coverage of these markets by branches of the Issuer instead of subsidiaries may impact QPB Group's commercial positioning and may lead to loss of clients or key commercial personnel. More specifically, the plan includes a number of financial targets and objectives. These financial targets and objectives were established primarily for purposes of internal planning and allocation of resources, and are based on a number of assumptions with regard to business and economic conditions. The QPB Group's actual results could vary significantly from these targets and objectives for a number of reasons, including the occurrence of one or more of the risk factors described elsewhere in this section.

The Issuer may be unable to meet the objectives set out in its current strategic plan or in any future or replacement strategic plan. The current strategic plan contains forward-looking information and guidelines, and while the Issuer believes the plan provides a number of opportunities, it will face uncertainties related to the adequacy of the strategic plan, the operational implementation of the strategic orientations or potentially volatile state of financial markets and the global economy. There is therefore no guarantee that the Issuer will achieve the goals of its new strategic plan or any other strategy it announces or undertakes in future periods. Moreover, the quantitative objectives presented were established primarily for purposes of planning and allocation of resources, are based on a number of assumptions, and do not constitute projections or forecasts. The actual achievements of the Issuer are likely to vary significantly from these targets. If the Issuer does not realise these objectives, its financial position and the market value of the Notes could be adversely affected.

Risk of being unable to attract and/or retain sufficient talents, including suitable qualified management or other key employees

The Issuer's business model is based on expertise in various business areas, which in turn requires qualified employees. Despite significant effort deployed by the Issuer in order to identify, hire, train and retain talents, the possibility of high turnover or the departure of talent could affect the Issuer's skills and know-how in key areas, which could reduce its business outlook and consequently affect its financial results.

The management of the QPB Group and its activities, the design and implementation of its strategy, as well as the imbued culture rely on the collective contribution of the employees of the QPB Group in their respective areas of expertise. That being said, the QPB Group is exposed to the risk of loss of the contribution of key talents, either through their departure, resignation, inability to operate or one's demise. On 22 March 2020, Jürg Zeltner, the QPB Group's CEO and a member of the Board of Directors, passed away. The Board of Directors has approved the nomination of his successor, Jakob Thomsen Stott, to act as CEO. Any loss of key employees or senior management (resulting from the sudden death, unavailability to work or recruitment by the competitors) or the failure to promptly replace any member of the senior management of the QPB Group could have an adverse effect on the QPB Group's business.

The QPB Group may experience difficulties integrating acquired companies

The QPB Group makes acquisitions on a regular basis. Integrating acquired businesses is a long and complex process. Successful integration and the realisation of synergies require, among other things, proper co-ordination of business development and marketing efforts, retention of key members of management, policies for effective recruitment and training as well as the ability to adapt information and computer systems. Any difficulties encountered in combining operations could result in higher integration costs and lower savings or revenues than expected. There will accordingly be uncertainty as to the extent to which anticipated synergies will be achieved and the timing of their realisation. Moreover, the integration of the QPB Group's existing operations with those of the acquired operations could interfere with the respective businesses and divert management's attention from other aspects of the QPB Group's business, which

could have a negative impact on the business and results of the QPB Group. In some cases, moreover, disputes relating to acquisitions may have an adverse impact on the integration process or have other adverse consequences, including financial ones.

QPB announced the acquisitions of NW Brown in the United Kingdom in June 2019 and Bank am Bellevue in Switzerland in August 2019; both transactions have been completed and are discussed in detail in section “*Quintet Private Bank (Europe) S.A.*” of this Offering Circular. Although the QPB Group undertakes an in-depth analysis of the companies it plans to acquire, such analyses often cannot be complete or exhaustive. As a result, the QPB Group may increase its exposure to doubtful or troubled assets and incur greater risks as a result of its acquisitions, particularly in cases in which it was unable to conduct comprehensive due diligence prior to the acquisition.

Reputation risk

The Issuer's competitive position could be harmed if its reputation is damaged. Considering the highly competitive environment in the financial services industry, a reputation for financial strength and integrity is critical to the Issuer's ability to attract and retain customers. The Issuer's reputation could be harmed if it fails to adequately promote and market its products and services. The Issuer's reputation could also be damaged if, as it increases its client base and the scale of its businesses, the Issuer's comprehensive procedures and controls dealing with conflicts of interest fail, or appear to fail, to address conflicts of interest properly. At the same time, the Issuer's reputation could be damaged by employee misconduct, fraud or misconduct by market participants to which the Issuer is exposed, a decline in, a restatement of, or corrections to its financial results, as well as any adverse legal or regulatory action. Such risks to reputation have recently increased as a result of the growing use of social networks within the economic sphere. The loss of business that could result from damage to the Issuer's reputation could have an adverse effect on its results of operations and financial position.

The credit ratings of the Issuer may be downgraded, which would weigh on its profitability

Credit ratings have a significant impact on the Issuer's liquidity. A downgrade in the Issuer's credit rating could affect its liquidity and competitive position. It could also increase the Issuer's borrowing costs, limit access to the capital markets or trigger additional obligations should it issue covered bonds or under certain bilateral provisions in some trading, derivative or collateralised financing contracts.

In addition, the Issuer's cost of obtaining long-term unsecured funding from market investors is also directly related to its credit spreads, which in turn depend to a certain extent on its credit ratings. Increases in credit spreads can significantly increase the Issuer's cost of funding. Changes in credit spreads are continuous, market-driven, and subject at times to unpredictable and highly volatile movements. Credit spreads are also influenced by market perceptions of the Issuer's creditworthiness. Furthermore, credit spreads may be influenced by movements in the cost to purchasers of credit default swaps referenced to the Issuer's debt obligations, which are influenced both by the credit quality of those obligations, and by a number of market factors that are beyond the control of the Issuer.

Accounting risk

According to the Issuer's valuation rules, financial assets can be carried at fair value through profit or loss. Concerned assets include financial assets held for trading, including non-cash flow hedging derivatives, and financial assets that the Issuer has irrevocably designated to be held at fair value through profit or loss (“fair value option”). The fair value of a financial instrument is determined based on quoted prices in active markets. When quoted prices in active markets are not available, valuation techniques are used. Valuation techniques make maximum use of market inputs but are affected by the assumptions used, including discount rates and estimates of future cash flows, and take into consideration, where applicable, model risks. Such techniques include market prices of comparable investments, discounted cash flows, option pricing models and market multiples valuation methods. In the rare case where it is not possible to determine the fair value of a financial instrument, it is accounted for at cost. The effect of changing the assumptions for those financial instruments for which the fair values are measured using valuation techniques that are determined in full or in part on assumptions that are not supported by observable inputs may have a material adverse effect on the Issuer's earnings.

The preparation of financial statements in conformity with IFRS 9 requires the use of certain accounting estimates and assumptions. It also requires management to exercise its judgment in the process of applying these accounting policies. Actual results may differ from those estimates and judgmental decisions. Financial institutions may use different accounting categorisations for the same or similar financial assets due to their different intentions regarding those assets. In determining fair value of financial instruments, different financial institutions may use different valuation techniques, assumptions, judgments and estimates which may result in lower or higher fair values for such financial instruments.

Cyber security risk

Cyber security risk is commonly defined as exposure to the potential of loss or harm related to technical infrastructure or the use of technology within an organisation. Events can be categorised in multiple ways and may be the result of deliberately malicious acts, such as a hacker carrying out an attack with the aim of compromising sensitive information, but they may also be unintentional, such as user error that makes a system temporarily unavailable. Risk events may come from sources outside the organisation, such as cybercriminals or supply chain partners, or sources inside the organization such as employees or contractors.

In recent years, financial institutions have been impacted by a number of cyber incidents, notably involving large-scale alterations of data which compromise the quality of financial information. This risk remains and the Issuer, like other credit institutions, has taken measures to implement systems to deal with cyber-attacks that could destroy or damage data and critical systems and hamper the smooth running of its operations. Moreover, the regulatory and supervisory authorities are taking initiatives to promote the exchange of information on cyber security and cyber criminality in order to improve the security of technological infrastructures and establish effective recovery plans after a cyber-attack.

The occurrence of such attacks could potentially disrupt the Issuer's services, result in the alteration or disclosure of confidential data or lead to business interruptions and, more broadly, have an adverse impact on its business, financial position and reputation.

IT / Data protection risk

An interruption in or a breach of the Issuer's information systems may result in material losses of client or customer information, damage to the Issuer's reputation and lead to financial losses. As with most other credit institutions, the Issuer relies heavily on communications and information systems to conduct its business. This dependency has increased with the spread of mobile and online banking services and the development of cloud computing and blockchain technologies. Any failure or interruption or breach in security of these systems could result in failures or interruptions in the Issuer's customer relationship management, general ledger, deposit, servicing and/or loan organisation systems. The Issuer cannot provide assurances that such failures or interruptions will not occur or, if they do occur, that they will be adequately addressed.

Litigation risk

Litigation or other proceedings or actions may adversely affect the Issuer's business, financial condition and results of operations. In its normal course of business, the Issuer is subject to the risk of litigation by customers, employees or others through private actions, class actions, administrative proceedings, regulatory actions or other litigation. The outcome of litigation or similar proceedings or actions is difficult to assess or quantify. Plaintiffs in these types of actions may seek recovery of large or indeterminate amounts or other remedies that may affect the Issuer's ability to conduct business, and the magnitude of the potential loss relating to such actions may remain unknown for substantial periods of time. The cost to defend future actions may be significant. There may also be adverse publicity and regulatory scrutiny associated with litigation that could decrease customer acceptance of the Issuer's services, regardless of whether the allegations are valid or whether the Issuer is ultimately found liable. As a result, the possibility cannot be ruled out that the outcome of such litigations or investigations may adversely affect the Issuer's business, financial condition and results of operations.

Risk Management

Monitoring of the risks relating to the Issuer and its operations and the banking industry is performed jointly by the appropriate committees and the dedicated risk management department, with the help of tools that it develops, in compliance with all legal constraints and rules of prudence. As regards the supervision of risks in the subsidiaries and branches, the risk management and control functions exist in each entity of QPB Group. As a general principle, QPB Group entities' internal control functions report, from both a hierarchical and a functional point of view for branches and from a functional point of view for subsidiaries, to the corresponding control functions at QPB Group level. These structures are strictly independent of the front-offices.

The compliance department is responsible for implementing all measures designed to prevent the Issuer from suffering damage or loss, whether financial or otherwise, due to a failure to comply with existing regulations. The operating procedures of this function – in terms of objectives, responsibilities and powers – are laid down in the “Compliance Charter” drawn up by the Compliance department and approved by the Authorised Management Committee and the Board of Directors. Furthermore, the “Board Compliance & Legal” Committee (the “BCLC”) is informed of, and regularly monitors, the adequacy of compliance measures. The BCLC is delegated by the Board of Directors and meets on a quarterly basis.

Accordingly, the Issuer has devoted significant resources to developing its risk management policies, procedures and assessment methods and intends to continue to do so in the future. Nonetheless, the Issuer's risk management techniques and strategies may not be fully effective in mitigating its risk exposure in all economic and market environments or against all types of risk, particularly risks that the Issuer may have failed to identify or anticipate.

In addition to risk management processes and measures described above, QPB Group also endeavours to cover or reduce any potentially adverse financial impact by mitigating the risk of loss in specific areas of its business activities through, for instance, insurance solutions.

Hedging risk

The Issuer's hedging strategies may not prevent losses. If any of the variety of instruments and strategies that the Issuer uses to hedge its exposure to various types of risk in its businesses is not effective, the Issuer may incur losses. The primary purpose of the Issuer's hedging strategies is to limit exposure to interest rate risks.

However, the hedge may only be partial, or the strategies used may not protect against all future risks or may not be fully effective in mitigating the Issuer's risk exposure in all market environments or against all types of risk in the future. Unexpected market developments may also reduce the effectiveness of the Issuer's hedging strategies. In addition, the manner in which gains and losses resulting from certain ineffective hedges are recorded may result in some volatility in the Issuer's reported earnings.

Money laundering / terrorist financing risk

Money laundering / terrorist financing risk could occur, for example, in the use of inappropriate means to promote and market the Issuer's products and services, inadequate management of potential conflicts of interest, the disclosure of confidential or privileged information, or failure to comply with new client due diligence procedures, in particular with respect to financial security (including anti-money laundering and counter terrorist financing, compliance with embargoes, anti-fraud and corruption). Although the Issuer's compliance department oversees the compliance risk prevention and mitigation system, it remains exposed to the risk of fines or other significant sanctions by regulatory and supervisory authorities, as well as to civil or criminal legal proceedings that could have a material adverse impact on its financial position, business and reputation.

Risk of an outbreak of an infectious disease, European or global pandemic event or any other serious public health concerns

An outbreak of an infectious disease (such as MERS, SARS or the novel coronavirus disease (also known as COVID-19)) in Europe, Asia and/or elsewhere, together with any resulting restrictions (for instance, on international commodity

shipments), imposition of quarantines and/or confinement, could have a negative impact on the QPB Group's and its profitability. There can be no assurance that any precautionary activities against infectious diseases would be effective. At the end of 2019, the coronavirus outbreak occurred in Wuhan, China and subsequently expanded into a global pandemic. Its short and long term implications may be severe and are still unknown. Central bank and government actions and support measures taken in response to the COVID-19 or other outbreak may also create restrictions in relation to capital. These may limit management's flexibility in managing the business and taking action in relation to capital distributions and capital allocation. Any (future) outbreak of any infectious disease or any other serious public health concerns in the various countries the QPB Group operates, or in other parts of the world, could adversely impact the business, financial condition, result of operations, prospects, liquidity, capital position and credit ratings (or outlooks) of the QPB Group.

Risk related to climate change

Climate change may have negative financial consequences on the Issuer, ensuing from specific weather events such as heatwaves, floods and wildfires, plus longer-term shifts in climate such as a sea level rise and rising temperatures. This could, among other things, include financial losses entailed directly from property or infrastructure damage with knock-on effects on asset values and creditworthiness of prospective borrowers. Further, the Issuer is subject to uncertainty pertaining to the adjustment towards a low carbon economy, such as revaluation in assets due to policy changes or tighter financial conditions.

Risk of failing to anticipate rapidly changing technological trends

A significant portion of the Issuer's operations relies heavily on the secure processing, storage and transmission of confidential and other information as well as the monitoring of a large number of complex transactions. With the evolving proliferation of new technologies and the increasing use of the Internet, mobile devices and cloud technologies to conduct financial transactions, financial institutions, such as the Issuer, have been, and will continue to be, subject to an increasing risk of failing to anticipate rapidly changing technological trends. In particular, technology has enabled the emergence of new entrants in the financial services industry that compete with QPB, such as newly founded fin-tech (start-up) companies differentiating primarily through a technological angle or companies which historically focussed on digital offering in other industries benefitting from their large retail and corporate client base. The increased technological competition and trends could adversely impact the Issuer's business and its profitability.

RISK FACTORS RELATING TO THE NOTES

1. Risks relating to the nature of the Notes

The Notes constitute deeply subordinated obligations

The Notes constitute unsecured and deeply subordinated obligations of the Issuer. As a result, in the event of the dissolution or liquidation of the Issuer (other than a voluntary liquidation in connection with a reconstruction, merger or amalgamation where the continuing corporation assumes all the liabilities of the Issuer), the rights and claims of the Noteholders against the Issuer in respect of or arising under (including any damages awarded for breach of any obligation under) the Notes shall rank as described in the Conditions. In particular, they shall (i) be junior to the rights and claims of Senior Creditors (as defined in the Conditions) (including holders of Tier 2 capital instruments and certain preferred shares of the Issuer), and (ii) be senior only to the rights and claims of shareholders and of any creditors of the Issuer whose claims are, or are expressed to be junior to the claims of Noteholders.

Before the occurrence of any event referred to above, holders of the Notes may already have lost the whole or part of their investment in the Notes as a result of a write-down of the principal amount of the Notes following a Trigger Event and/or a write-down or conversion into equity of the principal amount of the Notes in the event that the Issuer is deemed to be at the point of non-viability (see Condition 9 (*Point of Non-Viability*)) and "*The principal amount of the Notes may be reduced (Written Down) to absorb losses*" and "*A Noteholder may lose all of its investment in the Notes, including the principal amount plus any accrued but unpaid interest, in the event that statutory loss absorption occurs*" below). In the

event of a dissolution or liquidation of the Issuer (other than as set out in the Conditions), payment of any remaining principal amount not so written down to a Noteholder will, by virtue of such subordination, only be made after all obligations of the Issuer resulting from unsubordinated claims with respect to the repayment of borrowed money, other unsubordinated rights and claims and higher ranking subordinated claims have been satisfied in full. If any such event occurs, the Issuer may not have enough assets remaining after these payments to pay amounts due and payable under the Notes. A Noteholder may therefore recover less than the holders of unsubordinated or prior ranking subordinated liabilities of the Issuer.

Although the Notes may pay a higher rate of interest than securities which are not, or not as deeply, subordinated, there is a real risk that an investor in deeply subordinated securities such as the Notes will lose all or some of its investment should the Issuer become insolvent.

The Issuer is not prohibited from issuing additional debt, which may rank pari passu with or senior to the Notes

The Conditions do not limit the amount of liabilities ranking senior or *pari passu* in priority of payment to the Notes which may be incurred or assumed by the Issuer from time to time, whether before or after the issue date of the Notes nor do they restrict the Issuer in issuing Additional Tier 1 Capital Instruments with other write-down mechanisms or trigger levels or that convert into shares upon a trigger event. The Issuer may be able to incur significant additional secured or unsecured unsubordinated indebtedness and/or prior-ranking subordinated indebtedness. If the Issuer becomes insolvent or is liquidated, or if payment under any secured or unsecured unsubordinated and/or prior-ranking subordinated debt obligations is accelerated, the Issuer's secured or unsecured unsubordinated or, as the case may be, prior-ranking subordinated lenders would be entitled to exercise the remedies available to them before the Noteholders.

If any event referred to in the risk factor "*The Notes constitute deeply subordinated obligations*" above were to occur, the Issuer may not have enough assets remaining after these payments to pay amounts due and payable under the Notes and the Noteholders may therefore recover rateably less (if anything) than the lenders of the Issuer's secured or unsecured unsubordinated debt and/or prior-ranking subordinated debt in the event of the Issuer's bankruptcy or liquidation. Even if the claims of senior ranking creditors would be satisfied in full, Noteholders may still not be able to recover the full amount due because the proceeds of the remaining assets must be shared *pro rata* among all other creditors holding claims ranking *pari passu* with the claims of the Noteholders in respect of the Notes.

Also, the issue of additional capital instruments with interest cancellation provisions similar to the Notes may increase the likelihood of (partial) interest payment cancellations under the Notes if the Issuer is not able to generate sufficient Distributable Items or to maintain adequate capital buffers to make interest payments falling due on all outstanding capital instruments of the Issuer in full. See "*The Issuer may elect not to pay interest on the Notes*" and "*The Issuer may in certain circumstances be required not to pay interest on the Notes*" below.

If the Issuer's financial condition were to deteriorate, investors could suffer direct and materially adverse consequences, including suspension of interest and reduction of interest and principal and, if the Issuer were liquidated (whether voluntarily or involuntarily), investors could suffer loss of their entire investment.

The Conditions do not provide for events of default allowing acceleration of the Notes

The Conditions do not provide for events of default allowing acceleration of the Notes if certain events occur; for example if the Issuer fails to pay any amount of interest or principal when due. Also, the Notes will not cross default based on non-payment on other Notes.

No Noteholder may exercise or claim any right of set-off, compensation or retention in respect of any amount owed to it by the Issuer arising under or in connection with the Notes.

There is variation or substitution risk in respect of the Notes

The Issuer may, if a Tax Event or a Regulatory Event has occurred and is continuing, subject to compliance with any conditions prescribed under Applicable Banking Regulations, but without any requirement for the consent or approval of

the Noteholders, substitute the Notes or vary the terms of the Notes provided that they remain or, as appropriate, become compliant with Applicable Banking Regulations with respect to Additional Tier 1 Capital and that such substitution or variation shall not result in terms that are materially less favourable to the Noteholders (as reasonably determined by the Issuer). Following such variation or substitution, the resulting Notes must have, *inter alia*, the same ranking and interest rate and redemption rights. Nonetheless, no assurance can be given as to whether any of these changes will negatively affect any particular investor. In addition, the tax and stamp duty consequences of holding such varied or substitution Notes could be different for some categories of investors from the tax and stamp duty consequences of their holding the Notes prior to such variation or substitution. In addition, the Conditions contain provisions for convening meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

The Conditions also provide that the Agent may, without the consent of Noteholders, agree to (i) any modification (not being a modification in respect of which an increased quorum is required) of the Fiscal Agency Agreement which is not materially prejudicial to the interests of Noteholders or (ii) any modification of the Notes or the Fiscal 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 law.

It is possible that any varied or substitution Notes will contain conditions that are contrary to the investment criteria of certain investors. Any resulting sale of the Notes, or of the varied or substituted Notes, may be adversely affected by market perception of and price movements in the terms of the varied or substituted Notes.

2. The Notes may be subject to principal reduction linked to the Issuer's CET1 Ratio

The principal amount of the Notes may be reduced (Written Down) to absorb losses

The Notes are intended to be eligible as Additional Tier 1 Capital of the Issuer. Accordingly, if the Solo CET1 Ratio, the Consolidated CET1 Ratio of the Group and/or the Consolidated CET1 Ratio of the PC Group falls below 5.125 per cent. as determined by the Issuer or (in the case of the PC Group) PC and notified to the Issuer, or in any case, the Regulator or any entity appointed by or acting on behalf of the Regulator (a “**Trigger Event**”), the Prevailing Principal Amount of the Notes will be reduced by the lower of an amount at least sufficient to immediately cure the Trigger Event or the amount necessary to reduce the Prevailing Principal Amount of the Notes to one cent, and any accrued but unpaid interest will be cancelled. A Principal Write-down may occur at any time on one or more occasions (provided, however, that the principal amount of Notes shall never be reduced to below one cent). Any Principal Write-down of the Notes shall not constitute a default of the Issuer. Investors shall not be entitled to any compensation or to take any action to cause the dissolution or liquidation of the Issuer in the event of a Principal Write-down (without prejudice to any principal amount subsequently written-up at the discretion of the Issuer in accordance with the Principal Write-up mechanism as set out in Condition 8 (*Principal Write-down and Principal Write-up*)).

A Principal Write-down is expected to occur simultaneously with the concurrent *pro rata* write-down or conversion into equity of the prevailing principal amount of any Loss Absorbing Instruments (as defined in the Conditions) or converted into equity (in each case in accordance with its conditions) on the occurrence, or as a result, of the Solo CET1 Ratio, the Consolidated CET1 Ratio of the Group or the Consolidated CET1 Ratio of the PC Group falling below a certain trigger level). However, this will not necessarily be the case. In particular, investors must note that to the extent such write-down or conversion into equity of any Loss Absorbing Instruments is not effective for any reason (i) the ineffectiveness of any such write-down or conversion into equity shall not prejudice the requirement to effect a Principal Write-down of the Notes and (ii) the write-down or conversion into equity of any other Loss Absorbing Instruments which is not effective shall not be taken into account in determining the Write-down Amount of the Notes. Therefore, the write-down or conversion into equity of other Loss Absorbing Instruments is not a condition for a Principal Write-down of the Notes and, as a result of failure to write down or convert into equity such other Loss Absorbing Instruments, the Write-down Amount of the Notes may be higher. Noteholders may lose all or some of their investment as a result of such a Principal Write-down of the Prevailing Principal Amount of the Notes. In particular, the Issuer may be required to write down the Prevailing Principal Amount of the Notes following the occurrence of a Trigger Event such that the Solo CET1 Ratio, the

Consolidated CET1 Ratio of the Group and/or the Consolidated CET1 Ratio of the PC Group is restored to a level higher than 5.125 per cent. In such an event, the Write-down Amount may be greater than the amount by which the then Prevailing Principal Amount would have been written down if the Issuer had been required to write down the Prevailing Principal Amount of the Notes to the extent necessary thereby to restore any of such ratios.

Furthermore, it is possible that, following a material decrease in the Solo CET1 Ratio, the Consolidated CET1 Ratio of the Group and/or the Consolidated CET1 Ratio of the PC Group, a Trigger Event in relation to the Notes occurs simultaneously with a trigger event in relation to other Loss Absorbing Instruments having a higher trigger level. If this were to occur, the Prevailing Principal Amount of the Notes will be reduced *pro rata* with such Loss Absorbing Instruments having a higher trigger level up to an amount sufficient to restore the Solo CET1 Ratio, the Consolidated CET1 Ratio of the Group and/or the Consolidated CET1 Ratio of the PC Group to at least 5.125 per cent. provided that, with respect to each other Loss Absorbing Instrument (if any), such *pro rata* write-down and/or conversion shall only be taken into account to the extent required to restore the Solo CET1 Ratio, the Consolidated CET1 Ratio of the Group and/or the Consolidated CET1 Ratio of the PC Group to the lower of (x) such other Loss Absorbing Instrument's trigger level and (y) 5.125 per cent., in each case, in accordance with the terms of the relevant instruments and the Applicable Banking Regulations. Any *pro rata* reduction of the Prevailing Principal Amount of the Notes may potentially be higher than that applied to other Additional Tier 1 Capital Instruments if the write-down or conversion of such other securities is ineffective for any reason.

The Issuer's future outstanding junior and *pari passu* ranking securities might not include write-down or similar features with triggers comparable to those of the Notes. As a result, it is possible that the Notes will be subject to a Principal Write-down, while junior and *pari passu* ranking securities remain outstanding and continue to receive payments. Also, the Conditions do not in any way impose restrictions on the Issuer following a Principal Write-down, including restrictions on making any distribution or equivalent payment in connection with any junior or *pari passu* ranking securities.

Investors may lose all or some of their investment as a result of a Principal Write-down or of reaching the point of non-viability or of the application of certain resolution tools (see "*A Noteholder may lose all of its investment in the Notes, including the principal amount plus any accrued but unpaid interest, in the event that statutory loss absorption occurs*" below). Although (in case of a Principal Write-down only following a Trigger Event) the Conditions allow for the principal amount to be written-up again in certain circumstances at the Issuer's discretion, due to the limited circumstances in which a Principal Write-up may be undertaken (as described in the paragraph below) any reinstatement of the Prevailing Principal Amount of the Notes and recovery of such investment may take place over an extended period of time or not at all. In addition, during the period of any Principal Write-down pursuant to Condition 8 (*Principal Write-down and Principal Write-up*), interest will accrue on the reduced principal amount of the Notes and its payment is subject to the Issuer having sufficient Distributable Items and the Maximum Distributable Amount ("**Maximum Distributable Amount**" or "**MDA**") not being exceeded. Also, any redemption at the option of the Issuer upon the occurrence of a Tax Event or a Regulatory Event will take place at the reduced principal amount of the Notes.

The written down principal amount will not be automatically reinstated if the Solo CET1 Ratio, the Consolidated CET1 Ratio of the Group and/or the Consolidated CET1 Ratio of the PC Group is restored above a certain level. The extent to which the Issuer makes a profit (on a consolidated basis) from its operations (if any) will affect whether the principal amount of the Notes may be reinstated to its Original Principal Amount. The Issuer's ability to write-up the principal amount of the Notes will depend on certain conditions, such as there being sufficient Solo Net Profit, Consolidated Net Profit of the Group and Consolidated Net Profit of the PC Group and, if applicable, the MDA calculated separately at each level not being exceeded. No assurance can be given that these conditions will ever be met. Moreover, even if met, the Issuer will not in any circumstances be obliged to write-up the principal amount of the Notes. Also the Regulator has the power to prohibit a write-up if the Issuer fails (or is likely to fail) to comply with applicable regulations. If any write-up were to occur, it will have to be undertaken on a *pro rata* basis with any other instruments qualifying as Additional Tier 1 Capital providing for a reinstatement of principal amount in similar circumstances that have been subject to a write-down (see Condition 8 (*Principal Write-down and Principal Write-up*)).

The market price of the Notes is expected to be affected by any actual or anticipated write-down of the principal amount of the Notes as well as by the Issuer's actual or anticipated ability to write-up the reduced principal amount to its original principal amount.

The Solo CET1 Ratio, the Consolidated CET1 Ratio of the Group and/or the Consolidated CET1 Ratio of the PC Group will be affected by a number of factors, any of which may be outside the Issuer's control, as well as by its business decisions and, in making such decisions, the Issuer's interests may not be aligned with those of the investors

The market price of the Notes is expected to be affected by fluctuations in the Solo CET1 Ratio, the Consolidated CET1 Ratio of the Group and/or the Consolidated CET1 Ratio of the PC Group. The level of the Solo CET1 Ratio, the Consolidated CET1 Ratio of the Group and/or the Consolidated CET1 Ratio of the PC Group may significantly affect the trading price of the Notes.

The occurrence of a Trigger Event is inherently unpredictable and depends on a number of factors, any of which may be outside the Issuer's control. The calculation of the Solo CET1 Ratio, the Consolidated CET1 Ratio of the Group and/or the Consolidated CET1 Ratio of the PC Group could be affected by one or more factors, including, among other things, changes in the mix of the Issuer, the Group or the PC Group's business, major events affecting the Issuer's earnings, dividend payments by the Issuer, accounting changes, regulatory changes (including the imposition of additional minimum capital or capital buffer requirements or changes to definitions and calculations of regulatory capital ratios and their components or the changes to the interpretation thereof by the relevant authorities or case law), foreign currency movements, and the Issuer, the Group and the PC Group's ability to manage their respective Risk Weighted Assets (as defined in the Conditions) in both their respective ongoing businesses and those which they may seek to exit or enter. The factors that most influence, and the impact of these factors on the calculation of, the Solo CET1 Ratio may be different when compared to the calculation of the Consolidated CET1 Ratio of the Group and/or the Consolidated CET1 Ratio of the PC Group. This may, in turn, lead to certain divergences between the Solo CET1 Ratio, the Consolidated CET1 Ratio of the Group and the Consolidated CET1 Ratio of the PC Group. At the date of this Offering Circular, the additional tier 1 and tier 2 capital instruments eligible as own funds of the Issuer and of the Group are broadly similar to the additional tier 1 and tier 2 capital instruments eligible as own funds of the PC Group. PC is a "clean" holding company for QPB, with the latter constituting the vast majority of the PC Group's assets. At the date of this Offering Circular, there is no intention to use PC for another purpose than a holding company for the QPB Group. As a result, the PC Group and QPB Group capital positions are similar.

However, there is no guarantee that the risk-weighted assets and deductions of the own funds of the Issuer, the Group and the PC Group may differ to a greater or lesser extent over time including where the PC Group acquires, builds or disposes of businesses which do not also sit within the Group.

The issuance of the Notes could possibly trigger a deduction of the own funds at PC Group level by virtue of the fact that from a PC Group consolidation standpoint, the additional tier 1 capital arising from an instrument issued by the Issuer is giving rise to minority interest.

Investors will not be able to monitor movements in the Solo CET1 Ratio, the Consolidated CET1 Ratio of the Group and the Consolidated CET1 Ratio of the PC Group or any MDA on a continuous basis and it may therefore not be foreseeable when a Trigger Event may occur or whether interest payments must be cancelled.

The Issuer will have no obligation to consider the interests of investors in connection with its strategic decisions, including in respect of its capital management. Investors will not have any claim against the Issuer relating to decisions that affect the business and operations of the Issuer, including its capital position, regardless of whether they result in the occurrence of a Trigger Event. Such decisions could cause investors to lose all or part of the value of their investment in the Notes.

The Issuer currently publishes the Consolidated CET1 Ratio of the Group and PC currently publishes the Consolidated CET1 Ratio of PC Group on an annual basis on the Luxembourg trade and companies register (*Registre de commerce et des sociétés*, Luxembourg). This may mean investors are given limited warning of any deterioration in the Solo CET1 Ratio, the Consolidated CET1 Ratio of the Group and the Consolidated CET1 Ratio of the PC Group. Investors should

also be aware that the Solo CET1 Ratio, the Consolidated CET1 Ratio of the Group and/or the Consolidated CET1 Ratio of the PC Group may be calculated as at any date and, as a result thereof, a Trigger Event may occur as at any date.

At 30 June 2020, the Solo CET1 Ratio of the Issuer, the Consolidated CET1 Ratio of the QPB Group and the Consolidated CET1 Ratio of the PC Group stood at 37.4 per cent., 16.7 per cent. and 17.3 per cent., respectively.

Due to the uncertainty regarding whether a Trigger Event will occur, it will be difficult to predict when, if at all, the Prevailing Principal Amount of the Notes may be written down. Accordingly, the trading behaviour of the Notes may not necessarily follow the trading behaviour of other types of subordinated securities.

Many aspects of the manner in which CRD IV and the BRRD will be interpreted remain uncertain and may be subject to change

Many of the defined terms in the Conditions depend on the interpretation of CRD IV and the BRRD. CRD IV is a set of rules and regulations that imposes a series of requirements, many of which will be phased in over a number of years. Although the CRD IV and the BRRD have been implemented into Luxembourg law by, among others, the Banking Act 1993 and the BRR Act 2015 and the CRR is directly applicable in Luxembourg, a number of important interpretational issues remain to be resolved through binding technical and implementing standards and guidelines and recommendations by the European Banking Authority that will be adopted in the future, which leaves certain other matters to the discretion of the Regulator.

Furthermore, the adopted CRD V Package, once implemented, may impose further restrictions on the Issuer's ability to pay interest on the Notes. The CRD V Package will be gradually phased in or require transposition into Luxembourg law in accordance with the transposition deadlines set out therein. As a result, it is not possible to give any assurances as to the impact that they will have on the Issuer once fully implemented. The majority of the CRD V Package is expected to be fully implemented into Luxembourg law by 28 June 2021.

The CRD V Package will apply, among others, a harmonised minimum TLAC level to EU global systemically important banks ("GSIBs") while introducing a firm-specific MREL for GSIBs, DSIBs (Domestic Systemically Important Banks) and smaller institutions and facilitate the issuance of a new liability class of "non-preferred senior" by requiring EU Member States to introduce such layer in their local legislation. The new class of non-preferred senior debt instruments ranks between subordinated debt and other senior unsecured creditors. A failure by the Issuer to comply with MREL requirements means the Issuer could become subject to the MDA restrictions calculated separately at the level of the Issuer, the Group and the PC Group on certain discretionary payments, including payments on the Notes, as the required amount of MREL 'sits below' the combined buffer requirements. Although as of 30 June 2020, QPB was not required to issue any MREL instruments (in excess of its own funds requirements), this situation could change in time, which could potentially have an adverse effect on the Issuer's profitability (in that respect, see also "*Risks related to the QPB's resolution strategy*").

There can be no assurance that any of the MREL requirements, additional own funds requirements or buffer capital requirements applicable to the Issuer will not be amended in the future to include new and more onerous capital requirements (including a leverage ratio buffer), which in turn may affect the Issuer's capacity to make payments of interest on the Notes.

Furthermore, the Regulator has a number of powers and discretions (including requiring the Issuer to suspend the payment of interest on the Notes) which would apply if the Issuer fails (or is likely to fail) to comply with applicable regulations.

The determination of the MDA at the level of the Issuer, the Group and the PC Group is particularly complex. The MDA imposes a cap on the Issuer's ability to pay interest on the Notes, and on the Issuer's ability to reinstate the Original Principal Amounts of the Notes following a reduction upon the occurrence of a Trigger Event. The MDA would be assessed separately for each level of supervision based and any interest payment or reinstatement would be restricted to the lowest MDA calculated.

Such legislative and regulatory uncertainty could affect an investor's ability to value the Notes accurately and therefore affect the market price of the Notes given the extent and impact on the Notes of one or more regulatory or legislative changes.

A Noteholder may lose all of its investment in the Notes, including the principal amount plus any accrued but unpaid interest, in the event that statutory loss absorption occurs

In addition to being subject to a possible write-down as a result of the occurrence of a Trigger Event in accordance with the Conditions, the Notes may also be subject to a permanent write-down or conversion into CET1 instruments (in whole or in part) prior to the entry into resolution in circumstances where the Resolution Authority, in its discretion, determines that the Issuer, the Group, the PC Group or any other prudential regulatory group of which the Issuer is a member from time to time has reached the point of non-viability (in this respect, see Condition 9 (*Point of Non Viability*)). This is notwithstanding the Resolution Authority's current resolution strategy for QPB as set out in the risk factor entitled "*Risks related to QPB's resolution strategy*".

The BRRD also contains various resolution powers which may be used by the relevant resolution authority and which include, amongst others, the power to write down certain claims of unsecured creditors of a failing relevant entity (which write-down may result in the reduction of such claims to zero) and to convert certain unsecured debt claims (including the Notes) to equity or other instruments of ownership (the "**general bail-in tool**"), which equity or other instruments of ownership could also be subject to any future application of the general bail-in tool.

Accordingly, potential investors in the Notes should consider the risk that such powers may be applied in such a manner as to result in Noteholders losing all or a part of the value of their investment in the Notes or receiving a different security than the Notes, which may be worth significantly less than the Notes and which may have significantly fewer protections than those typically afforded to debt securities. Moreover, the relevant resolution authority may exercise its authority to apply such powers without providing any advance notice to the Noteholders. The exercise of any power under the BRRD or any suggestion of such exercise could, therefore, materially adversely affect the rights of the Noteholders, the price or value of their investment in the Notes and/or the ability of the Issuer to satisfy its obligations under the Notes.

As part of the CRD V Package, amendments are being made to the BRRD, the majority of which must be implemented in EU Member States by 28 December 2020. Such changes include the introduction of a new pre-resolution moratorium power for competent authorities and resolution authorities.

3 Risks relating to payment of interest

The Issuer may elect not to pay interest on the Notes

Interest on the Notes will be due and payable only at the sole discretion of the Issuer, and the Issuer shall have sole and absolute discretion at all times and for any reason to cancel (in whole or in part) any interest payment that would otherwise be payable on any Interest Payment Date. If the Issuer does not make an interest payment on the relevant Interest Payment Date (or if the Issuer elects to make a payment of a portion, but not all, of such interest payment), such non-payment shall evidence the Issuer's exercise of its discretion to cancel such interest payment (or the portion of such interest payment not paid), and accordingly such interest payment (or the portion thereof not paid) shall not be due and payable.

Because the Notes are intended to qualify as additional tier 1 capital under CRD IV, the Issuer may cancel (in whole or in part) any interest payment on the Notes at its discretion and may pay dividends on its ordinary shares notwithstanding such cancellation. In addition, the Issuer may without restriction use funds that could have been applied to make such cancelled payments to meet its other obligations as they become due.

In determining any proposed dividend on its ordinary shares, the Issuer's board of directors (the "**Board of Directors**") intends to consider, among other things, the expectation of servicing more senior securities. The Notes are senior in rank to ordinary shares of the Issuer. It is the Board of Directors' current intention that, whenever exercising its discretion to declare ordinary share dividends, or its discretion to cancel interest on the Notes, the Board will take into account the

relative ranking of these instruments in the Issuer's capital structure. However, subject to any applicable law, the Board of Directors may at any time depart from the above policy at its sole discretion.

Cancelled interest shall not be due and shall not accumulate or be payable at any time thereafter, and Noteholders shall have no rights thereto or to receive any additional interest or compensation as a result of such cancellation. Furthermore, no cancellation of interest in accordance with the terms of the Notes shall constitute a default in payment or otherwise under the terms of the Notes. Failure to provide notice to the Noteholders will not have any impact on the effectiveness of, or otherwise invalidate, any such cancellation of interest, or give Noteholders any rights as a result of such failure.

Any actual or anticipated cancellation of interest on the Notes will likely have an adverse effect on the market price of the Notes.

The Issuer may be required not to pay interest on the Notes

Distributable Items relate to the Issuer's profits and distributable reserves determined on the basis of the Issuer's non-consolidated accounts as further described in the Conditions. The amount of Distributable Items available to pay interest on the Notes may be affected, *inter alia*, by other discretionary interest payments on other (existing or future) capital instruments, including Common Equity Tier 1 ("CET1") distributions and any write-ups of principal amounts of Discretionary Temporary Write-down Instruments (if any). In addition, the amount of Distributable Items may potentially be adversely affected by the performance of the business of the Issuer in general, factors affecting its financial position (including capital and leverage ratios and requirements), any contemplated reorganisations or changes in the strategy, the economic environment in which the Issuer operates and other factors outside of the Issuer's control. Adjustments to earnings, as determined by the Board of Directors, may furthermore fluctuate significantly and may materially adversely affect Distributable Items of the Issuer.

The Maximum Distributable Amount is a concept which will apply in circumstances where the Issuer, the Group or the PC Group does not meet certain combined capital buffer requirements (see "*The Solo CET1 Ratio, the Consolidated CET1 Ratio of the Group and the Consolidated CET1 Ratio of the PC Group will be affected by a number of factors, any of which may be outside the Issuer's control, as well as by its business decisions and, in making such decisions, the Issuer's interests may not be aligned with those of the investors*" above). This requires (pursuant to CRD IV) that institutions that fail to meet their applicable combined capital buffer requirements are subject to restrictions on discretionary payments (which include interest amounts on the Notes and any write-ups of principal amounts (if applicable)).

MDA restrictions need to be calculated for each separate level of supervision i.e. at the level of the Issuer, the Group and the PC Group. The restrictions will be scaled according to the extent of the breach of the combined buffer requirement and calculated as a percentage of the profits calculated at that level of supervision for the most recent relevant period. Such calculation will result in a MDA in each relevant period and any interest payment or write-up would be restricted to the lowest MDA calculated.

Moreover in the event that the combined buffer requirement is no longer met by the credit institution, the Regulator may impose more stringent restrictions on distributions of the credit institution. Further, there can be no assurance that any of the combined buffer requirements applicable to the Issuer and/or the Group will not be increased in the future, which may exacerbate the risk that discretionary payments, including payments of interest on the Notes, are cancelled.

The CET1 capital used to satisfy the combined buffer requirement cannot also be used to satisfy the Issuer's Pillar 1 requirement or Pillar 2 requirement, which must be met in full before CET1 capital can be applied to meeting the combined buffer requirement. Accordingly, to the extent that any increases in the Pillar 2 requirements are, or are required to be, met with CET1 capital, the amount of CET1 capital available to meet the combined buffer requirement may be reduced. Similarly, a reduction in the quantum of Additional Tier 1 Capital or Tier 2 Capital previously used to meet Pillar 2 requirements could result in CET1 capital otherwise available to meet the combined buffer requirement being used to meet Pillar 2 requirements.

The amount of CET1 capital required to meet Pillar 1, Pillar 2 and combined buffer requirements and the interaction between them will therefore be relevant to assess the risk of interest payments being cancelled. Since the Pillar 2

requirement may be increased at any time, and the Issuer must meet any increased requirement in full before it can apply its available CET1 capital to meeting its combined buffer requirements, investors in the Notes may not be able to assess or predict accurately the proximity of the risk of interest payments being prohibited from time to time as a result of an MDA trigger level having been breached. The market price of the Notes is likely to be affected by any fluctuations in the Solo CET1 Ratio, the Consolidated CET1 Ratio and/or the Consolidated CET1 Ratio of the PC Group. Any indication or perceived indication that this ratio is tending towards the write-down trigger of 5.125 per cent. or the MDA trigger level may have an adverse impact on the market price of the Notes.

Noteholders may not be able to predict accurately the proximity of the risk of discretionary payments (of interest and/or principal) on the Notes being restricted from time to time. In any event, the Issuer and (in the case of the PC Group) PC will have discretion as to how the MDA will be applied if insufficient to meet all expected distributions and is not obliged to take the interest of investors in the Notes into account.

Furthermore, the adopted CRD V Package, once implemented may impose further restrictions on the Issuer's ability to pay interest on the Notes (see "*Many aspects of the manner in which CRD IV and the BRRD will be interpreted remain uncertain and may be subject to change*" above). In particular, the CRD V Package, once implemented, will introduce consequences of breaching MREL requirements relating to the combined buffer requirement and MDA breach. A failure by the Issuer to comply with MREL requirements means the Issuer could become subject to the MDA restrictions on certain discretionary payments, including payments on the Notes, as the required amount of MREL 'sits below' the combined buffer requirements. Although as of 30 June 2020 QPB was not required to issue any MREL instruments (in excess of its own funds requirements), this situation could change in time, which could potentially have an adverse effect on the Issuer's profitability (in that respect, see also "*Risks related to the QPB's resolution strategy*").

Furthermore, no interest will be paid on any principal amount that has been written down following a Trigger Event in accordance with the Conditions and no interest may be paid on any principal amount that has been written down following any statutory loss absorption in accordance with the statutory loss absorption powers. The payment of interest on any remaining principal amount following such write-down is subject to the Issuer having sufficient Distributable Items and the MDA not being exceeded (see "*The principal amount of the Notes may be reduced (Written Down) to absorb losses*" and "*A Noteholder may lose all of its investment in the Notes, including the principal amount plus any accrued but unpaid interest, in the event that statutory loss absorption occurs*" above).

Investors shall have no further rights in respect of any interest not paid and shall not be entitled to any compensation or to take any action to cause the dissolution or liquidation of the Issuer in the event any interest is not paid. Furthermore, cancellation of interest payments shall not in any way impose restrictions on the Issuer, including restricting the Issuer from making distributions or equivalent payments in connection with obligations junior to, or *pari passu* with, the Notes.

Any actual or anticipated cancellation of interest on the Notes will likely have an adverse effect on the market price of the Notes. Furthermore, the Notes may trade with accrued interest, which may be reflected in the trading price of the Notes. However, if a payment of interest on any Interest Payment Date is cancelled (in whole or in part) as described herein and thus is not due and payable, purchasers of such Notes will not be entitled to such interest payment on the relevant Interest Payment Date.

In addition, as a result of the interest cancellation provisions of the Notes, the market price of the Notes may be more volatile than the market prices of other debt securities on which interest accrues which is not subject to such cancellation and may be more sensitive generally to adverse changes in the Issuer's financial condition. Any indication that the Solo CET1 Ratio, the Consolidated CET1 Ratio of the Group and the Consolidated CET1 Ratio of the PC Group is trending towards the write-down trigger of 5.125 per cent. or the MDA trigger level are decreasing may have an adverse effect on the market price of the Notes.

A reset of the interest rate could affect the market value of an investment in the Notes

Unless previously redeemed, the Rate of Interest of the Notes will be reset as from the First Reset Date and as from each date which falls five, or an integral multiple of five, years after the First Reset Date. Such Rate of Interest will be

determined two Business Days prior to the relevant reset date and as such is not pre-defined at the date of issue of the Notes; it may be lower than the Initial Interest Rate and may adversely affect the yield or market value of the Notes.

4. Risks relating to redemption of the principal amount of the Notes

No scheduled redemption

The Notes are undated in respect of which there is no fixed redemption or maturity date. The Issuer is under no obligation to redeem the Notes at any time (see Condition 4 (*Redemption and Purchase*)); although the Conditions include several options for the Issuer to redeem the Notes, there is no contractual incentive for the Issuer to exercise any of these call options and the Issuer has full discretion under the Conditions not to do so for any reason. There will be no redemption at the option of investors.

This means that Noteholders have no ability to cash in their investment, except:

- (i) if the Issuer exercises its rights to redeem or purchase the Notes;
- (ii) by selling their Notes; or
- (iii) by claiming for any principal amounts then due and not paid in any dissolution or liquidation (other than as set out in the Conditions) of the Issuer.

Accordingly there is uncertainty as to when (if ever) an investor in the Notes will receive repayment of the Prevailing Principal Amount of the Notes.

The Notes are subject to optional early redemption at any time in the three months prior to (and including) the First Reset Date (23 January 2026), on each Interest Payment Date thereafter or at any time upon the occurrence of a Tax Event or a Regulatory Event, subject to certain conditions

Subject to certain conditions, the Issuer may, at its option, at any time redeem the Notes, in whole but not in part, at their Prevailing Principal Amount, together with any accrued but unpaid interest (which excludes any interest cancelled or deemed cancelled as provided in Condition 3 (*Interest Cancellation*)) to (but excluding) the date fixed for redemption, if a Regulatory Event or a Tax Event has occurred, as provided under Condition 4 (*Redemption and Purchase*). In addition, the Issuer may, at its option, redeem the Notes, in whole but not in part, (i) at any time in the three months prior to (and including) the First Reset Date or (ii) on any Interest Payment Date (as defined herein) thereafter, at their Prevailing Principal Amount, together with any accrued but unpaid interest (if any) (which excludes any interest cancelled or deemed cancelled as provided in Condition 3 (*Interest Cancellation*)) to (but excluding) the date fixed for redemption. If the Issuer redeems the Notes, Noteholders may not be able to reinvest the redemption proceeds in Notes offering a comparable yield. Furthermore, Noteholders have no right to require the Issuer to redeem the Notes. During any period when the Issuer has the right to elect to repay the Notes, or if there is a perception in the market that any such right has arisen or may arise, the market value of the Notes will generally not be expected to rise substantially above the price at which they can be repaid.

Under certain circumstances, the Issuer's ability to redeem or repurchase the Notes may be limited

The rules under CRD V Package prescribe certain conditions for the granting of permission by the Regulator to a request by the Issuer to redeem or repurchase the Notes. In this respect, the CRR, as amended by CRR II, provides that the Regulator shall grant permission to a redemption or repurchase of the Notes provided that certain conditions are met, as provided under Condition (4).

Limitation on gross-up obligation under the Notes

The Issuer's obligation to pay additional amounts in respect of any withholding or deduction in respect of taxes under the terms of the Notes applies only to payments of interest due and paid under the Notes and not to payments of principal. As

such, the Issuer would not be required to pay any additional amounts under the terms of the Notes to the extent any withholding or deduction applied to payments of principal. Accordingly, if any such withholding or deduction were to apply to any payments of principal under the Notes, Noteholders may receive less than the full amount due under the Notes, and the market value of the Notes may be adversely affected.

5. Risks relating to the trading market and value of the Notes

Reform and Regulation of “benchmarks”

So-called benchmarks such as the Mid-Swap Rate (as defined in the Conditions) reference swap rates and other indices which are deemed “benchmarks” (each a “**Benchmark**” and together, the “**Benchmarks**”), to which the interest on the Notes during any Reset Period is linked, have become the subject of regulatory scrutiny and recent national and international regulatory guidance and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past, to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on the value of and the amount payable under the Notes. International proposals for reform of Benchmarks include the European Council's Regulation (EU) 2016/1011 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds (the “**Benchmark Regulation**”) which was published in the official journal on 29 June 2016 and has applied from 1 January 2018.

Any changes to a Benchmark as a result of the Benchmark Regulation or other initiatives, could have a material adverse effect on the costs of refinancing a Benchmark or the costs and risks of administering or otherwise participating in the setting of a Benchmark and complying with any such regulations or requirements. Such factors may have the effect of discouraging market participants from continuing to administer or participate in certain Benchmarks, trigger changes in the rules or methodologies used in certain Benchmarks or lead to the disappearance of certain Benchmarks. Although it is uncertain whether or to what extent any of the abovementioned changes and/or any further changes in the administration or method of determining a Benchmark could have an effect on the value of the Notes, investors should be aware that they face the risk that any changes to the relevant Benchmark may have a material adverse effect on the value of and the amount payable under the Notes.

The Conditions provide for certain fallback arrangements in circumstances where a Benchmark Event occurs in relation to the Original Reference Rate.

If a Benchmark Event occurs, the Issuer shall use its reasonable endeavours to appoint an Independent Adviser. After consulting with the Independent Adviser, the Issuer shall endeavour to determine a Successor Rate (failing which, an Alternative Rate) to be used in place of the Original Reference Rate. The use of any such Successor Rate or Alternative Rate to determine the Rate of Interest is likely to result in the Notes performing differently (which may include payment of a lower Rate of Interest) than they would do if the Original Reference Rate were to continue to apply in its current form.

Furthermore, if a Successor Rate or Alternative Rate for the Original Reference Rate is determined by the Issuer, the Conditions provide that the Issuer may vary the Conditions, as necessary to ensure the proper operation of such Successor Rate or Alternative Rate, without any requirement for consent or approval of the Noteholders.

If (A) the Issuer is unable to appoint an Independent Adviser or fails to determine a Successor Rate or, failing which, an Alternative Rate prior to the date which is ten Business Days prior to the relevant Mid-Swap Rate Determination Date in respect of a relevant Reset Period or (B) the Issuer determines that the qualification of the Notes as Additional Tier 1 Capital could be prejudiced by the adoption of a Successor Rate or Alternative Rate, the 5-year Swap Rate applicable to the next succeeding Interest Period ending during that Reset Period shall be equal to the last annualised mid-swap rate with a term of five years displayed on the Screen Page as determined by the Calculation Agent. This could, in effect, result in the Notes bearing a fixed rate of interest for a significant period of time or in perpetuity.

If a Successor Rate or Alternative Rate is determined by the Issuer, the Conditions also provide that an Adjustment Spread will be determined by the Issuer and applied to such Successor Rate or Alternative Rate. While the aim of applying an

Adjustment Spread may be to seek to eliminate some or all of the economic prejudice or benefit that could arise from a change in the reference rate calculation methodology, the Adjustment Spread may not be successful in doing so. The application of any such Adjustment Spread may result in the Notes performing differently (which may include payment of a lower Rate of Interest) than they would do if the Original Reference Rate were to continue to apply in its current form.

Change of law and jurisdiction may impact the Notes

The Conditions are governed by Luxembourg law in effect as at the date of issue of the Notes. No assurance can be given as to the impact of any possible judicial decision or change to Luxembourg law or administrative practice after the date of issue of the Notes.

In addition, any relevant tax law or practice applicable as at the date of this Offering Circular may change at any time (including following the issuance of the Notes).

Such changes in law may include, but are not limited to, the introduction of a variety of statutory resolution and loss absorption tools which may affect the rights of Noteholders issued by the Issuer, including the Notes. Any such change may have an adverse effect on a Noteholder, including that the Notes may be redeemed before their due date, their liquidity may decrease and/or the tax treatment of amounts payable or receivable by or to an affected Noteholder may be less favourable than otherwise expected by such Noteholder.

There is no active trading market for the Notes

The Notes will be new securities which may not be widely distributed and for which there is currently no active trading market. If the Notes are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the Issuer. Although applications have been made for the Notes to be admitted to listing on the Official List of the Luxembourg Stock Exchange, there is no assurance that such applications will be accepted, that the Notes will be so admitted or that an active trading market will develop. Accordingly, there is no assurance as to the development or liquidity of the Euro MTF or any trading market for the Notes. The QPB Group's ultimate majority shareholder and related parties have arranged to purchase, directly or indirectly, a material portion of the Notes (see "*Subscription and Sale*"), which may have a further negative impact on the liquidity of the trading market for them.

Credit ratings may not reflect all risks

The Issuer's credit ratings are an assessment by the relevant rating agencies of its ability to pay its debts when due. Consequently, real or anticipated changes in its credit ratings will generally affect the market value of the Notes. One or more independent credit rating agencies may assign credit ratings to the Notes. The ratings may not reflect the potential impact of all risks related to the structure and marketing of the Notes and additional factors discussed in this Offering Circular or any other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold and may be revised, suspended or withdrawn by the rating agency at any time. Furthermore, there can be no assurance that no change in the Issuer's credit ratings or ratings outlook (including downwards) will occur in the near or distant future. Such change could modify the cost of debt financing or impact the Issuer's access to debt capital markets.

In general, European regulated investors are restricted under Regulation (EC) No 1060/2009 (as amended) (the "**CRA Regulation**") from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the EU and registered under the CRA Regulation (and such registration has not been withdrawn or suspended), subject to transitional provisions that apply in certain circumstances whilst the registration application is pending. Such general restriction will also apply in the case of credit ratings issued by non-EU credit rating agencies, unless the relevant credit ratings are endorsed by an EU-registered credit rating agency or the relevant non-EU rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended).

The list of registered and certified rating agencies published by the European Securities and Markets Authority (“ESMA”) on its website in accordance with the CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list.

The Conditions contain provisions which may permit their modification without the consent of all investors

The Conditions contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority. See in particular Condition 13 (*Meetings of Noteholders; Modification*).

Foreign currency notes expose investors to foreign-exchange risk as well as to the Issuer’s risk

As purchasers of foreign currency notes, investors are exposed to the risk of changing foreign exchange rates. This risk is in addition to any performance risk that relates to the Issuer or the type of note being issued.

The Issuer will pay principal and interest on the Notes in euros. This presents certain risks relating to currency conversions if an investor’s financial activities are denominated principally in a currency or currency unit (the “Investor’s Currency”) other than euros. These include the risk that exchange rates may significantly change (including changes due to devaluation of euro 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. Such risks generally depend on a number of factors, including financial, economic and political events over which the Issuer has no control. An appreciation in the value of the Investor’s Currency relative to the euro 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.

In addition, Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate or the ability of the Issuer to make payments in respect of the Notes. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Legal investment considerations may restrict certain investments

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each prospective investor should consult its legal advisers to determine whether and to what extent (i) Notes are legal investments for it, (ii) Notes can be used as collateral for various types of borrowing and (iii) other restrictions apply to the purchase 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. Neither the Issuer, the Lead Manager nor any of their respective affiliates has or assumes responsibility for the lawfulness of the acquisition of the Notes by a prospective investor of the Notes, whether under the laws of the jurisdiction of its incorporation or the jurisdiction in which it operates (if different), or for compliance by that prospective investor with any law, regulation or regulatory policy applicable to it.

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 may wish to consider, either on its own or with the help of its financial and other professional advisers, whether it:

- (a) has sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Offering Circular;
- (b) has access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact such investment will have on its overall investment portfolio;

- (c) has sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including where the currency for principal or interest payments is different from the potential investor's currency;
- (d) understands thoroughly the terms of the Notes and is familiar with the behaviour of any relevant indices and financial markets; and
- (e) is able to evaluate possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

INFORMATION INCORPORATED BY REFERENCE

This Offering Circular should be read and construed in conjunction with the following documents which have been previously published or are published simultaneously with this Offering Circular and that have been filed with the Luxembourg Stock Exchange, and shall be incorporated in, and form part of, this Offering Circular:

- (a) the audited consolidated financial statements of Quintet as at, and for the year ended, 31 December 2018, together with the statutory auditors' reports thereon; and
- (b) the audited consolidated financial statements of Quintet as at, and for the year ended, 31 December 2019, together with the statutory auditors' reports thereon;

save that any statement contained herein or in a document all or the relevant portion of which is deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Offering Circular to the extent that such statement is inconsistent with a statement contained in this Offering Circular.

The Issuer will provide, free of charge, to each person to whom a copy of this Offering Circular has been delivered, upon the oral or written request of such person, a copy of any or all of the documents which are incorporated herein by reference and such documents will be available free of charge during normal business hours from the specified office of the Issuer and will be published on the website of the Luxembourg Stock Exchange (www.bourse.lu). Written or oral requests for such documents should be directed to the Issuer at its principal office set out at the end of this Offering Circular.

OVERVIEW

This overview is a general description of the Notes and should be read as an introduction to this Offering Circular and any decision to invest in the Notes should be based on a consideration of the Offering Circular as a whole, including the documents incorporated by reference.

Words and expressions defined in the “Terms and Conditions of the Notes” below or elsewhere in this Offering Circular have the same meanings in this overview. Reference to “Conditions” or “Terms and Conditions” in this Offering Circular are to the Terms and Conditions of the Notes.

| | |
|-------------------------------|--|
| Issuer: | Quintet Private Bank (Europe) S.A. (formerly KBL European Private Bankers S.A.) (“ Quintet ”, “ QPB ” or the “ Issuer ”). |
| Lead Manager | J.P. Morgan Securities plc |
| Fiscal Agent: | Quintet Private Bank (Europe) S.A. |
| The Notes: | €125,000,000 7.5 per cent. Fixed Rate Resettable Callable Perpetual Additional Tier 1 Capital Notes. |
| Issue Price: | 100 per cent. of the principal amount of the Notes. |
| Issue Date: | 23 October 2020. |
| Maturity Date: | Not Applicable. |
| Form and Denomination: | The Notes will be issued in bearer form in denominations of €200,000. |
| Status: | The Notes constitute direct, unsecured and subordinated obligations of the Issuer and shall at all times rank <i>pari passu</i> and without any preference among themselves. The rights and claims of the Noteholders and the Couponholders in respect of or arising from the Notes and the Coupons (including damages (if payable)) are subordinated to the claims of Senior Creditors. |
| No Set-off: | Subject to applicable Luxembourg law, no Noteholder or Couponholder may exercise, claim or plead any right of set-off, compensation or retention in respect of any amount owed to it by the Issuer arising under, or in connection with, the Notes or Coupons and each Noteholder or Couponholder shall, by virtue of its holding of any Notes or Coupons (as the case may be), be deemed to have waived all such rights of set-off, compensation or retention. |
| Issuer’s Call Option: | <p>Subject to Condition 4(e) (<i>Redemption and Purchase - Conditions to redemption and purchase</i>), the Issuer may, at its option (and without the requirement for consent or approval of the Noteholders or Couponholders), redeem the Notes, in whole but not in part, (i) at any time in the three months prior to (and including) the First Reset Date or (ii) on any Interest Payment Date thereafter at their Prevailing Principal Amount, together with any accrued but unpaid interest (if any) (which excludes any interest cancelled or deemed cancelled in accordance with Condition 3 (<i>Interest Cancellation</i>)) to (but excluding) the date fixed for redemption.</p> <p>The Issuer shall not be entitled to redeem the Notes pursuant to Condition 4(b) (<i>Issuer’s call option</i>) on the First Reset Date or on any Interest Payment Date, if on the relevant redemption date, the Prevailing Principal Amount of the Notes is</p> |

lower than their Original Principal Amount. For the avoidance of doubt, this restriction shall not apply to a redemption pursuant to Condition 4(c) (*Redemption and Purchase - Redemption for Regulatory Event*) or Condition 4(d) (*Redemption and Purchase - Redemption for Tax Event*).

“**Prevailing Principal Amount**” means, in respect of a Note at any time, the Original Principal Amount of such Note as reduced by any Principal Write-down of such Note (on one or more occasions) at or prior to such time pursuant to Condition 8 (*Principal Write-down and Principal Write-up*) and, if applicable following any Principal Write-down, as subsequently increased by any Principal Write-up of such Note (on one or more occasions) at or prior to such time pursuant to Condition 8 (*Principal Write-down and Principal Write-up*).

Conditions to Redemption and Purchase:

The Issuer may only redeem or purchase the Notes in accordance with Condition 4 (*Redemption and Purchase*) (and give notice thereof to the Noteholders) if it has, if and to the extent permitted by the Applicable Banking Regulations (including, without limitation, Articles 77 and 78 of the CRR):

- (i) complied with any conditions prescribed by the Applicable Banking Regulations, including prior approval of the Regulator and compliance with the Regulatory Procedures (if required); and
- (ii) in the case of a redemption upon the occurrence of a Regulatory Event, delivered to the Fiscal Agent a certificate signed by two directors of the Issuer stating that a Regulatory Event has occurred and the Issuer is entitled to effect such redemption; and
- (iii) in the case of a redemption upon the occurrence of a Tax Event, delivered to the Fiscal Agent (i) a certificate signed by two directors of the Issuer stating that a Tax Event has occurred and 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 (ii) an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become subject to a Tax Event.

“**Applicable Banking Regulations**” means CRD, the BRR Act 2015, the Financial Sector Law, the CSSF Regulation N°18-03 on the implementation of certain discretions of the CRR, any laws, regulations or acts implementing CRD and BRRD and any delegated or implementing acts (such as regulatory technical standards) adopted by the European Commission and applicable to the Issuer, PC, the PC Group and/or the Group (in particular the RTS on own funds) and, at any time, the laws, regulations, circular letters and other requirements, standards, guidelines and policies relating to capital adequacy for credit institutions of either (i) the Regulator and/or (ii) any other national or European authority, in each case then in effect in Luxembourg (or in such other jurisdiction which is the home member state of the Issuer and/or PC as defined in the CRR, the CRD Directive, the BRRD, the BRR Act 2015 and the Financial Sector Law (“**Home Member State**”)) and applicable to the Issuer, the PC Group or the Group.

“**Regulator**” means (a) as applicable in accordance with regulation (EU) No 1024/2013, the European Central Bank, or any successor or replacement to it, (b)

the CSSF or such other authority of Luxembourg (or if the Home Member State of the Issuer becomes a jurisdiction other than Luxembourg, such other jurisdiction) which assumes or performs the functions, as at the Issue Date, performed by such authority or authorities or such other or successor authority exercising primary supervisory authority with respect to prudential matters in relation to the Issuer and (c) in accordance with the BRR Act 2015 and Regulation (EU) No 806/2014, the CSSF or the Single Resolution Board, as applicable.

“**Regulatory Procedures**” means in respect of any redemption or purchase of the Notes:

- (i) on or before such redemption or purchase (as the case may be) of the Notes, the Issuer replaces the Notes with own funds instruments of an equal or higher quality on terms that are sustainable for its income capacity; or
- (ii) the Issuer has demonstrated to the satisfaction of the Regulator that the own funds of the Issuer, the Group and (if applicable) the PC Group would, following such redemption or purchase (as the case may be), exceed its minimum capital requirements (including any capital buffer requirements) as set out in CRR, BRR Act 2015 and Financial Sector Law by a margin that the Regulator may consider necessary on the basis set out in CRR, BRR Act 2015 and Financial Sector Law for it to determine the appropriate level of capital of an institution.

Redemption for Tax Event:

Subject to the conditions set out in Condition 4(e) (*Conditions to redemption and purchase*) (as described in “*Conditions to Redemption and Purchase*” above), the Issuer may, at its option, redeem the Notes, in whole but not in part, at any time at their Prevailing Principal Amount, together with any accrued but unpaid interest (if any) (which excludes any interest cancelled or deemed cancelled in accordance with Condition 3 (*Interest Cancellation*)) to (but excluding) the date fixed for redemption, if as a result of a change in, or amendment to, the laws or regulations of a Taxing Jurisdiction, including any treaty to which the relevant Taxing Jurisdiction is a party, or a change in an official application or interpretation of those laws or regulations, in each case on or after the Issue Date (or, following the issuance of any further notes pursuant to Condition 14 (*Further Issues*), the issue date of such notes), including a decision of any court or tribunal which becomes effective on or after the Issue Date (or, following the issuance of any further notes pursuant to Condition 14 (*Further Issues*), the issue date of such notes):

- (i) the Issuer will or would be required to pay Additional Amounts; or
- (ii) the Issuer would no longer be entitled to claim a deduction in respect of any payments in computing its taxation liabilities or the amount of the deduction would be materially reduced;

(each such circumstance in paragraphs (i) to (ii) above, a “**Tax Event**”);

provided that in the case of each Tax Event, the Issuer has demonstrated to the satisfaction of the Regulator that such change was material and was not reasonably foreseeable as at the Issue Date (or the issue date of any further notes

issued pursuant to Condition 14 (*Further Issues*)) and the consequences of the Tax Event cannot be avoided by the Issuer taking reasonable measures available to it.

Redemption for Regulatory Event:

Subject to the conditions set out in Condition 4(e) (*Conditions to redemption and purchase*) (as described in “*Conditions to Redemption and Purchase*” above), upon the occurrence of a Regulatory Event, the Issuer may, at its option, at any time redeem the Notes, in whole but not in part, at their Prevailing Principal Amount, together with any accrued but unpaid interest (if any) (which excludes any interest cancelled or deemed cancelled in accordance with Condition 3 (*Interest Cancellation*)) to (but excluding) the date fixed for redemption,

provided that the Issuer has demonstrated to the satisfaction of the Regulator that the change in the regulatory classification of the Notes was not reasonably foreseeable as at the Issue Date (or the issue date of any further notes issued pursuant to Condition 14 (*Further Issues*)).

“**Regulatory Event**” means a change in the regulatory classification of the Notes, on or after the Issue Date (or, following the issuance of any further notes pursuant to Condition 14 (*Further Issues*), the issue date of such notes), that would result in their exclusion in whole or in part from own funds or reclassification as a lower quality form of own funds of the Issuer on a solo basis and/or of the Group on a consolidated basis and/or of the PC Group on a consolidated basis, and both the following conditions are met:

- (i) the Regulator considers such a change to be sufficiently certain; and
- (ii) the Issuer demonstrates to the satisfaction of the Regulator that the regulatory reclassification of the Notes was not reasonably foreseeable as at the Issue Date (or the issue date of any further notes issued pursuant to Condition 14 (*Further Issues*)).

For the avoidance of doubt, a Regulatory Event shall not be deemed to have occurred in case of a partial exclusion of the Notes from the Additional Tier 1 Capital of the Issuer on a solo basis and/or of the Group on a consolidated basis and/or the PC Group on a consolidated basis as a result of (i) a Principal Write-down or (ii) a change in the regulatory assessment of the tax effects of a Principal Write-down or (iii) (in relation to the PC Group) a change in the structure of the PC Group which leads or would lead to a higher deduction from the consolidated own funds of the PC Group of the own funds of the Issuer or the Group.

Substitution and Variation:

Subject to Condition 7(b) (*Substitution and Variation - Conditions to substitution and variation*) and Condition 7(c) (*Substitution and Variation - Determination of Trigger Event following notice of substitution or variation*), if a Regulatory Event or a Tax Event (each a “**Special Event**”) has occurred and is continuing the Issuer may at its option, without any requirement for the consent or approval of the Noteholders, substitute all (but not some only) of the Notes or vary the terms of

all (but not some only) of the Notes so that they become or remain (as the case may be) Qualifying Securities.

“**Qualifying Securities**” means, at any time, any securities issued by the Issuer that:

- (A) contain terms which at such time comply with the then current requirements of the Applicable Banking Regulations in relation to Additional Tier 1 Capital (which, for the avoidance of doubt, may result in such securities not including, or restricting for a period of time the application of, one or more of the Special Event redemption events which are included in the Notes);
- (B) carry the same rights to redeem as set out in Condition 4(b) (*Redemption and Purchase - Issuer's call option*) and the same rate of interest from time to time applying to the Notes prior to the relevant substitution or variation;
- (C) rank *pari passu* with the Notes prior to the substitution or variation;
- (D) shall not at the time of the relevant variation or substitution be subject to a Special Event;
- (E) have terms not materially less favourable to the Noteholders than the terms of the Notes, as reasonably determined by the Issuer, and provided that the Issuer shall have delivered to the Fiscal Agent a certificate to that effect signed by two directors of the Issuer;
- (F) if the Notes were listed or admitted to trading on a Recognised Stock Exchange immediately prior to the relevant substitution or variation, are listed or admitted to trading on any Recognised Stock Exchange as selected by the Issuer; and
- (G) immediately after such substitution or variation, will be assigned at least the same credit rating(s) by the same Rating Agencies as may have been assigned to the Notes at the invitation of or with the consent of the Issuer immediately prior to such substitution or variation.

Interest:

The Notes bear interest on their Prevailing Principal Amount at:

- (a) the rate of interest in respect of the period from (and including) the Issue Date, to (but excluding) 23 January 2026 (the “**First Reset Date**”) which will be 7.5 per cent. per annum (the “**Initial Interest Rate**”); and
- (b) the rate of interest in the case of each period from (and including) a Reset Date to (but excluding) the next following Reset Date (each such period, a “**Reset Period**”), which shall be the aggregate, converted from an annual basis to a semi-annual basis by the Calculation Agent in accordance with market convention, of the applicable Mid-Swap Rate on the relevant Mid-Swap Rate Determination Date and the Margin (the “**Subsequent Interest Rate**”).

The Mid-Swap Rate shall be determined by reference to Reuters screen “ICESWAP2”, subject to the fallback and other provisions set out in the Conditions.

Subject to cancellation of any interest payment (in whole or in part) pursuant to Condition 3 (*Interest Cancellation*), Condition 8 (*Principal Write-down and Principal Write-up*) and the paragraph below, interest, if any, shall be payable semi-annually in arrear on 23 January and 23 July of each year commencing on 23 January 2021 (each, an “**Interest Payment Date**”).

The first date on which interest may be paid will be 23 January 2021 for the period commencing on (and including) the Issue Date and ending on (but excluding) 23 January 2021.

Interest Cancellation:

The Issuer may, in its sole and absolute discretion, at any times and for any reason, elect to cancel (in whole or in part) any interest payment that would otherwise be payable on any Interest Payment Date.

Furthermore, the Issuer shall be required to cancel (in whole or in part, as applicable) any interest payment otherwise due on an Interest Payment Date if and to the extent that:

- (a) the payment of such interest, when aggregated with any interest payments or other distributions which have been paid or made or which are scheduled to be paid or made on the Notes or any other own funds items of the Issuer in the then current financial year (excluding any such interest payments or other distributions which are not required to be made out of Distributable Items) and any other amounts which the Regulator may require to be taken into account, would cause the amount of Distributable Items (if any) then available to the Issuer to be exceeded;
- (b) the payment of such interest would cause, when aggregated together with other distributions of the kind referred to in article 59-13(2) and (3) of the Financial Sector Law (transposing Article 141(2) of the CRD Directive) or any other analogous provisions of the Applicable Banking Regulations which require a maximum distributable amount to be calculated, the Maximum Distributable Amount (if any) then applicable to the Issuer on a solo basis, the Group on a consolidated basis or the PC Group on a consolidated basis to be exceeded; or
- (c) the Regulator orders the Issuer to cancel the payment of interest.

Interest Payments (or any part thereof) not paid on any relevant Interest Payment Date by reason of any of the above shall be cancelled and shall not accumulate or be payable at any time thereafter. Non-payment of any interest payment (or part thereof) in accordance with any of the above will not constitute an event of default by the Issuer for any purpose or a breach of the Issuer's other obligations or duties or a failure to perform by the Issuer in any manner whatsoever, will not entitle Noteholders and/or Couponholders to petition for the insolvency, dissolution or winding up of the Issuer pursuant to a Liquidation or otherwise and Noteholders and Couponholders shall have no right to the interest payment (or part thereof) not paid, whether in bankruptcy (*faillite*) or dissolution or as a result of the

insolvency of the Issuer or otherwise, or to receive any additional interest or compensation as a result of such cancellation or deemed cancellation.

See Condition 3(a) (*Interest Cancellation - Optional cancellation of interest*), Condition 3(b) (*Interest Cancellation - Mandatory cancellation of interest*) or Condition 8 (*Principal Write-down and Principal Write-up*).

Trigger Event:

A “**Trigger Event**” shall occur, at any time, if the Solo CET1 Ratio; the Consolidated CET1 Ratio of the Group; and/or the Consolidated CET1 Ratio of the PC Group, is less than 5.125 per cent. as determined by the Issuer or (in the case of the PC Group) PC and notified to the Issuer or, in any case, the Regulator or any entity appointed by or acting on behalf of the Regulator.

See Condition 8 (*Principal Write-down and Principal Write-up*).

Principal Write-down:

Upon the occurrence of a Trigger Event, a Principal Write-down will occur without delay but no later than within one month or such shorter period as may be required by the Regulator (such date being a “**Trigger Event Write-Down Date**”).

On a Trigger Event Write-down Date, the Issuer shall:

- (1) irrevocably cancel all interest accrued on each Note up to (and including) the Trigger Event Write-down Date (whether or not the same has become due at such time); and
- (2) without prejudice to any Principal Write-up (as described below under “**Principal Write-up**” and pursuant to Condition 8(b) (*Principal Write-down and Principal Write-up - Principal Write-up*)), reduce the then Prevailing Principal Amount of each Note by the relevant Write-down Amount with effect from the Trigger Event Write-down Date, such Principal Write-down to be effected, save as may be otherwise required by Applicable Banking Regulations and/or the Regulator and subject to Condition 8(a)(v) (*Principal Write-down and Principal Write-up – Other Loss Absorbing Instruments*), *pro rata* and concurrently with the Principal Write-down of the other Notes and the write-downs or conversion into equity (as the case may be) of the then prevailing principal amount of any other Loss Absorbing Instruments.

“**Write-down Amount**” means, on any Trigger Event Write-down Date, the amount by which the then Prevailing Principal Amount of each outstanding Note is to be Written Down and which is calculated per Note, being the lower of:

- (i) the amount per Note (together with, subject to Condition 8(a)(v) (*Principal Write-down and Principal Write-up - Other Loss Absorbing Instruments*), the concurrent *pro rata* Principal Write-down of the other Notes and the write-down or conversion into equity of the prevailing principal amount of any other Loss Absorbing Instruments) that would be sufficient to immediately restore the Consolidated CET1 Ratio of the PC Group and/or the Consolidated CET1 Ratio of the Group and/or the Solo CET1 Ratio, as the case may be, to at least 5.125 per cent.; or

- (ii) the amount necessary to reduce the Prevailing Principal Amount of the Note to one cent.

If the Issuer has (i) elected to redeem the Notes or (ii) given a notice of substitution or variation of the Notes pursuant to Condition 7(a) (*Substitution and Variation*) and after giving such notice but prior to the payment of the redemption amount with respect to such redemption, or the date of the substitution or variation, as applicable with respect to such substitution or variation of the Notes, a Trigger Event occurs, the relevant redemption notice shall be automatically rescinded and shall be of no force and effect, no payment of the redemption amount will be due and payable or no substitution or variation of the Notes will occur, as applicable, and instead, a Principal Write-down shall occur in respect of the Notes as described under Condition 8(a) (*Principal Write-down*).

Principal Write-up:

Subject to compliance with the Applicable Banking Regulations, if a positive Solo Net Profit, a positive Consolidated Net Profit of the Group and a positive Consolidated Net Profit of the PC Group is recorded at any time while the Prevailing Principal Amount is less than the Original Principal Amount, the Issuer may, at its full discretion but subject to Conditions 8(b)(ii) (*Principal Write-down and Principal Write-up - Maximum Distributable Amount*), 8(b)(iii) (*Principal Write-down and Principal Write-up - Maximum Write-up Amount*) and 8(b)(iv) (*Principal Write-down and Principal Write-up - Principal Write-up and Trigger Event*), increase the Prevailing Principal Amount of each Note (a “**Principal Write-up**”) up to a maximum of its Original Principal Amount, on a *pro rata* basis with the other Notes and with any other Discretionary Temporary Write-Down Instruments capable of being written-up in accordance with their terms at the time of the Principal Write-up (based on the then prevailing principal amounts thereof), provided that the Maximum Write-up Amount is not exceeded as determined in accordance with Condition 8(b)(iii) (*Principal Write-down and Principal Write-up - Maximum Write-up Amount*).

The “**Maximum Write-Up Amount**” means the lower of:

- (i) the Solo Net Profit (a) multiplied by the aggregate issued original principal amount of all Written-Down Additional Tier 1 Instruments issued by the Issuer which qualify (or would qualify after any write-up pursuant to its terms) as Additional Tier 1 Capital of the Issuer on a solo basis, and (b) divided by the Tier 1 Capital of the Issuer calculated on a solo basis as at the date when the Principal Write-up is operated; and
- (ii) the Consolidated Net Profit of the Group (a) multiplied by the aggregate issued original principal amount of all Written-Down Additional Tier 1 Instruments issued by any member of the Group which qualify (or would qualify after any write-up pursuant to its terms) as Additional Tier 1 Capital of the Group on a consolidated basis, and (b) divided by the Tier 1 Capital of the Group calculated on a consolidated basis as at the date when the Principal Write-up is operated; and
- (iii) the Consolidated Net Profit of the PC Group (a) multiplied by the aggregate issued original principal amount of all Written-Down Additional Tier 1 Instruments issued by any member of the PC Group which qualify (or would qualify after any write-up pursuant to its terms) as Additional Tier 1 Capital of the PC Group on a consolidated basis, and

(b) divided by the Tier 1 Capital of the PC Group calculated on a consolidated basis as at the date when the Principal Write-up is operated.

“**Discretionary Temporary Write-down Instruments**” means, at any time, any instrument (other than the Notes) issued by the Issuer, any member of the Group or any member of the PC Group which at such time (a) qualifies (or would qualify after any write-up pursuant to its terms) as Additional Tier 1 Capital of the Issuer, the Group and/or the PC Group on a solo or consolidated basis, (b) has had all or some of its principal amount written-down and (c) has terms providing for a write-up or reinstatement of its principal amount, at the issuer’s discretion, upon reporting a net profit.

“**Written-Down Additional Tier 1 Instrument**” means, at any time, any Additional Tier 1 Capital Instrument (including the Notes) which, immediately prior to the relevant Principal Write-up of the Notes at that time, has a prevailing principal amount that, due to it having been written down, is lower than the original principal amount it was issued with.

See Condition 8 (*Principal Write-down and Principal Write-up*).

Ratings: The Notes are expected to be rated BB- by Fitch. 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.

Purchases: Subject to the conditions set out in Condition 4(e) (*Redemption and Purchase - Conditions to redemption and purchase*) the Issuer or any member of the Group may (subject to article 52(1)(i) of the CRR) purchase or otherwise acquire any of the outstanding Notes at any price in the open market (if any), including for market making purposes as provided for by article 78(4)(e) of the CRR, or otherwise in accordance with and in the circumstances permitted by the Applicable Banking Regulations (in particular, article 78(4)(d) of the CRR).

Taxation: All payments of principal and interest in respect of the Notes and the Coupons by or on behalf of the Issuer shall be made free and clear of, and without deduction or withholding for, or account of, any and all present or future income, stamp and other taxes, levies, imposts, duties, charges, fees, deductions or withholdings at the Issue Date or hereinafter imposed, levied, collected, withheld or assessed by, or on behalf of, Luxembourg or any political subdivision or authority thereof or therein that has the power to tax, unless the deduction or withholding is required by law. In such event, subject to certain exceptions, the Issuer shall pay such additional amounts in respect of payments of interest (but not, for the avoidance of doubt, in respect of payments of principal) as will result in receipt by Noteholders and Couponholders of such amounts after such withholding or deduction as would have been received by them had no such withholding or deduction been required. See Condition 6 (*Taxation*).

Governing Law: The Notes, the Coupons and the Fiscal Agency Agreement will be governed by Luxembourg law.

The Subscription Agreement will be governed by English law.

Listing and Trading: Application has been made for the Notes to be admitted to listing on the Official List of the Luxembourg Stock Exchange and for admission to trading on the Euro MTF Market of the Luxembourg Stock Exchange.

| | |
|--|--|
| Clearing Systems: | Euroclear and Clearstream, Luxembourg. |
| Selling Restrictions: | See “ <i>Subscription and Sale</i> ”. |
| Participation in the subscription process | The QPB Group's ultimate majority shareholder and related parties have arranged to purchase, directly or indirectly, a material portion of the Notes. Such purchase will be made on the same terms as all other investors in this offering of the Notes. See also “ <i>Risk Factors - There is no active trading market for the Notes</i> ”. |
| Risk Factors: | Investing in the Notes involves risks. See “ <i>Risk Factors</i> ”. |

TERMS AND CONDITIONS OF THE NOTES

The following, subject to alteration and completion and except for paragraphs in italics, are the terms and conditions of the Notes which (subject to modification, which, for the avoidance of doubt, following issuance may only be carried out in accordance with Condition 7 (Substitution and Variation) and subject to the prior approval of the Regulator (if, and to the extent, then required)) will be endorsed on each Note in definitive form. The provisions in italics are for informational and explanatory purposes only and do not constitute a part of the Conditions.

The issue of the €125,000,000 7.5 per cent. Fixed Rate Resettable Callable Perpetual Additional Tier 1 Capital Notes (the “**Notes**”, which expression includes any further notes issued pursuant to Condition 14 (*Further Issues*) and forming a single series therewith) of Quintet Private Bank (Europe) S.A. (formerly KBL European Private Bankers S.A.), a company incorporated under the laws of the Grand Duchy of Luxembourg as a public limited liability company (*société anonyme*) with its registered office at 43, boulevard Royal, L-2955 Luxembourg, Grand Duchy of Luxembourg, and registered with the Luxembourg Register of Commerce and Companies under number B 6395 (the “**Issuer**”) was authorised by circular resolutions of the board of directors of the Issuer dated 15 September 2020 and a resolution passed at the meeting of the board of directors of the Issuer held on 21 September 2020. The Notes are issued in accordance with an agency agreement dated 23 October 2020 (as amended, supplemented and/or restated from time to time, the “**Agency Agreement**”), made between the Issuer, Quintet Private Bank (Europe) S.A. as fiscal agent (the “**Fiscal Agent**”, which expression includes any successor fiscal agent appointed from time to time in connection with the Notes) and paying agent (together with the Fiscal Agent, the “**Paying Agents**”, which expression includes any successor or additional paying agents appointed from time to time in connection with the Notes) and Quintet Private Bank (Europe) S.A. as calculation agent (the “**Calculation Agent**”, which expression includes any successor calculation agent appointed from time to time in connection with the Notes). References herein to the “**Agents**” are to the Fiscal Agent, the Paying Agents and the Calculation Agent and any reference to an “**Agent**” is to any one of them. The rights and claims of holders of the Notes (the “**Noteholders**”) in respect of the Notes and the rights and claims (if any) of holders of the related interest coupons (the “**Couponholders**” and the “**Coupons**”, respectively, which expressions shall, unless the context otherwise requires, include the holders of the Talons and the Talons (as defined below), respectively) in respect of or arising from the Coupons are at all times subject to the provisions set out in these terms and conditions of the Notes (the “**Conditions**” and, each of them, a “**Condition**”).

1 Form, Denomination and Status

(a) *Form, denomination and title*

The Notes are serially numbered and in bearer form in the denomination of €200,000 (the “**Authorised Denomination**”) with Coupons and talons (each, a “**Talon**”) for further Coupons attached at the time of issue. Title to the Notes, the Coupons and the Talons will pass by delivery. The holder of any Note, Coupon or Talon shall (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any other interest therein, any writing thereon or any notice of any previous loss or theft thereof) and no person shall be liable for so treating such holder.

The Notes will be represented on issue by a temporary global note in bearer form which will be exchangeable for interests in a permanent global note in bearer form (and together with the temporary global note, the “Global Notes”). The permanent global note will in turn be exchangeable for notes in definitive form in the limited circumstances specified therein. The Global Notes will be deposited on or about the issue date with a common depository for the Clearing Systems.

(b) *Status and subordination*

The Notes constitute direct, unsecured and subordinated obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. The rights and claims of the Noteholders and the Couponholders in respect of or arising from the Notes and the Coupons (including damages (if payable)) are subordinated to the claims of Senior Creditors.

If an order is made for the judicial liquidation (*liquidation judiciaire*) of the Issuer or an effective resolution is passed for the voluntary liquidation (*liquidation volontaire*) of the Issuer in accordance with the BRR Act 2015 (both types of liquidation proceedings being referred to in these Conditions as “**Liquidation**”) the Noteholders shall be entitled to receive in respect of each Note an amount equal to the Prevailing Principal Amount of the relevant Note, together with any interest accrued to such date which has not been cancelled as provided in Condition 3 (*Interest Cancellation*) and together with any damages (if payable), out of the liquidation proceeds after satisfaction of all claims of Senior Creditors and *pari passu* (by percentage of the amount payable) with the satisfaction of all claims of other creditors of the Issuer (including holders of Additional Tier 1 Capital Instruments) ranking *pari passu* with the Notes, but prior to the satisfaction of the claims of the shareholders (including holders of CET 1 Capital) of the Issuer in their capacity as shareholders and of any creditors of the Issuer whose claims are, or are expressed to be, junior to the claims of the Noteholders.

For the avoidance of doubt, Couponholders shall have no rights or claims in respect of or arising from the Coupons in the event of a Liquidation of the Issuer.

The Notes are not secured or subject to a guarantee that enhances the seniority of the claims of the Noteholders. For that purpose, no security or guarantee of whatever kind is, or shall at any time be, provided by the Issuer or any other person securing rights of the Noteholders.

(c) *No set-off*

Subject to applicable law of the Grand Duchy of Luxembourg (“**Luxembourg**”), no Noteholder or Couponholder may exercise, claim or plead any right of set-off, compensation or retention in respect of any amount owed to it by the Issuer arising under, or in connection with, the Notes or Coupons and each Noteholder or Couponholder shall, by virtue of its holding of any Notes or Coupons (as the case may be), be deemed to have waived all such rights of set-off, compensation or retention. Notwithstanding the above, if any amounts due and payable to any Noteholder or Couponholder by the Issuer in respect of, or arising under, the Notes or Coupons are discharged by set-off, such Noteholder or Couponholder shall, subject to applicable law, immediately pay an amount equal to the amount of such discharge to the Issuer (or the liquidator or administrator of the Issuer, as the case may be) and, until such time as payment is made, shall hold an amount equal to such amount in a fiduciary (*fiduciaire*) capacity, or where applicable law permits, in trust for the Issuer (or the liquidator or administrator of the Issuer, as the case may be) and, accordingly, any such discharge shall be deemed not to have taken place.

(d) *Claims subject to Principal Write-down and subsequent Principal Write-up*

Any claim of any Noteholder in respect of or arising under the Notes for any amount of principal will be for the Prevailing Principal Amount of such Notes, irrespective of whether the relevant Trigger Event Write-down Notice has been given.

2 Interest

(a) *Interest accrual*

The Notes bear interest on their Prevailing Principal Amount at the applicable Rate of Interest from (and including) the Issue Date and the amount of such interest will (subject to Condition 3 (*Interest Cancellation*), Condition 5 (*Payments*) and Condition 8 (*Principal Write-down and Principal Write-up*)) be payable on each Interest Payment Date, in accordance with the provisions of this Condition 2 (*Interest*). Each Note will cease to bear interest from the date fixed for redemption (if any) unless, upon due presentation, payment of principal is improperly withheld or refused, in which case it will continue to bear interest in accordance with, and subject to, the Conditions (both before and after judgment) until the day on which such principal is received by or on behalf of the relevant Noteholder.

(b) *Rate of interest*

- (i) The rate of interest in respect of the period from (and including) the Issue Date to (but excluding) 23 January 2026 (the “**First Reset Date**”) will be 7.5 per cent. per annum (the “**Initial Interest Rate**”).
- (ii) The rate of interest in respect of each period from (and including) a Reset Date to (but excluding) the next following Reset Date (each such period, a “**Reset Period**”) shall be the aggregate, converted from an annual basis to a semi-annual basis by the Calculation Agent in accordance with market convention, of the applicable Mid-Swap Rate on the relevant Mid-Swap Rate Determination Date and the Margin (the “**Subsequent Interest Rate**”).

The current market convention for semi-annual rate conversion from an annual rate is as follows:

$$2x (\sqrt{\text{Mid} - \text{Swap Rate} + \text{Margin} + 1} - 1)$$

(c) *Interest Payment Dates*

Subject to Condition 3 (*Interest Cancellation*), Condition 8 (*Principal Write-down and Principal Write-up*) and the paragraph below, interest, if any, will be payable semi-annually in arrear on 23 January and 23 July of each year commencing on 23 January 2021 (each, an “**Interest Payment Date**”).

Subject to Condition 3 (*Interest Cancellation*) and Condition 8 (*Principal Write-down and Principal Write-up*), the first date on which interest may be paid will be 23 January 2021 for the period commencing on (and including) the Issue Date and ending on (but excluding) 23 January 2021.

(d) *Calculation of interest amount*

Subject to Condition 3 (*Interest Cancellation*), Condition 5 (*Payments*) and Condition 8 (*Principal Write-down and Principal Write-up*), the amount of interest payable in respect of each Note shall be calculated by applying the relevant Rate of Interest to the Authorised Denomination, multiplying the product by the Day Count Fraction, rounding the resulting figure to the nearest cent (half a cent being rounded upwards) and multiplying such rounded figure by a fraction equal to the Prevailing Principal Amount of such Note divided by the Original Principal Amount.

If the Prevailing Principal Amount of the Notes changes on one or more occasions during any Accrual Period, the Calculation Agent shall separately calculate the amount of interest (in accordance with this Condition 2(d) (*Interest – Calculation of interest amount*)) accrued on each Note for each period within such Accrual Period during which a different Prevailing Principal Amount subsists, and the aggregate of such amounts shall be the amount of interest payable (subject to Condition 8 (*Principal Write-down and Principal Write-up*) and to cancellation in whole or in part pursuant to Condition 3 (*Interest Cancellation*)) in respect of a Note for the relevant Accrual Period.

(e) *Determination of Subsequent Interest Rate*

Each Subsequent Interest Rate shall be determined by the Calculation Agent on the relevant Mid-Swap Rate Determination Date.

(f) *Publication*

The Calculation Agent will cause each Subsequent Interest Rate determined by it to be notified to the Issuer, the Paying Agents and, if at any time the Notes are then admitted to trading and/or listed, the competent authority and/or stock exchange by which or on which the Notes have then been admitted to listing and/or trading as soon as possible after such determination but in any event not later than the relevant Reset Date. Notice thereof shall also be given to the Noteholders by the Calculation Agent in accordance with Condition

15 (*Notices*) as soon as possible after the determination thereof but in any event not later than the fourth TARGET Settlement Day thereafter.

(g) *Notifications etc. of Calculation Agent binding*

All notifications, opinions, communications, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 2 (*Interest*) by the Calculation Agent will (in the absence of manifest error) be final and binding (unless otherwise provided herein) on the Issuer, the Paying Agents, the Noteholders and the Couponholders. No Noteholder or Couponholder shall be entitled to proceed against the Calculation Agent, the Paying Agents or any of them in connection with the exercise or non-exercise by them of their powers, duties and discretions hereunder, including without limitation in respect of any notification, opinion, determination, certificate, calculation, quotation or decision given, expressed or made for the purposes of this Condition 2 (*Interest*).

The Calculation Agent shall not be responsible to the Issuer, the Noteholders, the Couponholders or any third party for any failure of the Reset Reference Banks to provide quotations as requested of them or as a result of the Calculation Agent having acted on any quotation or other information given by any Reset Reference Bank which subsequently may be found to be incorrect or inaccurate in any way.

(h) *Benchmark replacement*

(i) **Independent Adviser**

If a Benchmark Event occurs in relation to the Original Reference Rate when any Rate of Interest (or any component part thereof) remains to be determined by reference to such Original Reference Rate, the Issuer shall use its reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, to advise the Issuer in determining a Successor Rate, failing which an Alternative Rate (in accordance with Condition 2(h)(ii) (*Interest - Successor Rate or Alternative Rate*)) and, in either case, an Adjustment Spread and any Benchmark Amendments (in accordance with Condition 2(h)(iv) (*Interest - Benchmark Amendments*)). In making such determination, the Issuer shall act in good faith and in a commercially reasonable manner. In the absence of bad faith or fraud, the Issuer and the Independent Adviser shall have no liability whatsoever to the Agents, Noteholders or the Couponholders for any determination made by it and for any advice given to the Issuer in connection with any determination made by the Issuer, pursuant to this Condition 2(h) (*Interest - Benchmark replacement*).

If (i) the Issuer is unable to appoint an Independent Adviser; or (ii) the Issuer fails to determine a Successor Rate or, failing which, an Alternative Rate in accordance with this Condition 2(h)(i) (*Interest - Independent Adviser*) prior to the date which is ten Business Days prior to the relevant Mid-Swap Rate Determination Date in respect of a relevant Reset Period, the 5-year Swap Rate applicable to the next succeeding Interest Period ending during that Reset Period shall be equal to the last annualised mid-swap rate with a term of five years displayed on the Screen Page as determined by the Calculation Agent. For the avoidance of doubt, this paragraph shall apply to the relevant next succeeding Reset Period only and any subsequent Reset Periods are subject to the subsequent operation of, and to adjustment as provided in, the first paragraph of this Condition 2(h)(i) (*Interest - Independent Adviser*).

(ii) **Successor Rate or Alternative Rate**

If the Issuer, following consultation with the Independent Adviser, determines that:

- (A) there is a Successor Rate, then such Successor Rate and the applicable Adjustment Spread shall subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the operation of this Condition 2(h) (*Interest - Benchmark replacement*)); or

(B) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate and the applicable Adjustment Spread shall subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the operation of this Condition 2(h) (*Interest - Benchmark replacement*)).

(iii) **Adjustment Spread**

The Adjustment Spread (or the formula or methodology for determining the Adjustment Spread) shall be applied to the Successor Rate or the Alternative Rate (as the case may be). If the Issuer, following consultation with the Independent Adviser, is unable to determine the quantum of, or a formula or methodology for determining, such Adjustment Spread (whether on the basis that there exists no industry standard, formula or methodology or otherwise), then the Successor Rate or Alternative Rate (as applicable) will apply without an Adjustment Spread.

(iv) **Benchmark Amendments**

If any Successor Rate or Alternative Rate and, in either case, the applicable Adjustment Spread is determined in accordance with this Condition 2(h) (*Interest - Benchmark replacement*) and the Issuer following consultation with the Independent Adviser, determines (A) that amendments to these Conditions and/or the Agency Agreement are necessary to ensure the proper operation of such Successor Rate or Alternative Rate and/or (in either case) the applicable Adjustment Spread (such amendments, the “**Benchmark Amendments**”) and (B) the terms of the Benchmark Amendments, then the Issuer and the Fiscal Agent shall, subject to the Issuer having to give notice thereof to the Noteholders in accordance with Condition 15 (*Notices*), without any requirement for the consent or approval of Noteholders, vary these Conditions and/or the Agency Agreement to give effect to such Benchmark Amendments with effect from the date specified in such notice.

In connection with any such modifications in accordance with this Condition 2(h)(iv) (*Interest - Benchmark Amendments*), the Issuer shall comply with the rules of any stock exchange on which the Notes are for the time being listed or admitted to trading.

Notwithstanding any other provision of this Condition 2(h) (*Interest - Benchmark replacement*), no Successor Rate or Alternative Rate will be adopted, nor will the applicable Adjustment Spread be applied, nor will any Benchmark Amendments be made, if and to the extent that, in the determination of the Issuer or the Regulator, the same could reasonably be expected to prejudice the qualification of the Notes as Additional Tier 1 Capital.

(v) **Notices, etc.**

Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments determined under Condition 2(h)(iii) (*Interest - Adjustment Spread*) shall be notified promptly by the Issuer to the Fiscal Agent, the Calculation Agent, the Paying Agents and, in accordance with Condition 15 (*Notices*), the Noteholders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.

(vi) **Survival of Original Reference Rate**

Without prejudice to the obligations of the Issuer under Condition 2(h)(i) (*Interest - Independent Adviser*), (ii) (*Interest - Successor Rate or Alternative Rate*), (iii) (*Interest - Adjustment Spread*) and (iv) (*Interest - Benchmark Amendments*), the Original Reference Rate and the fallback provisions provided for in this Condition 2 (*Interest*) will continue to apply unless and until a Benchmark Event has occurred and the Fiscal Agent and the Calculation Agent have been notified in accordance with Condition 2(h)(v) (*Interest - Benchmark replacement - Notices, etc.*).

(vii) **Definitions:**

As used in this Condition 2(h) (*Interest - Benchmark replacement*):

“**Adjustment Spread**” means either (a) a spread (which may be positive, negative or zero) or (b) a formula or methodology for calculating a spread in each case to be applied to the Successor Rate or the Alternative Rate (as the case may be) and is the spread, formula or methodology which;

- (i) in the case of a Successor Rate, is formally recommended in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body; or (if no such recommendation has been made, or in the case of an Alternative Rate),
- (ii) the Issuer, following consultation with the Independent Adviser, determines is customarily applied to the relevant Successor Rate or the Alternative Rate (as the case may be) in international debt capital markets transactions to produce an industry-accepted replacement rate for the Original Reference Rate; or (if the Issuer, following consultation with the Independent Adviser, determines that no such spread is customarily applied),
- (iii) the Issuer, following consultation with the Independent Adviser, determines is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be).

“**Alternative Rate**” means an alternative benchmark or screen rate which the Issuer following consultation with the Independent Adviser determines in accordance with this Condition 2(h) (*Interest - Benchmark replacement*) is customarily applied in international debt capital markets transactions for the purposes of determining rates of interest (or the relevant component part thereof) in euro.

“**Benchmark Amendments**” has the meaning given to it in Condition 2(h)(iv) (*Interest - Benchmark Amendments*).

“**Benchmark Event**” means:

- (i) the Original Reference Rate ceasing to exist or be published for a period of at least 5 Business Days or ceasing to exist; or
- (ii) the later of (A) the making of a public statement by the administrator of the Original Reference Rate that it will, on or before a specified date, 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) and (B) the date falling six months prior to the date specified in (ii)(A); or
- (iii) the later of (A) the making of a public statement by the supervisor of the administrator of the Original Reference Rate, that the Original Reference Rate will, on or before a specified date, be permanently or indefinitely discontinued and (B) the date falling six months prior to the date specified in (iii)(A); or
- (iv) the later of (A) the making of a public announcement by the supervisor of the administrator of the Original Reference Rate that such rate will, on or before a specified date, be no longer representative of its underlying market and (B) the date falling six months prior to the date specified in (iv)(A); or

- (v) the later of (A) the making of a public statement by the supervisor of the administrator of the Original Reference Rate as a consequence of which the Original Reference Rate will, on or before a specified date, be prohibited from being used either generally, or in respect of the Notes and (B) the date falling six months prior to the date specified in (v)(A); or
- (vi) it has or will prior to the next Mid-Swap Rate Determination Date become unlawful for any Paying Agent, the Calculation Agent or the Issuer to calculate any payments due to be made to any Noteholder using the Original Reference Rate.

“**Independent Adviser**” means an independent financial institution of international repute or an independent financial adviser with appropriate expertise appointed by the Issuer under Condition 2(h)(i) (*Interest - Independent Adviser*).

“**Original Reference Rate**” means the originally specified benchmark or screen rate (as applicable) used to determine the Subsequent Interest Rate (or any component part thereof) on the Notes (or, if applicable, any other Successor Rate or Alternative Rate (or any component part thereof) determined and applicable to the Notes pursuant to the earlier application of Condition 2(h) (*Interest - Benchmark replacement*).

“**Relevant Nominating Body**” means, in respect of a benchmark or screen rate (as applicable):

- (i) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or
- (ii) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (A) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, (B) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable), (C) a group of the aforementioned central banks or other supervisory authorities, or (D) the Financial Stability Board or any part thereof.

“**Successor Rate**” means a successor to or replacement of the Original Reference Rate which is formally recommended by any Relevant Nominating Body.

3 Interest Cancellation

(a) *Optional cancellation of interest*

Interest on the Notes is due and payable only at the sole discretion of the Issuer and subject to Condition 3(b) (*Interest Cancellation - Mandatory cancellation of interest*) below, and the Issuer shall have sole and absolute discretion at all times and for any reason to cancel (in whole or in part) any interest payment that would otherwise be payable on any Interest Payment Date. If the Issuer does not make an interest payment on the relevant Interest Payment Date (or if the Issuer elects to make a payment of a portion, but not all, of such interest payment), such non-payment shall evidence the Issuer’s exercise of its discretion to cancel such interest payment (or the portion of such interest payment not paid), and accordingly such interest payment (or the portion thereof not paid) shall not be due and payable and shall not accumulate.

(b) *Mandatory cancellation of interest*

The Issuer shall cancel (in whole or in part, as applicable) any interest payment otherwise due on an Interest Payment Date if and to the extent that:

- (i) the payment of such interest, when aggregated with any interest payments or other distributions which have been paid or made or which are scheduled to be paid or made on the Notes or any

other own funds items of the Issuer in the then current financial year (excluding any such interest payments or other distributions which are not required to be made out of Distributable Items) and any other amounts which the Regulator may require to be taken into account, would cause the amount of Distributable Items (if any) then available to the Issuer to be exceeded;

- (ii) the payment of such interest would cause, when aggregated together with other distributions of the kind referred to in article 59-13(2) and (3) of the Financial Sector Law (transposing Article 141(2) of the CRD Directive) or any other analogous provisions of the Applicable Banking Regulations which require a maximum distributable amount to be calculated, the Maximum Distributable Amount (if any) then applicable to the Issuer on a solo basis, the Group on a consolidated basis or the PC Group on a consolidated basis to be exceeded; or
- (iii) the Regulator orders the Issuer to cancel the payment of interest.

Interest payments shall also be cancelled in the circumstances set out in, and in accordance with, Condition 8 (*Principal Write-down and Principal Write-up*).

The Issuer shall be responsible for determining compliance with this Condition 3(b) (*Interest Cancellation - Mandatory cancellation of interest*) and no Agent shall be required to monitor such compliance or to perform any calculations in connection therewith.

(c) *Interest non-cumulative; no event of default*

Any interest payment (or part thereof) not paid on any relevant Interest Payment Date by reason of Condition 3(a) (*Optional cancellation of interest*), Condition 3(b) (*Interest Cancellation - Mandatory cancellation of interest*) or Condition 8 (*Principal Write-down and Principal Write-up*) shall be cancelled and shall not accumulate or be payable at any time thereafter. Non-payment of any interest payment (or part thereof) in accordance with any of Condition 3(a) (*Interest Cancellation - Optional cancellation of interest*), Condition 3(b) (*Interest Cancellation - Mandatory cancellation of interest*) or Condition 8 (*Principal Write-down and Principal Write-up*) will not constitute an event of default by the Issuer for any purpose or a breach of the Issuer's other obligations or duties or a failure to perform by the Issuer in any manner whatsoever, will not entitle Noteholders and/or Couponholders to petition for the insolvency, dissolution or winding up of the Issuer pursuant to a Liquidation or otherwise and Noteholders and Couponholders shall have no right to the interest payment (or part thereof) not paid, whether in bankruptcy (*faillite*) or dissolution or as a result of the insolvency of the Issuer or otherwise, or to receive any additional interest or compensation as a result of such cancellation or deemed cancellation.

The Issuer may use any cancelled payments of interest without restriction to meet its obligations as they fall due.

(d) *Notice of interest cancellation*

The Issuer shall provide notice of any cancellation or deemed cancellation of interest (in whole or in part) to the Noteholders and Couponholders in accordance with Condition 15 (*Notices*) and to the Paying Agents as soon as possible. If practicable, the Issuer shall endeavour to provide such notice at least five (5) business days prior to the relevant Interest Payment Date. Failure to provide such notice will not have any impact on the effectiveness of, or otherwise invalidate, any such cancellation or deemed cancellation of interest, or give Noteholders or Couponholders any rights as a result of such failure.

If the Issuer provides notice to cancel a portion, but not all, of an interest payment and the Issuer subsequently does not make a payment of the remaining portion of such interest payment on the relevant Interest Payment Date, such non-payment shall evidence the Issuer's exercise of its discretion to cancel such remaining portion of the interest payment, and accordingly such remaining portion of the interest payment shall also not be or become due and payable at any time.

4 Redemption and Purchase

(a) *No fixed redemption date*

The Notes are perpetual notes in respect of which there is no fixed redemption date and the Issuer shall (subject to the provisions of Condition 1(b) (*Form, Denomination and Status – Status and subordination*) and without prejudice to the provisions of Condition 10 (*Prescription*)) only have the right to redeem or purchase the Notes in accordance with the following provisions of this Condition 4 (*Redemption and Purchase*).

(b) *Issuer's call option*

Subject to Condition 4(e) (*Redemption and Purchase - Conditions to redemption and purchase*), the Issuer may, at its option (and without the requirement for consent or approval of the Noteholders or Couponholders), redeem the Notes, in whole but not in part, (i) at any time in the three months prior to (and including) the First Reset Date or (ii) on any Interest Payment Date thereafter at their Prevaling Principal Amount, together with any accrued but unpaid interest (if any) (which excludes any interest cancelled or deemed cancelled in accordance with Condition 3 (*Interest Cancellation*)) to (but excluding) the date fixed for redemption.

(c) *Redemption for Regulatory Event*

Subject to Condition 4(e) (*Redemption and Purchase - Conditions to redemption and purchase*), upon the occurrence of a Regulatory Event, the Issuer may, at its option, at any time redeem the Notes, in whole but not in part, at their Prevaling Principal Amount, together with any accrued but unpaid interest (if any) (which excludes any interest cancelled or deemed cancelled in accordance with Condition 3 (*Interest Cancellation*)) to (but excluding) the date fixed for redemption *provided that*, the Issuer has demonstrated to the satisfaction of the Regulator that the change in the regulatory classification of the Notes was not reasonably foreseeable as at the Issue Date (or the issue date of any further notes issued pursuant to Condition 14 (*Further Issues*)).

(d) *Redemption for Tax Event*

Subject to Condition 4(e) (*Redemption and Purchase - Conditions to redemption and purchase*), the Issuer may, at its option, redeem the Notes, in whole but not in part, at any time at their Prevaling Principal Amount, together with any accrued but unpaid interest (if any) (which excludes any interest cancelled or deemed cancelled in accordance with Condition 3 (*Interest Cancellation*)) to (but excluding) the date fixed for redemption, if as a result of a change in, or amendment to, the laws or regulations of a Taxing Jurisdiction, including any treaty to which the relevant Taxing Jurisdiction is a party, or a change in an official application or interpretation of those laws or regulations, in each case on or after the Issue Date (or, following the issuance of any further notes pursuant to Condition 14 (*Further Issues*), the issue date of such notes), including a decision of any court or tribunal which becomes effective on or after the Issue Date (or, following the issuance of any further notes pursuant to Condition 14 (*Further Issues*), the issue date of such notes):

- (i) the Issuer will or would be required to pay Additional Amounts; or
- (ii) the Issuer would no longer be entitled to claim a deduction in respect of any payments in computing its taxation liabilities or the amount of the deduction would be materially reduced;

(each such circumstance in paragraphs (i) to (ii) above, a “**Tax Event**”);

provided that in the case of each Tax Event, the Issuer has demonstrated to the satisfaction of the Regulator that such change was material and was not reasonably foreseeable as at the Issue Date (or the issue date of any further notes issued pursuant to Condition 14 (*Further Issues*)) and the consequences of the Tax Event cannot be avoided by the Issuer taking reasonable measures available to it.

(e) *Conditions to redemption and purchase*

- (i) *Regulator consent and Regulatory Procedures*: Notwithstanding any other provision, the Issuer may only redeem or purchase the Notes (and give notice thereof to the Noteholders) if it has, if and to the extent then required by the Applicable Banking Regulations (including, without limitation, Article 77 and Article 78 of the CRR), obtained the prior approval of the Regulator and complied with the Regulatory Procedures for the redemption or purchase of the Notes and solely to the extent permitted at such time by the then prevailing Applicable Banking Regulations.
- (ii) *Issuer's certification on Regulatory Event*: in the case of a redemption in accordance with Condition 4(c) (*Redemption and Purchase - Redemption for Regulatory Event*), prior to giving notice of redemption in accordance with Condition 4(e)(iv) (*Redemption and Purchase - Notice of redemption*), the Issuer shall deliver to the Fiscal Agent a certificate signed by two directors of the Issuer stating that a Regulatory Event has occurred and the Issuer is entitled to effect such redemption. The Fiscal Agent shall be entitled to accept such certificate as sufficient evidence of the satisfaction of the circumstances set out above and without further enquiry or liability for so doing, in which event it shall be conclusive and binding on the Noteholders.
- (iii) *Issuer's certification on Tax Event*: in the case of a redemption in accordance with Condition 4(d) (*Redemption and Purchase - Redemption for Tax Event*), prior to giving notice of redemption in accordance with Condition 4(e)(iv) (*Redemption and Purchase - Notice of redemption*), the Issuer shall deliver to the Fiscal Agent (i) a certificate signed by two directors of the Issuer stating that a Tax Event has occurred and 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 (ii) an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become subject to a Tax Event. The Fiscal Agent shall be entitled to accept such certificate and opinion as sufficient evidence of the satisfaction of the circumstances set out above and without further enquiry or liability for so doing, in which event it shall be conclusive and binding on the Noteholders.
- (iv) *Notice of redemption*: Any redemption of the Notes shall be subject to the Issuer providing not less than (in the case of the redemption period provided for in Condition 4(b) (*Redemption and Purchase - Issuer's call option*) ending on the First Reset Date) ten (10) days' or (in all other cases) thirty (30) days' nor (in any case) more than sixty (60) days' prior notice to the Noteholders in accordance with Condition 15 (*Notices*) and to the Fiscal Agent (such notice being irrevocable except in the limited circumstances set out in Condition 4(e)(vi) (*Redemption and Purchase - Trigger Event*) below) specifying the Issuer's election to redeem the Notes and the date fixed for such redemption, provided that in the case of a redemption in accordance with Condition 4(d) (*Redemption and Purchase - Redemption for Tax Event*), no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which a Tax Event would occur.
- (v) *No redemption pursuant to Condition 4(b) (Redemption and Purchase - Issuer's call option) whilst the Notes are written down*: The Issuer shall not be entitled to redeem the Notes pursuant to Condition 4(b) (*Redemption and Purchase - Issuer's call option*) (but this restriction shall not, for the avoidance of doubt, apply to a redemption pursuant to Condition 4(c) (*Redemption and Purchase - Redemption for Regulatory Event*) or Condition 4(d) (*Redemption and Purchase - Redemption for Tax Event*)) if, on the relevant redemption date, the Prevailing Principal Amount of the Notes is lower than their Original Principal Amount (and any notice of redemption which has been given in such circumstances shall be automatically rescinded and shall be of no force and effect).

- (vi) *Trigger Event*: If the Issuer has elected to redeem the Notes but prior to the payment of the redemption amount with respect to such redemption a Trigger Event occurs, the relevant redemption notice shall be automatically rescinded and shall be of no force and effect, no payment of the redemption amount will be due and payable and instead, a Principal Write-down shall occur in respect of the Notes as described under Condition 8(a) (*Principal Write-down and Principal Write-up – Principal Write-down*). The Issuer shall deliver a Trigger Event Write-down Notice in accordance with Condition 8(a) (*Principal Write-down and Principal write-up - Principal Write-down*), which shall also describe that the relevant redemption notice has accordingly been rescinded under this Condition 4(e)(vi) (*Redemption and Purchase - Trigger Event*).
- (vii) *Repurchases prior to 23 October 2025*: Any repurchase of the Notes prior to the fifth anniversary of the Issue Date pursuant to Condition 4(f), is subject to the Issuer having, before or at the same time as such purchase, replaced the Notes with own funds instruments of equal or higher quality at terms that are sustainable for the income capacity of the Issuer, and the Regulator having permitted such action on the basis of the determination that it would be beneficial from a prudential point of view and justified by exceptional circumstances (as provided for by article 78(4)(d) of the CRR).

Without prejudice to Condition 4(e)(v) (*Redemption and Purchase - No redemption pursuant to Condition 4(b) (Redemption and Purchase - Issuer's call option) whilst the Notes are written down*) above, following the occurrence of a Trigger Event, the Issuer shall not be entitled to give a notice of redemption of the Notes pursuant to Condition 4(b) (*Redemption and Purchase - Issuer's call option*), Condition 4(c) (*Redemption and Purchase - Redemption for Regulatory Event*) or Condition 4(d) (*Redemption and Purchase - Redemption for Tax Event*) before the Trigger Event Write-Down Date.

(f) *Purchase*

Subject to Condition 4(e) (*Redemption and Purchase - Conditions to redemption and purchase*), the Issuer or any member of the Group may (subject to article 52(1)(i) of the CRR) purchase or otherwise acquire any of the outstanding Notes at any price in the open market (if any), including for market making purposes as provided for by article 78(4)(e) of the CRR, or otherwise in accordance with and in the circumstances permitted by the Applicable Banking Regulations (in particular, article 78(4)(d) of the CRR).

(g) *Cancellation*

All Notes redeemed by the Issuer pursuant to this Condition 4 (*Redemption and Purchase*) shall be cancelled and may not be reissued or resold. All Notes purchased by or on behalf of the Issuer or any member of the Group may be held, reissued, resold and/or, at the option of the Issuer or any such member of the Group, surrendered for cancellation. Any Notes so surrendered for cancellation may not be reissued or resold.

(h) *Rescission*

The Noteholders waive any rights of rescission under article 470-21 of the Luxembourg Company Law (to the extent applicable).

The Notes may only be redeemed or purchased subject to the Maximum Distributable Amount (if any) then applicable to the Issuer on a solo basis, the Group on a consolidated basis or the PC Group on a consolidated basis not being exceeded by such redemption or purchase.

5 Payments

(a) *Principal*

Payments of principal shall be made only against presentation and (*provided that* payment is made in full) surrender of Notes at the Specified Office of any Paying Agent outside the United States by Euro cheque drawn on, or by transfer to a Euro account (or other account to which Euro may be credited or transferred) maintained by the payee with, a bank in a city in which banks have access to the TARGET System.

(b) *Interest*

Payments of interest shall, subject to Condition 5(f) (*Payments - Payments other than in respect of matured Coupons*) below, be made only against presentation and (*provided that* payment is made in full) surrender of the appropriate Coupon at the Specified Office of any Paying Agent outside the United States in the manner described in Condition 5(a) (*Payments - Principal*) above.

(c) *Payments subject to fiscal laws*

All payments in respect of the Notes are subject in all cases to any (i) applicable fiscal or other laws and regulations in the place of payment, or other laws and regulations to which the Issuer or its Agents agree to be subject, but without prejudice to the provisions of Condition 6 (*Taxation*), and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, amended (the “**Code**”) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 6 (*Taxation*)) any law implementing an intergovernmental approach thereto. No commissions or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.

(d) *Deduction for unmatured Coupons*

If a Note is presented without all unmatured Coupons relating to the current Coupon Sheet (as defined below) thereon, then such missing Coupons shall become void and no payments will be made in respect of void Coupons.

(e) *Payments on Payment Business Days*

Subject to Conditions 3 (*Interest Cancellation*), 4 (*Redemption and Purchase*) and 8 (*Principal Write-down and Principal Write-up*), if the due date for payment of any amount in respect of any Note or Coupon is not a Payment Business Day, the Noteholder or the Couponholder shall not be entitled to payment in such place of the amount due until the next succeeding Payment Business Day in such place and shall not be entitled to any further interest or other payment in respect of any such delay.

(f) *Payments other than in respect of matured Coupons*

Payments of interest other than in respect of matured Coupons, if and to the extent payable, shall be made only against presentation of the relevant Notes at the Specified Office of any Paying Agent outside the United States.

(g) *Partial payments*

If a Paying Agent makes a partial payment in respect of any Note or Coupon presented to it for payment, such Paying Agent will endorse thereon a statement indicating the amount and the date of such payment.

(h) *Exchange of Talons*

On or after the maturity date of the final Coupon which is (or was at the time of issue) part of a coupon sheet relating to the Notes (each, a “**Coupon Sheet**”), the Talon forming part of such Coupon Sheet may be exchanged at the Specified Office of the Fiscal Agent for a further Coupon Sheet including a further Talon but excluding any Coupons in respect of which claims have already become void pursuant to Condition 10

(*Prescription*) and excluding also those Coupons that have been cancelled or deemed cancelled. Upon the due date for redemption of any Note, any unexchanged Talon relating to such Note shall become void and no Coupon will be delivered in respect of such Talon.

6 Taxation

All payments of principal and/or interest in respect of the Notes and the Coupons by or on behalf of the Issuer shall be made free and clear of, and without deduction or withholding for, or on account of, any and all present or future income, stamp and other taxes, levies, imposts, duties, charges, fees, deductions or withholdings (“**taxes**”) now or hereafter imposed, levied, collected, withheld or assessed by, or on behalf of, Luxembourg or any political subdivision or authority thereof or therein that has the power to tax (each, a “**Taxing Jurisdiction**”), unless the deduction or withholding is required by law. In that event the Issuer shall pay such additional amounts (the “**Additional Amounts**”) in respect of payments of interest (but not, for the avoidance of doubt, in respect of payments of principal) as will result in receipt by the Noteholders and the Couponholders of such amounts after such withholding or deduction as would have been received by them had no such withholding or deduction been required. However, no such Additional Amounts shall be payable in respect of any Note or Coupon:

- (i) *Other Connection*: to, or to a third party on behalf of, a holder who is liable to such taxes in respect of such Note or Coupon by reason of his having some connection with a Taxing Jurisdiction other than the mere holding of the Note or Coupon;
- (ii) *Lawful avoidance of withholding*: 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;
- (iii) *Payment by another Paying Agent*: presented for payment by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting the relevant Note, or Coupon to another Paying Agent in a Member State of the European Union; or
- (iv) *Beneficial owner*: where such withholding or deduction is imposed on a payment to an individual beneficial owner and is required to be made pursuant to the Luxembourg Law of 23 December 2005, as amended.

In these Conditions, “**Relevant Date**” in respect of any Note 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 Coupon being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such presentation, and any reference to interest shall be deemed to include any Additional Amounts in respect of interest which are, were or would be payable under this Condition 6 (*Taxation*).

For the avoidance of doubt, Additional Amounts shall only be payable if and to the extent the Issuer has sufficient Distributable Items and such payment would not cause the Maximum Distributable Amount (if any) then applicable to the Issuer on a solo basis, the Group on a consolidated basis or the PC Group on a consolidated basis to be exceeded, if required to be calculated at such time.

7 Substitution and Variation

- (a) *Substitution and variation*

Subject to Condition 7(b) (*Substitution and Variation - Conditions to substitution and variation*) and Condition 7(c) (*Substitution and Variation - Determination of Trigger Event following notice of substitution or variation*), if a Regulatory Event or a Tax Event (each a “**Special Event**”) has occurred and is continuing, the Issuer may at its option, without any requirement for the consent or approval of the Noteholders, upon not less than 30 nor more than 60 days’ notice to the Noteholders in accordance with Condition 15 (*Notices*)

(which notice shall, subject as provided in Condition 7(c) (*Substitution and Variation - Determination of Trigger Event following notice of substitution or variation*), be irrevocable), substitute all (but not some only) of the Notes or vary the terms of all (but not some only) of the Notes so that they become or remain (as the case may be) Qualifying Securities.

Any such notice shall specify the relevant details of the manner in which such substitution or variation shall take effect and where the Noteholders can inspect or obtain copies of the new terms and conditions of the Notes.

In these Conditions, “**Qualifying Securities**” means, at any time, any securities issued by the Issuer that:

- (A) contain terms which at such time comply with the then current requirements of the Applicable Banking Regulations in relation to Additional Tier 1 Capital (which, for the avoidance of doubt, may result in such securities not including, or restricting for a period of time the application of, one or more of the Special Event redemption events which are included in the Notes);
- (B) carry the same rights to redeem as set out in Condition 4(b) (*Redemption and Purchase - Issuer’s call option*) and the same rate of interest from time to time applying to the Notes prior to the relevant substitution or variation;
- (C) *rank pari passu* with the Notes prior to the substitution or variation;
- (D) shall not at the time of the relevant variation or substitution be subject to a Special Event;
- (E) have terms not materially less favourable to the Noteholders than the terms of the Notes, as reasonably determined by the Issuer, and provided that the Issuer shall have delivered to the Fiscal Agent a certificate to that effect signed by two directors of the Issuer;
- (F) if the Notes were listed or admitted to trading on a Recognised Stock Exchange immediately prior to the relevant substitution or variation, are listed or admitted to trading on any Recognised Stock Exchange as selected by the Issuer; and
- (G) immediately after such substitution or variation, will be assigned at least the same credit rating(s) by the same rating agency(ies) as may have been assigned to the Notes at the invitation of or with the consent of the Issuer immediately prior to such substitution or variation.

(b) *Conditions to substitution and variation*

Any substitution or variation of the Notes pursuant to this Condition 7 (*Substitution and Variation*) is subject to compliance with any conditions prescribed under Applicable Banking Regulations, including the prior approval of the Regulator (if, and to the extent, then required).

(c) *Determination of Trigger Event following notice of substitution or variation*

If the Issuer has given a notice of substitution or variation of the Notes pursuant to Condition 7(a) (*Substitution and Variation - Substitution and variation*) and, after giving such notice but prior to the date of such substitution or variation (as the case may be), a Trigger Event occurs, the relevant notice of substitution or variation shall be automatically rescinded and shall be of no force and effect, the Notes will not be substituted or varied on the scheduled substitution or variation date and, instead, a Principal Write-down shall occur in respect of the Notes as described under Condition 8 (*Principal Write-down and Principal Write-up*).

Following the occurrence of a Trigger Event, the Issuer shall not be entitled to give a notice of substitution or variation of the Notes pursuant to Condition 7(a) (*Substitution and Variation - Substitution and variation*) before the Trigger Event Write-Down Date.

8 Principal Write-down and Principal Write-up

(a) *Principal Write-down*

(i) *Trigger Event*

Upon the occurrence of a Trigger Event, a Principal Write-down will occur without delay but no later than within one month or such shorter period as may be required by the Regulator (such date being a “**Trigger Event Write-down Date**”), all in accordance with this Condition 8(a) (*Principal Write-down and Principal Write-up - Principal Write-down*).

(ii) *Trigger Event Write-down Notice*

Upon the occurrence of a Trigger Event, the Issuer shall:

- (A) immediately notify the Regulator that a Trigger Event has occurred;
- (B) determine the Write-down Amount as soon as possible and no later than on the relevant Trigger Event Write-down Date;
- (C) give notice to Noteholders (a “**Trigger Event Write-down Notice**”) in accordance with Condition 15 (*Notices*), which notice shall specify (A) that a Trigger Event has occurred, (B) the Trigger Event Write-down Date and (C) if it has then been determined, the Write-down Amount; and
- (D) no later than the giving of the Trigger Event Write-down Notice, deliver to the Fiscal Agent a certificate signed by two directors of the Issuer stating a Trigger Event has occurred.

The determination that a Trigger Event has occurred, including the underlying calculations, and any determination of the relevant Write-down Amount shall be irrevocable and be binding on the Noteholders.

If the Write-down Amount has not been determined at the time the Issuer gives the Trigger Event Write-down Notice, the Issuer shall, as soon as reasonably practicable following such determination having been made, give a further notice to Noteholders in accordance with Condition 15 (*Notices*), confirming the Write-down Amount. Failure to provide any notice referred to in this Condition 8(a) (*Principal Write-down and Principal Write-up - Principal Write-down*) will not have any impact on the effectiveness of, or otherwise invalidate, any such Principal Write-down or give Noteholders any rights as a result of such failure.

(iii) *Cancellation of interest and Principal Write-down*

On a Trigger Event Write-down Date, the Issuer shall:

- (A) irrevocably cancel all interest accrued on each Note up to (and including) the Trigger Event Write-down Date (whether or not the same has become due at such time); and
- (B) without prejudice to any Principal Write-up pursuant to Condition 8(b) (*Principal Write-down and Principal Write-up - Principal Write-up*), reduce the then Prevailing Principal Amount of each Note by the relevant Write-down Amount (such reduction being referred to as a “**Principal Write-down**”, and “**Written Down**” being construed accordingly) with effect from the Trigger Event Write-down Date, such Principal Write-down to be effected, save as may be otherwise required by Applicable Banking Regulations and/or the Regulator and subject to Condition 8(a)(v) (*Principal Write-down and Principal Write-up - Other Loss Absorbing Instruments*), *pro rata* and concurrently with the Principal Write-down of the other Notes and the write-down or conversion into equity (as the case may be) of the then prevailing principal amount of any other Loss Absorbing Instruments.

For the avoidance of doubt, (i) if the cancellation of interest pursuant to paragraph (A) above would result in an increase in the Solo CET1 Ratio, the Consolidated CET1 Ratio of the Group and/or the Consolidated CET1 Ratio of the PC Group (as applicable), any such increase shall be disregarded for the purposes of calculating such Write-down Amount in respect of such Trigger Event; and (ii) interest will continue to accrue on the Prevailing Principal Amount following the Principal Write-down, as from the Trigger Event Write-down Date (without prejudice to any Principal Write-up pursuant to Condition 8(b) (*Principal Write-down and Principal Write-up - Principal Write-up*)).

(iv) *Write-down Amount*

In these Conditions, “**Write-down Amount**” means, on any Trigger Event Write-down Date, the amount by which the then Prevailing Principal Amount of each outstanding Note is to be Written Down and which is calculated per Note, being the lower of:

- (A) the amount per Note (together with, subject to Condition 8(a)(v) (*Principal Write-down and Principal Write-up - Other Loss Absorbing Instruments*), the concurrent *pro rata* Principal Write-down of the other Notes and the write-down or conversion into equity of the prevailing principal amount of any other Loss Absorbing Instruments) that would be sufficient to immediately restore the Consolidated CET1 Ratio of the PC Group and/or the Consolidated CET1 Ratio of the Group and/or the Solo CET1 Ratio, as the case may be, to at least 5.125 per cent.; or
- (B) the amount necessary to reduce the Prevailing Principal Amount of the Note to one cent.

(v) *Other Loss Absorbing Instruments*

To the extent the write-down or conversion into equity of any Loss Absorbing Instruments is not effective for any reason (i) the ineffectiveness of any such write-down or conversion into equity shall not prejudice the requirement to effect a Principal Write-down of the Notes pursuant to Condition 8(a) (*Principal Write-down and Principal Write-up - Principal Write-down*) and (ii) the write-down or conversion into equity of any Loss Absorbing Instrument which is not, or by the Trigger Event Write-down Date will not be, effective shall not be taken into account in determining the Write-down Amount of the Notes.

Any Loss Absorbing Instruments that may be written down or converted to equity in full (save for any one cent floor) but not in part only shall be treated for the purposes only of determining the relevant *pro rata* amounts in Condition 8(a)(iii)(B) (*Principal Write-down and Principal Write-up - Cancellation of interest and Principal Write-down*) and Condition 8(a)(iv) (*Principal Write-down and Principal Write-up - Write-down Amount*) as if their terms permitted partial write-down or conversion into equity such that the Solo CET1 Ratio, the Consolidated CET1 Ratio of the Group and/or the Consolidated CET1 Ratio of the PC Group as the case may be would be increased to a level at or above the minimum required level described in paragraph (A) of the definition of Write-down Amount.

In the event of a concurrent write-down of any other Loss Absorbing Instrument (if any), the *pro rata* write-down and/or conversion of such Loss Absorbing Instrument shall only be taken into account to the extent required to restore the Consolidated CET1 Ratio of the PC Group and/or the Consolidated CET1 Ratio of the Group and/or the Solo CET1 Ratio, as the case may be, contemplated above to the lower of (x) such Loss Absorbing Instrument’s trigger level and (y) 5.125 per cent., in each case in accordance with the terms of such Loss Absorbing Instrument and the Applicable Banking Regulations.

(vi) *No default*

Any Principal Write-down of the Notes shall not:

- (A) constitute an event of default of the Issuer or a breach of the Issuer’s other obligations or duties or a failure to perform by the Issuer in any manner whatsoever; or
- (B) constitute the occurrence of any event related to the insolvency of the Issuer or entitle the Noteholders to any compensation or to take any action to cause the liquidation, dissolution or winding up of the Issuer.

The Noteholders shall have no further rights or claims against the Issuer (whether in the case of the liquidation, dissolution or winding up of the Issuer by reason of bankruptcy or otherwise) with respect to any interest cancelled and any principal Written Down in accordance with this Condition (including, but not limited to, any right to receive accrued but unpaid and future interest or any right of repayment of principal, but without prejudice to their rights in respect of any reinstated principal following a Principal Write-up pursuant to Condition 8(b) (Principal Write-down and Principal Write-up - Principal Write-up)).

(vii) *Principal Write-down may occur on one or more occasions*

A Principal Write-down may occur on one or more occasions and accordingly the Notes may be Written Down on one or more occasions (provided, however, that the principal amount of a Note shall never be reduced to below one cent).

(b) *Principal Write-up*

(i) *Principal Write-up*

Subject to compliance with the Applicable Banking Regulations, if a positive Solo Net Profit, a positive Consolidated Net Profit of the Group and a positive Consolidated Net Profit of the PC Group is recorded at any time while the Prevailing Principal Amount is less than the Original Principal Amount, the Issuer may, at its full discretion but subject to Conditions 8(b)(ii) (*Principal Write-down and Principal Write-up - Maximum Distributable Amount*), 8(b)(iii) (*Principal Write-down and Principal Write-up - Maximum Write-up Amount*) and 8(b)(iv) (*Principal Write-down and Principal Write-up - Principal Write-up and Trigger Event*), increase the Prevailing Principal Amount of each Note (a “**Principal Write-up**”) up to a maximum of its Original Principal Amount on a *pro rata* basis with the other Notes and with any Discretionary Temporary Write-down Instruments capable of being written-up in accordance with their terms at the time of the Principal Write-up (based on the then prevailing principal amounts thereof), provided that the Maximum Write-up Amount is not exceeded as determined in accordance with Condition 8(b)(iii) (*Principal Write-down and Principal Write-up - Maximum Write-up Amount*) below.

For the avoidance of doubt, the principal amount of a Note shall never be increased to above its Original Principal Amount.

(ii) *Maximum Distributable Amount*

A Principal Write-up of the Notes shall not be effected in circumstances which (when aggregated together with other distributions of the kind referred to in article 59-13(2) and (3) of the Financial Sector Law (transposing Article 141(2) of the CRD Directive) or any other analogous provisions of the Applicable Banking Regulations which require a maximum distributable amount to be calculated (including other Principal Write-ups of the Notes and/or principal write-ups of any Discretionary Temporary Write-down Instruments in the same 12 month period)) would cause the Maximum Distributable Amount, if any, applicable to the Issuer on a solo basis, the Group on a consolidated basis or the PC Group on a consolidated basis to be exceeded, if required to be calculated at such time.

(iii) *Maximum Write-up Amount*

A Principal Write-up of the Notes will not be effected at any time to the extent that the sum of:

- (A) the aggregate amount of the relevant Principal Write-up on all the Notes;
- (B) the aggregate amount of any interest on the Notes that was paid or calculated (but disregarding any such calculated interest which has been cancelled) on the basis of a Prevailing Principal Amount that is lower than the Original Principal Amount at any time after the end of the previous financial year;
- (C) the aggregate amount of the increase in principal amount of each Discretionary Temporary Write-down Instrument to be written-up at the time of the relevant Principal Write-up and the increase in principal amount of the Notes and any Discretionary Temporary Write-down Instruments resulting from any previous write-up since the end of the previous financial year; and
- (D) the aggregate amount of any interest payments on each Loss Absorbing Instrument that were paid or calculated (but disregarding any such calculated interest which has been cancelled) on the basis of a prevailing principal amount that is lower than the original principal amount at which such Loss Absorbing Instrument was issued at any time after the end of the previous financial year,

would exceed the Maximum Write-up Amount.

In these Conditions, the “**Maximum Write-up Amount**” means the lower of:

- i. the Solo Net Profit (a) multiplied by the aggregate issued original principal amount of all Written-Down Additional Tier 1 Instruments issued by the Issuer which qualify (or would qualify after any write-up pursuant to its terms) as Additional Tier 1 Capital of the Issuer on a solo basis, and (b) divided by the Tier 1 Capital of the Issuer calculated on a solo basis as at the date when the Principal Write-up is operated;
- ii. the Consolidated Net Profit of the Group (a) multiplied by the aggregate issued original principal amount of all Written-Down Additional Tier 1 Instruments issued by any member of the Group which qualify (or would qualify after any write-up pursuant to its terms) as Additional Tier 1 Capital of the Group on a consolidated basis, and (b) divided by the Tier 1 Capital of the Group calculated on a consolidated basis as at the date when the Principal Write-up is operated; and
- iii. the Consolidated Net Profit of the PC Group (a) multiplied by the aggregate issued original principal amount of all Written-Down Additional Tier 1 Instruments issued by any member of the PC Group which qualify (or would qualify after any write-up pursuant to its terms) as Additional Tier 1 Capital of the PC Group on a consolidated basis, and (b) divided by the Tier 1 Capital of the PC Group calculated on a consolidated basis as at the date when the Principal Write-up is operated.

(iv) *Principal Write-up and Trigger Event*

A Principal Write-up will not be effected whilst a Trigger Event has occurred and has not been cured. Further, a Principal Write-up will not be effected in circumstances where such Principal Write-up (together with the simultaneous write-up of all other Discretionary Temporary Write-down Instruments) would cause a Trigger Event to occur.

(v) *Principal Write-up pro rata with other Discretionary Temporary Write-down Instruments*

The Issuer undertakes that it will not write-up the principal amount of any Discretionary Temporary Write-down Instruments capable of being written-up in accordance with their terms at the time of the relevant write-up unless it does so on a *pro rata* basis with a Principal Write-up on the Notes.

(vi) *Principal Write-up may occur on one or more occasions*

Principal Write-up may be made on one or more occasions until the Prevailing Principal Amount of the Notes has been reinstated to the Original Principal Amount.

Any decision by the Issuer to effect or not to effect any Principal Write-up on any occasion shall not preclude it from effecting (in the circumstances permitted by this Condition 8(b) (*Principal Write-down and Principal Write-up - Principal Write-up*)) or not effecting any Principal Write-up on any other occasion.

(vii) *Notice of Principal Write-up*

The Issuer shall, as soon as reasonably practicable following its formal decision to effect a Principal Write-up in respect of the Notes and in any event not later than five Business Days prior to the date on which the Principal Write-up shall take effect, give notice of such Principal Write-up to the Noteholders in accordance with Condition 15 (*Notices*). Such notice can be cancelled at any time prior to the date on which the Principal Write-up shall take effect. Such notice shall confirm the amount of such Principal Write-up and the date on which such Principal Write-up is to take effect.

(c) *Foreign Currency Instruments*

If, in connection with any Principal Write-down or Principal Write-up of the Notes, any instruments are not denominated in the Accounting Currency at the relevant time (“**Foreign Currency Instruments**”, which may include the Notes, any Discretionary Temporary Write-down Instruments, any relevant Loss Absorbing Instruments and/or any Written-Down Additional Tier 1 Instruments) the determination of the relevant Write-down Amount or Write up Amount (as the case may be) in respect of the Notes, the relevant write up amount of Discretionary Temporary Write-down Instruments and the relevant write-down (or conversion into equity) amount or write up amount (as the case may be) of Loss Absorbing Instruments shall be determined by the Issuer based on the relevant foreign currency exchange rate used by the Issuer in the preparation of its regulatory capital returns under the Applicable Banking Regulations.

9 Point of Non Viability

Notwithstanding and to the exclusion of any other term of the Notes or any other agreements, arrangements, or understanding between the Issuer and any holder, by its acquisition of the Notes, each holder (which, for the purposes of this clause, includes each holder of a beneficial interest in the Notes) acknowledges and accepts that any amount due arising under the Notes may be subject to the exercise of any Write-down or Conversion by the Regulator in the event the Issuer, the Group, the PC Group or any other prudential regulatory group of which the Issuer is a member from time to time is deemed to be at the point of non-viability (meaning either that the conditions for a resolution are met or that the Regulator or the relevant resolution authority deems that the Issuer or the Group is not viable without writing-down or converting the Notes), and acknowledges, accepts, consents to and agrees to be bound by:

- (a) the effect of the exercise of any Write-down or Conversion by the Regulator, which exercise may include and result in any of the following, or some combination thereof:
 - (i) the reduction or cancellation of all, or a portion, of the amounts due;
 - (ii) the conversion of all, or a portion, of the amounts due on the Notes into shares, other securities or other obligations of the Issuer or another person (and the issue to or conferral on the holder of such shares, securities or obligations), including by means of an amendment, modification or variation of the terms of the Notes;
 - (iii) the cancellation of the Notes; and

- (iv) the amendment or alteration of the provisions of the Notes by which the Notes have no maturity or the amendment of the amount of interest payable on the Notes, or the date on which the interest becomes payable, including by suspending payment for a temporary period; and
- (b) the variation of the terms of the Notes, as deemed necessary by the Regulator, to give effect to the exercise of any Write-down or Conversion by the Regulator.

10 Prescription

Claims arising, to the extent permitted under these Conditions, for principal and interest on redemption shall become void unless the relevant Notes or Coupons are surrendered for payment within ten years (in the case of principal) or within five years (in the case of interest) of the appropriate Relevant Date. There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition 10 (*Prescription*) or Condition 5 (*Payments*) above.

11 Replacement of Notes, Coupons and Talons

If any Note, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of the Fiscal Agent, subject to all applicable laws and stock exchange requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may reasonably require. Mutilated or defaced Notes, Coupons or Talons must be surrendered before replacements will be issued.

12 Paying Agents

In acting in connection with the Notes and Coupons, the Agents act solely as agents of the Issuer and do not assume any obligations towards or relationship of agency or trust for or with any of the Noteholders or Couponholders.

The initial Agents and their initial Specified Offices are listed below. The Issuer reserves the right at any time to vary or terminate the appointment of any Agent and to appoint a successor fiscal agent and additional or successor paying agents and calculation agents; provided, however, that the Issuer shall at all times maintain (a) a fiscal agent and (b) a calculation agent.

Notice of any change in any of the Agents or in their Specified Offices shall promptly be given to the Noteholders in accordance with Condition 15 (*Notices*).

13 Meetings of Noteholders; Modification

(a) Meetings of Noteholders

Articles 470-3 to 470-19 of the Luxembourg Company Law will apply to the Notes.

Noteholders will belong to a masse (the “**Masse**”) created, among other things, for the representation of their common interests pursuant to the provisions of articles 470-3 to 470-19 of the Luxembourg Company Law. The discussion below is based on the Luxembourg Company Law in effect on the Issue Date. Any subsequent amendments to the relevant provisions of the Luxembourg Company Law may amend or modify the discussion below. A general meeting of the Noteholders (*masse des obligataires*) (a “**Masse Meeting**”) or a court order may appoint and determine the powers of one or more representatives (the “**Representatives**”). Where Representatives have been appointed, Noteholders may no longer individually exercise their rights against the Issuer. A Masse Meeting may be called at any time by the Representatives (if any); or the board of directors of the Issuer; or the internal auditors (*commissaires*) of the Issuer. The Representatives, provided an advance on expenses has been paid to them by the Issuer, or the board of directors of the Issuer must convene the Masse Meeting if called upon to do so by Noteholders representing 5 per cent. or more of the Notes outstanding. Meetings of Noteholders will be convened in accordance with article 470-11 of the

Luxembourg Company Law. All Masse Meetings shall be held at the place specified in the notice calling the meeting. All Noteholders have the right to attend and vote at the Masse Meeting either personally or by proxy. The voting rights attached to the Notes are equal to the proportion of the amount of the outstanding Notes represented by the amount of the Note or Notes held by the relevant Noteholder. A Masse Meeting may be called to approve certain changes in the rights of the Noteholders and may, generally, determine any measures designed to ensure the defence of interests or the exercise of the rights of the Noteholders in accordance with the provisions of the Luxembourg Company Law. A Masse Meeting may deliberate validly without a quorum and by vote of a simple majority of Noteholders attending or represented at such Masse Meeting on the appointment and revocation of the Representatives, the revocation of special representatives appointed by the Issuer and the approval of any measures of a conservatory nature in the general interests of the Noteholders. On all other matters, the Masse Meeting may deliberate validly on the first convening notice only if Noteholders present or represented hold at least 50 per cent. of the Notes then outstanding. On the second convening notice no quorum is required. Decisions at such meetings shall be taken by a majority of $66 \frac{2}{3}$ per cent. of the votes cast by Noteholders attending such meetings or represented thereat. As long as all Notes are held by a single Noteholder, the powers of the Masse Meeting may be exercised by way of written resolutions.

(b) *Regulator notice or consent*

No modification to these Conditions pursuant to this Condition 13 (*Meetings of Noteholders; Modification*) shall become effective unless the Issuer has notified the Regulator of such modification or obtained the prior consent of the Regulator, as the case may be (if such notice or consent is then required by the Applicable Banking Regulations).

(c) *Effect for the Holders*

Any such modification shall be binding on all the Noteholders and shall be notified to the Noteholders as soon as practicable thereafter in accordance with Condition 15 (*Notices*).

14 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 in all respects (or in all respects except for the first payment of interest).

15 Notices

Without prejudice to Condition 13 (*Meetings of Noteholders; Modification*), all notices regarding the Notes will be deemed to be validly given if published once either in a daily newspaper of general circulation in Luxembourg or on the website of the Luxembourg Stock Exchange (www.bourse.lu). 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 such publication. Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the Noteholders in accordance with this Condition 15 (*Notices*).

16 Governing Law and Jurisdiction

(a) *Governing Law*

The Notes, 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, Luxembourg law.

(b) *Jurisdiction*

The courts of Luxembourg-City are to have jurisdiction to settle any disputes which may arise out of or in connection with any Notes, Coupons or Talons (including any disputes relating to any non-contractual

obligations arising out of or in connection with the Notes, Coupons or Talons) and accordingly any legal action or proceedings arising out of or in connection with any Notes, Coupons or Talons (“**Proceedings**”) shall be brought in such courts. The Issuer and each of the holders of the Notes, Coupons and Talons irrevocably submits to the jurisdiction of such courts.

For the purposes of this Condition 16 (*Governing Law and Jurisdiction*), the Issuer waives any objection to the Luxembourg courts on the grounds that they are an inconvenient or inappropriate forum to settle any Proceeding.

To the extent allowed by law, holders of Notes, Coupons or Talons may, in respect of any Proceeding or Proceedings, take (i) proceedings in any other court with jurisdiction; and (ii) concurrent proceedings in any number of jurisdictions.

17 Interpretation

(a) Definitions

In these Conditions, the following expressions have the following meanings:

“**5-year Mid-Swap Rate**” means, in relation to a Reset Period and the Mid-Swap Rate Determination Date in respect of such Reset Period:

- (i) the mid-swap rate for euro swaps with a term of 5 years which appears on the Screen Page as of 11:00 a.m. (Central European time) on such Mid-Swap Rate Determination Date; or
- (ii) subject to the application of Condition 2(h) (Interest - Benchmark replacement), if such rate does not appear on the Screen Page at such time on such Mid-Swap Rate Determination Date, the Reset Reference Bank Rate on such Mid-Swap Rate Determination Date.

“**5-year Mid-Swap Rate Quotations**” means the arithmetic mean of the bid and ask rates for the annual fixed leg (calculated on a 30/360 day count basis) of a fixed-for-floating euro interest rate swap transaction which:

- (i) has a term of 5 years commencing on the relevant Reset Date;
- (ii) is in an amount that is representative of a single transaction in the relevant market at the relevant time with an acknowledged dealer of good credit in the swap market; and
- (iii) has a floating leg (calculated on an Actual/360 day count basis) based on six-month EURIBOR.

“**Accounting Currency**” means euro or such other primary currency used in the presentation of the Issuer’s and/or the Group’s and/or the PC Group’s (as the context requires) accounts from time to time.

“**Accrual Period**” means the period from and including the date from which interest begins to accrue to but excluding the date on which it falls due.

“**Additional Amount**” has the meaning given to such term in Condition 6 (*Taxation*).

“**Additional Tier 1 Capital**” has the meaning given in the Applicable Banking Regulations from time to time.

“**Additional Tier 1 Capital Instruments**” means all instruments which constitute, or which upon issue constituted, Additional Tier 1 Capital of the Issuer, the Group and/or the PC Group, as applicable.

“**Applicable Banking Regulations**” means CRD, the BRR Act 2015, the Financial Sector Law, the CSSF Regulation N°18-03 on the implementation of certain discretions of the CRR, any laws, regulations or acts implementing CRD and BRRD and any delegated or implementing acts (such as regulatory technical standards) adopted by the European Commission and applicable to the Issuer, PC, the PC Group and/or the

Group (in particular the RTS on own funds) and, at any time, the laws, regulations, circular letters and other requirements, standards, guidelines and policies relating to capital adequacy for credit institutions of either (i) the Regulator and/or (ii) any other national or European authority, in each case then in effect in Luxembourg (or in such other jurisdiction which is the home member state of the Issuer and/or PC as defined in the CRR, the CRD Directive, the BRRD, the BRR Act 2015 and the Financial Sector Law (“**Home Member State**”)) and applicable to the Issuer, the PC Group or the Group.

“**Authorised Denomination**” has the meaning given to such term in Condition 1(a) (Form, Denomination and Status - Form, denomination and title).

“**BRRD**” means Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms, as amended or replaced from time to time (including, without limitation, by Directive (EU) 2017/2399 and by Directive (EU) 2019/879).

“**BRR Act 2015**” means the Luxembourg act dated 18 December 2015 on the failure of credit institutions and certain investment firms, as amended, which has implemented the BRRD into Luxembourg law, as amended or replaced from time to time.

“**business day**” means any weekday, other than one on which banking institutions are authorised or obligated by law to close in Luxembourg, unless otherwise defined in the Conditions.

“**CET1 Capital**” means, in respect of the Issuer, the PC Group or the Group (as the case may be), as of any date, the sum, expressed in the Accounting Currency, of all amounts that constitute common equity tier 1 capital of the Issuer, the PC Group or the Group (as the case may be) as of such date, less any deductions from common equity tier 1 capital required to be made as of such date, as calculated on such basis or bases (being on an individual basis, sub-consolidated basis or a consolidated basis) (as the case may be) as is required by and is in accordance with the Applicable Banking Regulations on such date (which calculation shall be binding on the Noteholders). For the purposes of this definition, the term “**common equity tier 1 capital**” shall have the meaning assigned to such term in article 50 of the CRR as interpreted and applied in accordance with the Applicable Banking Regulations and, for avoidance of doubt, subject always to the transitional and grandfathering arrangements thereunder, as applicable in Luxembourg (or, as the case may be, in such other jurisdiction which is the Home Member State of the Issuer and/or PC).

“**Clearing Systems**” means Clearstream Banking S.A. and Euroclear Bank SA/NV, or such other clearing system in which the Notes are a participating security.

“**Code**” has the meaning given to such term in Condition 5(c) (*Payments - Payments subject to fiscal laws*).

“**Common Equity Tier 1 Capital**” has the meaning given in the Applicable Banking Regulations from time to time.

“**Consolidated CET1 Ratio of the Group**” means as of any date, the ratio of CET1 Capital of the Group as of such date to the Risk Weighted Assets of the Group as of the same date, expressed as a percentage, all as calculated on a consolidated basis in accordance with article 92 of the CRR.

“**Consolidated CET1 Ratio of the PC Group**” means as of any date, the ratio of CET1 Capital of the PC Group as of such date to the Risk Weighted Assets of the PC Group as of the same date, expressed as a percentage, all as calculated on a consolidated basis in accordance with article 92 of the CRR.

“**Consolidated Net Profit of the Group**” means the net profit of the Issuer as calculated on a consolidated basis and as set out in the last audited annual consolidated accounts of the Issuer adopted by the Issuer’s shareholders’ meeting (or such other means of communication as determined by the Issuer).

“**Consolidated Net Profit of the PC Group**” means the net profit of the PC Group as calculated on a consolidated basis and set out in the last audited annual consolidated accounts of PC adopted by PC’s shareholders’ meeting (or such other means of communication as determined by PC).

“**Conversion**” means the conversion power referred to in Article 57(2) and 61(1) of the BRR Act 2015.

“**Coupon Sheet**” has the meaning given to such term in Condition 5(h) (*Payments – Exchange of Talons*).

“**CRD**” means the legislative package consisting of the CRD Directive and the CRR.

“**CRD Directive**” means Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, as the same may be amended or replaced from time to time (including, without limitation, by Directive (EU) 2019/878) and, as the context permits, any provision of Luxembourg law transposing or implementing such Directive (as it is amended or replaced from time to time).

“**CRR**” means Regulation (EU) No. 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms, as the same may be amended or replaced from time to time (including, without limitation, by Regulation (EU) 2019/876).

“**Day Count Fraction**” means, in respect of any period, the number of days in the relevant period, from (and including) the first day in such period to (but excluding) the last day in such period, divided by the product of (a) two and (b) the actual number of days in the Interest Period in which the relevant period falls (including the first such day but excluding the last) or, in the case of any period falling within the short first Interest Period, the number of days in the period from (and including) 23 January 2020 to (but excluding) the first Interest Payment Date.

“**Discretionary Temporary Write-down Instruments**” means, at any time, any instrument (other than the Notes) issued by the Issuer, any member of the Group or any member of the PC Group which at such time (a) qualifies (or would qualify after any write-up pursuant to its terms) as Additional Tier 1 Capital of the Issuer, the Group and/or the PC Group on a solo or consolidated basis, (b) has had all or some of its principal amount written-down and (c) has terms providing for a write-up or reinstatement of its principal amount, at the Issuer’s discretion, upon reporting a net profit.

“**Distributable Items**” has (subject to the terms as provided in parentheses below) the meaning ascribed to such term in the Applicable Banking Regulations from time to time. As at the Issue Date, “**Distributable Items**” means:

- (i) the amount of the Issuer’s profits at the end of the financial year immediately preceding the financial year in which the relevant Interest Payment Date falls plus any profits brought forward and reserves available for that purpose (including, for the avoidance of doubt, as long as the Issuer is a Luxembourg public limited liability company or a European company (SE) with its registered office in Luxembourg and as permitted by Luxembourg law, share premium accounts before distributions to holders of own funds instruments of the Issuer (excluding, for the avoidance of doubt, any Tier 2 instruments (as defined in the Applicable Banking Regulations)); less
- (ii) any losses brought forward, profits which are non-distributable pursuant to applicable Luxembourg law and the Issuer’s articles of association and sums placed to non-distributable reserves in accordance with applicable Luxembourg law and the Issuer’s articles of association,

in each case with respect to the specific category of own funds instruments to which applicable Luxembourg law, or the Issuer’s articles of association relate; those profits, losses and reserves being determined on the basis of the Issuer’s non-consolidated accounts.

“€” or “euro” or “EUR” means the single currency introduced at the start of the third stage of European Economic and Monetary Union and as defined in Article 2 of Council Regulation (EC) No. 974/98 of 3 May 1998 on the introduction of the euro, as amended.

“**Financial Sector Law**” means the law of 5 April 1993 on the financial sector, as amended (*loi du 5 avril 1993 relative au secteur financier telle qu'elle a été modifiée*).

“**First Reset Date**” has the meaning given to such term in Condition 2(b) (*Interest - Rate of Interest*).

“**Global Note**” means any of (i) the permanent global note in bearer form and (ii) the temporary global note in bearer form.

“**Group**” means the Issuer together with each entity within the prudential consolidation (as that term or its successor is used in the Applicable Banking Regulations) of the Issuer pursuant to Chapter 2 of Title II of Part One of the CRR.

“**Initial Interest Rate**” has the meaning given to such term in Condition 2(b) (*Interest - Rate of Interest*).

“**Interest Payment Date**” has the meaning given to such term in Condition 2(c) (*Interest - Interest Payment Dates*).

“**Interest Period**” means the period beginning on (and including) the Issue 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.

“**Issue Date**” means 23 October 2020.

“**Liquidation**” has the meaning given to such term in Condition 1(b) (*Form, Denomination and Status - Status and subordination*).

“**Loss Absorbing Instruments**” means, at any time, any instrument (other than the Notes) issued by the Issuer, any member of the Group or any member of the PC Group which qualifies (or would qualify after any write-up pursuant to its terms) as Additional Tier 1 Capital of the Issuer, the Group and/or the PC Group on a solo or consolidated basis and has terms pursuant to which all or some of its principal amount may be written-down (whether on a permanent or temporary basis) or converted into equity (in each case in accordance with its conditions or otherwise) on the occurrence, or as a result, of the Issuer’s Solo CET1 Ratio, the Consolidated CET1 Ratio of the Group or the Consolidated CET1 Ratio of the PC Group falling below a certain trigger level.

“**Luxembourg Company Law**” means the law of 10 August 1915 on commercial companies, as amended (*loi du 10 août 1915 concernant les sociétés commerciales, telle qu'elle a été modifiée*).

“**Margin**” means 8.121 per cent. per annum.

“**Masse**” has the meaning given to such term in Condition 13 (*Meetings of Noteholders; Modification*).

“**Masse Meeting**” has the meaning given to such term in Condition 13 (*Meetings of Noteholders; Modification*).

“**Maximum Distributable Amount**” means any maximum distributable amount relating to the Issuer on a solo basis, the Group on a consolidated basis or the PC Group on a consolidated basis required to be calculated in accordance with article 59-13 of the Financial Sector Law (transposing Article 141(2) of the CRD Directive) and/or any analogous restrictions arising from the requirement to meet capital or other prudential buffers under the Applicable Banking Regulations.

“**Maximum Write-up Amount**” has the meaning given to such term in Condition 8(b) (*Principal Write-down and Principal Write-up - Principal Write-up*).

“**Mid-Swap Rate**” means, in respect of any Reset Period, the 5-year Mid-Swap Rate determined on the Mid-Swap Rate Determination Date applicable to such Reset Period, as determined by the Calculation Agent.

“**Mid-Swap Rate Determination Date**” means, in respect of the determination of the Mid-Swap Rate applicable during any Reset Period, the day falling two Business Days prior to the Reset Date on which such Reset Period commences.

“**Original Principal Amount**” means, in respect of a Note at any time, the principal amount of such Note at the Issue Date without having regard to any subsequent Principal Write-downs or Principal Write-up pursuant to Condition 8 (*Principal Write-down and Principal Write-up*).

“**ordinary shares**” means fully paid ordinary shares in the capital of the Issuer.

“**outstanding**” means all the Notes issued other than (a) those that have been fully redeemed in accordance with the Conditions, (b) those in respect of which the date for redemption has occurred and the redemption moneys (including all interest accrued on such Notes to the date for such redemption which has not been cancelled as provided in the Conditions and any interest payable after such date) remain available for payment against presentation and surrender of Notes and/or Coupons, as the case may be, (c) those which have become void or in respect of which claims have become prescribed, (d) (for the purposes of Condition 13 (*Meetings of Noteholders; Modification*) only) those which have been purchased as provided in the Conditions, (e) those mutilated or defaced Notes that have been surrendered in exchange for replacement Notes, (f) (for the purpose only of determining how many Notes are outstanding and without prejudice to their status for any other purpose) those Notes alleged to have been lost, stolen or destroyed and in respect of which replacement Notes have been issued, and (g) any temporary Global Note to the extent that it shall have been exchanged for a permanent Global Note and any Global Note to the extent that it shall have been exchanged for one or more Definitive Notes, pursuant to its provisions.

“**own funds**” has the meaning given to it in the CRR.

“**PC**” means Precision Capital SA or any entity which replaces or succeeds PC as the ultimate financial holding company or mixed financial holding company (as such terms or their successors are used in the Applicable Banking Regulations) in the group of undertakings at the highest level of prudential regulatory consolidation required by the Applicable Banking Regulations and of which the Issuer forms part.

“**PC Group**” means PC together with each entity within the prudential consolidation of PC (as that term or its successor is used in the Applicable Banking Regulations) pursuant to Chapter 2 of Title II of Part One of the CRR.

“**Payment Business Day**” means, in respect of any place of presentation, any day on which banks are open for presentation and payment of bearer debt securities and for dealings in foreign currencies) in such place of presentation and, in the case of payment by transfer to a euro account, on which the TARGET System is open.

a “**person**” includes any individual, company, corporation, firm, partnership, joint venture, undertaking, association, organisation, trust, state or agency of a state (in each case whether or not being a separate legal entity) or other legal entity.

“**Prevailing Principal Amount**” means, in respect of a Note at any time, the Original Principal Amount of such Note as reduced by any Principal Write-down of such Note (on one or more occasions) at or prior to such time pursuant to Condition 8 (*Principal Write-down and Principal Write-up*) and, if applicable following any Principal Write-down, as subsequently increased by any Principal Write-up of such Note (on one or more occasions) at or prior to such time pursuant to Condition 8 (*Principal Write-down and Principal Write-up*).

“**Principal Write-down**” has the meaning given to such term in Condition 8(a) (*Principal Write-down and Principal Write-up - Principal Write-down*).

“Principal Write-up” has the meaning given to such term in Condition 8(b) (*Principal Write-down and Principal Write-up - Principal Write-up*).

“Proceedings” has the meaning given to such term in Condition 16(b) (*Governing Law and Jurisdiction - Jurisdiction*).

“Qualifying Securities” has the meaning given to such term in 7(a) (*Substitution and Variation - Substitution and variation*).

“Rate of Interest” shall mean the Initial Interest Rate and/or the relevant Subsequent Interest Rate, as the case may be.

“Recognised Stock Exchange” means a Regulated Market or another regulated, regularly operating, recognised stock exchange or securities market in an OECD member state.

“Regulated Market” means a market as defined by Article 4.1(21) of Directive 2014/65/EU of the European Parliament and of the Council on markets on financial instruments, as the same may be amended from time to time.

“Regulator” means (a) as applicable in accordance with regulation (EU) No 1024/2013, the European Central Bank, or any successor or replacement to it, (b) the *Commission de Surveillance du Secteur Financier* (“CSSF”) or such other authority of Luxembourg (or if the Home Member State of the Issuer becomes a jurisdiction other than Luxembourg, such other jurisdiction) which assumes or performs the functions, as at the Issue Date, performed by such authority or authorities or such other or successor authority exercising primary supervisory authority with respect to prudential matters in relation to the Issuer and (c) in accordance with the BRR Act 2015 and Regulation (EU) No 806/2014, the CSSF or the Single Resolution Board, as applicable.

“Regulatory Event” means a change in the regulatory classification of the Notes, on or after the Issue Date (or, following the issuance of any further notes pursuant to Condition 14 (*Further Issues*), the issue date of such notes), that would result in their exclusion in whole or in part from own funds or reclassification as a lower quality form of own funds of the Issuer on a solo basis and/or of the Group on a consolidated basis and/or of the PC Group on a consolidated basis, and both the following conditions are met:

- (i) the Regulator considers such a change to be sufficiently certain; and
- (ii) the Issuer demonstrates to the satisfaction of the Regulator that the regulatory reclassification of the Notes was not reasonably foreseeable as at the Issue Date (or the issue date of any further notes issued pursuant to Condition 14 (*Further Issues*)).

For the avoidance of doubt, a Regulatory Event shall not be deemed to have occurred in case of a partial exclusion of the Notes from the Additional Tier 1 Capital of the Issuer on a solo basis and/or of the Group on a consolidated basis and/or the PC Group on consolidated basis as a result of (i) a Principal Write-down or (ii) a change in the regulatory assessment of the tax effects of a Principal Write-down or (iii) (in relation to the PC Group) a change in the structure of the PC Group which leads or would lead to a higher deduction from the consolidated own funds of the PC Group of the own funds of the Issuer or the Group.

“Regulatory Procedures” means in respect of any redemption or purchase of the Notes:

- (1) on or before such redemption or purchase (as the case may be) of the Notes, the Issuer replaces the Notes with own funds instruments of an equal or higher quality on terms that are sustainable for its income capacity; or
- (2) the Issuer has demonstrated to the satisfaction of the Regulator that the own funds of the Issuer, the Group and (if applicable) the PC Group would, following such redemption or purchase (as the case may be), exceed its minimum capital requirements (including any capital buffer requirements) as

set out in CRR, BRR Act 2015 and Financial Sector Law by a margin that the Regulator may consider necessary on the basis set out in CRR, BRR Act 2015 and Financial Sector Law for it to determine the appropriate level of capital of an institution.

“**Relevant Date**” means whichever is the later of (1) the date on which the payment in question first becomes due and (2) if the full amount payable has not been received in a city in which banks have access to the TARGET System by the Fiscal Agent on or prior to such due date, the date on which (the full amount having been so received) notice to that effect has been given to the Noteholders in accordance with Condition 15 (*Notices*).

“**Representative**” has the meaning given to such term in Condition 13(a) (*Meetings of Noteholders; Modification*).

“**Reset Date**” means the First Reset Date and each fifth anniversary date thereafter, commencing 23 January 2031.

“**Reset Period**” has the meaning given to such term in Condition 2(b) (*Interest - Rate of interest*).

“**Reset Reference Banks**” means five leading swap dealers in the principal interbank market relating to euro selected by the Calculation Agent in its discretion after consultation with the Issuer.

“**Reset Reference Bank Rate**” means, with respect to a Mid-Swap Rate Determination Date, the percentage rate determined on the basis of the 5-year Mid-Swap Rate Quotations provided by the Reset Reference Banks to the Calculation Agent at approximately 11:00 a.m. (Central European time) on such Mid-Swap Rate Determination Date. If at least three quotations are provided, the Reset Reference Bank Rate will be the arithmetic mean of the quotations provided, eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest). If only two quotations are provided, the Reset Reference Bank Rate will be the arithmetic mean of the quotations provided. If only one quotation is provided, the Reset Reference Bank Rate will be the quotation provided. If no quotations are provided, the Reset Reference Bank Rate will be the last observable mid-swap rate for euro swaps with a term of 5 years which appears on the Screen Page, as determined by the Calculation Agent.

“**Risk Weighted Assets**” means, in respect of the Issuer, the Group or the PC Group (as the case may be), as of any date, the aggregate amount, expressed in the Accounting Currency, of the risk weighted assets of the Issuer (as calculated on an individual basis at the level of the Issuer as required by and in accordance with the Applicable Banking Regulations), the Group (as calculated on a consolidated basis at the level of the Group as required by and in accordance with the Applicable Banking Regulations) or the PC Group (as calculated on a consolidated basis at the level of the PC Group as required by and in accordance with the Applicable Banking Regulations) (as the case may be), as of such date, as calculated by the Issuer on an individual basis or on a consolidated basis (as the case may be) in accordance with the Applicable Banking Regulations, on such date (which calculation shall be binding on the Noteholders). For the purposes of this definition, the term “risk weighted assets” means the risk weighted assets or total risk exposure amount, as calculated by the Issuer or PC (as applicable) or the Regulator, in accordance with article 92 of the CRR and the Applicable Banking Regulations and, for avoidance of doubt, subject always to the transitional and grandfathering arrangements thereunder, as applicable in Luxembourg (or, as the case may be, in such other jurisdiction which is the Home Member State of the Issuer or PC (as applicable)).

“**RTS on own funds**” means Commission Delegated Regulation (EU) No 241/2014 of 7 January 2014 supplementing Regulation (EU) No 575/2013 of the European Parliament and of the Council with regard to regulatory technical standards for Own Funds requirements for institutions (as amended by Commission Delegated Regulation (EU) 2015/923 of 11 March 2015 and as may be further amended or replaced from time to time).

“**Screen Page**” means Reuters screen “ICESWAP2” or such other page as may replace it on Reuters or, as the case may be, on such other information service that may replace Reuters, in each case, as may be nominated by the person providing or sponsoring the information appearing there for the purpose of displaying rates comparable to the relevant 5-year Mid-Swap Rate.

“**Senior Creditors**” means creditors of the Issuer:

- (i) who are depositors and/or other unsubordinated creditors; or
- (ii) whose claims are, or are expressed to be, junior to the claims of other creditors of the Issuer, whether subordinated or unsubordinated (including holders of instruments that constitute (i) Tier 2 instruments (as defined in the Applicable Banking Regulations), (ii) the Issuer's preferred shares of the class in issue as at the Issue Date and (iii) “senior non preferred” instruments, which are direct, unconditional, unsecured and senior (*chirographaires*) liabilities of the Issuer), other than those whose claims rank, or are expressed to rank, *pari passu* with, or junior to, the claims of the Noteholders and Couponholders.

“**shareholders**” means the holders of ordinary shares.

“**Solo CET1 Ratio**” means as of any date, the ratio of CET1 Capital of the Issuer as of such date to the Risk Weighted Assets of the Issuer as of the same date, expressed as a percentage, all as calculated on a solo basis in accordance with article 92 of the CRR.

“**Solo Net Profit**” means the net profit of the Issuer as calculated on a non-consolidated basis and as set out in the last audited annual non-consolidated accounts of the Issuer adopted by the Issuer’s shareholders’ meeting (or such other means of communication as determined by the Issuer).

“**Special Event**” has the meaning given to such term in 7(a) (*Substitution and Variation - Substitution and variation*).

“**Specified Office**” means, as at the date hereof, 43, boulevard Royal, L-2955 Luxembourg, Grand Duchy of Luxembourg, and thereafter such other office of the Agents as may be notified to the Noteholders by the Issuer.

“**Subsequent Interest Rate**” has the meaning given to such term in Condition 2(b) (*Interest - Rate of Interest*).

“**TARGET2**” means the Trans-European Automated Real-Time Gross Settlement Express Transfer payment system which utilizes a single shared platform and which was launched on 19 November 2007.

“**TARGET Settlement Day**” means any day on which TARGET2 is open for the settlement of payments in euro.

“**TARGET System**” means the TARGET2 system.

“**Tax Event**” has the meaning given to such term in Condition 4(d) (*Redemption and Purchase - Redemption for Tax Event*).

“**Taxing Jurisdiction**” has the meaning given to such term in Condition 6 (*Taxation*).

“**Tier 2 Capital**” has the meaning given in the Applicable Banking Regulations from time to time.

a “**Trigger Event**” shall occur, at any time, if:

- (i) the Solo CET1 Ratio;
- (ii) the Consolidated CET1 Ratio of the Group; and/or
- (iii) the Consolidated CET1 Ratio of the PC Group,

is less than 5.125 per cent. as determined by the Issuer or (in the case of the PC Group) PC and notified to the Issuer or, in any case, the Regulator or any entity appointed by or acting on behalf of the Regulator.

“**Trigger Event Write-down Date**” has the meaning given to such term in Condition 8(a) (*Principal Write-down and Principal Write-up - Principal Write-down*).

“**Trigger Event Write-down Notice**” has the meaning given to such term in Condition 8(a) (*Principal Write-down and Principal Write-up - Principal Write-down*).

“**Write-down**” means the write-down power referred to in Article 57(2) and 61(1) of the BRR Act 2015.

“**Write-down Amount**” has the meaning given to such term in Condition 8(a) (*Principal Write-down and Principal Write-up - Principal Write-down*).

“**Written Down**” has the meaning given to such term in Condition 8(a) (*Principal Write-down and Principal Write-up - Principal Write-down*).

“**Written-Down Additional Tier 1 Instrument**” means, at any time, any Additional Tier 1 Capital Instrument (including the Notes) which, immediately prior to the relevant Principal Write-up of the Notes at that time, has a prevailing principal amount that, due to it having been written down, is lower than the original principal amount it was issued with.

(b) *Construction of certain references*

In these Conditions, unless otherwise specified or unless the context otherwise requires:

- (A) limb (iii) of the definition of “**Trigger Event**” and all other references to “**PC**”, “**PC Group**”, “**Consolidated CET1 Ratio of the PC Group**” and “**Consolidated Net Profit of the PC Group**” shall only apply to the Notes if and for so long as (i) the PC Group has a consolidated own funds requirement; and (ii) the Issuer is within the prudential consolidation of the PC Group pursuant to the Applicable Banking Regulations;
- (B) references to a “**consolidated basis**” (and related references) in respect of the Group shall be deemed to include a sub-consolidated basis if and for so long as the Group has a sub-consolidated own funds requirement pursuant to the Applicable Banking Regulations;
- (C) references to a “**solo basis**” (and related references, including (without limitation) the application of the Solo CET1 Ratio and any terms based on the Solo Net Profit) in respect of the Issuer shall only apply to the Notes if and for so long as the Issuer has a solo own funds requirement pursuant to the Applicable Banking Regulations;
- (D) references to any act or statute or any provision of any act or statute shall be deemed also to refer to any statutory modification or re-enactment thereof or any statutory instrument, order or regulation made thereunder or under such modification or re-enactment; and
- (E) headings and sub-headings are for ease of reference only and shall not affect the construction of these Conditions.

OVERVIEW OF PROVISIONS RELATING TO THE NOTES IN GLOBAL FORM

The following is an overview of the provisions to be contained in the Global Notes which will apply to, and in some cases modify, the Conditions while the Notes are represented by the Global Notes.

Exchange:

The Temporary Global Note generally will be exchangeable, in whole or in part, for interests in the Permanent Global Note not earlier than 40 days after the Issue Date upon certification as to non-U.S. beneficial ownership. No payments will be made under the Temporary Global Note unless exchange for interests in the Permanent Global Note is improperly withheld or refused. In addition, interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership.

The Permanent Global Note will become exchangeable in whole, but not in part, (free of charge to the holder) for Notes in definitive form (“**Definitive Notes**”) if one of the following events (each, an “**Exchange Event**”) occurs:

- (a) Euroclear or Clearstream, Luxembourg is closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so and no alternative clearing system is available; or
- (b) the Issuer has or will become subject to adverse tax consequences which would not be suffered were the Notes in definitive form.

The Issuer will promptly give notice to the Noteholders if an Exchange Event occurs. Thereupon the holder of the Permanent Global Note (acting on the instructions of one or more of the Accountholders (as defined below)) may give notice to the Issuer and the Fiscal Agent and (in the case of paragraph (b) above) the Issuer may give notice to the Fiscal Agent of its intention to exchange the Permanent Global Note for the Definitive Notes. Any exchange shall occur no later than 45 days after the date of receipt of the first relevant notice by the Fiscal Agent. Exchanges will be made upon presentation of the Permanent Global Note at the office of the Fiscal Agent on any day on which banks are open for general business in Luxembourg. In exchange for the Permanent Global Note the Issuer will deliver, or procure the delivery of, an aggregate principal amount of definitive Notes equal to the Prevailing Principal Amount of the Permanent Global Note (having attached to them all Coupons in respect of interest which has not already been paid on the Permanent Global Note), security printed in accordance with any applicable legal and stock exchange requirements and in or substantially in the form set out in the Fiscal Agency Agreement. On exchange of the Permanent Global Note, the Issuer will procure that it is cancelled and, if the holder so requests, returned to the holder together with any relevant definitive Notes.

In the event that (a) the Global Note (or any part of it) has become repayable in accordance with Condition 4 (*Redemption and Purchase*) and payment in full of the amount due has not been made to the bearer, or (b) following an Exchange Event, the Permanent Global Note is not duly exchanged for definitive Notes by the day provided in the Permanent Global Note, then from 8.00 p.m. (Luxembourg time) on such day each Accountholder will become entitled to proceed directly against the Issuer and the bearer will have no further rights under the Global Note.

Payments:

On and after 3 December 2020 no payment will be made on the Temporary Global Note unless exchange for an interest in the Permanent Global Note is improperly withheld or refused. All payments in respect of Notes represented by a Global Note will, subject as set out below, be made against presentation for endorsement and, if no further payment falls to be made in respect of the Notes, surrender of such 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 purposes. A record of each payment made will be endorsed on the appropriate part of the schedule to the relevant Global Note by or on behalf of the Fiscal Agent, which endorsement shall be *prima facie* evidence that such payment has been made in respect of the Notes. Payments of interest on the Temporary Global Note (if permitted by the first sentence of this paragraph) will be made only upon certification as to non-U.S. beneficial ownership unless such certification has already been made.

Payments of principal and interest in respect of the Notes will not be made within the United States.

Notices:

For so long as all the Notes are represented by one or both of the Global Notes and such Global Note(s) is/are held on behalf of Euroclear and/or Clearstream, Luxembourg, notices to Noteholders may be given by delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg (as the case may be) for communication to the relevant Accountholders rather than by publication as required by Condition 15 (*Notices*), provided that, so long as the Notes are listed on the Luxembourg Stock Exchange, notice will also be given by publication in a daily newspaper published in Luxembourg and/or on the Luxembourg Stock Exchange's website, *www.bourse.lu*, if and to the extent that the rules of the Luxembourg Stock Exchange so require. Any such notice shall be deemed to have been given to the Noteholders on the second day after the day on which such notice is delivered to Euroclear and/or Clearstream, Luxembourg (as the case may be) as aforesaid.

Accountholders:

For so long as all of the Notes are represented by one or both of the Global Notes and such Global Note(s) is/are held on behalf of Euroclear and/or Clearstream, Luxembourg, each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or Clearstream, Luxembourg as the holder of a particular principal amount of such Notes (each an "**Accountholder**") (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg (which 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 Cedcom System)) as to the principal amount of such Notes standing to the account of any person shall, in the absence of manifest error, be conclusive and binding for all purposes) shall be treated as the holder of such principal amount of such Notes for all purposes (including but not limited to, for the purposes of any quorum requirements of meetings of the Noteholders) other than with respect to the payment of principal and interest on such principal amount of such Notes, the right to which shall be vested, as against the Issuer solely in the bearer of the relevant Global Note in accordance with and subject to its terms. Each Accountholder must look solely to Euroclear or Clearstream, Luxembourg as the case may be, for its share of each payment made to the bearer of the relevant Global Note.

Calculation of Interest:

For so long as all of the Notes are represented by one or both of the Global Notes, interest payable to the bearer of a Global Note will be calculated by applying the prevailing rate of interest to the Prevailing Principal Amount for the time being outstanding of the Global Note and on the basis of the actual number of days in the relevant period, from and including the day from which interest begins to accrue to but excluding the date on which it falls due, divided by the actual number of days in the Interest Period (as defined in the Conditions) in which the relevant period falls (including the first such day but excluding the last). The resultant figure is rounded to the nearest cent (half a cent being rounded upwards).

Write-down and Write-up:

For so long as all of the Notes are represented by one or both of the Global Notes and such Global Note(s) are held on behalf of Euroclear and/or Clearstream, Luxembourg, any Write-down of the Notes will be effected in Euroclear and Clearstream, Luxembourg in accordance with their operating procedures by way of a reduction in the pool factor and any Write-up in respect of the Notes will be effected in Euroclear and Clearstream, Luxembourg in accordance with their operating procedures by way of an increase in the pool factor.

The amount of such Write-down or Write-up will also be endorsed on the appropriate part of the schedule to the relevant Global Note by or on behalf of the Fiscal Agent.

Prescription:

Claims against the Issuer in respect of payments under the Notes represented by a Global Note will be prescribed after 10 years (in the case of principal) and five years (in the case of interest) from the Relevant Date (as defined in the Conditions).

Cancellation:

Cancellation of any Note represented by a Global Note and required by the Conditions of the Notes to be cancelled following its redemption or purchase will be effected by endorsement by or on behalf of the Fiscal Agent of the reduction in the prevailing principal amount of the relevant Global Note on the relevant part of the schedule thereto.

Euroclear and Clearstream, Luxembourg:

Notes represented by a Global Note are transferable in accordance with the rules and procedures for the time being of Euroclear and Clearstream, Luxembourg, as appropriate. References in the Global Notes and this summary to Euroclear and/or Clearstream, Luxembourg shall be deemed to include references to any other clearing system through which interests in the Notes are held.

Legend:

The following legend will appear on the Permanent Global Notes:

“Any U.S. person who holds this obligation will be subject to limitations under the U.S. income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code.”

USE OF PROCEEDS

The Issuer intends to use the proceeds of the issue of the Notes for general corporate purposes, which may include investments in, or capital contributions to, its subsidiaries, and in connection with its general funding requirements and for the strengthening of its own/solvency capital.

QUINTET PRIVATE BANK (EUROPE) S.A.

Name, registered office and date of incorporation

The legal and commercial name of the company is Quintet Private Bank (Europe) S.A. ("QPB") (previously, KBL European Private Bankers S.A. ("KBL")).

QPB is a credit institution organised as a public limited liability company (*société anonyme*), incorporated under the laws of the Grand Duchy of Luxembourg, having its registered office at 43, boulevard Royal, L-2955 Luxembourg, Grand Duchy of Luxembourg and registered with the Luxembourg trade and companies register (*Registre de Commerce et des Sociétés, Luxembourg*) under number B6395.

QPB is a leading "pure play" pan-European private banking Group (rated BBB by Fitch) with FY 2019 total client assets (assets under management and custody) of approximately EUR80bn, revenue of approximately EUR400m and approximately 1,900 employees – it is owned by Precision Capital S.A. ("PC"), a long-term investor with a strong track-record in supporting the QPB Group's strategy.

QPB was incorporated on 23 May 1949 with unlimited duration.

Business overview

General

The corporate object of QPB, as specified in Article 3 of its articles of association, is to carry out all (i) banking and financial operations of whatever kind, (ii) insurance intermediation activities for the account of regulated insurance companies in the Grand Duchy of Luxembourg or abroad and (iii) administrative agent activities as well as activities of primary and secondary IT systems operators of the financial sector.

QPB is allowed to carry out all such commercial, industrial or other operations, including business relating to real estate, which QPB may undertake with a view to achieving its principal object, either directly or in the form of participation, or in any other manner.

QPB is subject to the supervision of the European Central Bank and the Luxembourg financial sector supervisory authority (*Commission de surveillance du secteur financier*) (the "CSSF").

Main Business Lines

QPB's main business lines can be divided into three segments: (i) private banking ("PB"), (ii) global institutional services ("GIS") and (iii) global markets (including treasury).

The private banking segment is the core of the QPB business, providing wealth planning, wealth structuring and lending services which consist in, among others, investing in equities, derivatives, fixed-income or structured products, in-house or third-party funds, taking into account the clients' approach towards risk-taking, investments' risk-return potential and tax implications.

QPB provides services to all types of clients: from affluent, high-net-worth individual ("HNWI") and ultra-HNWI clients to external asset managers ("EAM"), family offices and financial institutions.

The QPB's GIS team provides asset management, custody, fund structuring, administration and execution services to sophisticated clients, such as small and medium-sized management companies, private banks, insurance and life insurance companies, as well as external asset managers and family offices. It covers GIS custody activities as well as institutional asset management activities. As of June 2020, approximately EUR15bn of business in terms of asset management is done with Financial Intermediaries ("FIM").

The global markets team's offer consists in, among others, trading, sales and execution services for listed and over-the-counter traded financial products. The global market's treasury team provides custody services and advice, in particular, with regard to managing rate risks and hedging opportunities. Although its clients mainly trade in the G7 currencies, QPB offers also spot, forward and swap products on all currencies, deliverable and non-deliverable, for both private and institutional clients. The QPB's global markets team actively trades precious metals, such as gold, silver, platinum and palladium, both physically and in forward contracts.

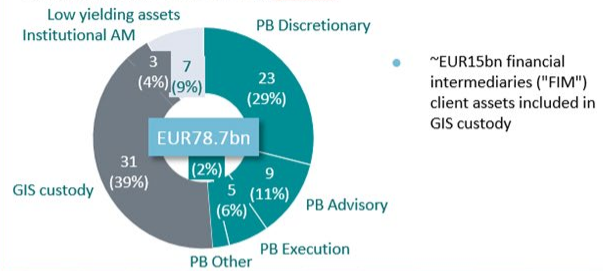
QUINTET IS AN INDEPENDENT, PAN-EUROPEAN, PURE-PLAY PRIVATE BANKING GROUP

FOOTPRINT June 2020

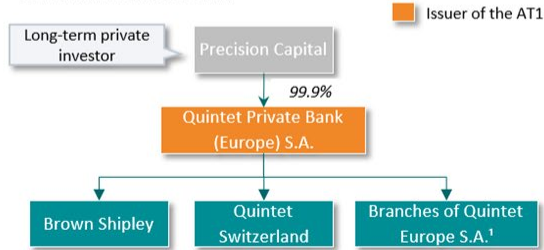


45 offices
8 countries
336 client advisors
~EUR80bn client assets (assets under management and custody)

CLIENT ASSETS June 2020, EURbn



COMPANY STRUCTURE



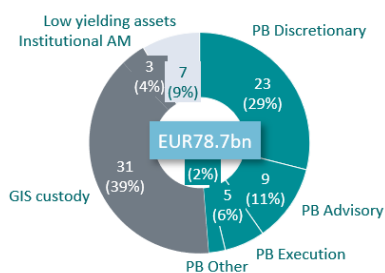
(1) Branches: Merck Finck DE, Pulaetco BE, Insinger Gilissen NL, Quintet Denmark, Quintet Spain, Pulaetco LU to remain a subsidiary of Quintet Europe S.A.

KEY KPIs (consolidated)

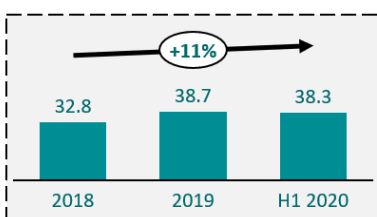
| 2019 full year | | H1 2020 | | H1 2020 | |
|--------------------|----------|-------------------|-----------|------------|-----------|
| Gross income | EUR443m | Total assets | EUR13.3bn | CET1 | EUR587m |
| Operating expenses | EUR470m | Customer loans | EUR4.1bn | RWA | EUR3,509m |
| Net income | EUR(44)m | Customer deposits | EUR10.1bn | CET1 ratio | 16.7% |
| | | L/D | 40% | | |

CLIENT ASSETS: DIVERSIFIED MIX, GROWTH MOMENTUM

CLIENT ASSETS⁽¹⁾ June 2020, EURbn



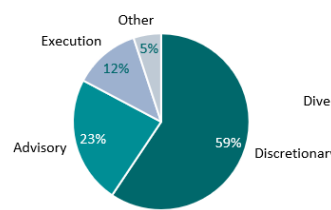
PB client assets (AuM) EURbn, June 2020



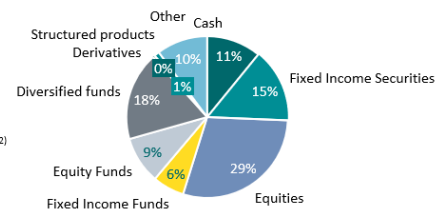
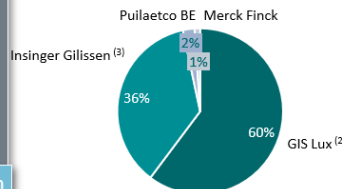
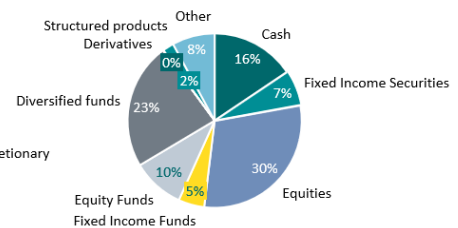
Private Banking
EUR38.3bn

GIS custody/ Instit. AM
EUR33.6bn

BY MANDATE TYPE June 2020



BY ASSET CLASS June 2020



(1) EUR1.6bn netting in GIS at group level. (2) EUR2.6bn of institutional AM business and EUR10.2bn of custody business. EUR1.6bn counted as PB client assets netted out at group level. (3) EUR0.2bn of institutional AM business and EUR21bn of custody business

RECONCILIATION OF ASSET UNDER MANAGEMENT AND CUSTODY

| EURbn | Jun-20 |
|---|-------------|
| PB client assets | 38.3 |
| Low yielding assets | 6.7 |
| Total PB client assets | 45.0 |
| GIS custody | 32.4 |
| Institutional AM | 2.9 |
| Double counting ⁽¹⁾ | -1.6 |
| Total GIS/Institutional AM client assets | 33.6 |
| Total client assets (AuM and AuC) | 78.6 |

- ~EUR15bn financial intermediaries ("FIM") client assets included in GIS/Institutional client assets

(1) Custody AuC at IG accounted for as PB client assets (AuM) at BSCo

Share capital / debt securities

As of the date of this Offering Circular, the nominal share capital of QPB amounts to EUR 242,173,009.70 divided into 26,045,433 shares, being fully paid up. Pre-emption rights allow shareholders to subscribe to new shares issued in their class on a capital increase.

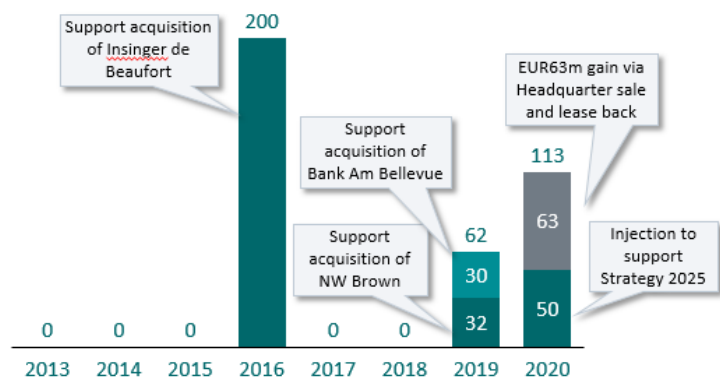
As of the date of this Offering Circular, QPB is majority owned by PC, a holding company incorporated in Luxembourg.

QUINTET IS OWNED BY A SUPPORTIVE, LONG-TERM ORIENTED SHAREHOLDER

PRECISION CAPITAL

- Precision Capital ("PC") acquired Quintet (then KBL epb) in 2012
- PC is a Luxembourg-based financial holding company supervised by ECB and CSSF
- PC represents private interests of limited number of members of prominent Qatari family
- Private, not sovereign, organisation that seeks to capitalise on attractiveness of European private banking industry over long term
- Holds 99.9% of Quintet Private Bank (Europe) S.A.

TRACK RECORD OF EQUITY INJECTIONS BY SHAREHOLDER EURm



Precision capital is a fully committed shareholder, having contributed EUR375m in equity since acquisition of Quintet

QPB has a conservative dividend payout policy; no dividend has been paid to its shareholders since 2016. This has been driven by a combination of market conditions as well as the specific situation of QPB. At market level, the banking industry has been marked by an increase in the quantum of required capital to comply with prudential regulation, with the advent, notably, of the Basel III framework and the CRD IV Directive. Luxembourg has, in addition, been an early adopter in the automatic exchange of information, known as the Common Reporting Standard (CRS).

More specifically, QPB has utilised its own capital resources and organic capital generation in order to finance the investments required for the delivery of its strategic priorities. The QPB Group completed *inter alia* the acquisition of The Roberts Partnership in UK in 2016, Insinger de Beaufort in Netherlands in 2017 and subsequent integration with Theodor Gilissen Bankiers, Lombard Odier in Netherlands in 2018, NW Brown in UK in 2019 and Bank am Bellevue in Switzerland in 2020. As part of its 2025 plan, the QPB Group is equally investing in its frontline with the hiring of approximately 180 new client advisors over the period between the middle of 2019 and 2025, as well as the build-up of a scalable and efficient platform and superior product offering and investment capabilities.

At the date of this Offering Circular no convertible debt securities, exchangeable debt securities or debt securities with warrants attached have been issued by QPB (or KBL at that time) which are outstanding.

Board of Directors

Composition

The board of directors of QPB (the **Board of Directors**) is composed of three or more directors appointed by the general meeting of shareholders.

As of the date of this Offering Circular, the Board of Directors of QPB comprises:

| SURNAME | FIRST NAME | BUSINESS ADDRESS | POSITION | PRINCIPAL OUTSIDE ACTIVITIES |
|-----------|----------------------|---|---|-------------------------------------|
| BOUCKAERT | Alfred Joseph Urbain | 33a, avenue de Foestraets B-1180 Brussels Belgium | Director (<i>Administrateur</i>) | Director of companies |
| TAPNER | Nicholas Rory | 43, boulevard Royal L-2955 Luxembourg Grand Duchy of Luxembourg | Director (<i>Administrateur</i>) Chairman of the Board of Directors (<i>Président du Conseil d'Administration</i>) | Non-executive Director of companies |
| FRANCIS | Yves Jean-Marie | 24, avenue Victor Hugo L-1750 Luxembourg | Director (<i>Administrateur</i>) | Director of companies |

| | | | | |
|----------------|--------------------------|--|---|---|
| | | Grand Duchy of Luxembourg | | |
| HERKES | Anne Ruth | 2 Münchenerstrasse 10777 Berlin Germany | Director (<i>Administrateur</i>) | Director of companies |
| MARCOLIN | Antoine Rémi François | 43, boulevard Royal L-2955 Luxembourg Grand Duchy of Luxembourg | Director (<i>Administrateur</i>) | Deputy CEO of PC |
| MAZZUCHELLI | Marco Giovanni | 4, Mittelbersteig 8044 Zürich Switzerland | Director (<i>Administrateur</i>) | Director of companies |
| NASRA | George | 43, boulevard Royal L-2955 Luxembourg Grand Duchy of Luxembourg | Director (<i>Administrateur</i>) Vice-chairman (<i>Vice-Président du Conseil d'Administration</i>) | CEO of PC |
| REULAND | Anne | 13-15, Parc d'activités L-8308 Capellen Grand Duchy of Luxembourg | Director (<i>Administrateur</i>) | Chief Legal and Regulatory Officer at Luxtrust S.A. |
| VANDEKERCKHOVE | Peter Lucien | 12 Lusthofdreef 2900 Schoten Belgium | Director (<i>Administrateur</i>) | Director of companies |
| WILDGEN | Albert | 69 boulevard de la Pétrusse L-2320 Luxembourg | Director (<i>Administrateur</i>) | Lawyer |

| | | | | |
|-------|---------------|---|---------------------------------------|-----------------|
| | | Grand Duchy of Luxembourg | | |
| STOTT | Jakob Thomsen | 43, boulevard Royal L-2955 Luxembourg Grand Duchy of Luxembourg | Director (<i>Administrateur</i>) | QPB Group's CEO |

Duties of the Board of Directors

Within the limits of the articles of association, the Board of Directors is responsible for the management of QPB.

Conflict of interests

As at the date of this Offering Circular, the above-mentioned members of the Board of Directors of QPB do not have potential conflicts of interests, material to the issue of Notes, between any duties to QPB and its interests or other duties.

Financial statements

Drawing up of financial statements

The financial year is the calendar year.

Adoption of financial statements

The general meeting of shareholders adopts the financial statements.

Material investments and disinvestments

On 20 June 2019, QPB (KBL at that time) announced that its UK affiliate, Brown Shipley, has signed an agreement to acquire NW Brown & Co. Limited ("**NW Brown**"), a boutique of wealth management. This acquisition, approved by the relevant regulators, has not significantly impacted QPB's risk profile. NW Brown's assets, clients and employees have been successfully integrated into Brown Shipley as of April 2020.

On 20 August 2019, QPB (KBL at that time) announced the signing of an agreement to acquire Bank am Bellevue, the wealth management business of the Bellevue Group, a diversified financial services company listed on the SIX Swiss Exchange. The acquisition successfully closed on 4 May 2020.

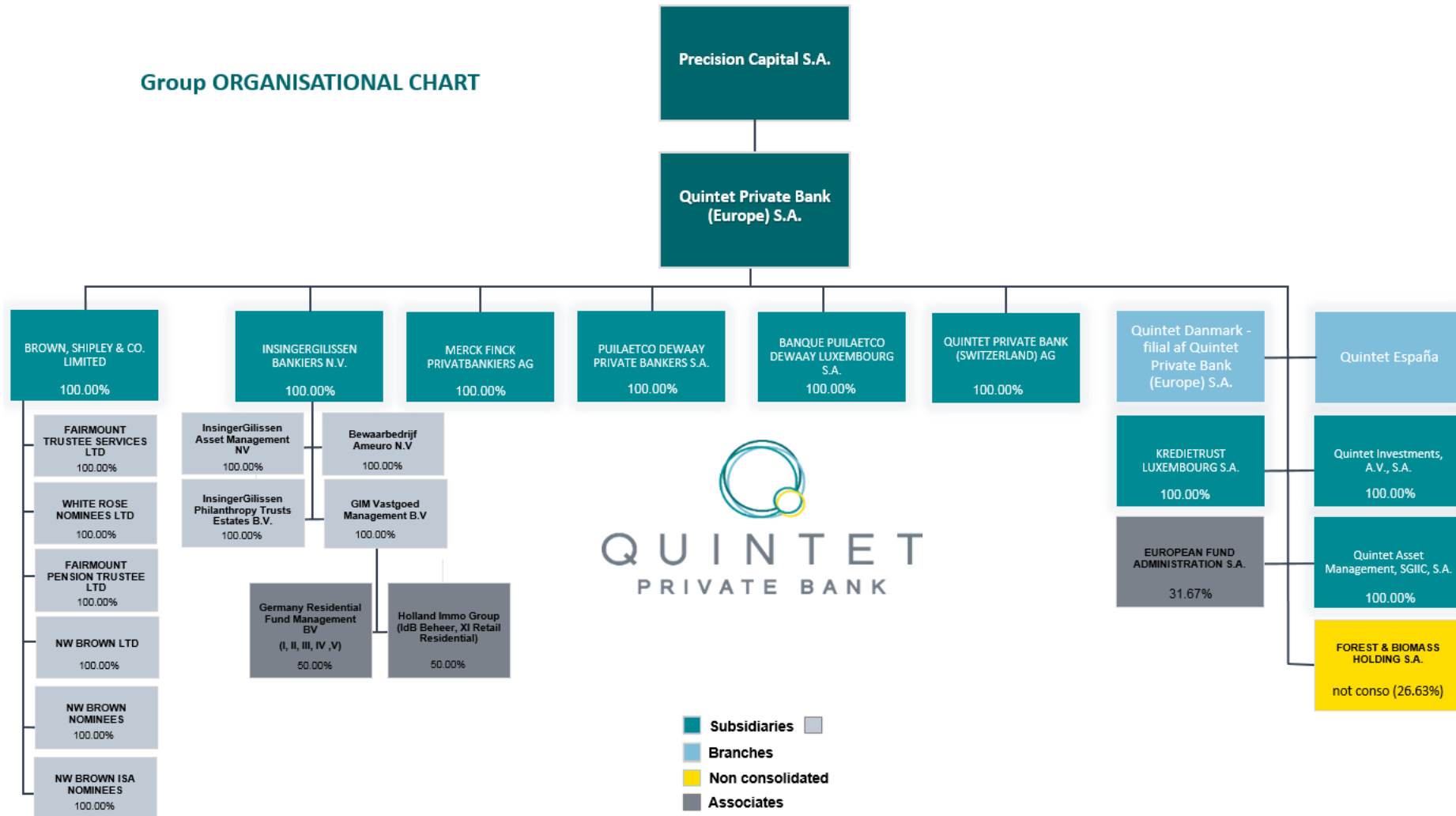
On 5 August 2020, QPB consummated the sale of its wholly-owned subsidiary KBL Immo S.A. ("**KBL Immo**"). KBL Immo's primary assets consist in 6 buildings composing the headquarters of QPB located at boulevard Royal in Luxembourg-city. QPB structured the transaction as a sale and lease back whereby real estate currently held by KBL Immo is sold to third party investor(s) and leased by QPB, and other tenants, from the purchaser(s). As of the date of this Offering Circular, the transaction has closed and QPB generated a capital gain upon closing.

QPB has made no other material investments and disinvestments since 30 June 2020 and, as at the date of this Offering Circular, its Board of Directors has made no firm commitments on such material investments in the future.

Organisational structure

The current organisational chart as of the date of this Offering Circular of QPB is presented on the next page.

Group ORGANISATIONAL CHART



Administrative, management, and supervisory bodies

Composition

As of the date of this Offering Circular, the authorised management committee (the "**Authorised Management Committee**") of QPB comprises:

| SURNAME | FIRST NAME | POSITION |
|-----------|---------------|--|
| HARVEY | Nicholas | QPB Group's CFO |
| LEISTNER | Maria | QPB Group's CLO |
| MARISSENS | Siegfried | QPB's Secretary General |
| RODERMANN | Thomas | Quintet Europe CEO ¹ Merck Finck's CEO |
| STOTT | Jakob Thomsen | QPB Group's CEO |
| SWINGS | Anthony | QPB Group's CRO |

Conflicts of interests

As at the date of this Offering Circular, the above-mentioned members of the Authorised Management Committee of QPB do not have potential conflicts of interests, material to the issue of Notes, between any duties to QPB and its interests or other duties.

Selected historical financial information concerning QPB's assets and liabilities, financial position and profits and losses

The following section presents consolidated financial statements of QPB for the full years 2018 (audited) and 2019 (audited), which are incorporated by reference into this Offering Circular and for the half years 2019 and 2020. Where applicable, such information should be read and analysed together with the relevant notes included in such documents.

¹ Subject to regulatory approval

- Consolidated statement of profit and loss

| (in EUR thousand) | 31/12/2018 (audited) | 31/12/2019 (audited) | 30/06/2019 (unaudited) | 30/06/2020 (unaudited) |
|---|-------------------------|-------------------------|---------------------------|---------------------------|
| Net interest income | 74,678 | 82,137 | 42,424 | 46,100 |
| Dividend income | 2,969 | 1,114 | 290 | 278 |
| Net gains / losses on financial instruments measured at fair value through profit or loss | 33,981 | 21,710 | 2,712 | 12,953 |
| Net realised gains/losses on financial assets and liabilities not measured at fair value through profit or loss | -518 | 8,684 | 6,827 | 2,207 |
| Net fee and commission income | 296,025 | 292,722 | 141,880 | 158,613 |
| Other net income (expenses) | 37,669 | 36,699 | 14,201 | 5,977 |
| GROSS INCOME | 444,804 | 443,065 | 208,336 | 226,127 |
| Operating expenses | -433,571 | -470,475 | -202,787 | -234,950 |
| Staff expenses | -283,217 | -286,828 | -128,742 | -149,496 |
| General administrative expenses | -132,885 | -145,875 | -59,182 | -68,516 |
| Other | -17,469 | -37,772 | -14,863 | -16,938 |
| Impairment | -1,696 | -13,315 | -2,043 | -1,558 |
| Share of profit of associates | -62 | -1,481 | -906 | -992 |
| Gains / (losses) on non-current assets held-for-sale, not qualifying as discontinued operations | -2,514 | - | - | - |
| Negative goodwill recognised in profit or loss | - | - | - | 7,397 |
| PROFIT / (LOSS) BEFORE TAX | 6,961 | -42,206 | 2,600 | -3,976 |
| Income tax (expenses) / income | -6,165 | -1,522 | 154 | -4,186 |
| PROFIT/(LOSS) AFTER TAX | 796 | -43,728 | 2,754 | -8,162 |

- Consolidated statement of comprehensive income

| (in EUR thousand) | 31/12/2018 (audited) | 31/12/2019 (audited) | 30/06/2019 (unaudited) | 30/06/2020 (unaudited) |
|---|-------------------------|-------------------------|---------------------------|---------------------------|
| PROFIT / (LOSS) AFTER TAX | 796 | -43,728 | 2,754 | -8,162 |
| OTHER COMPREHENSIVE INCOME | -22,440 | -6,052 | 2,940 | -16,647 |
| Items that may be reclassified subsequently to profit or loss | -17,828 | 3,065 | 3,020 | -14,782 |
| Debt instruments at fair value through other comprehensive income | -18,136 | 7,793 | 3,273 | 21,190 |
| <i>Revaluation at fair value (including hedged items)</i> | -24,474 | 18,511 | 11,021 | 27,090 |
| <i>Net realised gains / losses on sales</i> | 401 | -8,233 | -6,765 | 1,140 |
| <i>Impairment</i> | - | - | - | - |
| <i>Income tax (expenses) / income</i> | 5,936 | -2,484 | -983 | 7,041 |
| Exchange differences on translation of foreign operations | 308 | -4,728 | -253 | 6,407 |
| Items that will not be reclassified to profit or loss | -4,612 | -9,117 | -80 | -1,865 |
| Remeasurements of defined benefit pension plans | -4,016 | -8,899 | -32 | -1,239 |
| <i>Remeasurements (gross)</i> | -3,736 | -9,102 | -14 | -1,686 |
| <i>Income tax (expense)/income on remeasurements</i> | -280 | 203 | -18 | 447 |
| Revaluation gains/(losses) on equity instruments at fair value through other comprehensive income | -596 | -218 | -47 | -626 |
| <i>Revaluation at fair value</i> | -790 | -274 | -35 | -770 |
| <i>Income tax (expenses) / income</i> | 193 | 56 | -13 | 144 |
| TOTAL COMPREHENSIVE INCOME | -21,644 | -49,779 | 5,695 | -24,809 |

- Consolidated statement of financial position

| ASSETS (in EUR million) | 31/12/2018 | 31/12/2019 | 30/06/2020 |
|---|-------------------|-------------------|--------------------|
| | (audited) | (audited) | (unaudited) |
| Cash, cash balances with central banks and other demand deposits | 4,372 | 2,067 | 2,647 |
| Financial assets | 7,900 | 9,326 | 9,863 |
| Held-for-trading | 310 | 247 | 363 |
| Non-trading mandatorily at fair value through profit or loss | 38 | 44 | 45 |
| At fair value through other comprehensive income | 2,615 | 3,118 | 3,030 |
| At amortized cost | 4,924 | 5,912 | 6,423 |
| Hedging derivatives | 14 | 4 | 2 |
| Fair value changes of the hedged items in portfolio hedge of interest rate risk | 1 | 4 | 12 |
| Tax assets | 23 | 21 | 28 |
| Current tax assets | 2 | 3 | 2 |
| Deferred tax assets | 21 | 19 | 26 |
| Investments in associates | 12 | 6 | 5 |
| Investment properties | 11 | 10 | - |
| Property and equipment | 70 | 114 | 72 |
| Goodwill and other intangible assets | 438 | 483 | 482 |
| Other assets | 158 | 117 | 107 |
| Non-current assets held-for-sale | 10 | 7 | 55 |
| TOTAL ASSETS | 12,995 | 12,155 | 13,272 |
| <hr/> | | | |
| EQUITY AND LIABILITIES (in EUR million) | 31/12/2018 | 31/12/2019 | 30/06/2020 |
| | (audited) | (audited) | (unaudited) |
| Financial liabilities | 11,623 | 10,701 | 11,850 |
| Held-for-trading | 269 | 233 | 362 |
| At amortized cost | 11,262 | 10,346 | 11,325 |
| Hedging derivatives | 92 | 123 | 163 |
| Tax liabilities | 4 | 1 | 1 |
| Current tax liabilities | 4 | 1 | 1 |
| Deferred tax liabilities | 0 | 0 | 0 |
| Liabilities directly associated with assets held for sale | - | - | 1 |
| Provisions | 43 | 58 | 57 |
| Other liabilities | 263 | 321 | 263 |
| TOTAL LIABILITIES | 11,933 | 11,081 | 12,172 |
| TOTAL EQUITY | 1,063 | 1,075 | 1,100 |
| <i>Equity attributable to the owners of the parent</i> | <i>1,063</i> | <i>1,075</i> | <i>1,100</i> |
| <i>Non-controlling interest</i> | <i>-</i> | <i>-</i> | <i>-</i> |
| <i>Out of which Common Equity Tier 1 instruments issued</i> | <i>708</i> | <i>770</i> | <i>820</i> |
| TOTAL EQUITY AND LIABILITIES | 12,995 | 12,155 | 13,272 |

- Consolidated statement of change in equity

| <i>(in EUR million)</i> | Issued and paid-up share capital | Share premium | Consolidated reserves | Revaluation reserve | Remeasurement of defined benefit pension plans | Currency translation differences | Profit/Loss | Equity, group share | Non-controlling interests | Total equity |
|--|----------------------------------|---------------|-----------------------|---------------------|--|----------------------------------|--------------|---------------------|---------------------------|------------------|
| 2020 | | | | | | | | | | |
| Balance as at 01/01/2020 | 233.1 | 537.4 | 364.9 | 13.3 | -44.9 | 14.6 | -43.7 | 1,074.6 | | - 1,074.6 |
| Transfer of previous year result to the reserves | - | - | -43.7 | - | - | - | 43.7 | - | - | - |
| Capital Increase | 9.1 | 40.9 | - | - | - | - | - | 50.0 | - | 50.0 |
| Total comprehensive income for the period | - | - | - | -21.8 | -1.2 | 6.4 | -8.2 | -24.8 | - | -24.8 |
| Other | - | - | 0.3 | - | - | - | - | 0.3 | - | 0.3 |
| Balance as at 30/06/2020 (unaudited) | 242.2 | 578.3 | 321.4 | -8.5 | -46.1 | 21.0 | -8.2 | 1,100.1 | | - 1,100.1 |

| <i>(in EUR million)</i> | Issued and paid-up share capital | Share premium | Consolidated reserves | Revaluation reserve | Remeasurement of defined benefit pension plans | Currency translation differences | Profit/Loss | Equity, group share | Non-controlling interests | Total equity |
|--|----------------------------------|---------------|-----------------------|---------------------|--|----------------------------------|-------------|---------------------|---------------------------|------------------|
| 2019 | | | | | | | | | | |
| Balance as at 31/12/2018 (audited) | 221.2 | 487.2 | 364.2 | 5.7 | -36.0 | 19.3 | 0.8 | 1,062.5 | | - 1,062.5 |
| Impact of adopting IFRS 16 | - | - | 0.3 | - | - | 0.0 | - | 0.3 | - | 0.3 |
| Balance as at 01/01/2019 | 221.2 | 487.2 | 364.6 | 5.7 | -36.0 | 19.3 | 0.8 | 1,062.9 | | - 1,062.9 |
| Transfer of previous year result to the reserves | - | - | 0.8 | - | - | - | -0.8 | - | - | - |
| Total comprehensive income for the period | - | - | - | 3.4 | 0.0 | -0.3 | 2.8 | 5.9 | - | 5.9 |
| Result on equities at fair value through other comprehensive income option (with no recycling in the profit or loss of the period) | - | - | 0.2 | -0.2 | - | - | - | - | - | - |
| Balance as at 30/06/2019 (unaudited) | 221.2 | 487.2 | 365.5 | 8.9 | -36.0 | 19.0 | 2.8 | 1,068.7 | | - 1,068.7 |

| <i>(in EUR million)</i> | Issued and paid-up share capital | Share premium | Consolidated reserves | Revaluation reserve | Remeasurement of defined benefit pension plans | Currency translation differences | Profit/Loss | Equity, group share | Non-controlling interests | Total equity |
|--|----------------------------------|---------------|-----------------------|---------------------|--|----------------------------------|--------------|---------------------|---------------------------|------------------|
| 2019 | | | | | | | | | | |
| Balance as at 31/12/2018 (audited) | 221.2 | 487.2 | 364.2 | 5.7 | -36.0 | 19.3 | 0.8 | 1,062.5 | | - 1,062.5 |
| Impact of adopting IFRS16 | - | - | 0.3 | - | - | 0.0 | - | 0.3 | | 0.3 |
| Balance as at 01/01/2019 | 221.2 | 487.2 | 364.6 | 5.7 | -36.0 | 19.3 | 0.8 | 1,062.9 | | - 1,062.9 |
| Transfer of previous year result to the reserves (Note 32) | - | - | 0.8 | - | - | - | -0.8 | - | | - |
| Capital Increase (Note 32) | 11.9 | 50.1 | - | - | - | - | - | 62.0 | | 62.0 |
| Dividends and profit-sharing | - | - | - | - | - | - | - | - | | - |
| Total comprehensive income for the year | - | - | - | 7.7 | -8.9 | -4.7 | -43.7 | -49.6 | | -49.6 |
| Changes in scope of consolidation | - | - | - | - | - | - | - | - | | - |
| Result on equities at fair value through other comprehensive income option (with no recycling in the profit or loss of the period) | - | - | 0.2 | -0.2 | - | - | - | - | | - |
| Other | - | - | -0.6 | - | - | - | - | -0.6 | | -0.6 |
| Balance as at 31/12/2019 (audited) | 233.1 | 537.4 | 364.9 | 13.3 | -44.9 | 14.6 | -43.7 | 1,074.6 | | - 1,074.6 |

| <i>(in EUR million)</i> | Issued and paid-up share capital | Share premium | Consolidated reserves | Revaluation reserve | Remeasurement of defined benefit pension plans | Currency translation differences | Profit/Loss | Equity, group share | Non-controlling interests | Total equity |
|--|----------------------------------|---------------|-----------------------|---------------------|--|----------------------------------|-------------|---------------------|---------------------------|------------------|
| 2018 | | | | | | | | | | |
| Balance as at 31/12/2017 (audited) | 221.2 | 487.2 | 355.4 | 41.4 | -32.0 | 19.0 | 35.2 | 1,127.4 | 0.0 | 1,127.4 |
| Impact of adopting IFRS 9 | - | - | 3.7 | -16.9 | - | - | - | -13.2 | | -13.2 |
| Balance as at 01/01/2018 | 221.2 | 487.2 | 359.1 | 24.4 | -32.0 | 19.0 | 35.2 | 1,114.2 | 0.0 | 1,114.2 |
| Transfer of previous year result to the reserves (Note 32) | - | - | 5.1 | - | - | - | -5.1 | - | | - |
| Dividends and profit-sharing | - | - | - | - | - | - | -30.0 | -30.0 | | -30.0 |
| Total comprehensive income for the year | - | - | - | -18.6 | -4.0 | 0.3 | 0.8 | -21.6 | | -21.6 |
| Changes in scope of consolidation | - | - | 0.0 | - | - | - | - | 0.0 | 0.0 | 0.0 |
| Result on equities at fair value through other comprehensive income option (with no recycling in the profit or loss of the period) | - | - | 0.1 | -0.1 | - | - | - | 0.0 | | 0.0 |
| Other | - | - | - | - | - | - | - | - | | - |
| Balance as at 31/12/2018 (audited) | 221.2 | 487.2 | 364.2 | 5.7 | -36.0 | 19.3 | 0.8 | 1,062.5 | | - 1,062.5 |

- Consolidated statement of cash flows

| (in EUR million) | 31/12/2018 (audited) | 31/12/2019 (audited) | 30/06/2019 (unaudited) | 30/06/2020 (unaudited) |
|---|-------------------------|-------------------------|---------------------------|---------------------------|
| Profit / (loss) before tax | 7.0 | -42.2 | 2.6 | -4.0 |
| Adjustments for: | -41.1 | -4.5 | -6.9 | 4.1 |
| <i>Impairment on securities, amortisation and depreciation on property and equipment, intangible assets and investment properties</i> | 19.6 | 30.5 | 15.3 | 17.3 |
| <i>Profit/loss on the disposal of investments</i> | -40.1 | -35.7 | -11.8 | 0.0 |
| <i>Change in impairment for losses on loans and advances</i> | 1.5 | 13.3 | 1.4 | 1.3 |
| <i>Change in other provisions</i> | -1.9 | 7.3 | 0.2 | -0.1 |
| <i>Unrealised foreign currency gains and losses and valuation differences</i> | -20.2 | -21.4 | -13.0 | -15.5 |
| <i>Income from associates</i> | 0.1 | 1.5 | 0.9 | 1.0 |
| Cash flows from / (used in) operating activities before tax and changes in operating assets and liabilities | -75.3 | -46.7 | -4.3 | 0.1 |
| Changes in operating assets ⁽¹⁾ | 1,419.1 | -1,396.1 | 12.9 | 7.8 |
| Changes in operating liabilities ⁽²⁾ | 190.6 | -258.1 | -238.0 | 15.5 |
| Income taxes | -5.9 | -7.3 | -1.3 | -3.4 |
| NET CASH FLOWS FROM / (USED IN) OPERATING ACTIVITIES | 1,528.5 | -1,708.2 | -230.7 | 20.0 |
| Purchase of subsidiaries | - | -34.7 | - | 141.4 |
| Proceeds from sale of subsidiaries | 67.0 | 2.9 | 2.9 | - |
| Purchase of investment properties | -8.1 | 0.0 | 0.0 | - |
| Proceeds from sale of investment properties | - | - | - | - |
| Purchase of intangible assets | -24.1 | -13.1 | -3.4 | -3.4 |
| Proceeds from sale of intangible assets | - | 0.0 | - | - |
| Purchase of property and equipment | -6.5 | -9.3 | -2.1 | -3.8 |
| Proceeds from sale of property and equipment | 46.0 | 41.7 | 14.3 | 11.3 |
| NET CASH FROM / (USED IN) INVESTING ACTIVITIES | 74.3 | -12.5 | 11.7 | 145.4 |
| Share capital increase | - | 62.0 | - | 50.0 |
| Purchase/sale of treasury shares | - | - | - | - |
| Issue/ (repayment) of non-subordinated debt | 14.8 | 221.7 | 21.6 | -113.4 |
| Issue / (repayment) of subordinated debts | -1.3 | -1.2 | -1.3 | -0.2 |
| Dividends paid and profit-sharing | -30.0 | - | - | - |
| NET CASH FLOWS FROM / (USED IN) FINANCING ACTIVITIES | -16.5 | 282.5 | 20.4 | -63.6 |
| NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS ⁽³⁾ | 1,586.3 | -1,438.3 | -198.6 | 101.8 |
| CASH AND CASH EQUIVALENTS AS AT 01/01 | 2,748.5 | 4,334.8 | 4,334.8 | 2,896.5 |
| Net increase/decrease in cash and cash equivalents | 1,586.3 | -1,438.3 | -198.6 | 101.8 |
| Net foreign exchange difference | - | - | - | - |
| CASH AND CASH EQUIVALENTS AS AT 31/12 (30/06) | 4,334.8 | 2,896.5 | 4,136.2 | 2,998.4 |
| ADDITIONAL INFORMATION | | | | |
| Interest paid during the year | 97.5 | 111.2 | 55.9 | 41.0 |
| Interest received during the year | 140.7 | 169.9 | 86.0 | 75.1 |
| Dividends received (including equity method) | 3.0 | 1.1 | 0.3 | 0.3 |
| COMPONENTS OF CASH AND CASH EQUIVALENTS | 4,334.8 | 2,896.5 | 4,136.2 | 2,998.4 |
| Cash and balances with central banks (including mandatory reserves with the central banks) | 4,052.7 | 1,799.7 | 1,528.6 | 2,133.5 |
| Loans and advances to banks repayable on demand | 575.2 | 1,409.2 | 3,119.7 | 1,225.3 |
| Deposits from banks repayable on demand | -290.1 | -312.4 | -512.1 | -360.4 |
| <i>Of which: not available ⁽⁴⁾</i> | 47.6 | 41.0 | 42.8 | 39.3 |

- Including loans and advances to banks and customers, securities, derivatives and other assets.
- Including deposits from banks and customers, bonds issued, derivatives and other liabilities.
- Cash includes cash and deposits payable on demand; cash equivalents are short-term investments that are very liquid, easily convertible into a known cash amount and subject to a negligible risk of a change in value.
- Cash and cash equivalents not available for the Group mainly comprise of the mandatory reserve held with the Luxembourg Central Bank and the 'margin' accounts held with clearing houses (futures markets, etc.).

Strategic priorities of QPB including the QPB Group reorganisation

On 24 May 2019, QPB (KBL at that time) announced the appointment of Jürg Zeltner as QPB Group's CEO and member of the Board of Directors, as well as the appointment of Jakob Thomsen Stott as CEO, Wealth Management, and member of the Authorised Management Committee. Those appointments were approved in August 2019 by the relevant regulatory authorities. The arrival of Jürg Zeltner and Jakob Thomsen Stott brings wealth of experience in international private banking. M. Zeltner and M. Stott have worked extensively together in the past and designed together the new strategic priorities of QPB Group until 2025. They have been instrumental in securing external talents to refine and execute the QPB Group's 2025 strategy. Later in 2019, Jürg Zeltner was diagnosed with health issue prompting Jakob Thomsen Stott to assume the role of interim CEO of the QPB Group from December 2019 onwards. On 23 March 2020, Jakob Thomsen Stott was appointed as QPB Group's CEO and member of the Board of Directors. Regulatory approval for the appointment was obtained in June 2020. The linchpin of QPB Group's culture is the partnership approach, whereby strategic priorities and key decisions are debated openly between partners, i.e. members of the executive committee of QPB. The linchpin of QPB Group's culture is a partnership approach, where strategic priorities and decisions are debated openly between the partners of QPB, i.e. members of the executive committee. This collaborative and teamwork approach is the key mitigant to the risk of reliance on a single individual. Drawing upon the firm's highly experienced leadership team and dedicated professionals, Quintet will continue to pursue the strategic plans laid out further in this section. Quintet's shareholders are fully committed to supporting the bank's long-term growth strategy and unlocking its full potential. That commitment remains unwavering.

QPB's strategic plan for the period running from 2020 through 2025 has the ambition to build the leading boutique-like European-based pure-play private banking group and to become "the most trusted fiduciary of family wealth". The new strategy foresees to grow, within the QPB Group's existing markets, but also in new markets (international cross-border and new segments). In parallel, the strategy foresees to increase the QPB Group's efficiency and to re-organise the QPB Group structure (along three core hubs, with an integrated Quintet Europe headquartered in Luxembourg, a Switzerland hub and a UK hub) and to establish global functions with scalable operating models. Further, the QPB Group foresees to build-up superior independent investment capabilities, leveraging an open-architecture product offering approach. The final pillar of the QPB Group's strategy is the introduction of a new fresh, modern, consistent QPB Group umbrella brand architecture.

In order to re-install growth the QPB Group plans to hire approximately 180 new client advisors over the period from mid-2019 to the end 2025 to grow domestically and to enter new markets and geographic regions. The QPB Group has defined 30 core target markets, including all core European markets (i.e., the QPB Group announced on 22 October 2019 the opening of a new branch in Denmark to cover the Nordics), but also core markets in Middle East, Asia and Latin America. Given the cross-border focus, a presence in Switzerland is considered as of a core strategic asset for the QPB Group. The acquisition of Bank am Bellevue in Switzerland, completed on 4 May 2020, marks therefore a key milestone. Besides the significant growth in cross-border business the QPB Group plans to build-up dedicated propositions to grow in currently by the unserved segments, such as, entrepreneurs, women, family offices and ultra-HNWI. In parallel to tapping new avenues of growth, QPB is implementing a frontline evolution programme, which foresees to improve of its sales management, coverage model and the overall client experience. Besides organic levers, the QPB Group will tap and leverage the full range of semi-organic and M&A levers, as exemplified by the acquisitions of NW Brown in the UK and Bank am Bellevue in Switzerland, or by recent prominent hiring of teams of private bankers.

Beyond the growth initiatives and commercial aspects, QPB will conduct a profound reorganisation of its operating model to craft a scalable platform, leaner and fit for growth with the dual purpose to realise significant efficiencies, while stepping up quality and capabilities to meet business requirements. In order to achieve this purpose, the functions across QPB will migrate from a decentralised model to establish new global centralised centres of competence for each of its functions. In order to design the target operating model for each of these functions, QPB conducts an end-to-end review and optimisation of its processes. The reorganisation of the QPB Group also has marked implications on the organisational setup of the QPB Group via the merger of the entities of QPB Group based in the Eurozone, (Germany, Belgium, Netherlands) into the Luxembourg entity, resulting in a creation of Quintet Europe, headquartered in Luxembourg and covering banking activities in the Eurozone, coupled with the establishment of its branches in key Eurozone jurisdictions.

Post this reorganisation, the QPB model will lean on three hubs: Quintet Europe, headquartered in Luxembourg; the UK hub and the Switzerland hub, leveraging the acquisition of Bank am Bellevue.

Besides investments into growth and efficiency levers, the QPB Group will invest over the next years to build-up superior independent investment capabilities and a robust end-to-end investment process. A strong CIO office with clear independent convictions, a robust and consistent end-to-end investment process and making a step-up with regards to upgrading alternatives and lending solutions. The ultimate goal is to establish the QPB Group as recognised thought-leader and boutique-like investment house within the wealth management industry which attracts and retains best talent across the sector.

The QPB Group focuses its further investments in attracting, growing and retaining talents, as well as the adherence to a partnership culture. Since the new management's advent, QPB has completed in excess of 100 key strategic hires across executives, client advisors and support functions staff. QPB is introducing dedicated training and development programmes to foster skills across all roles and revisiting its human resources policies and process notably through the introduction of harmonised grading, remuneration and development schemes across the QPB Group.

The QPB Group re-branded in January 2020 and was very well perceived in the market. With the introduction of the new umbrella brand the QPB Group aims to communicate and transport its value proposition in the market. QPB Group has been making significant progress towards the implementation of the strategy in 2020. The merger of subsidiaries into Quintet Europe is expected to be finalised by December of 2020. The efficiency savings are expected to be fully realised as of end of Q1 2021.

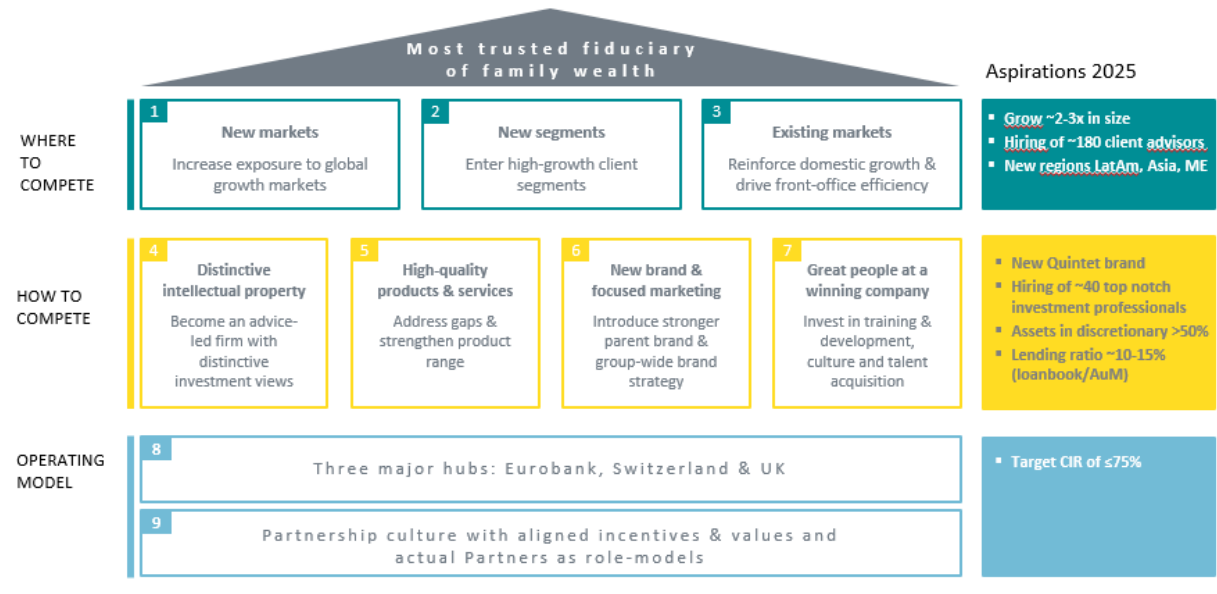
Substantial progress in implementation of the strategy is visible already in H1 2020. Hiring of client advisors and teams is well on track, with approximately 75 new hires since mid-2019 and approximately 35 in 2020 year to date. There is strong traction in new assets and loans (EUR1.1 billion net new money in the half year to 30 June 2020 or approximately 2.8% of opening assets under management). Expansion in new markets is well progressed as an acquisition in Switzerland was closed in April this year, a branch in Denmark opened, a market head for Latin America joined, the Asia team hired and Middle East Head is in continuous discussion. Also the project of transformation and merging subsidiaries into Quintet Europe is on track with the expected merger date in December 2020; the new CEO for Quintet Europe, Thomas Roderman has been appointed. QPB Group's positioning as a world-class investment house progressed and the new CIO's investment views & publications are being published with very good client feedback and approximately 22 top-notch professionals have been hired. Risk & control topics are all addressed and full management attention is locked on fast execution of those topics. Capital measures are as well on track as sale of headquarters was closed in beginning of August 2020.

As part of the strategy, the QPB Group developed a robust capital plan making full use of capital-effective instruments, thereby introducing AT1 capital into the capital structure via the issuance of the Notes. The objectives are threefold: (i) maintain solid total capital ratio over the period of equal to or higher than 17% (and CET1 of equal to or higher than 13.5%) and comfortable buffer to minimum regulatory requirements; (ii) anchor the QPB Group as a public market issuer, diversifying funding sources and providing increased flexibility and (iii) enable the QPB Group to make full use of capital and maintain room to grow, esp. on lending side (target penetration of approximately 10%).

In terms of financial targets for 2025, QPB aims at achieving a cost to income ratio equal to or below 75%. Each of PC at a consolidated level, QPB at a consolidated level and QPB at a solo level intend to operate at a CET1 ratio equal to or higher than 13.5% and a total capital ratio equal to or higher than 17.0%. In order to further secure the financing of its strategic ambitions, QPB Group expects its shareholders to contribute further CET1 capital over the coming years, although there can be no assurance that this will be completed.

Further information on the QPB Group strategy is included in the following pages.

THE GROUP EMBARKED LAST YEAR ON ITS NEW “STRATEGY 2025”



Geographical footprint

The chart below shows the overview of QPB's footprint as of 30 June 2020. The below amounts are expressed in billions of euros.

QUINTET OPERATES IN 8 EUROPEAN COUNTRIES AND HAS 45 OFFICES

QUINTET NETWORK EURbn, June 2020



(1) PB client assets excludes EUR6.7bn of low yielding assets. (2) GIS = Global Institutional Solutions. Total includes EUR1.6bn netting at group level recognised in PB client assets; (3) EUR0.2bn of institutional AM and EUR21bn of custody business. (4) EUR2.6bn of institutional AM and EUR10.2bn of custody business, including EUR1.6bn counted as PB client assets to be netted out at group level

| | PB client assets ⁽¹⁾ | GIS/Instit. client assets ⁽²⁾ | FTE | Offices | Booking capabilities |
|----------------------------------|---------------------------------|--|-------|---------|----------------------|
| QUINTET PRIVATE BANK | 38.3 | 33.6 | 1,866 | 45 | |
| QUINTET LUXEMBOURG PRIVATE BANK | 3.7 | 21.2 ⁽³⁾ | 608 | 1 | ✓ |
| BROWN SHIPLEY | 8.9 | - | 407 | 8 | ✓ |
| MERCK FINCK | 6.0 | 0.4 | 273 | 16 | ✓ |
| INSINGER GILSEN | 9.1 | 12.8 ⁽⁴⁾ | 323 | 6 | ✓ |
| PULAETCO | 7.4 | 0.8 | 191 | 7 | ✓ |
| PULAETCO LUXEMBOURG | 1.2 | - | 25 | 1 | ✓ |
| QUINTET SWITZERLAND PRIVATE BANK | 1.5 | - | 36 | 1 | ✓ |
| QUINTET DENMARK PRIVATE BANK | 0.0 | - | 0 | 1 | |
| QUINTET ESPAÑA PRIVATE BANK | 0.6 | - | 37 | 4 | |

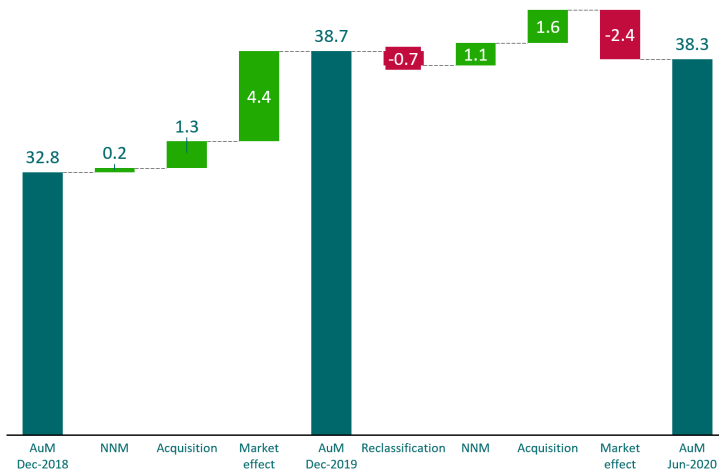
Since 2020

Development of assets under management

This section lays out the evolution of the assets under management for core private banking assets under management since December 2018.

SOLID NET NEW MONEY IN PB CLIENT ASSETS (AUM) SINCE 2019 AND START OF NEW STRATEGY

PRIVATE BANKING CLIENT ASSETS 2018-2020 H1 EURbn



2019 DEVELOPMENT

- Acquisition of NW Brown in the UK
- Strong market performance supported by buoyant equity markets

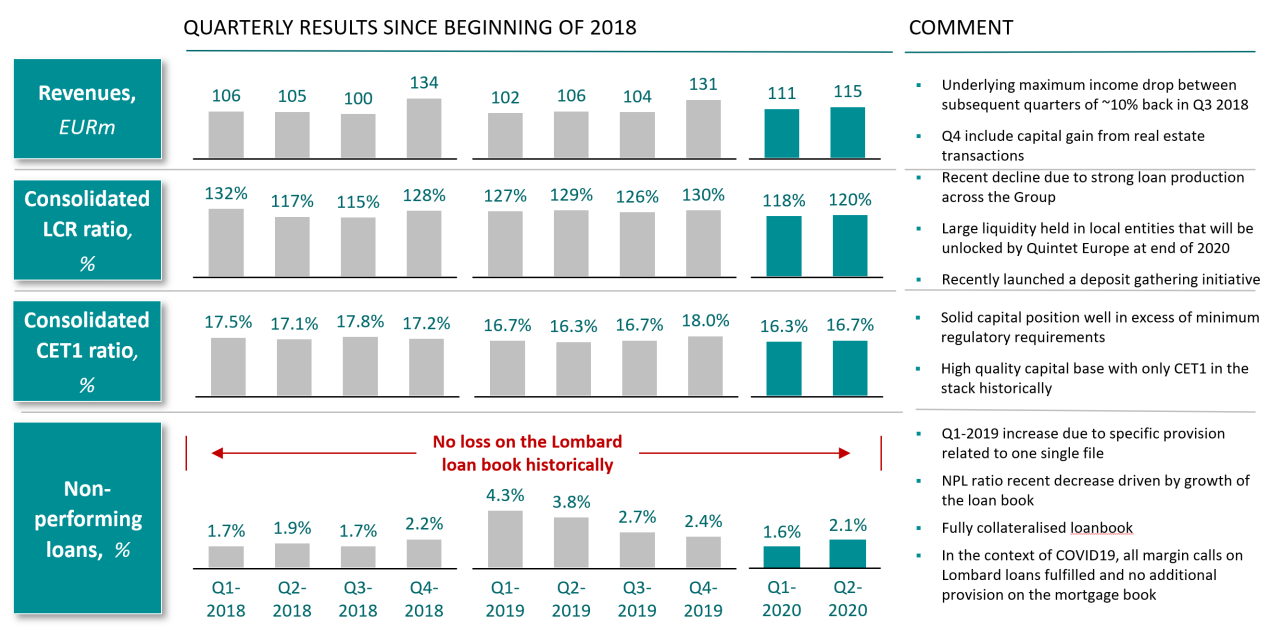
2020 DEVELOPMENT

- “Strategy 2025” starting to bear fruits in terms of NNM dynamics:
 - New team hires in Luxembourg to cover UK, Nordics and France
 - First front efficiency measures implemented
- EUR0.6bn of client assets were reclassified from PB into low yielding assets
- Acquisition of Bank am Bellevue (Switzerland) closed in May 2020
- Negative market effect due to COVID crisis, however recovery started in Q2 continued in July and August, partly offsetting negative performance

Overview of selected KPIs underpinning QPB's low risk profile

The following charts illustrate QPB's resilient, low-risk business model: stability of revenue, Liquidity Coverage Ratio (LCR) above minimum regulatory requirement (and expected to pick-up as part of the Quintet Europe merger), solid capital position and low non-performing loan ratio.

QUINTET FOLLOWS A RESILIENT, LOW-RISK, PRIVATE BANKING BUSINESS MODEL



Business continuity in the context of the recent pandemic

As far as the QPB Group is concerned, the business continuity plan enabled QPB to pursue the ordinary course of its business to a large extent while minimising the operational risk. The QPB Group adapted quickly to a new remote working environment, having put in place the appropriate IT infrastructure and collaboration tools proactively as part of its business continuity plan. Remote working implementation started 12 March 2020 and on 26 March only 2% or 21 staff remained at QPB premises in Luxembourg, with successful transition of the rest of the staff to home office. Only critical on-site functions, such as market operators, maintained presence on site with shifts and leveraged business continuity sites. In the peak of the COVID-19 pandemic, when most of the countries were on lockdown, on daily basis between 1,200 and 1,350 employees were working remotely. QPB Group's utmost concern is the safety of its employees and clients. On the back of the easing of the lockdown, and in accordance with national laws and contamination trends across the various geographies it operates in, QPB Group designed a gradual return to the office plan enforced from June 2020 onwards. The QPB Group is open again for its clients as of 1 July 2020 without any particular restrictions on days or appointments. As of mid-July 2020, approximately 750 employees were working onsite, which means approximately 30% of the workforce returned to work on-site with the rest employees continuing to work remotely. The QPB Group closely monitors the evolution of the situation on a weekly basis and is taking appropriate measures to ensure the safety of its employees.

Consolidated profit and loss account

P&L FY2019 REFLECTS THE CHARACTER OF BEING AN INVESTMENT YEAR

CONSOLIDATED P&L EURm

| in EURm | Dec-18 | Dec-19 | Jun-19 | Jun-20 | Change |
|-----------------------------------|----------------|----------------|----------------|----------------|---------------|
| Net interest income | 74.7 | 82.1 | 42.4 | 46.1 | 3.7 |
| Dividend income | 3.0 | 1.1 | 0.3 | 0.3 | (0.0) |
| Net gains on FIFV through P&L | 34.0 | 21.7 | 2.7 | 13.0 | 10.2 |
| Net realised gains on FI | (0.5) | 8.7 | 6.8 | 2.2 | (4.6) |
| Net fee and commission income | 296.0 | 292.7 | 141.9 | 158.6 | 16.7 |
| Other net income | 37.7 | 36.7 | 14.2 | 6.0 | (8.2) |
| Gross Income | 444.8 | 443.1 | 208.3 | 226.1 | 17.8 |
| Staff costs | (283.2) | (286.8) | (128.7) | (149.5) | (20.8) |
| General & administrative expenses | (132.9) | (145.9) | (59.2) | (68.5) | (9.3) |
| Other | (17.5) | (37.8) | (14.9) | (16.9) | (2.1) |
| Operating Expenses | (433.6) | (470.5) | (202.8) | (235.0) | (32.2) |
| Impairment | (1.7) | (13.3) | (2.0) | (1.6) | 0.5 |
| Negative goodwill | - | - | - | 7.4 | 7.4 |
| Associates | (0.1) | (1.5) | (0.9) | (1.0) | (0.1) |
| P&L from assets held for sale | (2.5) | - | - | - | - |
| Profit before tax | 7.0 | (42.2) | 2.6 | (4.0) | (6.6) |
| Income tax | (6.2) | (1.5) | 0.2 | (4.2) | (4.3) |
| Net income | 0.8 | (43.7) | 2.8 | (8.2) | (10.9) |

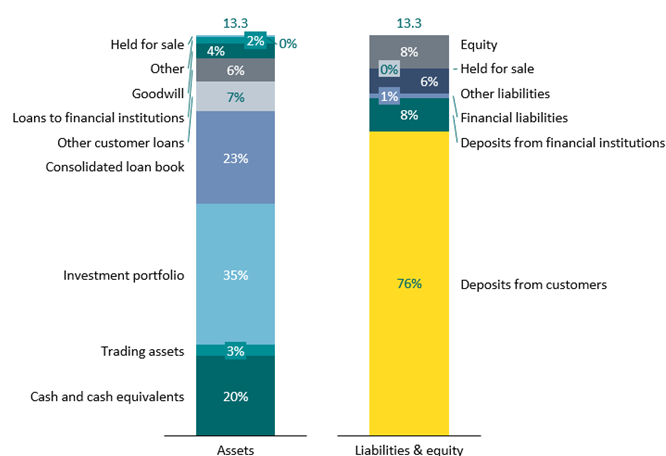
COMMENTS

- Re-established growth in recurring and core income streams:
 - Asset-based fee driven by productivity of new onboarded client advisors/ teams and higher level of client assets
 - Net interest income driven by growth in loan book and higher USD rates
- H1 2020 trading activity supported by market volatility in the context of COVID
- Staff cost base reflecting onboarding of new client advisors/ teams, investment professionals and management to support delivery of the 5-year plan
- G&A increase related to establishing new group brand and other change projects including upgrade of IT / digital

Balance sheet, credit rating and funding

QUINTET HAS A STRAIGHTFORWARD, LIQUID BALANCE SHEET STRUCTURE

CONSOLIDATED BALANCE SHEET June 2020 EURbn



FITCH RATING OVERVIEW

| | |
|-------------------------|--------------|
| Standalone rating (VR) | bbb |
| Long-term IDR rating | BBB / stable |
| Short-term IDR rating | F2 / stable |
| Latest publication date | 30/06/2020 |
| Expected AT1 rating | BB- |

EXTERNAL FUNDING

| EURm | Total size | Drawn (21/08) | Duration |
|-----------------------|------------|--------------------|----------------|
| Euro Commercial Paper | 500 | 221 | permanent |
| Euro Medium Term Note | 500 | 91 | yearly renewal |
| Interbank | n.a. | EUR326m USD166m | n.a. |

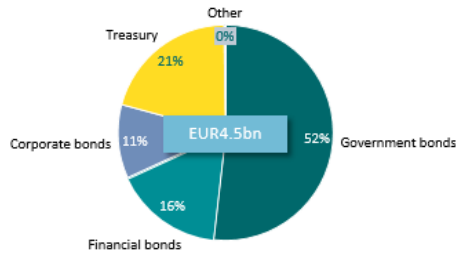
Quintet's liquidity underpinned by large customer deposits base, EUR500m EMTN/ECP programmes and access to repo market - Plan to tap senior bond market and to further develop utilization of EMTN, while reliance on ECP and Interbank markets is expected to remain low

QPB Group's investment portfolio

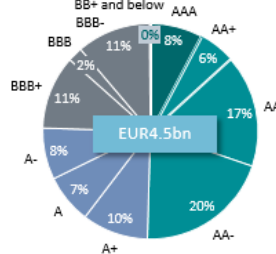
QPB's asset portfolio is made of investment grade, fixed income instruments primarily issued in developed countries.

INVESTMENT PORTFOLIO: HIGH QUALITY, LIQUID PORTFOLIO

BY TYPE OF SECURITIES June 2020



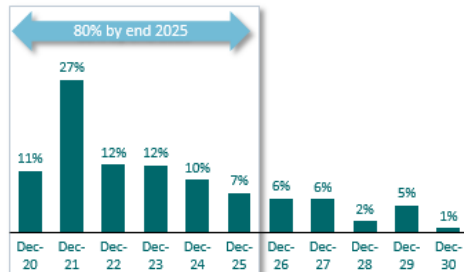
BONDS & TREASURY BY RATING June 2020



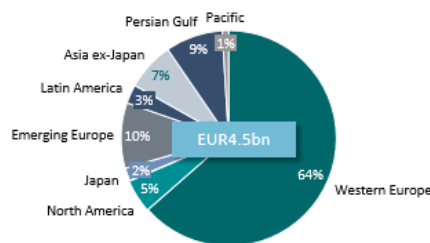
COMMENTS

- High quality: ~100% investment grade with ~76% rated A- or above
- Balanced rate typology: ~40% fixed rate and ~60% floating rate (bonds only)
- Primarily EUR book: 83% EUR, 14% USD, 3% GBP
- Main exposure to mature geographies: ~70% of Western Europe, North America and Japan issuers
- Duration of the portfolio is 1.3 years⁽¹⁾
- HQLA eligibility is 80%

BONDS & TREASURY BY MATURITY June 2020



BONDS & TREASURY BY COUNTRY June 2020



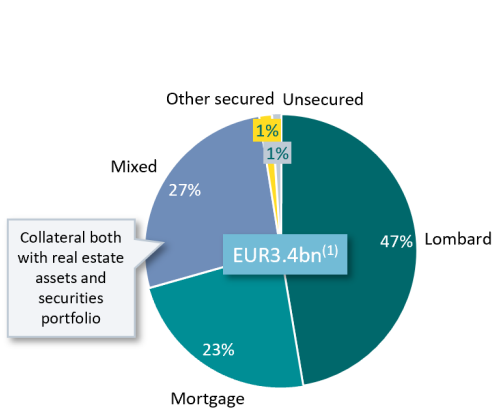
25 (1) Duration of the pure ALM Portfolio, excluding the Treasury Portfolio, which is strictly invested into maturities < 12m

QPB Group's customer loan portfolio

The credit portfolio of QPB is almost entirely comprised of collateralised credit with a strong track record of low underlying losses.

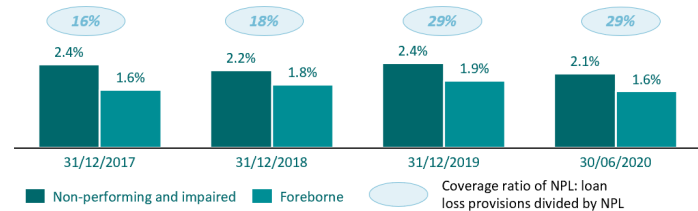
CONSOLIDATED CUSTOMER LOAN BOOK: CUSTOMER LOANS ~99% COLLATERALISED

TERM LOANS AND MORTGAGE LOANS June 2020

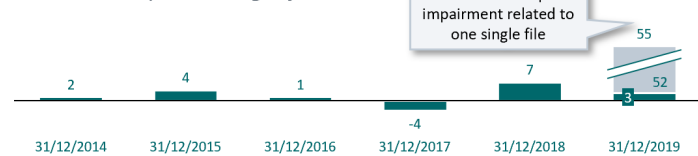


Collateral both with real estate assets and securities portfolio

NON-PERFORMING AND FOREBORNE EXPOSURES

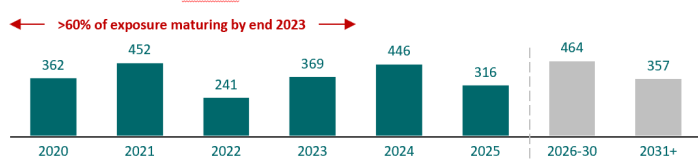


COST OF RISK bps as average of loan book



52 out of 55 bps impairment related to one single file

LOAN MATURITY⁽²⁾ EURm



(1) Excludes EUR0.7bn; mainly reverse repo with non-banking financial institutions plus overdrafts on central counterparty clearing institutions and brokers

(2) Excludes EUR0.4bn; mainly Until Further Notice exposures reviewed on a regular basis and, to a lesser extent (i.e. EUR33m), past due exposures (for which contractual payment date has been missed)

Over the course of H1 2020 in the context of the global COVID-19 pandemic, the possible deterioration of creditworthiness of individual and corporate counterparties prompted banks to increase the provisions for expected credit losses (“ECL”). While the trend is general across the industry, wealth management companies such as QPB Group have been less impacted due to the higher creditworthiness of their client base. QPB Group even experienced a decrease in its ECL provisions from EUR2.5 million to EUR1.5 million year on year over the first half of 2020, primarily due to lower ECL related to its investment portfolio and commitments and guarantees granted, while provisions on its client loanbook increased marginally due to bleaker macroeconomic scenario, but not due to case-specific provisioning. The lending portfolio therefore confirmed its low risk profile and resilience despite the overall downturn related to the outbreak of the COVID-19 situation. During the financial market turmoil in February / March 2020, the QPB Group executed more than 100 margin calls with no provisions and losses and had to agree just on very few payment holidays requested on the mortgage portfolio with no anticipation of additional losses or provisions.

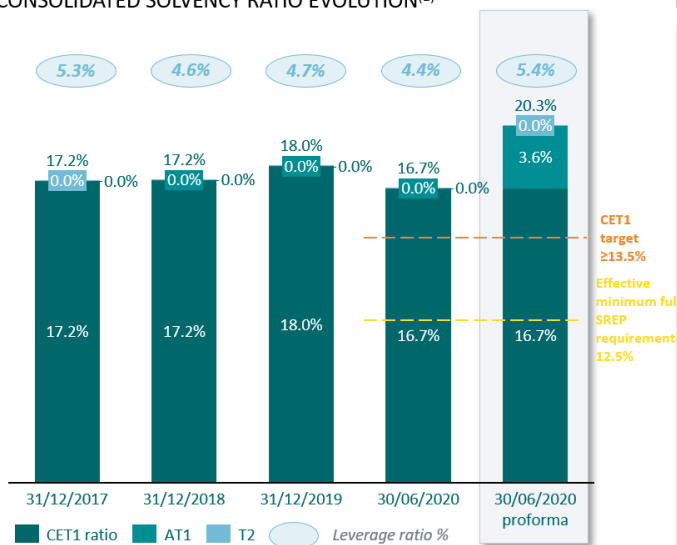
Capital position, solvency and liquidity ratios of QPB

Solvency ratio

The structure of QPB's own funds is straightforward, consisting of CET1 capital. The capital position is well in excess of minimum regulatory requirement, thereby allowing QPB to proceed with the investments required to execute on its strategy.

RATIOS: SOLID CAPITAL POSITION WELL IN EXCESS OF REGULATORY REQUIREMENTS WITH CONSOLIDATED BUFFER TO MDA OF EUR140M AS OF JUNE 2020

CONSOLIDATED SOLVENCY RATIO EVOLUTION⁽¹⁾



(1) Quintet consolidated figures

KEY CONSOLIDATED CAPITAL METRICS⁽¹⁾ EURm

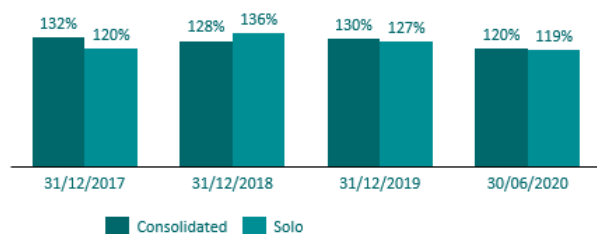
| EURm | DEC 17 | DEC 18 | DEC 19 | JUN 20 |
|--------------------------|---------------|---------------|---------------|---------------|
| CET1 | 613 | 599 | 568 | 587 |
| AT1 | 0 | 0 | 0 | 0 |
| Tier 1 | 613 | 599 | 568 | 587 |
| Tier 2 | 0 | 0 | 0 | 0 |
| Total capital | 614 | 599 | 568 | 587 |
| RWA | 3,574 | 3,482 | 3,160 | 3,509 |
| Credit risk | 2,513 | 2,472 | 2,248 | 2,456 |
| Market risk | 281 | 315 | 232 | 354 |
| Operational risk | 764 | 679 | 668 | 679 |
| CVA | 16 | 16 | 13 | 19 |
| Leverage exposure | 11,495 | 13,068 | 12,014 | 13,310 |
| RWA intensity % | 31% | 27% | 26% | 26% |

Liquidity ratio

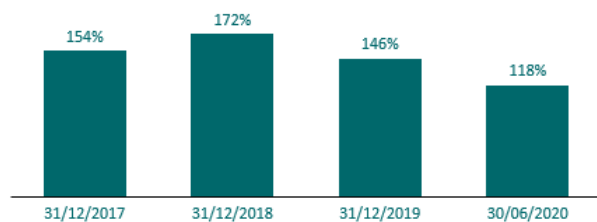
QPB enjoys a strong liquidity buffer. The envisaged transformation of Eurozone subsidiaries into branches will further facilitate liquidity across the group and is expected to have a positive impact on the LCR and the Net Stable Funding Ratio (NSFR).

RATIOS: QUINTET IS COMPLIANT WITH LIQUIDITY RATIO REQUIREMENTS

CONSOLIDATED LIQUIDITY COVERAGE RATIO



CONSOLIDATED NET STABLE FUNDING RATIO



- Decline in liquidity ratio over H1 2020 driven by strong loan book growth momentum in order to secure new client relationships and put liquidity at work: loan book of EUR3.1bn at H1 2020 (+EUR0.6bn)
- The transformation of Eurozone subsidiaries into branches will enable the group to tap large pool of excess liquidity and will support enhancement of the liquidity ratios
- In the meantime, deposit gathering measure launched recently

Available distributable items

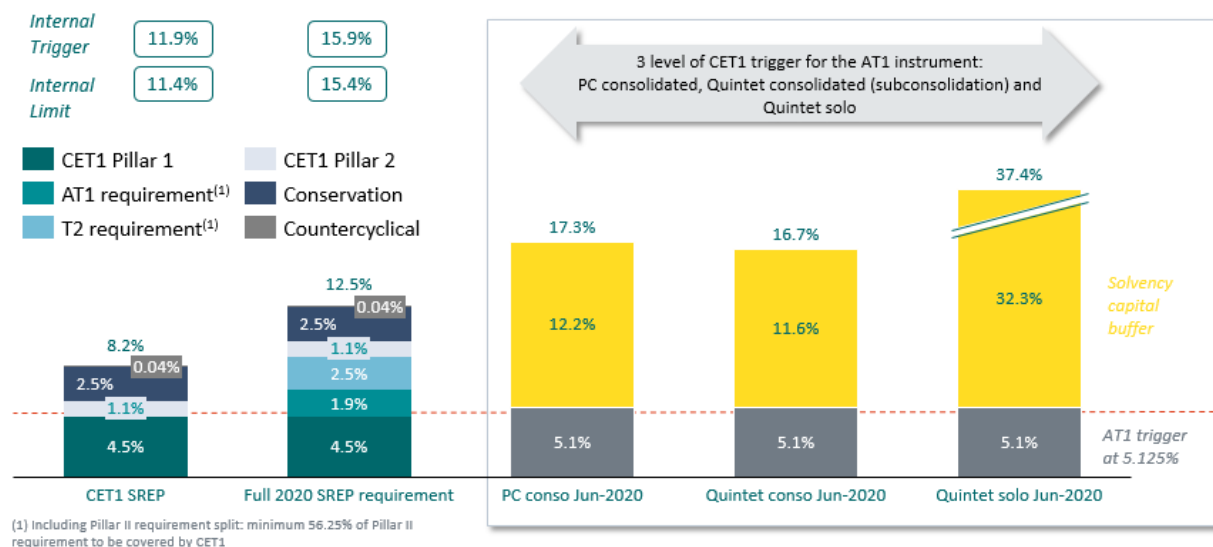
The available distributable items of QPB amount to EUR1,081 million as of June 2020.

Buffer to instrument trigger

The chart below presents QPB's SREP requirement for 2020 both for the CET1 ratio and the total capital ratio; as well as the capital position of the relevant entities in the context of the planned issuance as of 31 December 2019. Those entities are: PC, which is the consolidated level, QPB consolidated, which is the sub-consolidated level and QPB solo, which is the solo level.

SIGNIFICANT BUFFER TO AT1 TRIGGER

QUINTET BUFFER TO 2020 SREP REQUIREMENT AND AT1 TRIGGER

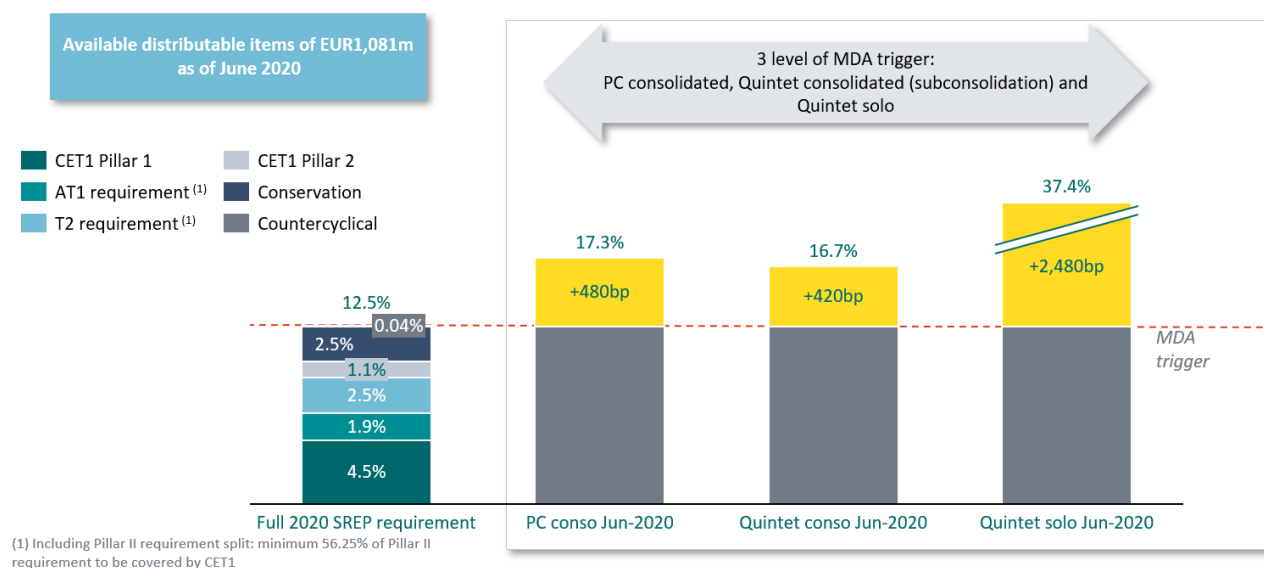


Buffer to Maximum Distributable Amount (MDA)

The charts below present the MDA buffer of the Issuer, the Group and the PC Group (each as calculated in accordance with the Applicable Banking Regulations) as of 31 December 2019.

SIGNIFICANT CONSOLIDATED BUFFER TO MDA IN EXCESS OF EUR140m

QUINTET BUFFER TO MDA TRIGGER AND ADI



The issue of the Notes is expected to represent approximately 4.3% of the QPB Group's RWA measured at 30 June 2020. However, as QPB Group is expected to grow RWA over the coming years, the contribution of the Notes, once issued, as a percentage of RWA is expected to gradually come down.

Each of PC and QPB intend to operate at a level of CET1 ratio equal to or higher than 13.5%. The current capital position enables QPB to secure the capital upfront in order to cover the strategic investments necessary for the orderly execution of QPB's strategy.

TAXATION

The following is a general description of certain tax considerations relating to the Notes. It does not purport to be a complete analysis of all tax considerations relating to the Notes whether in those countries or elsewhere. Prospective purchasers of Notes should consult their own tax advisers as to the consequences under the tax laws of the country of which they are resident for tax purposes and the tax laws of Luxembourg of acquiring, holding and disposing of Notes and receiving payments of interest, principal and/or other amounts under the Notes. This summary is based upon the law as in effect on the date of this Offering Circular and is subject to any change in law that may take effect after such date.

Also investors should note that the appointment by an investor in Notes, or any person through which an investor holds Notes, of a custodian, collection agent or similar person in relation to such Notes in any jurisdiction may have tax implications. Investors should consult their own tax advisers in relation to the tax consequences for them of any such appointment.

LUXEMBOURG TAX

The following information is of a general nature only and is based on (i) the laws presently in force in Luxembourg, though it is not intended to be, nor should it be construed to be, legal or tax advice and (ii) the assumption that the Notes qualify as debt from a Luxembourg tax perspective. Prospective investors in the Notes should therefore consult their own professional advisers as to the effects of state, local or foreign laws, including Luxembourg tax law, to which they may be subject.

Please be aware that the residence concept used under the respective headings below applies for Luxembourg income tax assessment purposes only. Any reference in the present section to a tax, duty, levy, impost or other charge or withholding of a similar nature, or to any other concepts, refers to Luxembourg tax law and/or concepts only. Also, please note that a reference to Luxembourg income tax encompasses corporate income tax (*impôt sur le revenu des collectivités*), municipal business tax (*impôt commercial communal*), a solidarity surcharge (*contribution au fonds pour l'emploi*) as well as personal income tax (*impôt sur le revenu*) generally. Investors may further be subject to net wealth tax (*impôt sur la fortune*) as well as other duties, levies or taxes. Corporate income taxes, municipal business tax, as well as the solidarity surcharge invariably apply to most corporate taxpayers resident in Luxembourg for tax purposes. Individual taxpayers are generally subject to personal income tax and the solidarity surcharge. Under certain circumstances, where an individual taxpayer acts in the course of the management of a professional or business undertaking, municipal business tax may apply as well.

Taxation of the Noteholders

Withholding Tax

(i) Non-resident Noteholders

Under Luxembourg general tax laws currently in force, there is no withholding tax on payments of principal, premium or interest made to non-resident Noteholders, nor on accrued but unpaid interest in respect of the Notes, nor is any Luxembourg withholding tax payable upon redemption or repurchase of the Notes held by non-resident Noteholders.

(ii) Resident Noteholders

Under Luxembourg general tax laws currently in force and subject to the law of 23 December 2005, as amended (the “**Relibi Law**”), there is no withholding tax on payments of principal, premium or interest made to Luxembourg resident Noteholders, nor on accrued but unpaid interest in respect of Notes, nor is any Luxembourg withholding tax payable upon redemption or repurchase of Notes held by Luxembourg resident Noteholders.

Under the Relibi Law, payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to an individual beneficial owner who is a resident of Luxembourg will be subject to a withholding tax of 20 per cent. Such withholding tax will be in full discharge of income tax if the beneficial owner is an individual acting in

the course of the management of his/her private wealth. Responsibility for the withholding of the tax will be assumed by the Luxembourg paying agent. Payment of interest under the Notes coming within the scope of the Relibi Law will be subject to a withholding tax at a rate of 20 per cent.

Income Tax

(i) Non-resident Noteholders

A non-resident Noteholder, not having a permanent establishment or permanent representative in Luxembourg to which/whom such Notes are attributable, is not subject to Luxembourg income tax on interest accrued or received, redemption premiums or issue discounts, under the Notes. A gain realised by such non-resident Noteholder on the sale or disposal, in any form whatsoever, of the Notes is further not subject to Luxembourg income tax.

A non-resident corporate Noteholder or an individual Noteholder acting in the course of the management of a professional or business undertaking, who has a permanent establishment or permanent representative in Luxembourg to which or to whom such Notes are attributable, is subject to Luxembourg income tax on interest accrued or received, redemption premiums or issue discounts, under the Notes and on any gains realised upon the sale or disposal, in any form whatsoever, of the Notes.

(ii) Resident Noteholders

Noteholders who are residents of Luxembourg will not be liable for any Luxembourg income tax on repayment of principal.

Luxembourg resident corporate Noteholders

A corporate Noteholder must include any interest accrued or received, any redemption premium or issue discount, as well as any gain realised on the sale or disposal, in any form whatsoever, of the Notes, in its taxable income for Luxembourg income tax assessment purposes.

A corporate Noteholder that is governed by the law of 11 May 2007 on family estate management companies, as amended, or by the law of 17 December 2010 on undertakings for collective investment, as amended, by the law of 13 February 2007 on specialised investment funds, as amended, or by the law of 23 July 2016 on reserved alternative investment funds and which does not fall under the special tax regime set out in article 48 thereof is neither subject to Luxembourg income tax in respect of interest accrued or received, any redemption premium or issue discount, nor on gains realised on the sale or disposal, in any form whatsoever, of the Notes.

Luxembourg resident individual Noteholder

An individual Noteholder, acting in the course of the management of his/her private wealth, is subject to Luxembourg income tax at progressive rates in respect of interest received, redemption premiums or issue discounts, under the Notes, except if (i) withholding tax has been levied on such payments in accordance with the Relibi Law, or (ii) the individual holder of the Notes has opted for the application of a 20 per cent. tax in full discharge of income tax in accordance with the Relibi Law, which applies if a payment of interest has been made or ascribed by a paying agent established in an EU Member State (other than Luxembourg), or in a Member State of the European Economic Area (other than an EU Member State). A gain realised by an individual Noteholder, acting in the course of the management of his/her private wealth, upon the sale or disposal, in any form whatsoever, of Notes is not subject to Luxembourg income tax, provided this sale or disposal took place more than six months after the Notes were acquired. However, any portion of such gain corresponding to accrued but unpaid interest income is subject to Luxembourg income tax, except if tax has been levied on such interest in accordance with the Relibi Law.

An individual Noteholder acting in the course of the management of a professional or business undertaking must include this interest in its taxable basis. If applicable, the tax levied in accordance with the Relibi Law will be credited against his/her final tax liability.

Net Wealth Taxation

A corporate Noteholder, whether it is a resident of Luxembourg for tax purposes or, if not, it maintains a permanent establishment or a permanent representative in Luxembourg to which/whom such Notes are attributable, is subject to Luxembourg wealth tax on such Notes, except if the Noteholder is governed by the law of 11 May 2007 on family estate management companies, as amended, by the law of 17 December 2010 on undertakings for collective investment, as amended, by the law of 13 February 2007 on specialised investment funds, as amended, by the law of 23 July 2016 on reserved alternative investment funds, or is a securitisation company governed by the law of 22 March 2004 on securitisation, as amended, or is a capital company governed by the law of 15 June 2004 on venture capital vehicles, as amended. Please however note that securitisation companies governed by the law of 22 March 2004 on securitisation, as amended, or capital companies governed by the law of 15 June 2004 on venture capital vehicles, as amended, or reserved alternative investment funds governed by the law of 23 July 2016 and which fall under the special tax regime set out under article 48 thereof may, under certain conditions, be subject to minimum net wealth tax.

An individual Noteholder, whether he/she is a resident of Luxembourg or not, is not subject to Luxembourg wealth tax on such Notes.

Other Taxes

In principle, neither the issuance nor the transfer, repurchase or redemption of Notes will give rise to any Luxembourg registration tax or similar taxes.

However, a fixed or *ad valorem* registration duty may be due upon the registration of the Notes in Luxembourg in the case where the Notes are physically attached to a public deed or to any other document subject to mandatory registration, as well as in the case of a registration of the Notes on a voluntary basis.

Where a Noteholder is a resident of Luxembourg for tax purposes at the time of his/her death, the Notes are included in his/her taxable estate for inheritance tax assessment purposes.

Gift tax may be due on a gift or donation of Notes if embodied in a Luxembourg deed passed in front of a Luxembourg notary or recorded in Luxembourg.

Foreign Account Tax Compliance Act

Sections 1471 through 1474 of the Code (“**FATCA**”) impose a new reporting regime and potentially a 30% withholding tax with respect to certain payments to (i) any non-US financial institution (a “foreign financial institution”, or FFI (as defined by FATCA)) that does not become a Participating FFI by entering into an agreement with the IRS to provide the IRS with certain information in respect of its account holders and investors or is not otherwise exempt from or in deemed compliance with FATCA and (ii) any person (unless otherwise exempt from FATCA) that does not provide information sufficient to determine whether the person is a US person or should otherwise be treated as holding a “United States account” of the relevant FFI (a “**Recalcitrant Holder**”).

The new withholding regime is in effect for payments from sources within the United States and will apply to foreign passthru payments (a term not yet defined) no earlier than 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.

The United States and a number of other jurisdictions have entered into intergovernmental agreements to facilitate the implementation of FATCA (each, an “**IGA**”). Pursuant to FATCA and the “Model 1” and “Model 2” IGAs released by the United States, an FFI in an IGA signatory country could be treated as a Reporting FI not subject to withholding under FATCA on any payments it receives. Further, an FFI in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA (or any law implementing an IGA) (any such withholding being “**FATCA Withholding**”) from payments it makes. Under each Model IGA, a Reporting FI would still be required to report certain information in respect of its account holders and investors to its home government or to the IRS. The United States and Luxembourg have entered into an agreement (the US-Luxembourg IGA) based largely on the Model 1 IGA.

If the Issuer is treated as a Reporting FI pursuant to the US-Luxembourg IGA, it should not be obliged to deduct any FATCA Withholding on payments it makes. There can be no assurance, however, that the Issuer will be treated as a Reporting FI, or that it would in the future not be required to deduct FATCA Withholding from payments it makes. Accordingly, the Issuer may be required to withhold FATCA Withholding if (i) any FFI through or to which payment on the Notes is made is not a Participating FFI, a Reporting FI, or otherwise exempt from or in deemed compliance with FATCA or (ii) an investor in Notes is a Recalcitrant Holder.

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.

Exchange of information for tax purposes

The Issuer may be required to report certain information about its investors and, as the case may be, about individuals controlling investors that are entities, on an automatic and annual basis to the Luxembourg direct tax administration (*Administration des contributions directes*) in accordance with, and subject to, the Luxembourg law of 24 July 2015 concerning FATCA, and/or the Luxembourg law of 18 December 2015 implementing Council Directive 2014/107/EU and the standard for automatic exchange of financial account information in tax matters developed by the OECD with the G20 countries (commonly referred to as the “**Common Reporting Standard**”), each as amended from time to time (each an “**AEOI Law**” and collectively the **AEOI Laws**). Such information, which may include personal data (including, without limitation, the name, address, country(ies) of tax residence, date and place of birth and tax identification number(s) of any reportable individual) and certain financial data about the relevant Notes (including, without limitation, their balance or value and gross payments made thereunder), will be transferred by the Luxembourg direct tax administration to the competent authorities of the relevant foreign jurisdictions in accordance with, and subject to, the relevant Luxembourg legislation and international agreements.

Each Noteholder and prospective investor agrees to provide, upon request by the Issuer (or its delegates), any such information, documents and certificates as may be required for the purposes of the Issuer's identification and reporting obligations under any AEOI Law. The Issuer reserves the right to reject any application for Notes or to redeem Notes (i) if the prospective investor or Noteholder does not provide the required information, documents or certificates or (ii) if the Issuer (or its delegates) has reason to believe that the information, documents or certificates provided to the Issuer (or its delegates) are incomplete or incorrect and the Noteholder does not provide, to the satisfaction of the Issuer (or its delegates), sufficient information to cure the situation. Prospective investors and Noteholders should note that incomplete or inaccurate information may lead to multiple and/or incorrect reporting under the AEOI Laws. Neither the Issuer nor any other person accepts any liability for any consequences that may result from incomplete or inaccurate information provided to the Issuer (or its delegates). Any Noteholder failing to comply with the Issuer's information requests may be charged with any taxes and penalties imposed on the Issuer attributable to such Noteholder's failure to provide complete and accurate information.

Each investor and prospective investor acknowledges and agrees that the Issuer will be responsible to collect, store, process and transfer the relevant information, including the personal data, in accordance with the AEOI Laws. Each individual whose personal data has been processed for the purposes of any AEOI Law has a right of access to his/her personal data and may ask for a rectification thereof in case where such data is inaccurate or incomplete.

SUBSCRIPTION AND SALE

The Lead Manager has, pursuant to a subscription agreement dated on or about the date of this Offering Circular (the “**Subscription Agreement**”), agreed to subscribe for the Notes at their issue price of 100 per cent. of their principal amount less commissions. The Issuer has also agreed to reimburse the Lead Manager for certain of its expenses incurred in connection with the management of the issue of the Notes. The Lead Manager is entitled in certain circumstances to be released and discharged from its obligations under the Subscription Agreement prior to the closing of the issue of the Notes.

Save for any fees payable to the Lead Manager, so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. The Lead Manager and its affiliates may 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/or its affiliates in the ordinary course of business. The Lead Manager and its affiliates have received, or may in the future receive, customary fees and commissions for these transactions.

The QPB Group's ultimate majority shareholder and related parties have arranged to purchase, directly or indirectly, a material portion of the Notes. Such purchase will be made on the same terms as all other investors in this offering of the Notes. See also “*Risk Factors - There is no active trading market for the Notes*”

United Kingdom

The Lead Manager has represented and agreed that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (“**FSMA**”)) received by it in connection with the issue or sale of the Notes in circumstances in which Section 21(1) of the FSMA would not, if the Issuer was not an authorised person, apply to the Issuer; and
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

United States

The Notes have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States for offer or sale as part of their distribution and, subject to certain exceptions, 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 and in compliance with applicable state securities laws. The Notes are being offered and sold only outside of the United States to non-U.S. persons in reliance upon an exemption from registration under the Securities Act pursuant to Regulation S. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

The Notes 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 U.S. 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 tax regulations thereunder.

The Lead Manager has represented and agreed that, except as permitted by the Subscription Agreement, it will not offer, sell or deliver the Notes, (a) as part of their distribution at any time or (b) otherwise, until 40 days after the later of the commencement of the offering and the Issue Date of the Notes, within the United States or to, or for the account or benefit of, U.S. persons, and that 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. Terms used in this paragraph and not defined in this Offering Circular shall have the meanings given to them by Regulation S.

Until 40 days after commencement of the offering, an offer or sale of the Notes within the United States by a dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

Prohibition of Sales to EEA and UK Retail Investors

The Lead Manager has represented and agreed 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 this Offering Circular in relation thereto to any retail investor in the European Economic Area or in the United Kingdom.

For the purposes of this provision 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 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.

Singapore

The Lead Manager has acknowledged that this Offering Circular has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, the Lead Manager has represented and agreed that it has not offered or sold any Notes, or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Offering Circular or any other document or material in connection with the offer or sale or invitation for subscription or purchase of the Notes, whether directly or indirectly, to any person in Singapore other than (a) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA, (b) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA or to any person pursuant to Section 275(1A) of the SFA and in accordance with the conditions specified in Section 275 of the SFA, or (c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries’ rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

- (i) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- (ii) where no consideration is or will be given for the transfer;
- (iii) where the transfer is by operation of law;
- (iv) as specified in Section 276(7) of the SFA; or
- (v) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-

based Derivatives Contracts) Regulations 2018.

Any reference to the SFA is a reference to the Securities and Futures Act, Chapter 289 of Singapore and a reference to any term as defined in the SFA or any provision in the SFA is a reference to that term as modified or amended from time to time including by such of its subsidiary legislation as may be applicable at the relevant time.

In connection with Section 309B of the SFA and the CMP Regulations 2018, the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are prescribed capital markets products (as defined in the CMP Regulations 2018) and 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).

Hong Kong

The Lead Manager has represented and agreed that:

- (i) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes other than (a) to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the “SFO”) and any rules made under the SFO; or (b) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the “C(WUMP)O”) or which do not constitute an offer to the public within the meaning of the C(WUMP)O; and
- (ii) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the SFO and any rules made under the SFO.

Switzerland

The offering of the Notes in Switzerland is exempt from the prospectus requirement under the Swiss Financial Services Act (“FinSA”) because the Notes have a minimum denomination of CHF 100,000 (or equivalent in another currency) or more. This Offering Circular does not constitute a prospectus as such term is understood pursuant to the FinSA, and no such prospectus has been or will be prepared for or in connection with the offering of the Notes.

General

The Lead Manager has represented, warranted and agreed that it has complied and will comply with all applicable laws and regulations in each country or jurisdiction in which it purchases, offers, sells or delivers Notes or possesses, distributes or publishes this Offering Circular or any other offering material relating to the Notes. Persons into whose hands this Offering Circular comes are required by the Issuer and the Lead Manager to comply with all applicable laws and regulations in each country or jurisdiction in which they purchase, offer, sell or deliver Notes or possess, distribute or publish this Offering Circular or any other offering material relating to the Notes, in all cases at their own expense.

GENERAL INFORMATION

Authorisation

The creation and issue of the Notes has been authorised by circular resolutions of the Board of Directors of the Issuer dated 15 September 2020 and a resolution passed at the meeting of the Board of Directors of the Issuer held on 21 September 2020.

Listing and Admission to Trading

Application has been made to the Luxembourg Stock Exchange for the Notes to be admitted to trading on the Euro MTF Market of the Luxembourg Stock Exchange and to be listed on the Official List of the Luxembourg Stock Exchange with effect from 23 October 2020. The Euro MTF Market is not a regulated market pursuant to the provisions of MiFID II but is a multilateral trading facility within the meaning of article 4(22) of MiFID II operated by the Luxembourg Stock Exchange and appears on the list of multilateral trading facilities as published by the Luxembourg financial sector supervisory authority, the CSSF.

Clearing Systems

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg (which are the entities in charge of keeping the records).

The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium and the address of Clearstream, Luxembourg is Clearstream Banking, 42 Avenue JF Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg.

Significant Legal and Arbitration Proceedings

Except as disclosed below, neither the Issuer nor any of its subsidiaries is or has been 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 12 months preceding the date of this Offering Circular which may have or have had in the recent past significant effects on the financial position or profitability of the Issuer.

Litigation with a Dutch client

The QPB Group is facing a litigation from an individual client of a subsidiary of the QPB Group, InsingerGilissen in the Netherlands. This case relates to an investment, via an external asset manager, whereby InsingerGilissen was acting as custodian. InsingerGilissen was successful at the first instance in defending the claim. This decision was subsequently overturned by the Court of Appeal, whose decision has been challenged before the Supreme Court. The Supreme Court is expected to rule on the claim in Q1 2021. Whilst the sum being claimed for compensation is not material (losses of EUR500,000), there are other clients (with potentially similar claims) who have subsequently come forward, so the case is being monitored closely.

Litigation in relation to depository bank activity

QPB was appointed as depository bank of a fund (“**Fund 1**”) in 2016 and retired from this position in 2018. The directors of Fund 1 issued proceedings in Luxembourg against QPB in March 2020 for alleged losses incurred by Fund 1 due to loans placed for development of properties, which it appears were not owned by the relevant sub-fund of Fund 1. The full details as regards the claim are still awaited and being assessed due to procedural delay by the claimant and Covid-19 court closures. The claim is for EUR7.8 million. No provision has been raised yet as QPB is assessing the allegations raised in the claim due to the fact the claim was only issued in March 2020.

Litigation in relation to a fund

The liquidators of a fund (“**Fund 2**”) are seeking, before the courts of the British Virgin Islands (the “**BVI**”) and the bankruptcy courts of New York, the repayment of all payments made between December 2003 and December 2008 to QPB in relation to investments made by QPB in Fund 2 on behalf of its customers on the grounds that the payments were made by mistake from fictitious profits and constitute unjust enrichment. The actions before the courts of the BVI have been dismissed voluntarily by the liquidators. On 6 December 2018, the bankruptcy courts of New York dismissed all of the claims except for the claims asserted under sections 245 and 246 of the BVI Insolvency Act. Consequently, the total amount of claims asserted against QPB (and Stichting Stroeve Global Custody) has been reduced to USD 7,724,096. With respect to QPB, the liquidators appealed the recent decision of the bankruptcy courts of New York on 2 May 2019. The competent appeal court will schedule a date for the decision on appeal which is awaited. No provision has been raised due to the nature of the claims being made.

Litigation by an individual client against the Netherlands subsidiary

In 2014, InsingerGilissen opened an account for a client into which the client received certain bonds. The client received these bonds as collateral for a loan to a third-party borrower. The borrower never repaid the client and trading in the bonds was blocked by the issuer of the bonds. The basis of the claim is that, although InsingerGilissen did not have an active role in the loss, InsingerGilissen should have prevented the client from receiving "faulty" bonds in the first place. The client estimates its damages at EUR33 million. The claim was issued on 7 March 2019. InsingerGilissen rejected the claim on the basis that it only acted as receiving depositary bank with no responsibility with regards to the client’s own (legal) business decisions which led to the claimed damages. On 6 August 2019, the statements of defence were filed at the competent court in the Netherlands by QPB. The claim is for EUR33 million. No provision has been raised due to the nature of the claims being made.

Significant/Material Change

Except as provided below, there has been no significant change in the financial performance or position of the Issuer since 30 June 2020 and there has been no material adverse change in the prospects of the Issuer since 31 December 2019.

On 5 August 2020, QPB consummated the sale of its wholly-owned subsidiary KBL Immo, whose primary assets consist in six buildings composing the headquarters of the Issuer and the Group located at boulevard Royal in Luxembourg-city as well as three other real estate assets in Luxembourg and Belgium. The Issuer structured the transaction as a sale and lease back whereby KBL Immo and the real estate it holds are sold to third party investor(s) and leased by the Issuer, and other tenants, from KBL Immo. As of the date of this Offering Circular, the transaction has closed and the Issuer generated a capital gain upon closing.

The Issuer has made no other material investments and disinvestments since the date of its last published financial statements and, as at the date of this Offering Circular, its Board of Directors has made no firm commitments on such material investments in the future.

Auditors

Ernst & Young S.A., Luxembourg, (a member of the *Institut des Réviseurs d'Entreprises* (the Luxembourg institute of chartered accountants)) has audited, and rendered the unqualified audit report on, the consolidated and non-consolidated accounts of the Issuer for the years ended 31 December 2018 and 31 December 2019.

Documents on Display

Copies of the following documents will be available free of charge from www.quintet.com from the date of this Offering Circular:

- (a) the articles of association of the Issuer;
- (b) the Fiscal Agency Agreement; and

- (c) the audited financial statements of the Issuer in respect of the financial years ended 2018 and 2019, in each case together with the audit reports prepared in connection therewith.

Material Contracts

As part of the sale and lease back agreement following the sale of KBL Immo, the Issuer entered into a new lease agreement with KBL Immo for the renting of its Luxembourgish headquarters. The duration of the agreement is five years, with an option at the benefit of the Issuer to renew it by one year at the end of the fifth year, once or twice, up to a total lease duration of seven years.

No contract (other than contracts entered into in the ordinary course of business) has been entered into by the Issuer or any of its subsidiaries which is, or may be, material or contains, or may contain, provisions which could result in the Issuer or any of its subsidiaries being under an obligation or entitlement which is or may be material to the Issuer's ability to meet its obligations to holders of the Notes.

Yield

The yield in respect of the Notes for the period up to the First Reset Date is 7.645 per cent. per annum and is calculated at the Issue Date on the basis of the issue price of 100 per cent. of the principal amount of the Notes.

ISIN and Common Code

The ISIN for the Notes is XS2244811019 and the common code is 224481101.

Legal Entity Identifier (LEI)

The Legal Entity Identifier (LEI) code for the Issuer is KHCL65TP05J1HUW2D560.

Conflicts

The Lead Manager and its affiliates may 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 its affiliates in the ordinary course of business. The Lead Manager and its affiliates may have positions, deal or make markets in the Notes, 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.

In addition, in the ordinary course of its business activities, the Lead Manager and its affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or Issuer's affiliates. The Lead Manager or its 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, the Lead Manager and its 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. Any such short positions could adversely affect future trading prices of Notes. The Lead Manager and its 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.

THE ISSUER

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