



## **SNS Bank N.V.**

(Incorporated under the laws of The Netherlands with limited liability and having its corporate seat in Utrecht)

### **€ 20,000,000,000 Debt Issuance Programme**

Under this euro 20,000,000,000 Debt Issuance Programme (the 'Programme') SNS Bank N.V. (the 'Issuer', which expression shall include any Substituted Debtor as defined in Condition 17) may from time to time issue notes (the 'Notes', which expression shall include Senior Notes and Subordinated Notes (each as defined below)) denominated in any currency agreed between the Issuer and the relevant Dealer (as defined below).

Subject as set out herein, the maximum aggregate nominal amount of all Notes from time to time outstanding under the Programme will not exceed euro 20,000,000,000 (or its equivalent in other currencies calculated as described herein).

The Notes will be issued on a continuing basis to one or more of the Dealers specified below and any additional Dealer appointed under the Programme from time to time, which appointment may be for a specific issue or on an ongoing basis (each a 'Dealer' and together the 'Dealers'). The Dealer or Dealers with whom the Issuer agrees or proposes to agree on the issue of any Notes is or are referred to as the 'relevant Dealer' in respect of those Notes.

The Notes of each Tranche (as defined below) will, unless otherwise specified in the applicable Pricing Supplement, initially be represented by a global Note which will be deposited on or before the issue date thereof either (i) with a common depositary on behalf of Euroclear Bank S.A./N.V., as operator of the Euroclear System ('Euroclear') and Clearstream Banking, société anonyme, Luxembourg ('Clearstream, Luxembourg') and/or any other agreed clearing system or (ii) with Euroclear Netherlands, the Netherlands Centraal Instituut voor Giraal Effectenverkeer B.V., formerly known as NECIGE ('Euroclear Netherlands'). See 'Form of the Notes' herein.

Notes issued under the Programme may be listed on the Official Segment of the stock market of Euronext Amsterdam N.V. ('Euronext Amsterdam'), the Luxembourg Stock Exchange or any other stock exchange, or may be unlisted, as specified in the applicable Pricing Supplement. In relation to Notes listed on the Luxembourg Stock Exchange, this Prospectus (subject to, in particular, the provisions of the fifth and ninth paragraph of page 2 hereof) is valid one year as of the date hereof.

Notes issued under the Programme have been rated A+ for long term Senior Notes, A for long term Subordinated Notes (Tier 2), A- for long term Subordinated Notes (Tier 3) and F1 for short term Senior Notes by Fitch Ratings Ltd. ('Fitch'), A2 for Senior Notes, Prime-1 for short term Senior Notes and A3 for Subordinated Notes by Moody's Investors Service Limited ('Moody's') and A-1 for Senior Notes with a maturity of one year or less, A for Senior Notes with a maturity over one year and A- for Dated Subordinated Notes by Standard & Poor's Rating Services ('S&P'). Tranches of Notes issued under the Programme may be rated or unrated. Where a tranche of Notes is rated, such rating will not necessarily be the same as the ratings assigned to the Notes. 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.

The Issuer may agree with any Dealer that Notes may be issued in a form not contemplated by the Terms and Conditions of the Notes herein, in which case a supplementary Prospectus, if appropriate, will be made available which will describe the effect of the agreement reached in relation to such Notes.

#### *Arranger*

**ABN AMRO**

#### *Dealers*

**ABN AMRO**

**Bayerische Landesbank**

**Commerzbank Securities**

**Deutsche Bank**

**HSBC**

**JPMorgan**

**Morgan Stanley**

**Schroder Salomon Smith Barney**

**SNS Financial Markets**

**WestLB AG**

**Barclays Capital**

**BNP PARIBAS**

**Credit Suisse First Boston**

**Goldman Sachs International**

**HSB Corporates & Markets**

**Merrill Lynch International**

**Nomura International**

**SG Investment Banking**

**UBS Warburg**

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

Application has been made for Notes issued under the Programme to be listed on Euronext Amsterdam and the Luxembourg Stock Exchange. Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and any other terms and conditions not contained herein which are applicable to each Tranche of Notes will be set forth in a pricing supplement (the 'Pricing Supplement') which, with respect to Notes to be listed on Euronext Amsterdam and/or the Luxembourg Stock Exchange, will be delivered to Euronext Amsterdam and/or the Luxembourg Stock Exchange on or before the date of issue of the Notes of such Tranche.

The Programme provides that Notes may be listed on such other or further stock exchange or stock exchanges as may be agreed between the Issuer and the relevant Dealer. The Issuer may also issue unlisted Notes.

If the terms of the Programme are modified or amended in a manner which would make the Prospectus, as supplemented inaccurate or misleading, a new prospectus will be prepared.

This Prospectus is to be read in conjunction with all documents which are deemed to be incorporated herein by reference (see 'Documents Incorporated by Reference' below). This Prospectus shall be read and construed on the basis that such documents are incorporated in and form part of this Prospectus.

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

Neither this Prospectus nor any other information supplied in connection with the Programme (i) is intended to provide the basis of any credit or other evaluation or (ii) should be considered as a recommendation by the Issuer or any of the Dealers that any recipient of this Prospectus or any other information supplied in connection with the Programme should purchase any Notes. Accordingly, no representation, warranty or undertaking, express or implied, is made by any of the Dealers in their capacity as such.

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 Prospectus nor any other information supplied in connection with the Programme constitutes an offer or invitation by or on behalf of the Issuer or any of the Dealers to any person to subscribe for or to purchase any Notes.

The delivery of this Prospectus does not at any time imply that the information contained or incorporated by reference herein concerning the Issuer is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. The Dealers expressly do not undertake to review the financial condition or affairs of the Issuer during the life of the Programme. Investors should review, inter alia, the most recent financial statements of the Issuer when deciding whether or not to purchase any Notes.

The distribution of this Prospectus and the offer or sale of Notes may be restricted by law in certain jurisdictions. Persons into whose possession this Prospectus or any Notes come must inform themselves about, and observe, any such restrictions. In particular, there are restrictions on the distribution of this Prospectus and the offer or sale of Notes in Germany, Japan, the Netherlands, the United Kingdom and the United States (see 'Subscription and Sale' below).

---

The Issuer has not authorised any offer of Notes to the public in the United Kingdom within the meaning of the Public Offers of Securities Regulations 1995 (the 'Regulations'). The Notes may not lawfully be offered or sold to persons in the United Kingdom except in circumstances which do not result in an offer to the public in the United Kingdom within the meaning of the Regulations or otherwise in compliance with all applicable provisions of the Regulations.

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the 'Securities Act'), and certain of the Notes are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to U.S. persons (see 'Subscription and Sale' below).

All references in this document to 'U.S. dollars', 'U.S.\$' and '\$' refer to the currency of the United States of America, and references to 'EUR', 'euro' and '€' refer to the currency introduced at the start of the third stage of European Economic and Monetary Union pursuant to the Treaty establishing the European Community, as amended, including as amended by the Treaty on European Union (the 'EU Treaty').

Schroder is a trademark of Schroders Holdings plc and is used under licence by Salomon Brothers International Limited.

This page is intentionally left blank

## TABLE OF CONTENTS

	Page
DOCUMENTS INCORPORATED BY REFERENCE	7
SUMMARY OF THE PROGRAMME AND TERMS AND CONDITIONS OF THE NOTES	9
FORM OF THE NOTES	14
TERMS AND CONDITIONS OF THE NOTES	24
USE OF PROCEEDS	47
SNS Bank N.V.	48
FINANCIAL INFORMATION	52
CONSOLIDATED ACCOUNTS	55
MARKET RISK MANAGEMENT	58
REPORT OF THE AUDITORS	59
NETHERLANDS TAXATION	60
SUBSCRIPTION AND SALE	62
GENERAL INFORMATION	66

**In connection with the issue and distribution of any Tranche of Notes, the Dealer (if any) disclosed as the Stabilising Manager (or any other person acting for the Stabilising Manager) in the applicable Pricing Supplement may over-allot or effect transactions with a view of supporting the market price of the Notes of the Series (as defined below) of which such Tranche forms part at a level higher than that which might otherwise prevail for a limited period. However, there may be no obligation on the Stabilising Manager (or any agent of the Stabilising Manager) to do this. Such stabilising, if commenced, may be discontinued at any time. Such stabilising shall be in compliance with all relevant laws and regulations and will, in respect of Notes listed on Euronext Amsterdam, in any event be discontinued 30 days after the relevant Issue Date. Stabilisation transactions conducted on Euronext Amsterdam must be conducted by a admitted institution (*aangesloten instelling*) of Euronext Amsterdam N.V. and must be conducted in accordance with all applicable laws and regulations, including those of Euronext Amsterdam N.V. and Article 32 of the Further Regulations on Market Conduct Supervision on the Securities Trade 2002 (*Nadere Regeling gedragstoezicht effectenverkeer 2002*) (as amended).**

This page is intentionally left blank

## DOCUMENTS INCORPORATED BY REFERENCE

The following documents shall be deemed to be incorporated in, and to form part of, this Prospectus:

- (a) the most recent Articles of Association of the Issuer;
- (b) the publicly available audited annual financial statements for the three most recent years of the Issuer and the most recently published unaudited (semi-annual) interim financial statements of the Issuer;
- (c) all supplements to this Prospectus circulated by the Issuer from time to time in accordance with the undertaking given by the Issuer in the Dealership Agreement (as defined in 'Subscription and Sale' below); and
- (d) with respect to any Tranche of Notes, the relevant Pricing Supplement,

save that any statement contained herein or in a document which is incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Prospectus to the extent that a statement contained in any such subsequent document which is deemed to be incorporated by reference herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise).

The Issuer has undertaken to provide, without charge, to each person to whom a copy of this Prospectus 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 unless such documents have been modified or superseded as specified above. Requests for such documents should be directed to the Issuer at its registered office set out at the end of this Prospectus. In addition, such documents will be available, free of charge, from the office in Amsterdam of ABN AMRO Bank N.V. in its capacity as Amsterdam listing agent (the 'Amsterdam Listing Agent') for Notes listed on Euronext Amsterdam and from the principal office in Luxembourg of Dexia Banque Internationale à Luxembourg in its capacity as Luxembourg listing agent (the 'Luxembourg Listing Agent') for Notes listed on the Luxembourg Stock Exchange.

The Issuer has undertaken, in connection with the listing of the Notes on Euronext Amsterdam or the Luxembourg Stock Exchange so long as any Note remains outstanding and listed on such exchange, in the event of a material adverse change in the financial condition of the Issuer which is not reflected in this Prospectus, to prepare a supplement to this Prospectus or publish a new Prospectus for use in connection with any subsequent issue of Notes to be listed on Euronext Amsterdam or the Luxembourg Stock Exchange. If the terms of this Programme are modified or amended in a manner which would make this Prospectus inaccurate or misleading, a new Prospectus will be prepared.

This Prospectus and any supplement will only be valid for issuing Notes in an aggregate nominal amount which, when added to the aggregate nominal amount then outstanding of all Notes previously or simultaneously issued under the Programme, does not exceed euro 20,000,000,000 or its equivalent in other currencies. For the purposes of calculating the aggregate amount of Notes issued under the Programme from time to time:

- (a) the euro equivalent of Notes denominated in another Specified Currency (as defined under 'Form of the Notes' below) shall be determined, at the discretion of the Issuer, as of the date of agreement to issue such Notes (the 'Agreement Date') or on the preceding day on which commercial banks and foreign exchange markets are open for business in Amsterdam, in each case on the basis of the spot rate for the sale of the euro against the purchase of such Specified Currency in the Amsterdam foreign exchange market quoted by any leading bank selected by the Issuer on such date;
- (b) the amount (or, where applicable, the euro equivalent) of Dual Currency Notes, Index Linked Notes and Partly Paid Notes (each as defined under 'Form of the Notes' and 'Summary of the Programme and the Terms and Conditions of the Notes' below) shall be calculated (in the case of Notes not denominated in euro, in the manner specified

above) by reference to the original nominal amount of such Notes (in the case of Partly Paid Notes, regardless of the subscription price paid); and

- (c) the amount (or, where applicable, the euro equivalent) of Zero Coupon Notes and Non Interest Bearing Index Linked Notes (as defined under 'Form of the Notes' and 'Summary of the Programme and the Terms and Conditions of the Notes' below) and other Notes issued at a discount or premium shall be calculated (in the case of Notes not denominated in euro, in the manner specified above) by reference to the net proceeds received by the Issuer for the relevant issue.



## SUMMARY OF THE PROGRAMME AND TERMS AND CONDITIONS OF THE NOTES

The following summary does not purport to be complete and is taken from, and is qualified by, the remainder of this Prospectus and, in relation to the terms and conditions of any particular Tranche of Notes, the applicable Pricing Supplement. Words and expressions defined in 'Form of the Notes' and 'Terms and Conditions of the Notes' below shall have the same meanings in this summary.

Issuer:	SNS Bank N.V.
Description:	Debt Issuance Programme
Arranger:	ABN AMRO Bank N.V.
Dealers:	ABN AMRO Bank N.V. Barclays Bank PLC Bayerische Hypo- und Vereinsbank AG Bayerische Landesbank BNP PARIBAS Commerzbank Aktiengesellschaft Credit Suisse First Boston (Europe) Limited Deutsche Bank AG London Goldman Sachs International HSBC Bank plc J.P. Morgan Securities Ltd. Merrill Lynch International Morgan Stanley & Co. International Limited Nomura International plc Salomon Brothers International Limited Société Générale SNS Bank N.V. UBS AG, acting through its business group UBS Warburg WestLB AG
Regulatory Matters:	Each issue of Notes denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see 'Subscription and Sale' below).
Issuing and Principal Paying Agent:	Dexia Banque Internationale à Luxembourg
Size:	Up to euro 20,000,000,000 (or its equivalent in other currencies calculated as described herein) outstanding at any time. The Issuer may increase the amount of the Programme in accordance with the terms of the Dealership Agreement.
Distribution:	Notes may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis.
Currencies:	Subject to any applicable legal or regulatory restrictions, such currencies as may be agreed between the Issuer and the relevant Dealer, including, without limitation, Australian dollars, Canadian dollars, Danish kroner, euro, New Zealand dollars, Sterling, Swiss francs, United States dollars and Japanese yen.
Maturities:	Any maturity, subject to applicable laws, regulations and restrictions.

Issue Price:	Notes may be issued on a fully-paid or a partly-paid basis and at an issue price which is at par or at a discount to, or premium over, par.
Form of Notes:	Each Tranche of Notes will (unless otherwise specified in the applicable Pricing Supplement) initially be represented by a global Note which will be deposited on the relevant Issue Date either (i) with a common depositary for Euroclear and Clearstream, Luxembourg and/or any other agreed clearing system or (ii) with Euroclear Netherlands. The temporary global Note will be exchangeable as described therein for either a permanent global Note or definitive Notes upon satisfaction of certain conditions including, in the case of a temporary global Note where the issue is subject to TEFRA D selling restrictions, upon certification of non-U.S. beneficial ownership as required by U.S. Treasury regulations. A permanent global Note is exchangeable for definitive Notes (except for a permanent global note deposited with Euroclear Netherlands only upon the occurrence of an Exchange Event, as described in 'Form of the Notes' below. Any interest in a global Note will be transferable only in accordance with the rules and procedures for the time being of either (i) Euroclear, Clearstream, Luxembourg and/or any other agreed clearing system or (ii) Euroclear Netherlands, as appropriate.
Fixed Rate Notes:	Fixed interest will be payable on such date or dates as may be agreed between the Issuer and the relevant Dealer and on redemption.
Floating Rate Notes:	<p>Floating Rate Notes will bear interest either at a rate determined on the same basis as the floating rate under a notional interest-rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2000 ISDA Definitions (as published by the International Swaps and Derivatives Association, Inc., and as amended and updated as at the Issue Date of the first Tranche of the Notes of the relevant Series) or on the basis of a reference rate appearing on the agreed screen page of a commercial quotation service or on such other basis as may be agreed between the Issuer and the relevant Dealer (as indicated in the applicable Pricing Supplement).</p> <p>The Margin (if any) relating to such floating rate will be specified in the applicable Pricing Supplement.</p> <p>Floating Rate Notes may also have a maximum interest rate, a minimum interest rate or both.</p>
Interest Period(s) or Interest Payment Date(s) for Floating Rate Notes:	Such period(s) or date(s) as may be specified in the applicable Pricing Supplement.
Dual Currency Notes:	Payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of Dual Currency Notes will be made in such currencies, and based on such rates of exchange, as may be specified in the applicable Pricing Supplement.
Other provisions in relation to Floating Rate Notes and Index Linked Interest Notes:	Floating Rate Notes and Index Linked Interest Notes may also have a maximum interest rate, a minimum interest rate or both. Interest on Floating Rate Notes and Index Linked Interest Notes

	<p>in respect of each Interest Period, as agreed prior to issue by the Issuer and the relevant Dealer, will be payable on such Interest Payment Dates, and will be calculated on the basis of such Day Count Fraction, as may be agreed between the Issuer and the relevant Dealer.</p>
Index Linked Notes:	<p>Payments in respect of interest on Index Linked Interest Notes or in respect of principal on Index Linked Redemption Amount Notes or Non Interest Bearing Index Linked Notes will be calculated by reference to such index and/or formula as may be specified in the applicable Pricing Supplement.</p>
Zero Coupon Notes:	<p>Zero Coupon Notes will be offered and sold at a discount or at a premium to their nominal amount or at par and will not bear interest other than in the case of late payment.</p>
Redemption:	<p>The applicable Pricing Supplement will indicate either that the Notes cannot be redeemed prior to their stated maturity (other than in specified instalments, if applicable, or for taxation reasons or following an Event of Default) or that such Notes will be redeemable at the option of the Issuer and/or the Noteholders upon giving not less than 15 nor more than 30 days' irrevocable notice (or such other notice period, if any, as is indicated in the applicable Pricing Supplement) to the Noteholders or the Issuer, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices and on such terms as are indicated in the applicable Pricing Supplement.</p> <p>The applicable Pricing Supplement may provide that Notes may be repayable in two or more instalments of such amounts and on such dates as indicated in it.</p> <p>Any Notes in respect of which the issue proceeds are received by the Issuer in the United Kingdom and which must be redeemed before the first anniversary of their date of issue must (a) have a minimum denomination of £100,000 (or its equivalent in other currencies) and be issued only to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses; or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses or (b) be issued in other circumstances which do not constitute a contravention of section 19 of the Financial Services and Markets Act 2000 by the Issuer.</p>
Denomination of Notes:	<p>Notes will be issued in such denominations as may be specified in the applicable Pricing Supplement save that the minimum denomination of each Note will be such as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency.</p>
Taxation:	<p>Payments in respect of the Notes will, as specified in the applicable Pricing Supplement, be made either subject to withholding of applicable Dutch taxes (if any) or without withholding or deduction for or on account of taxes levied in the Netherlands, subject in the latter case to certain exceptions as provided in Condition 8. If the applicable Pricing Supplement provides that payments are to be made subject to withholding of applicable Dutch taxes (if any), it will also specify that Condition 7(b) will not apply to the Notes.</p>

Negative Pledge:	The Senior Notes will have the benefit of a negative pledge. See Condition 2(b).
Cross Default:	The Senior Notes will have the benefit of a Cross Default. See Condition 10(iii).
Status of the Senior Notes:	The Senior Notes will constitute unsecured and unsubordinated obligations of the Issuer and will rank <i>pari passu</i> without any preference among themselves and with all other present and future unsecured and unsubordinated obligations of the Issuer save for those preferred by mandatory provisions of law.
Status and Characteristics relating to Subordinated Notes:	<p>The Subordinated Notes will constitute unsecured obligations of the Issuer and will rank <i>pari passu</i> without any preference among themselves and with all other present and future unsecured and subordinated obligations of the Issuer, save for those preferred by mandatory provisions of law.</p> <p>The claims of the holders of the Subordinated Notes of each Series (the ‘Subordinated Holders’) against the Issuer will:</p> <ul style="list-style-type: none"> <li>(i) in the event of the liquidation or bankruptcy of the Issuer; or</li> <li>(ii) in the event that a competent court has declared that the Issuer is in a situation which requires special measures (<i>‘bijzondere voorzieningen’</i>) in the interests of all creditors, as referred to in Chapter X of the Dutch 1992 Act on the Supervision of the Credit System (<i>‘Wet toezicht kredietwezen 1992’</i>), and for so long as such situation is in force (such situation being hereinafter referred to as a ‘Moratorium’),</li> </ul> <p>be subordinated to (a) the claims of depositors, (b) unsubordinated claims with respect to the repayment of borrowed money and (c) other unsubordinated claims.</p> <p>By virtue of such subordination, payments to a Subordinated Holder will, in the event of liquidation or bankruptcy of the Issuer or in the event of a Moratorium with respect to the Issuer, only be made after, and any set-off by a Subordinated Holder shall be excluded until, all obligations of the Issuer resulting from deposits, unsubordinated claims with respect to the repayment of borrowed money and other unsubordinated claims have been satisfied.</p> <p>In accordance with the solvency supervision directives (the ‘Solvency Guidelines’) of the Dutch Central Bank (‘De Nederlandsche Bank N.V.’) to which the issuer is subject, the Subordinated Notes may qualify as tier 1 capital (‘Tier 1 Notes’), tier 2 capital (‘Tier 2 Notes’) or tier 3 capital (‘Tier 3 Notes’), as specified in the applicable Pricing Supplement and in accordance with such other terms and conditions specified therein replacing or modifying the Terms and Conditions for the purpose of such Tranche of Notes. The Tier 1 Notes, the Tier 2 Notes and the Tier 3 Notes respectively rank <i>pari passu</i> among themselves. The Tier 1 Notes are subordinated (‘junior subordinated’) to the Tier 2 and Tier 3 Notes.</p>
Ratings:	Notes issued under the Programme have been rated A+ for long term Senior Notes, A for long term Subordinated Notes (Tier 2), A- for long term Subordinated Notes (Tier 3) and F1 for short term Senior Notes by Fitch Ratings Ltd. (‘Fitch’), A2 for Senior Notes,

Prime-1 for short term Senior Notes and A3 for Subordinated Notes by Moody's Investors Service Limited ('Moody's') and A-1 for Senior Notes with a maturity of one year or less, A for Senior Notes with a maturity over one year and A- for Dated Subordinated Notes by Standard & Poor's Rating Services. Tranches of Notes issued under the Programme may be rated or unrated. Where a tranche of Notes is rated, such rating will not necessarily be the same as the ratings assigned to the Notes. 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.

**Listing:**

Application has been made for the Notes to be issued under the Programme to be listed on Euronext Amsterdam and/or the Luxembourg Stock Exchange. The Notes may also be listed on such other or further stock exchange or stock exchanges as may be agreed between the Issuer and the relevant Dealer in relation to each issue.

Unlisted Notes may also be issued. The Pricing Supplement relating to each issue will state whether or not the Notes are to be listed and, if so, on which exchanges.

**Governing Law:**

The Notes will be governed by, and construed in accordance with, the laws of the Netherlands.

**Selling Restrictions:**

There are selling restrictions in relation to Germany, Japan, the Netherlands, the United Kingdom and the United States, and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Notes. See 'Subscription and Sale' below.

## FORM OF THE NOTES

Each Tranche of Notes will (unless otherwise indicated in the applicable Pricing Supplement) be initially represented by a temporary global Note (or, if so specified in the applicable Pricing Supplement, a permanent global Note), without receipts, interest coupons or talons, which will either (i) be delivered to a common depository for Euroclear and Clearstream, Luxembourg and/or any other agreed clearing systems or (ii) be deposited with Euroclear Netherlands. Whilst any Note is represented by a temporary global Note and subject to TEFRA D selling restrictions, payments of principal and interest (if any) due prior to the Exchange Date (as defined below) will be made against presentation of the temporary global Note only to the extent that certification (in a form to be provided) to the effect that the beneficial owners of such Note are not U.S. persons or persons who have purchased for resale to any U.S. person, as required by U.S. Treasury regulations, has been received by the relevant clearing system(s) and the relevant clearing system(s) has or have given a like certification (based on the certifications it has or they have received) to the Agent. Any reference in this section to the relevant clearing system(s) shall mean the clearing and/or settlement system(s) specified in the applicable Pricing Supplement.

On and after the date (the 'Exchange Date') which is not less than 40 days nor more than 90 days after the date on which the temporary global Note is issued, interests in the temporary global Note will be exchangeable (free of charge) upon request as described therein, either for interests in a permanent global Note without receipts, interest coupons or talons, or for definitive Notes (as indicated in the applicable Pricing Supplement) in each case (if the Notes are subject to TEFRA D selling restrictions) against certification of beneficial ownership as described in the second sentence of this paragraph unless such certification has already been given. The holder of a temporary global Note will not be entitled to collect any payment of interest or principal due on or after the Exchange Date.

Pursuant to the Agency Agreement (as defined under 'Terms and Conditions of the Notes' below) the Agent shall arrange that, where a temporary global Note representing a further Tranche of Notes is issued, the Notes of such Tranche shall be assigned an ISIN and a common code by Euroclear and Clearstream, Luxembourg and/or a Fondscore by Clearnet (the securities clearing corporation of Euronext Amsterdam N.V.) which are different from the ISIN, common code and Fondscore assigned to Notes of any other Tranche of the same Series.

Definitive Notes will be either in the standard euromarket form, in K-form (with Coupons) and/or in CF-form (with Coupon sheets). Definitive Notes and global Notes will be to bearer. Notes in K-form may, if applicable, have Talons for further Coupons attached but will not be issued with Receipts attached. Notes in CF-form will have neither Talons nor Receipts attached on issue and will be governed by the rules of the 'Algemeen Obligatiekantoor van het Centrum voor Fondsenadministratie B.V.' in Amsterdam.

Payments of principal and interest (if any) on a permanent global Note will be made through the relevant clearing system(s) against presentation or surrender (as the case may be) of the permanent global Note without any requirement for certification. A permanent global Note (other than a permanent global note deposited with Euroclear Netherlands) will be exchangeable (free of charge), in whole in accordance with the applicable Pricing Supplement for security printed definitive Notes with, where applicable, receipts, interest coupons or coupon sheets and talons attached. Such exchange may be made only upon the occurrence of any Exchange Event. An 'Exchange Event' means (1) the Issuer has been notified that both Euroclear and Clearstream, Luxembourg has been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or has announced an intention permanently to cease business or has in fact done so and no alternative clearing system is available or (2) any of the circumstances described in condition 10 occurs or (3) the Issuer has or will become obliged to pay additional amounts as provided for or referred to in Condition 8 which would not be required were the Notes represented by this global Note in definitive form. The Issuer will promptly give notice to Noteholders in accordance with Condition 14 upon the occurrence of an Exchange Event. In the event of the occurrence of an Exchange Event as described in (1) above, Euroclear and/or Clearstream, Luxembourg, acting on the instructions of any holder

of an interest in the global Note, may give notice to the Agent requesting exchange and in the event of the occurrence of an Exchange Event as described in (2) above, the Issuer may also give notice to the Agent requesting exchange. Any such exchange shall occur no later than 15 days after the date of receipt of the relevant notice by the Agent. Global Notes and definitive Notes will be issued pursuant to the Agency Agreement. At the date hereof, neither Euroclear nor Clearstream, Luxembourg regard Notes in global form as fungible with Notes in definitive form.

The following legend will appear on all global Notes, definitive Notes, receipts and interest coupons (including talons) which are subject to TEFRA D selling restrictions:

‘Any United States person who holds this obligation will be subject to limitation under the United States income tax laws, including the limitations provided in sections 165(j) and 1287(a) of the Internal Revenue Code of 1986.’

The sections referred to provide that United States holders, with certain exceptions, will not be entitled to deduct any loss of Notes, receipts or interest coupons and will not be entitled to capital gains treatment of any gain on any sale, disposition, redemption or payment of principal in respect of Notes, receipts or interest coupons.

Notes which are represented by a Global Note will only be transferable in accordance with the rules and procedures for the time being of Euroclear, Clearstream, Luxembourg or Euroclear Netherlands as the case may be.

Pursuant to the Agency Agreement the Agent shall arrange that, where a further Tranche of Notes is issued which is intended to form a single Series with an existing Tranche of Notes, the Notes of such further Tranche shall be assigned a common code and ISIN which are different from the common code and ISIN assigned to Notes of any other Tranche of the same Series until at least the expiry of the Distribution Compliance Period applicable to the Notes of such Tranche.

Any reference herein to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Pricing Supplement.

The following legend will appear on all global Notes held in Euroclear Netherlands:

‘Notice: This Note is issued for deposit with Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V. (Euroclear Netherlands) at Amsterdam, The Netherlands. Any person being offered this Note for transfer or any other purpose should be aware that theft or fraud is almost certain to be involved.’

A Note may be accelerated by the holder thereof in certain circumstances described in Condition 10 of the Notes. In such circumstances, where any Note is still represented by a global Note and a holder of such Note so represented and credited to his account with the relevant clearing system(s) (other than Euroclear Netherlands gives notice that it wishes to accelerate such Note, unless within a period of 15 days from the giving of such notice payment has been made in full of the amount due in accordance with the terms of such global Note, holders of interests in such global Note credited to their accounts with the relevant clearing system(s) (other than Euroclear Netherlands will become entitled to proceed directly against the Issuer on the basis of statements of account provided by the relevant clearing system(s) (other than Euroclear Netherlands on and subject to the terms of the relevant global Note. In the case of a global Note deposited with Euroclear Netherlands, the rights of Noteholders will be exercised in accordance with the Securities Giro Transfer Act (‘Wet giraal effectenverkeer’) (as amended).

The applicable Pricing Supplement will contain such of the following or other information as is applicable in respect of such Notes (all references to numbered Conditions being to the Terms and Conditions of the relevant Notes):

## FORM OF PRICING SUPPLEMENT

Set out below is the form of Pricing Supplement which will be completed for each Tranche of Notes issued under the Programme.

Pricing Supplement dated ■

### SNS Bank N.V.

(incorporated under the laws of The Netherlands with limited liability and having its corporate seat in Utrecht)

### Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes] under the euro 20,000,000,000 Debt Issuance Programme

This document constitutes the Pricing Supplement relating to the Issue of Notes described herein. Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Prospectus dated 25 February, 2003. This Pricing Supplement must be read in conjunction with such Prospectus.

*[Include whichever of the following apply or specify as 'Not Applicable' (N/A). Note that the numbering should remain as set out below, even if 'Not Applicable' is indicated for individual paragraphs or sub-paragraphs.]*

1. Issuer: SNS Bank N.V.
2. (i) Series Number: [ ]  
 (ii) Tranche Number: [ ]  
*(If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible)*
3. Specified Currency or Currencies: [ ]
4. Aggregate Nominal Amount:
  - Tranche: [ ]
  - Series: [Including this tranche]
5. (i) Issue Price: [ ] per cent. of the Aggregate Nominal Amount [plus accrued interest from [insert date] *(in the case of fungible issues only, if applicable)*]  
 (ii) Net Proceeds: [ ]  
*(Required only for listed issues)*  
 (iii) Dealer Commission: [ ]
6. (i) Specified Denominations: [ ]  
 (ii) Form of Definitive Notes: [K/CF/Standard Euromarket]
7. [(i)] Issue Date:  
 [(ii)] Interest Commencement Date (If different from the Issue Date): [ ]
8. Maturity Date: *[Fixed rate – specify date/  
 Floating rate – Interest Payment Date  
 falling in [specify month and year]*



9. Interest Basis: [[ ] per cent. Fixed Rate]  
 [[LIBOR/EURIBOR/other]+/-[ ] per cent.  
 Floating Rate]  
 [Zero Coupon]  
 [Index Linked Interest]  
 [Non Interest Bearing Index Linked Note]  
*[specify other]*  
 (further particulars specified below)
10. Redemption/Payment Basis: [Redemption at par]  
 [Index Linked Redemption]  
 [Non Interest Bearing Index Linked Note]  
 [Dual Currency]  
 [Partly Paid]  
 [instalment]  
*[specify other]*
11. Change of interest Basis or Redemption/  
 Payment Basis: *[Specify details of any provision for  
 change of Notes into another interest  
 Basis or Redemption/Payment Basis]*
12. Put/Call Options: [Investor Put]  
 [Issuer Call]  
 [(further particulars specified below)]
13. Status of the Notes: [Senior/Subordinated]
14. Listing: [Euronext Amsterdam, Luxembourg Stock  
 Exchange/*specify other/None*]
15. Method of distribution: [Syndicated/Non-syndicated]

**Provisions Relating to Interest (if any) Payable**

16. Fixed Rate Note Provisions [Applicable/Not Applicable]  
*(If not applicable, delete the remaining  
 subparagraphs of this paragraph)*
- (i) Fixed Rate(s) of Interest: [ ] per cent. per annum in  
 arrears [payable [annually/semi-annually/  
 quarterly]
- (ii) Interest Payment Date(s): [ ] in each year
- (iii) Fixed Coupon Amount(s): [ ] per [ ] in nominal  
 amount
- (iv) Broken Amount(s): *[Insert particulars of any initial or final  
 broken interest amounts which do not  
 correspond with the Fixed Coupon  
 Amount]*
- (v) Fixed Day Count Fraction: *[30/360 or Actual/Actual ('ISMA') or  
 specify other]*
- (vi) Other terms relating to the  
 method of calculating interest for  
 Fixed Rate Notes: *[not applicable / give details]*
17. Floating Rate Note Provisions [Applicable/Not Applicable]

*(If not applicable, delete the remaining subparagraphs of this paragraph)*

- (i) Specified Interest Period(s)/Specified Interest Payment Dates: [            ]
- (ii) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention / No Adjustment/Preceding Business Day Convention/[specify other]]
- (iii) Additional Business Centre(s): [            ]
- (iv) Manner in which the Rate of Interest and Interest Amount is to be determined: [Screen Rate Determination/ISDA Determination/specify other]
- (v) Party responsible for calculating the Rate of Interest and interest Amount (if not the Agent): [            ]
- (vi) Screen Rate Determination: [Yes/No]
- Reference Rate: [            ]  
*(Either LIBOR, EURIBOR or other, although additional information is required if other including the fall back provisions in the Agency Agreement)*
- Interest Determination Date(s): [            ]  
*(Second London business day prior to the start of each Interest Period if LIBOR (other than Sterling or Euro LIBOR), first day of each Interest Period if Sterling LIBOR and the second day on which the TARGET System is open prior to the start of each Interest Period if EURIBOR or Euro LIBOR)*
- Relevant Screen Page: [            ]  
*(In the case of EURIBOR, if not Telerate 248 ensure it is a page which shows a composite rate or amend the fall back provisions appropriately)*
- Relevant Time: [            ]  
*(For example, 11.00 a.m. London time/ Brussels time)*
- (vii) ISDA Determination: [Yes/No]
- Floating Rate Option: [            ]
- Designated Maturity: [            ]
- Reset Date: [            ]
- (viii) Margin(s): [ +/- ] [    ] per cent. per annum
- (ix) Minimum Rate of Interest: [            ] per cent. per annum
- (x) Maximum Rate of Interest [            ] per cent. per annum

- (xi) Floating Day Count Fraction [ ]
- (xii) Fall back provisions, rounding provisions and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions: [ ]
18. Zero Coupon Note Provisions [Applicable/Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*
- (i) Accrual Yield: [ ] per cent. per annum
- (ii) Reference Price: [ ]
- (iii) Any other formula/basis of determining amount payable: [ ]  
*(Consider applicable day count fraction if euro denominated)*
19. Index Linked Interest Note Provisions [Applicable/Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*
- (i) Index/Formula: *[Give or annex details]*
- (ii) Calculation Agent responsible for calculating the principal and/or interest due: [ ]
- (iii) Provisions for determining coupon where calculation by reference to index and/or Formula is impossible or impracticable: [ ]
- (iv) Specified Period(s)/Specified Interest Payment Dates: [ ]
- (v) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/specify other]
- (vi) Additional Business Centre(s): [ ]
- (vii) Minimum Rate of Interest: [ ] per cent. per annum
- (viii) Maximum Rate of Interest: [ ] per cent. per annum
- (ix) Floating Day Count Fraction: [ ]
20. Dual Currency Note Provisions [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub paragraphs of this paragraph)*
- (i) Rate of Exchange/method of calculating Rate of Exchange: *[Give details]*

- (ii) Calculation Agent, if any, responsible for calculating the principal and/or interest payable: [            ]
- (iii) Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable: [            ]
- (iv) Person at whose option Specified Currency(ies) is/are payable: [            ]

### Provisions Relating to Redemption

21. Issuer Call [Applicable/Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*
- (i) Optional Redemption Date(s): [            ]
- (ii) Optional Redemption Amount(s) and method, if any, of calculation of such amount(s): [            ]
- (iii) If redeemable in part:
- (a) Minimum Redemption Amount: [            ]
- (b) Higher Redemption Amount: [            ]
- (iv) Notice period (if other than as set out in the Conditions): [            ]
22. Investor Put [Applicable/Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*
- (i) Optional Redemption Date(s): [            ]
- (ii) Optional Redemption Amount(s) and method, if any, of calculation of such amount(s): [            ]
- (iii) Notice period (if other than as set out in the Conditions): [            ]
23. Final Redemption Amount: [Par/specify other/see Appendix]
24. Early Redemption Amount(s) payable on redemption for taxation reasons or on event of default and/or the method of calculating the same (if required or if different from that set out in Condition 7(e)): [            ]

### General Provisions Applicable to the Notes

25. Form of Notes: [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes only upon the occurrence of an Exchange Event]  
[Temporary Global Note exchangeable for

- Definitive Notes on and after the Exchange Date]  
[Permanent Global Note exchangeable for Definitive Notes only upon the occurrence of an Exchange Event] [Permanent Global Note not exchangeable for Definitive Notes]
26. Additional Financial Centre(s) or other special provisions relating to payment Dates:  
[Not applicable/give details; Note that this item relates to the place of payment, and not interest period end dates, to which item 17 (iii) relates]
27. Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature):  
[Yes/No. If yes give details]
28. Details relating to Partly Paid Notes; amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any), of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment:  
[Not Applicable/give details]
29. Details relating to instalment Notes; amount of each instalment, date on which each payment is to be made:  
[Not Applicable/give details]
30. Redenomination:  
[Redenomination [not] applicable (if Redenomination is applicable, include either the applicable Fixed Day Count Fraction or any provisions necessary to deal with floating rate interest calculation (including alternative reference rates)]
31. Whether Condition 8(a) of the Notes applies (in which case Condition 7(b) of the Notes will not apply) or whether Condition 8(b) of the Notes applies (in which case Condition 7(b) of the Notes will apply):  
[Condition 8(a) applies and Condition 7(b) does not apply] [Condition 8(b) applies and Condition 7(b) applies]
32. Other terms or special conditions:  
[Not Applicable/give details]

#### **Distribution**

33. (i) If syndicated, legal names of Managers:  
[Not Applicable/give legal names]
- (ii) Stabilising Manager (if any):  
[Not Applicable/give legal name]
34. If non-syndicated, name of relevant Dealer:  
[ ]
35. Applicable Netherlands securities law option:  
[Notes may only be offered anywhere in the world if the conditions of one or more

of the Netherlands securities law options (a. through h.) below are met.

Accordingly, choose one or more of the options below, verify that the conditions thereof (as set forth on pages 62 and 63 of the Prospectus) are met, please insert the language as stated for the applicable option on pages 62 and 63 of the Prospectus, as amended, and delete the remaining options:]

- [a. (Euronext Amsterdam listing)]
- [b. (Luxembourg listing or a listing on any other European stock exchange in accordance with EC Directive 89/298/EEC)]
- [c. (offer to professionals only)]
- [d. (offer outside the Netherlands only)]
- [e. (Note denomination of EUR 50,000 or more)]
- [f. (Euro-securities)]
- [g. (maturity of not more than one year)]
- [h. (other)]

as set forth on pages 62 and 63 of the Prospectus.

36. Whether TEFRA D or TEFRA C rules applicable or TEFRA rules not applicable:

[TEFRA D/TEFRA C/TEFRA not applicable]

37. Additional selling restrictions:

[Not Applicable/give details]

### Operational Information

38. Relevant clearing and settlement systems:

[Euroclear/Clearstream, Luxembourg/  
Euroclear Netherlands/other]

39. Delivery:

Delivery [against/free of] payment

40. Additional Paying Agent(s) (if any):

[ ]

41. Details of the net proceeds of the issue of the Notes:  
(Euronext Amsterdam listed Notes only)

[Details]

42. Yield to maturity:  
(Euronext Amsterdam listed Notes only)

[ ] per cent.

ISIN:	[ ]
Common Code:	[ ]
Fondscore:	[ ]
any other relevant code:	[ ]

[Listing application]

This Pricing Supplement comprises the details required to list the issue of Notes described herein pursuant to the euro 20,000,000,000 Debt Issuance Programme of SNS Bank N.V.]

**Responsibility**

The Issuer accepts responsibility for the information contained in this Pricing Supplement which, when read together with the Prospectus [and the supplemental Prospectus]\* referred to above, contains all information that is material in the context of the issue of the Notes.

Signed on behalf of the Issuer:

By: .....  
*Duly authorised officer*

Date: .....

\* Delete this paragraph if not applicable.

## TERMS AND CONDITIONS OF THE NOTES

*The following are the Terms and Conditions of Notes to be issued by the Issuer which will be incorporated by reference into each global Note and which will be endorsed on (or, if permitted by the relevant stock exchange and agreed between the Issuer and the relevant Dealer, incorporated by reference into) each definitive Note in the standard euromarket form and K-form and will be applicable to each definitive Note in CF-form. The applicable Pricing Supplement in relation to any Tranche of Notes may specify other terms and conditions which shall to the extent so specified or to the extent inconsistent with the following Terms and Conditions, replace or modify the following Terms and Conditions for the purpose of such Tranche of Notes. The applicable Pricing Supplement will be endorsed on, incorporated by reference into, or attached to, each global Note and definitive Note in the standard euromarket form and K-form and will be applicable to each definitive Note in CF-form. Reference should be made to 'Form of the Notes' above for a description of the content of Pricing Supplements which includes the definition of certain terms used in the following Terms and Conditions.*

This Note is one of a series of Notes issued by SNS Bank N.V. (the 'Issuer', which expression shall include any Substituted Debtor pursuant to Condition 17) pursuant to the Agency Agreement (as defined below). References herein to the 'Notes' shall be references to the Notes of this Series (as defined below) and shall mean (i) in relation to any Notes represented by a global Note, units of the lowest Specified Denomination in the Specified Currency, (ii) definitive Notes issued in exchange for a global Note and (iii) any global Note. The Notes, the Receipts (as defined below) and the Coupons (as defined below) have the benefit of an Agency Agreement dated 12th June 1998 (as supplemented from time to time) and as amended and restated by an Amended and Restated Agency Agreement dated 25 February, 2003 (together the 'Agency Agreement') and made between the Issuer, Dexia Banque Internationale à Luxembourg as issuing and principal paying agent and agent bank (the 'Agent', which expression shall include any successor agent) and the other paying agents named therein (together with the Agent, the 'Paying Agents', which expression shall include any additional or successor paying agents).

Interest bearing definitive Notes in the standard euromarket form (unless otherwise indicated in the applicable Pricing Supplement) have interest coupons ('Coupons') and, if indicated in the applicable Pricing Supplement, talons for further Coupons ('Talons') attached on issue. Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons. Definitive Notes in the standard euromarket form repayable in instalments have receipts ('Receipts') for the payment of the instalments of principal (other than the final instalment) attached on issue. Any reference herein to 'Noteholders' shall mean the holders of the Notes, and shall, in relation to any Notes represented by a global Note, be construed as provided below. Any reference herein to 'Receiptholders' shall mean the holders of the Receipts and any reference herein to 'Couponholders' shall mean the holders of the Coupons, and shall, unless the context otherwise requires, include the holders of the Talons. Any holders mentioned above include those having a credit balance in the collective deposits held by Euroclear Netherlands or one of its participants.

Interest bearing definitive Notes in K-form will have Coupons and, if indicated in the applicable Pricing Supplement, Talons attached but will not be issued with Receipts attached. Interest bearing definitive Notes in CF-form will have Coupon sheets attached but will not be issued with Talons or Receipts attached. References in these Terms and Conditions to 'Coupons' will include references to such Coupon sheets.

The Pricing Supplement for this Note is endorsed hereon, attached hereto, applicable hereto or incorporated by reference herein and supplements these Terms and Conditions and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these Terms and Conditions, replace or modify these Terms and Conditions for the purposes of this Note. References herein to the 'applicable Pricing Supplement' are to the Pricing Supplement for this Note.

As used herein, 'Tranche' means Notes which are identical in all respects (including as to listing) and 'Series' means a Tranche of Notes together with any further Tranche or Tranche



of Notes which are (i) expressed to be consolidated and form a single series and (ii) are identical in all respects (including as to listing) from the date on which such consolidation is expressed to take effect.

Copies of the Agency Agreement and the applicable Pricing Supplement are available at the specified offices of each of the Agent and the other Paying Agents save that a Pricing Supplement relating to an unlisted Note will only be available for inspection by a Noteholder upon such Noteholder producing evidence as to identity satisfactory to the relevant Paying Agent. The Noteholders, the Receiptholders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Agency Agreement and the applicable Pricing Supplement which are binding on them.

Words and expressions defined in the Agency Agreement or used in the applicable Pricing Supplement shall have the same meanings where used in these Terms and Conditions unless the context otherwise requires or unless otherwise stated.

#### **1. Form, Denomination and Title**

The Notes are in bearer form and, in the case of definitive Notes, serially numbered, in the Specified Currency, the Specified Denomination(s) and the Specified Form(s).

This Note is a Senior Note or a Subordinated Note, as indicated in the applicable Pricing Supplement.

This Note is either a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, an Index Linked Interest Note, an Index Linked Redemption Amount Note, a Non Interest Bearing Index Linked Note, a Dual Currency Note, an Instalment Note or a Partly Paid Note or a combination of any of the foregoing or such other Note, as indicated in the applicable Pricing Supplement.

Notes in definitive form are issued with Coupons attached, unless they are Zero Coupon Notes in which case references to Coupons and Couponholders in these Terms and Conditions are not applicable.

Subject as set out below, title to the Notes, Receipts and Coupons will pass by delivery. For Notes held by Euroclear Netherlands, deliveries will be made in accordance with the Securities Giro Transfer Act ('Wet giraal effectenverkeer') (as amended). Except as ordered by a court of competent jurisdiction or as required by law or applicable regulations, the Issuer, the Agent and any Paying Agent may deem and treat the bearer of any Note, Receipt or Coupon as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any global Note, without prejudice to the provisions set out in the next succeeding paragraph.

For so long as any of the Notes is represented by a global Note held on behalf of Euroclear Bank S.A./N.V., as operator of the Euroclear System ('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 nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer and any Paying Agent as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on the Notes, for which purpose the bearer of the relevant global Note shall be treated by the Issuer and any Paying Agent as the holder of such Notes in accordance with and subject to the terms of the relevant global Note (and the expressions 'Noteholder' and 'holder of Notes' and related expressions shall be construed accordingly). Notes which are represented by a global Note held by a common depositary for Euroclear or Clearstream, Luxembourg will be transferable only in accordance with the rules and procedures for the time being of Euroclear or Clearstream, Luxembourg, as the case may be.

References to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Pricing Supplement but shall not include Euroclear Netherlands.

## **2. Status of the Senior Notes and Negative Pledge**

### *(a) Status of the Senior Notes*

The Senior Notes and the relative Receipts and Coupons constitute unsecured and unsubordinated obligations of the Issuer and rank *pari passu* without any preference among themselves and with all other present and future unsecured and unsubordinated obligations of the Issuer save for those preferred by mandatory provisions of law.

### *(b) Negative Pledge*

This Condition 2(b) applies only to Senior Notes (unless otherwise specified in the applicable Pricing Supplement).

So long as any Senior Note remains outstanding (as defined in the Agency Agreement), the Issuer will not, and the Issuer shall procure that none of its Material Subsidiaries will, create or permit to subsist any Encumbrance (other than a Permitted Encumbrance) upon the whole or any part of its present or future undertakings, assets or revenues (including uncalled capital) to secure any Relevant Indebtedness of any person without at the same time or prior thereto securing the Senior Notes equally and rateably therewith or providing such other security for the Senior Notes as may be approved by an Extraordinary Resolution (as defined in the Agency Agreement) of Noteholders.

In this Condition:

‘Relevant Indebtedness’ means:

- (a) any Indebtedness which is in the form of or represented by any bond, note, debenture, debenture stock, loan stock or certificate in physical form which is, or is capable of being, listed, quoted or traded on any stock exchange or in any securities market (including, without limitation, any over-the-counter market); and
- (b) any guarantee or indemnity in respect of any such indebtedness.

‘Permitted Encumbrance’ means an Encumbrance over mortgage loans and mortgage receivables of the Issuer or its subsidiaries.

‘Encumbrance’ means any mortgage, charge, pledge, lien or other encumbrance.

‘Material Subsidiary’ means any subsidiary, direct or indirect, of the Issuer which is a credit institution under the 1992 Act on the Supervision of the Credit System (*Wet toezicht kredietwezen 1992*) and is supervised by the Dutch Central Bank (*De Nederlandsche Bank N.V.*) or which is an insurer under the 1993 Act on the Supervision of the Insurance Business (*Wet toezicht verzekeringsbedrijf 1993*) and is supervised by the Pensions and Insurance Chamber (*Pensioen- & Verzekeringkamer*).

## **3. Status and Characteristics relating to Subordinated Notes**

The Subordinated Notes of this Series and the relative Receipts and Coupons constitute unsecured and subordinated obligations of the Issuer and rank *pari passu* without any preference among themselves and with all other present and future unsecured and subordinated obligations of the Issuer, save for those preferred by mandatory provisions of law.

The claims of the holders of the Subordinated Notes of this Series and the relative Receipts and Coupons (the 'Subordinated Holders') against the Issuer are (i) in the event of the liquidation or bankruptcy of the Issuer or (ii) in the event that a competent court has declared that the Issuer is in a situation which requires special measures ('bijzondere voorziening') in the interests of all creditors, as referred to in Chapter X of the Dutch 1992 Act on the Supervision of the Credit System ('Wet toezicht kredietwezen 1992'), and for so long as such situation is in force (such situation being hereinafter referred to as a 'Moratorium'), subordinated to (a) the claims of depositors, (b) unsubordinated claims with respect to the repayment of borrowed money and (c) other unsubordinated claims. By virtue of such subordination, payments to a Subordinated Holder will, in the event of liquidation or bankruptcy of the Issuer or in the event of a Moratorium with respect to the Issuer, only be made after, and any set-off by a Subordinated Holder shall be excluded until, all obligations of the Issuer resulting from deposits, unsubordinated claims with respect to the repayment of borrowed money and other unsubordinated claims have been satisfied.

In accordance with the solvency supervision directives (the 'Solvency Guidelines') of the Dutch Central Bank ('De Nederlandsche Bank N.V.') to which the Issuer is subject, the Subordinated Notes may qualify as tier 1 capital ('Tier 1 Notes'), tier 2 capital ('Tier 2 Notes') or tier 3 capital ('Tier 3 Notes'), as specified in the applicable Pricing Supplement and in accordance with such other terms and conditions specified therein replacing or modifying these Terms and Conditions for the purpose of such Tranche of Notes. The Tier 1 Notes, the Tier 2 Notes and the Tier 3 Notes respectively rank *pari passu* among themselves. The Tier 1 Notes are subordinated ('junior subordinated') to the Tier 2 and Tier 3 Notes.

#### **4. Redenomination**

##### *(a) Redenomination*

Where redenomination is specified in the applicable Pricing Supplement as being applicable, the Issuer may, without the consent of the Noteholders, the Receiptholders and the Couponholders, on giving prior notice to the Agent, Euroclear, Clearstream, Luxembourg and, if applicable, Euroclear Netherlands and at least 30 days' prior notice to the Noteholders in accordance with Condition 14, elect that, with effect from the Redenomination Date specified in the notice, the Notes shall be redenominated in euro.

The election will have effect as follows:

- (i) the Notes and the Receipts shall be deemed to be redenominated into euro in the denomination of euro 0.01 with a principal amount for each Note and Receipt equal to the principal amount of that Note or Receipt in the Specified Currency, converted into euro at the Established Rate provided that, if the Issuer determines, with the agreement of the Agent, that the then market practice in respect of the redenomination into euro of internationally offered securities is different from the provisions specified above, such provisions shall be deemed to be amended so as to comply with such market practice and the Issuer shall promptly notify the Noteholders, the stock exchange (if any) on which the Notes may be listed and the Paying Agents of such deemed amendments;
- (ii) save to the extent that an Exchange Notice has been given in accordance with paragraph (iv) below, the amount of interest due in respect of the Notes will be calculated by reference to the aggregate principal amount of Notes presented (or, as the case may be, in respect of which Coupons are presented) for payment by the relevant holder and the amount of such payment shall be rounded down to the nearest euro 0.01;
- (iii) if definitive Notes are required to be issued after the Redenomination Date they shall be issued at the expense of the Issuer in the denominations of euro 1,000, euro 10,000, euro 100,000 and (but only to the extent of any remaining amounts less than euro 1,000 or such smaller denominations as the Agent may approve) euro 0.01

and such other denominations as the Agent shall, in consultation with the Issuer, determine and notify to the Noteholders;

- (iv) if issued prior to the Redenomination Date, all unmatured Coupons denominated in the Specified Currency (whether or not attached to the Notes) will become void with effect from the date on which the Issuer gives notice (the 'Exchange Notice') to the Noteholders in accordance with Condition 14 that replacement euro-denominated Notes, Receipts and Coupons are available for exchange (provided that such securities are so available) and no payments will be made in respect of them. The payment obligations contained in any Notes and Receipts so issued will also become void on that date although those Notes and Receipts will continue to constitute valid exchange obligations of the Issuer. New euro-denominated Notes, Receipts and Coupons will be issued in exchange for Notes, Receipts and Coupons denominated in the Specified Currency in such manner as the Agent, in consultation with the Issuer, may specify and as shall be notified to the Noteholders in the Exchange Notice. No Exchange Notice may be given less than 15 days prior to any date for payment of principal or interest on the Notes;
- (v) on or after the Redenomination Date, all payments in respect of the Notes, the Receipts and the Coupons, other than payments of interest in respect of periods commencing before the Redenomination Date, will be made solely in euro as though references in the Notes to the Specified Currency were to euro. Payments will be made in euro by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or, at the option of the payee, by a euro cheque;
- (vi) if the Notes are Fixed Rate Notes and interest for any period ending on or after the Redenomination Date is required to be calculated for a period ending other than on an Interest Payment Date, it will be calculated by applying the Rate of Interest to each Specified Denomination, multiplying such sum by the applicable Fixed Day Count Fraction (as defined in Condition 4(a)), and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention; and
- (vii) if the Notes are Floating Rate Notes, the applicable Pricing Supplement will specify any relevant changes to the provisions relating to interest.

*(b) Definitions*

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

*'Established Rate'* means the rate for the conversion of the Specified Currency (including compliance with rules relating to roundings in accordance with applicable European Community regulations) into euro established by the Council of the European Union pursuant to Article 109 l(4) of the Treaty;

*'euro'* means the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty;

*'Redenomination Date'* means (in the case of interest bearing Notes) any date for payment of interest under the Notes or (in the case of Zero Coupon Notes) any date, in each case specified by the Issuer in the notice given to the Noteholders pursuant to paragraph (a) above and which falls on or after the date on which the country of the Specified Currency first participates in the third stage of European economic and monetary union; and

*'Treaty'* means the Treaty establishing the European Communities, as amended by the Treaty on European Union and as amended by the Treaty of Amsterdam.

## **5. Interest**

*(a) Interest on Fixed Rate Notes*

Each Fixed Rate Note bears interest on its outstanding nominal amount (or, if it is a Partly Paid Note, the amount paid up) from (and including) the Interest Commencement Date at

the rate(s) per annum equal to the Fixed Rate(s) of Interest payable in arrear on the Interest Payment Date(s) in each year and on the Maturity Date (if that does not fall on an Interest Payment Date).

Except as provided in the applicable Pricing Supplement, the amount of interest payable on each Interest Payment Date will amount to the Fixed Coupon Amount. Payments of interest on any Interest Payment Date or the Maturity Date will, if so specified in the applicable Pricing Supplement, amount to the Broken Amount so specified.

If interest is required to be calculated for a period ending other than on an Interest Payment Date (the 'Calculation Period'), such interest shall be calculated by applying the Rate of Interest to each Specified Denomination, multiplying such sum by the applicable Fixed Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

For the purposes of these Conditions, '*Fixed Day Count Fraction*' means:

- (i) if 'Actual/Actual (ISMA)' is specified in the applicable Pricing Supplement, it means:
  - (a) where the Calculation Period is equal to or shorter than the Determination Period during which it falls, the actual number of days in the Calculation Period divided by the product of (1) the actual number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and
  - (b) where the Calculation Period is longer than one Determination Period, the sum of:
    - (A) the actual number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the actual number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and
    - (B) the actual number of days in such Calculation Period falling in the next Determination Period divided by the product of (a) the actual number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year;

where:

'Determination Period' means the period from and including an Interest Payment Date in any year to but excluding the next Interest Payment Date; and

- (ii) if '30/360' is specified in the applicable Pricing Supplement, the number of days in the Interest Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months) (unless (i) the last day of the Interest Period is the 31st day of a month but the first day of the Interest Period is a day other than the 30th or the 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month or (ii) the last day of the Interest Period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month).

'sub-unit' means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, means one cent.

The applicable Pricing Supplement shall contain provisions (if necessary) relating to the calculation of interest in respect of Interest Payment Dates that fall in the interval between the Issue Date and the First Interest Payment Date or the interval between the Maturity Date and the immediately preceding Interest Payment Date.

(b) *Interest on Floating Rate Notes and Index Linked Interest Notes*

- (i) Interest Payment Dates

Each Floating Rate Note and Index Linked Interest Note bears interest on its outstanding nominal amount (or, if it is a Partly Paid Note, the amount paid up) from (and including) the Interest Commencement Date at the rate equal to the Rate of Interest payable in arrear on either:

- (A) the Specified Interest Payment Date(s) in each year; or
- (B) if no express Specified Interest Payment Date(s) is/are specified in the applicable Pricing Supplement, each date (each an 'Interest Payment Date') which falls the number of months or other period specified as the Specified Period in the applicable Pricing Supplement after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

Such interest will be payable in respect of each Interest Period (which expression shall, in these Terms and Conditions, mean the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date).

If a Business Day Convention is specified in the applicable Pricing Supplement and (x) if there is no numerically corresponding day on the calendar month in which an Interest Payment Date should occur or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

- (1) in any case where Specified Periods are specified in accordance with Condition 4 (b)(i)(B) above, the Floating Rate Convention, such Interest Payment Date (i) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (B) below shall apply *mutatis mutandis* or (ii) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (A) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (B) each subsequent Interest Payment Date shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Interest Payment Date occurred; or
- (2) the Following Business Day Convention, such Interest Payment Date (or other date) shall be postponed to the next day which is a Business Day; or
- (3) the Modified Following Business Day Convention, such Interest Payment Date (or other date) shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date (or other date) shall be brought forward to the immediately preceding Business Day; or
- (4) the Preceding Business Day Convention, such Interest Payment Date (or other date) shall be brought forward to the immediately preceding Business Day; or
- (5) No Adjustment, such Interest Payment Date (or other date) shall not be adjusted in accordance with any Business Day Convention.

In this Condition, 'Business Day' means a day which is both:

- (A) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in any Additional Business Centre specified in the applicable Pricing Supplement; and
- (B) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments in London and the principal financial centre of the country of the relevant Specified Currency (if other than London) and any Additional Business Centre and which if the Specified Currency is Australian dollars shall be Sydney or (2) in relation to any sum payable in euro, a day on which the TARGET System is open. In these Conditions,

'*TARGET System*' means the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET) System;

(ii) Rate of Interest

The Rate of Interest payable from time to time in respect of the Floating Rate Notes and Index Linked Interest Notes will be determined in the manner specified in the applicable Pricing Supplement.

(a) *ISDA Determination For Floating Rate Notes*

Where ISDA Determination is specified in the applicable Pricing Supplement as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Pricing Supplement) the Margin (if any). For the purposes of this sub-paragraph (a), 'ISDA Rate' for an Interest Period means a rate equal to the Floating Rate that would be determined by the Agent under an interest rate swap transaction if the Agent were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the 2000 ISDA Definitions as amended and updated as at the Issue Date of the first Tranche of the Notes, published by the International Swaps and Derivatives Association, Inc. (the '*ISDA Definitions*') and under which:

- (1) the Floating Rate Option is as specified in the applicable Pricing Supplement;
- (2) the Designated Maturity is the period specified in the applicable Pricing Supplement; and
- (3) the relevant Reset Date is either (i) if the applicable Floating Rate Option is based on the London inter-bank offered rate (LIBOR) or on the Euro-zone inter-bank offered rate (EURIBOR), the first day of that Interest Period or (ii) in any other case, as specified in the applicable Pricing Supplement.

For the purposes of this sub-paragraph (a), (i) 'Floating Rate', 'Calculation Agent', 'Floating Rate Option', 'Designated Maturity' and 'Reset Date' have the meanings given to those terms in the ISDA Definitions, (ii) the definition of '*Banking Day*' in the ISDA Definitions shall be amended to insert after the words 'are open for' in the second line before the word 'general' and (iii) '*Euro-zone*' means the region comprised of Member States of the European Union that adopt the single currency in accordance with the Treaty.

When this sub-paragraph (a) applies, in respect of each relevant Interest Period the Agent will be deemed to have discharged its obligations under Condition 4(b)(iv) in respect of the determination of the Rate of Interest if it has determined the Rate of Interest in respect of such Interest Period in the manner provided in this sub-paragraph (a).

(b) *Screen Rate Determination for Floating Rate Notes*

Where Screen Rate Determination is specified in the applicable Pricing Supplement as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will, subject as provided below, be either:

- (1) the offered quotation (if there is only one quotation on the Relevant Screen Page); or
- (2) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards or, if the relevant Screen Rate is EURIBOR, to the third decimal place, with 0.0005 being rounded upwards) of the offered quotations, (expressed as a percentage rate per annum) for the Reference Rates which appears or appear, as the case may be, on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date plus or minus (as indicated in the applicable Pricing Supplement) the Margin (if any), all as determined by the Agent. If five or more such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

The Agency Agreement contains provisions for determining the Rate of Interest pursuant to this subparagraph (b) in the event that the Relevant Screen Page is not available or if, in the case of (1) above, no such offered quotation appears or, in the case of (2) above, fewer than three such offered quotations appear, in each case as at the time specified in the preceding paragraph.

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

(iii) Minimum and/or Maximum Rate of Interest

If the applicable Pricing Supplement specifies a Minimum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (ii) above is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest.

If the applicable Pricing Supplement specifies a Maximum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (ii) above is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

(iv) Determination of Rate of Interest and Calculation of Interest Amounts

The Agent, in the case of Floating Rate Notes, and the Calculation Agent, in the case of Index Linked Interest Notes, will at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period. In the case of Index Linked Interest Notes, the Calculation Agent will notify the Agent of the Rate of Interest for the relevant Interest Period as soon as practicable after calculating the same.

The Agent will calculate the amount of interest (the '*Interest Amount*') payable on the Floating Rate Notes or Index Linked Interest Notes in respect of each Specified Denomination for the relevant Interest Period. Each Interest Amount shall be calculated by applying the Rate of Interest to each Specified Denomination, multiplying such sum by the applicable Floating Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

'*Floating Day Count Fraction*' means, in respect of the calculation of an amount of interest for any Interest Period:

- (i) if 'Actual/365' or 'Actual/Actual ISDA' is specified in the applicable Pricing Supplement, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);
- (ii) If 'Actual/365 (Fixed)' is specified in the applicable Pricing Supplement, the actual number of days in the Interest Period divided by 365;
- (iii) if 'Actual/360' is specified in the applicable Pricing Supplement, the actual number of days in the Interest Period divided by 360;
- (iv) if '30/360', '360/360' or 'Bond Basis' is specified in the applicable Pricing Supplement, the number of days in the Interest Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months (unless (a) the last day of the Interest Period is the 31st day of a month but the first day of the Interest Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month or (b) the last day of the Interest Period is the last day of



the month of February in which case the month of February shall not be considered to be lengthened to a 30-day month)); and

- (v) if '30E/360' or 'Eurobond Basis' is specified in the applicable Pricing Supplement, the number of days in the Interest Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months, without regard to the date of the first day or last day of the Interest Period unless, in the case of an Interest Period ending on the Maturity Date the Maturity Date is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month).

(v) Notification of Rate of Interest and Interest Amounts

The Agent will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer and any stock exchange on which the relevant Floating Rate Notes or Index Linked Interest Notes are for the time being listed and notice thereof to be published in accordance with Condition 14 as soon as possible after their determination but in no event later than the fourth London Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to each stock exchange on which the relevant Floating Rate Notes or Index Linked Interest Notes are for the time being listed and to the Noteholders in accordance with Condition 14. For the purposes of this paragraph, the expression '*London Business Day*' means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in London.

(vi) Certificates to be Final

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 4 (b), whether by the Agent or, if applicable, the Calculation Agent, shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Agent, the Calculation Agent, if applicable, the other Paying Agents and all Noteholders, Receiptholders and Couponholders and (in the absence as aforesaid) no liability to the Issuer, the Noteholders, the Receiptholders or the Couponholders shall attach to the Agent or the Calculation Agent, if applicable, in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

(c) Interest on Dual Currency Notes

In the case of Dual Currency Notes, if the rate or amount of interest falls to be determined by reference to an exchange rate, the rate or amount of interest payable shall be determined in the manner specified in the applicable Pricing Supplement.

(d) Interest on Partly Paid Notes

In the case of Partly Paid Notes (other than Partly Paid Notes which are Zero Coupon Notes), interest will accrue as aforesaid on the paid-up nominal amount of such Notes and otherwise as specified in the applicable Pricing Supplement.

(e) Accrual of Interest

Each Note (or in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from the date for its redemption unless, upon due presentation thereof, payment of principal is improperly withheld or refused. In such event, interest will continue to accrue until whichever is the earlier of:

- (1) the date on which all amounts due in respect of such Note have been paid; and
- (2) five days after the date on which the full amount of the moneys payable has been received by the Agent and notice to that effect has been given to the Noteholders in accordance with Condition 14 or individually.

*(f) Deferral of Interest on Tier 3 Notes*

Notwithstanding anything to the contrary contained elsewhere in this Condition 5, interest on the Tier 3 Notes of this Series will not be payable on any Fixed Interest Date or Interest Payment Date if and to the extent that at the time of, or as a result of, such payment the Issuer's actual Own Funds (as defined below) would amount to less than 100 per cent. of the Issuer's required minimum amount of Own Funds under the Solvency Guidelines. Any interest in respect of the Tier 3 Notes of this Series not paid on a Fixed Interest Date or Interest Payment Date on which such interest would otherwise be payable will constitute arrears of interest ('Arrears of Interest') and will become payable and will be paid by the Issuer as soon as and to the extent that the Issuer will, after such payment has been made, meet the solvency test referred to in the previous sentence. Any Arrears of Interest will also become fully payable on the date of the dissolution of the Issuer, the date on which the Issuer is declared bankrupt or the date on which special measures (*bijzondere voorzieningen*) in the interest of all creditors, as referred to in Chapter X of the Dutch 1992 Act on the Supervision of the Credit System ('*Wet toezicht kredietwezen 1992*') are declared in respect of the Issuer. Where any amount of interest or Arrears of Interest is not paid in full, each part payment shall be made pro rata to the Tier 3 Noteholders of this Series and shall be in respect of the interest accrued furthest from the date of payment. Any Arrears of Interest shall not themselves bear interest.

'Own Funds' means the amount of Shareholders' and other funds which qualify as actual own funds ('toetsingsvermogen') under the Solvency Guidelines.

## 6. Payments

*(a) Method of Payment*

Subject as provided below:

- (i) payments in a Specified Currency other than euro will be made by transfer to an account in the relevant Specified Currency (which, in the case of a payment in Japanese yen to a non-resident of Japan, shall be a non-resident account) maintained by the payee with, or by a cheque in such Specified Currency drawn on, a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars, shall be Sydney); and
- (ii) payments in euro will be made by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or, at the option of the payee, by a euro cheque.

Payments will be subject in all cases to any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 8.

*(b) Presentation of Notes, Receipts and Coupons*

Other than in the case of definitive Notes in CF-form, payments of principal in respect of definitive Notes will (subject as provided below) be made in the manner provided in paragraph (a) above only against surrender of definitive Notes, and payments of interest in respect of definitive Notes will (subject as provided below) be made as aforesaid only against surrender of Coupons, in each case at the specified office of any Paying Agent (in the case of any payments to be made in U.S. dollars, outside the United States).

Payments of principal in respect of any definitive Notes in CF-form will be made in the manner provided in paragraph (a) above only against surrender of definitive Notes together with the Coupon sheet attached. Payments of interest in respect of any definitive Notes in CF-form will be made in conformity with the agreement concluded between the Issuer and the 'Algemeen Obligatiekantoor van het Centrum voor Fondsenadministratie BV' (the 'Obligatiekantoor') in Amsterdam, under which agreement the Issuer has accepted the rules and regulations of the Obligatiekantoor.

Payments of instalments of principal (if any), other than the final instalment, will (subject as provided below) be made in the manner provided in paragraph (a) above against presentation and surrender of the relevant Receipt. Payment of the final instalment will be made in the manner provided in paragraph (a) above against surrender of the relevant Note. Each Receipt must be presented for payment of the relevant instalment together

with the definitive Note to which it appertains. Receipts presented without the definitive Note to which they appertain do not constitute valid obligations of the Issuer. Upon the date on which any definitive Note becomes due and repayable, unmatured Receipts (if any) relating thereto (whether or not attached) shall become void and no payment shall be made in respect thereof.

Fixed Rate Notes in definitive form (other than Dual Currency Notes, Index Linked Notes and Long Maturity Notes (as defined below)) should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of five years after the date on which such principal first became due (whether or not such Coupon would otherwise have become void under Condition 9) or, if later, five years from the date on which such Coupon would otherwise have become due. Upon any Fixed Rate Note becoming due and repayable prior to its Maturity Date, all unmatured Receipts and Talons (if any) appertaining thereto will become void and no payments in respect of any such Receipts and no further Coupons in respect of any such Talons will be made or issued, as the case may be.

Upon the date on which any Floating Rate Note, Dual Currency Note, Index Linked Note or Long Maturity Note in definitive form becomes due and repayable, unmatured Receipts, Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof. Where any such Note is presented for redemption without all unmatured Receipts, Coupons or Talons relating to it, redemption shall be made only against the provision of such indemnity as the Issuer may require. A 'Long Maturity Note' is a Fixed Rate Note (other than a Fixed Rate Note which on issue had a Talon attached) whose nominal amount on issue is less than the aggregate interest payable thereon provided that such Note shall cease to be a Long Maturity Note on the Interest Payment Date on which the aggregate amount of interest remaining to be paid after that date is less than the nominal amount of such Note.

If the due date for redemption of any definitive Note is not an Interest Payment Date, interest (if any) accrued in respect of such Note from (and including) the preceding Interest Payment Date or, as the case may be, the Interest Commencement Date shall be payable only against surrender of the relevant definitive Note.

Payments of principal and interest (if any) in respect of Notes represented by any global Note will (subject as provided below) be made in the manner specified above in relation to definitive Notes and otherwise in the manner specified in the relevant global Note against presentation or surrender, as the case may be, of such global Note at the specified office of any Paying Agent. A record of each payment made against presentation or surrender of such global Note, distinguishing between any payment of principal and any payment of interest, will be made on such global Note by such Paying Agent and such record shall be prima facie evidence that the payment in question has been made.

The holder of a global Note shall be the only person entitled to receive payments in respect of Notes represented by such global Note and the Issuer will be discharged by payment to, or to the order of, the holder of such global Note in respect of each amount so paid. Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg as the beneficial holder of a particular nominal amount of Notes represented by such global Note must look solely to Euroclear or Clearstream, Luxembourg as the case may be, for his share of each payment so made by the Issuer to, or to the order of, the holder of such global Note. No person other than the holder of such global Note shall have any claim against the Issuer in respect of any payments due on that global Note. Notwithstanding the foregoing, U.S. dollar payments of principal and interest in respect of the Notes will be made at the specified office of a Paying Agent in the United States (which expression, as used herein, means the United States of America (including the

States and the District of Columbia, its territories, its possessions and other areas subject to its jurisdiction)) if:

- (i) the Issuer has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment in U.S. dollars at such specified offices outside the United States of the full amount of principal and interest on the Notes in the manner provided above when due;
- (ii) payment of the full amount of such interest at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest in U.S. dollars; and
- (iii) such payment is then permitted under United States law without involving, in the opinion of the Issuer, adverse tax consequences to the Issuer.

*(c) Payment Day*

If the date for payment of any amount in respect of any Note, Receipt or Coupon is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes (unless otherwise specified in the applicable Pricing Supplement), 'Payment Day' means any day which is:

- (i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in:
  - (A) the relevant place of presentation;
  - (B) any Additional Financial Centre specified in the applicable Pricing Supplement; and
- (ii) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments in the principal financial centre of the country of the relevant Specified Currency (if other than the place of presentation and any Additional Financial Centre and which, if the Specified Currency is Australian dollars, shall be Sydney, or (2) in relation to any sum payable in euro, a day on which the TARGET System is open.

*(d) Interpretation of Principal and Interest*

Any reference in these Terms and Conditions to principal in respect of the Notes shall be deemed to include, as applicable:

- (i) any additional amounts which may be payable with respect to principal under Condition 8;
- (ii) the Final Redemption Amount of the Notes;
- (iii) the Early Redemption Amount of the Notes;
- (iv) the Optional Redemption Amount(s) (if any) of the Notes;
- (v) in relation to Instalment Notes, the Instalment Amounts;
- (vi) in relation to Zero Coupon Notes, the Amortised Face Amount; and
- (vii) any premium and any other amounts which may be payable by the Issuer under or in respect of the Notes.

Any reference in these Terms and Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 8.

## **7. Redemption and Purchase**

*(a) At Maturity*

Unless previously redeemed or purchased and cancelled as specified below, each Note will be redeemed by the Issuer at its Final Redemption Amount specified in, or determined in the manner specified in, the applicable Pricing Supplement in the relevant Specified Currency on the Maturity Date (in the case of a Note other than a

Floating Rate Note) or on the Interest Payment Date falling in the Redemption Month (in the case of a Floating Rate Note) or by instalments in the Instalment Amount(s) and on the Instalment Date(s) specified in the applicable Pricing Supplement (in the case of a Note redeemable in instalments).

*(b) Redemption for Tax Reasons*

- (i) Subject as provided in paragraph (e) below and subject, in the case of Subordinated Notes of any Series, to the consent of De Nederlandsche Bank N.V. having first been obtained and only if so specified in the applicable Pricing Supplement, Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time (in the case of Notes other than Floating Rate Notes or Index Linked Interest Notes) or on any Interest Payment Date (in the case of Floating Rate Notes or Index Linked Interest Notes), on giving not less than 30 nor more than 60 days' notice to the Noteholders in accordance with Condition 14 (which notice shall be irrevocable) if, on the occasion of the next payment due under the Notes, the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 8 as a result of any change in, or amendment to, the laws or regulations of the Netherlands or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the Issue Date of the first Tranche of the Notes.
- (ii) Subject as provided in paragraph (e) below Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time on giving not less than 30 nor more than 60 days' notice to the Noteholders in accordance with Condition 14 (which notice shall be irrevocable) if it becomes or will within 21 days become unlawful for the Issuer to have Notes outstanding or make payments on the Notes as a result of any change in, or amendment to, the laws or regulations of the Netherlands or any change in the application of official interpretation of such laws or regulations or in the position of any regulator, which change or amendment becomes effective on or after the Issue Date of the first Tranche of the Notes.

Notes redeemed pursuant to this Condition 7(b) will be deemed at their Early Redemption Amount referred to in paragraph (e) below together (if appropriate) with interest accrued to (but excluding) the date of redemption.

*(c) Redemption at the Option of the Issuer*

If the Issuer is specified in the applicable Pricing Supplement as having an option to redeem, the Issuer may, subject as provided in paragraph (e) below and having given:

- (i) not less than 15 nor more than 30 days' notice to the Noteholders in accordance with Condition 14; and
- (ii) not less than 15 days before the giving of the notice referred to in (i), notice to the Agent,

(both of which notices shall be irrevocable), redeem all or some only of the Notes then outstanding on the Optional Redemption Date(s) and at the Optional Redemption Amount(s) specified in, or determined in the manner specified in, the applicable Pricing Supplement together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date(s).

Any such redemption must be of a nominal amount equal to the Minimum Redemption Amount or Higher Redemption Amount, both as indicated in the applicable Pricing Supplement. In the case of a partial redemption of Notes, the Notes to be redeemed ('Redeemed Notes') will be selected individually by lot, in the case of Redeemed Notes represented by definitive Notes, and in accordance with the rules of Euroclear, Clearstream, Luxembourg and/or Euroclear Netherlands, in the case

of Redeemed Notes represented by a global Note, in each case not more than 30 days prior to the date fixed for redemption (such date of selection being hereinafter called the 'Selection Date'). In the case of Redeemed Notes represented by definitive Notes, a list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 14 not less than 15 days prior to the date fixed for redemption. The aggregate nominal amount of Redeemed Notes represented by definitive Notes shall bear the same proportion to the aggregate nominal amount of all Redeemed Notes as the aggregate nominal amount of definitive Notes outstanding bears to the aggregate nominal amount of the Notes outstanding, in each case on the Selection Date, provided that such first mentioned nominal amount shall, if necessary, be rounded downwards to the nearest integral multiple of the Specified Denomination, and the aggregate nominal amount of Redeemed Notes represented by a global Note shall be equal to the balance of the Redeemed Notes. No exchange of the relevant global Note will be permitted during the period from and including the Selection Date to and including the date fixed for redemption pursuant to this sub-paragraph (c) and notice to that effect shall be given by the Issuer to the Noteholders in accordance with Condition 14 at least 5 days prior to the Selection Date.

*(d) Redemption of Notes at the Option of the Noteholders*

Subject as provided in paragraph (e) below, if the Noteholders are specified in the applicable Pricing Supplement as having an option to redeem, upon the holder of any Note giving to the Issuer in accordance with Condition 14 not less than 15 nor more than 30 days' notice or such other period of notice as is specified in the applicable Pricing Supplement (which notice shall be irrevocable), the Issuer will, upon the expiry of such notice, redeem, subject to, and in accordance with, the terms specified in the applicable Pricing Supplement, in whole (but not in part), such Note on the Optional Redemption Date and at the Optional Redemption Amount specified in, or determined in the manner specified in, the applicable Pricing Supplement together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date.

If this Note is in definitive form, to exercise the right to require redemption of this Note its holder must deliver such Note at the specified office of any Paying Agent at any time during normal business hours of such Paying Agent falling within the notice period, accompanied by a duly signed and completed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent (a 'Put Notice') and in which the holder must specify a bank account (or, if payment is by cheque, an address) to which payment is to be made under this Condition.

*(e) Early Redemption Amounts*

For the purpose of paragraph (b) above and Condition 10, the Notes will be redeemed at the Early Redemption Amount calculated as follows:

- (i) in the case of Notes with a Final Redemption Amount equal to the Issue Price, at the Final Redemption Amount thereof; or
- (ii) in the case of a Note (other than a Zero Coupon Note but including an Instalment Note and Partly Paid Note) with a Final Redemption Amount which is or may be less or greater than the Issue Price or which is payable in a Specified Currency other than that in which the Notes are denominated at the amount specified in, or determined in the manner specified in the applicable Pricing Supplement or, if no such amount or manner is so specified in the applicable Pricing Supplement, at its nominal amount;
- (iii) in the case of Zero Coupon Notes, at an amount (the 'Amortised Face Amount') equal to the product of:
  - (A) the Reference Price; and
  - (B) the sum of the figure 1 and the Accrual Yield, raised to the power of x, where

'x' is a fraction the numerator of which is equal to the number of days (calculated on the basis of a 360-day year consisting of 12 months of 30 days each) from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Notes become due and repayable and the denominator of which is 360, or (in either case) such other calculation basis as may be specified in the applicable Pricing Supplement.

(f) *Instalments*

Instalment Notes will be repaid in the Instalment Amounts and on the Instalment Date. In the case of early redemption, the Early Redemption Amount will be determined pursuant to paragraph (e) above.

(g) *Partly Paid Notes*

If the Notes are Partly Paid Notes, they will be redeemed, whether at maturity, early redemption or otherwise, in accordance with the provisions of this Condition and the applicable Pricing Supplement.

(h) *Purchases*

The Issuer or any of its subsidiaries may at any time purchase Notes (provided that, in the case of definitive Notes, all unmatured Receipts, Coupons and Talons appertaining thereto are purchased therewith) at any price in the open market or otherwise. Such Notes may be held, re-issued, resold or, at the option of the Issuer, surrendered to any Paying Agent for cancellation.

(i) *Cancellation*

All Notes which are redeemed will forthwith be cancelled (together with all unmatured Receipts and Coupons attached thereto or surrendered therewith at the time of redemption). All Notes so cancelled and the Notes purchased and cancelled pursuant to paragraph (h) above (together with all unmatured Receipts and Coupons cancelled therewith) shall be forwarded to the Agent and cannot be re-issued or resold.

(j) *Late Payment on Zero Coupon Notes*

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to paragraph (a), (b), (c) or (d) above or upon its becoming due and repayable as provided in Condition 10 is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in paragraph (e)(ii) above as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Note becomes due and repayable were replaced by references to the date which is the earlier of:

- (i) the date on which all amounts due in respect of such Zero Coupon Note have been paid; and
- (ii) five days after the date on which the full amount of the moneys payable has been received by the Agent and notice to that effect has been given to the Noteholders, in accordance with Condition 14.

(k) *Deferral of Principal on Tier 3 Notes*

Notwithstanding anything to the contrary contained elsewhere in this Condition 7, principal on the Tier 3 Notes of this Series will not be payable on any Fixed Interest Date or Interest Payment Date if and to the extent that at the time of, or as a result of, such payment the Issuer's actual Own Funds would amount to less than 100 per cent. of the Issuer's required minimum amount of Own Funds under the Solvency Guidelines. Any principal in respect of the Tier 3 Notes of this Series not paid on a

Fixed Interest Date or Interest Payment Date on which such principal would otherwise be payable will constitute arrears of principal ('Arrears of Principal') and will become payable and will be paid by the Issuer as soon as and to the extent that the Issuer will, after such payment has been made, meet the solvency test referred to in the previous sentence. Any Arrears of Principal will also become fully payable on the date of the dissolution of the Issuer, the date on which the Issuer is declared bankrupt or the date on which special measures (*bijzondere voorzieningen*) in the interest of all creditors, as referred to in Chapter X of the Dutch 1992 Act on the Supervision of the Credit System ('*Wet toezicht kredietwezen 1992*') are declared in respect of the Issuer. Where any amount of principal or Arrears of Principal is not paid in full, each part payment shall be made pro rata to the Tier 3 Noteholders of this Series and shall be in respect of the principal accrued furthest from the date of payment. Any Arrears of Principal shall not themselves bear interest.

## 8. Taxation

All payments of principal and interest in respect of the Notes, Receipts and Coupons by the Issuer will be made without withholding or deduction for or on account of any present or future taxes or duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of the Netherlands or any political subdivision or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In such event, the Issuer will, depending on which provision is specified in the applicable Pricing Supplement, either: (a) make the required withholding or deduction of such taxes, duties, assessments or governmental charges for the account of the holders of the Notes, Receipts or Coupons, as the case may be, and shall not pay any additional amounts to the holders of the Notes, Receipts or Coupons or (b) pay such additional amounts as shall be necessary in order that the net amounts received by the holders of the Notes, Receipts or Coupons after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Notes, Receipts or Coupons, as the case may be, in the absence of such withholding or deduction; except that no such additional amounts shall be payable with respect to any Note, Receipt or Coupon presented for payment:

(i) by or on behalf of a Noteholder, Receiptholder or Couponholder who is liable for such taxes or duties in respect of such Note, Receipt or Coupon by reason of his having some connection with the Netherlands other than the mere holding of such Note, Receipt or Coupon or the receipt of principal or interest in respect thereof; or

(ii) by or on behalf of a Noteholder, Receiptholder or Couponholder who would not be liable or subject to the withholding or deduction by making a declaration of non-residence or other similar claim for exemption to the relevant tax authority; or

(iii) more than 30 days after the Relevant Date (as defined below) except to the extent that the holder thereof would have been entitled to an additional amount on presenting the same for payment on such thirtieth day; or

(iv) in the Netherlands; or

(v) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to any European Union Directive on the taxation of savings implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 or any law implementing or complying with, or introduced in order to conform to, such Directive; or

(vi) by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting the relevant Note, Receipt or Coupon to another Paying Agent in a Member State of the European Union.

As used herein, the 'Relevant Date' means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Agent on or prior to such due date, it means the date on which,



the full amount of such moneys having been so received, notice to that effect is duly given to the Noteholders in accordance with Condition 14. If and to the extent that in respect of the Tier 3 Notes of any Series any amount is not payable or repayable pursuant to Condition 5(f) or 7(k), the 'Relevant Date' shall be the date on which any such amount becomes first payable or repayable.

## 9. Prescription

The Notes, Receipts and Coupons will become void unless presented for payment within a period of five years after the Relevant Date (as defined in Condition 8) therefor.

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 or Condition 6(b) or any Talon which would be void pursuant to Condition 6(b).

## 10. Events of Default

If (in the case of an issue of Senior Notes) any one or more of the following events or (in the case of an issue of Subordinated Notes) either or both of the events specified in (iv) and (v) (each an 'Event of Default') shall have occurred and be continuing:

- (i) default is made for more than 14 days in the payment of interest or principal in respect of the Notes; or
- (ii) the Issuer fails to perform or observe any of its other obligations under the Notes and such failure has continued for the period of 30 days next following the service on the Issuer of notice requiring the same to be remedied; or
- (iii) (a) any indebtedness for money borrowed or raised (in an aggregate principal amount equal to or greater than euro 20,000,000 or its equivalent in other currencies) of the Issuer or any Material Subsidiary is not paid when due or, as the case may be, within any originally applicable grace period, (b) any such indebtedness of the Issuer or any Material Subsidiary in an aggregate principal amount as aforesaid becomes, or becomes capable of being declared, due and payable prior to its stated maturity other than at the option of the Issuer or any such subsidiary or (c) the Issuer or any Material Subsidiary fails to pay when due any amount payable by it under any guarantee or indemnity given by it in respect of any indebtedness for money borrowed or raised in an aggregate principal amount as aforesaid;
- (iv) the Issuer or any Material Subsidiary is declared bankrupt, or a declaration in respect of the Issuer or any Material Subsidiary is made under Chapter X of the Dutch 1992 Act on the Supervision of the Credit System ('Wet toezicht kredietwezen 1992') of the Netherlands; or
- (v) an order is made or an effective resolution is passed for the winding up or liquidation of the Issuer or any Material Subsidiary unless this is done in connection with a merger, consolidation or other form of combination or this involves a solvent liquidation of a Material Subsidiary,

then any Noteholder may, by written notice to the Issuer at the specified office of the Agent, effective upon the date of receipt thereof by the Agent, declare the Note held by the holder to be forthwith due and payable whereupon the same shall become forthwith due and payable at the Early Redemption Amount (as described in Condition 7(e)), together with accrued interest (if any) to the date of repayment, without presentment, demand, protest or other notice of any kind provided that repayment of Subordinated Notes under this Condition will only be effected after the Issuer has obtained the prior written consent of De Nederlandsche Bank N.V.

## 11. Replacement of Notes, Receipts, Coupons and Talons

Should any Note, Receipt, Coupon or Talon be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Agent upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Notes, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

## 12. Agent and Paying Agents

The names of the initial Agent and the other initial Paying Agents and their initial specified offices are set out below.

The Issuer is entitled to vary or terminate the appointment of any Paying Agent and/or appoint additional or other Paying Agents and/or approve any change in the specified office through which any Paying Agent acts, provided that:

- (i) so long as the Notes are listed on any stock exchange, there will at all times be a Paying Agent with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange;
- (ii) there will at all times be a Paying Agent with a specified office in a city in continental Europe;
- (iii) there will at all times be an Agent;
- (iv) there will at all times be a Paying Agent with a specified office situated outside the Netherlands; and
- (v) if the ECOFIN Council conclusions referred to in Condition 8 are implemented, the Issuer shall at all times maintain a Paying Agent with a specified office in a EU Member State that will not be obliged to withhold or deduct Taxes pursuant to the Directive.

In addition, the Issuer shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in the final paragraph of Condition 6(b). Any variation, termination, appointment or change shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not less than 30 nor more than 45 days' prior notice thereof shall have been given to the Noteholders in accordance with Condition 14.

## 13. Exchange of Talons

On and after the Fixed Interest Date or the Interest Payment Date, as appropriate, on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of the Agent or any other Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Note to which it appertains) a further Talon, subject to the provisions of Condition 9. Each Talon shall, for the purposes of these Terms and Conditions, be deemed to mature on the Fixed Interest Date or the Interest Payment Date (as the case may be) on which the final Coupon comprised in the relative Coupon sheet matures.

## 14. Notices

All notices regarding the Notes shall be published (i) in at least one daily newspaper of wide circulation in the Netherlands, (ii) if and for so long as the Notes are listed on Euronext Amsterdam, in the Euronext Amsterdam Daily Official List ('Officiële Prijscourant') and (iii) if and for so long as the Notes are listed on the Luxembourg Stock Exchange, in a leading daily newspaper having general circulation in

Luxembourg. It is expected that such publication will be made in the *Financial Times* in London (in the case of (ii) above) and the *Luxemburger Wort* (in the case of (iv) above). Any such notice will be deemed to have been given on the date of the first publication in all the newspapers in which such publication is required to be made.

Until such time as any definitive Notes are issued, there may (provided that, in the case of any publication required by a stock exchange, the rules of the stock exchange so permit), so long as the global Note(s) is or are held in its or their entirety on behalf of Euroclear and Clearstream, Luxembourg be substituted for publication in some or all of the newspapers referred to above, the delivery of the relevant notice to Euroclear and Clearstream, Luxembourg for communication by them to the holders of the Notes. Any such notice shall be deemed to have been given to the holders of the Notes on the seventh day after the day on which the said notice was given to Euroclear and Clearstream, Luxembourg.

Where the identity of all the holders of the Notes is known to the Issuer, the Issuer may (after consultation with the relevant Stock Exchange (where relevant)) give notice individually to such holders in lieu of publication as provided above, except that, so long as the Notes are listed on the Luxembourg Stock Exchange and/or Euronext Amsterdam and the rules of that Stock Exchange so require, such notices will also be published in a daily newspaper of general circulation in Luxembourg and/or the Netherlands respectively.

Notices to be given by any holder of the Notes shall be in writing and given by lodging the same, together with the relative Note or Notes, with the Agent. Whilst any of the Notes are represented by a global Note, such notice may be given by any holder of a Note to the Agent via Euroclear and/or Clearstream, Luxembourg as the case may be, in such manner as the Agent and Euroclear and/or Clearstream, Luxembourg as the case may be, may approve for this purpose.

#### **15. Meetings of Noteholders, Modification and Waiver**

The Agency Agreement contains provisions for convening meetings of the Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Notes, the Receipts, the Coupons or certain provisions of the Agency Agreement. Such meetings may be convened by the Issuer or Noteholders holding not less than five per cent. in a nominal amount of the Notes for the time being remaining outstanding. The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding or representing not less than 50 per cent. in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Noteholders whatever the nominal amount of the Notes so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Notes, Receipts or Coupons (including modifying the date of maturity of the Notes or any date for payment of interest thereof, reducing or cancelling the amount of principal or the rate of interest payable in respect of the Notes or altering the currency of payment of the Notes, Receipts or Coupons), the necessary quorum for passing an Extraordinary Resolution will be one or more persons holding or representing not less than two-thirds, or at any adjourned such meeting not less than one-third, in nominal amount of the Notes for the time being outstanding. An Extraordinary Resolution passed at any meeting of the Noteholders shall be binding on all the Noteholders, whether or not they are present at the meeting, and on all Receiptholders and Couponholders.

The Agent and the Issuer may agree, without the consent of the Noteholders, Receiptholders or Couponholders, to:

- (i) any modification (except as mentioned above) of the Agency Agreement which is not materially prejudicial to the interests of the Noteholders; or
- (ii) any modification of the Notes, the Receipts, the Coupons or the Agency Agreement which is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of the law of the jurisdiction in which the Issuer is incorporated.

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

## **16. Further Issues**

The Issuer shall be at liberty from time to time without the consent of the Noteholders, Receiptholders or Couponholders to create and issue further notes having terms and conditions the same as the Notes or the same in all respects save for the amount and date of the first payment of interest thereon and so that the same shall be consolidated and form a single Series with the outstanding Notes.

## **17. Substitution of the Issuer**

(a) The Issuer may, with the consent of the Noteholders or Couponholders which will be deemed to have been given in respect of each issue of Notes on which no payment of principal or interest on any of the Notes is in default and after written approval of De Nederlandsche Bank N.V., be replaced and substituted by any directly or indirectly wholly owned subsidiary of the Issuer (the 'Substituted Debtor') as principal debtor in respect of the Notes and the relative Receipts and Coupons provided that:

(i) such documents shall be executed by the Substituted Debtor and the Issuer as may be necessary to give full effect to the substitution (the 'Documents') and (without limiting the generality of the foregoing) pursuant to which the Substituted Debtor shall undertake in favour of each Noteholder and Couponholder to be bound by the Terms and Conditions of the Notes and the provisions of the Agency Agreement as fully as if the Substituted Debtor had been named in the Notes, and the relative Receipts and Coupons and the Agency Agreement as the principal debtor in respect of the Notes and the relevant Receipts and Coupons in place of the Issuer and pursuant to which the Issuer shall guarantee, which guarantee shall be unconditional and irrevocable, (the 'Guarantee') in favour of each Noteholder and each holder of the relative Receipts and Coupons the payment of all sums (including any additional amounts payable pursuant to Condition 8) payable in respect of the Notes and the relative Receipts and Coupons;

(ii) where the Substituted Debtor is incorporated, domiciled or resident for taxation purposes in a territory other than the Netherlands, the Documents shall contain a covenant and/or such other provisions as may be necessary to ensure that each Noteholder has the benefit of a covenant in terms corresponding to the provisions of Condition 8 with the substitution for the references to the Netherlands of references to the territory in which the Substituted Debtor is incorporated, domiciled and/or resident for taxation purposes. The Documents shall also contain a covenant by the Substituted Debtor and the Issuer to indemnify and hold harmless each Noteholder and Couponholder against all liabilities, costs, charges and expenses, which may be incurred by or levied against such holder as a result of any substitution pursuant to this Condition and which would not have been so incurred or levied had such substitution not been made (and, without limiting the foregoing, such liabilities, costs, charges and expenses shall include any and all taxes or duties which are imposed on any such Noteholder or Couponholder by any political sub-division or taxing authority of any country in which such Noteholder or Couponholder resides or is subject to any such tax or duty and which would not have been so imposed had such substitution not been made);

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

Issuer under the Documents are all valid and binding in accordance with their respective terms and enforceable by each Noteholder;

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

(v) the Substituted Debtor shall have delivered to the Agent or procured the delivery to the Agent of a legal opinion from a leading firm of lawyers in the jurisdiction in which the Substituted Debtor is situated to the effect that the Documents and the Substituted Debtor's obligations under the Notes, Receipts and Coupons will constitute legal, valid and binding obligations of the Substituted Debtor, such opinion to be dated not more than 3 days prior to the date of substitution of the Substituted Debtor for the Issuer and to be available for inspection by Noteholders and Couponholders at the specified office of the Agent;

(vi) the Issuer shall have delivered to the Agent or procured the delivery to the Agent of a legal opinion from a leading firm of Dutch lawyers to the effect that the Documents (including the Guarantee) will constitute legal, valid and binding obligations of the Issuer, such opinion to be dated not more than 3 days prior to the date of substitution of the Substituted Debtor for the Issuer and to be available for inspection by Noteholders and Couponholders at the specified office of the Agent; and

(vii) the Issuer shall have delivered to the Agent or procured the delivery to the Agent of a legal opinion from a leading firm of Dutch lawyers to the effect that the Documents (including the Guarantee) constitute legal, valid and binding obligations of the Substituted Debtor and the Issuer under Dutch law, such opinion to be dated not more than 3 days prior to the date of substitution of the Substituted Debtor for the Issuer and to be available for inspection by Noteholders and Couponholders at the specified office of the Agent.

- (b) In connection with any substitution effected pursuant to this Condition, neither the Issuer nor the Substituted Debtor need have any regard to the consequences of any such substitution for individual Noteholders or Couponholders resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory and no Noteholder or Couponholder, except as provided in Condition 17(a)(ii), shall be entitled to claim from the Issuer or any Substituted Debtor under the Notes and the relative Receipts and Coupons any indemnification or payment in respect of any tax or other consequences arising from such substitution.
- (c) In respect of any substitution pursuant to this Condition in respect of the Subordinated Notes of any Series, the Documents shall provide for such further amendment of the Terms and Conditions of the Subordinated Notes as shall be necessary to ensure that the Subordinated Notes of such Series constitute subordinated obligations of the Substituted Debtor and that the Guarantee constitutes a subordinated obligation of the Issuer, in each case subordinated to no greater than the same extent as the Issuer's obligations prior to its substitution to make payments of principal in respect of the Subordinated Notes of such Series under Condition 3 of the Terms and Conditions.
- (d) With respect to Subordinated Notes, the Issuer shall be entitled, after written approval of De Nederlandsche Bank N.V. by notice to the Noteholders given in accordance with Condition 14, at any time either to effect a substitution which does not comply with paragraph (c) above provided that the terms of such substitution have been approved by an Extraordinary Resolution of the Noteholders or to waive all and any rights to effect a substitution of the principal debtor pursuant to this Condition. Any such notice of waiver shall be irrevocable.

- (e) Upon the execution of the Documents as referred to in paragraph (a) above, the Substituted Debtor shall be deemed to be named in the Notes and the relative Receipts and Coupons as the principal debtor in place of the Issuer and the Notes and the relative Receipts and Coupons shall thereupon be deemed to be amended to give effect to the substitution. The execution of the Documents shall operate to release the Issuer as issuer from all of its obligations as principal debtor in respect of the Notes and the relative Receipts and Coupons save that any claims under the Notes and the relative Receipts and Coupons prior to release shall enure for the benefit of Noteholders and Couponholders.
- (f) The Documents shall be deposited with and held by the Agent for so long as any Notes or Coupons remain outstanding and for so long as any claim made against the Substituted Debtor by any Noteholder or Couponholder in relation to the Notes or the relative Receipts and Coupons or the Documents shall not have been finally adjudicated, settled or discharged. The Substituted Debtor and the Issuer shall acknowledge in the Documents the right of every Noteholder and Couponholder to the production of the Documents for the enforcement of any of the Notes or the relative Receipts and Coupons or the Documents.
- (g) Not later than 15 business days after the execution of the Documents, the Substituted Debtor shall give notice thereof to the Noteholders in accordance with Condition 14.

#### **18. Additional obligations**

For so long as the Notes are listed on Euronext Amsterdam, the Issuer will comply with the provisions set forth in Article 2.1.20 of Schedule B of the Rules and Regulations (*Fondsenreglement*) of Euronext Amsterdam N.V. or any amended form of the said provisions in force for the time being.

#### **19. Governing Law and Submission to Jurisdiction**

The Agency Agreement, the Notes, the Receipts and the Coupons are governed by, and shall be construed in accordance with, the laws of the Netherlands.

The Issuer submits for the exclusive benefit of the Noteholders, the Receiptholders and the Couponholders to the jurisdiction of the courts of Amsterdam, the Netherlands, judging in first instance, and in its appellate courts. Without prejudice to the foregoing, the Issuer further irrevocably agrees that any suit, action or proceedings arising out of or in connection with the Agency Agreement, the Notes, the Receipts and the Coupons may be brought in any other court of competent jurisdiction.

---

---

## USE OF PROCEEDS

The net proceeds from each issue of Notes will be applied by the Issuer for its general corporate purposes.

---

## SNS BANK N.V.

### Incorporation

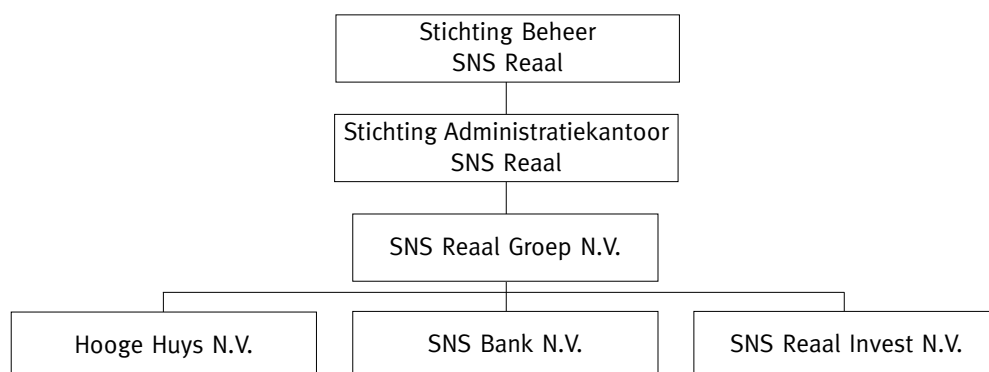
SNS Bank N.V. a public limited liability company (*naamloze vennootschap*) ('SNS Bank') was incorporated under Dutch law on 18th December, 1990 as a result of the merger of several regional savings banks.

The corporate seat of SNS Bank is in Utrecht, the Netherlands. The registered office of SNS Bank is Croeselaan 1, 3521 BJ, Utrecht and SNS Bank is registered in the Commercial Register of the Utrecht Chamber of Commerce (*handelsregister van de Kamer van Koophandel en Fabrieken in Utrecht*), under number 16062338. The articles of association of SNS Bank were last amended by notarial deed on 13 January 2003 before a duly authorised substitute of Mr. P. Klemann, civil law notary in Amsterdam, the draft of these articles having received the approval of the Minister of Justice, number 394.723.

### Ownership

SNS Bank is a 100% subsidiary of SNS Reaal Groep N.V. ('SNS Reaal Groep') and is part of the group formed by SNS Reaal Groep and its subsidiaries ('SNS Reaal Group'). SNS Reaal Groep is the result of a merger in May 1997 between SNS Groep N.V. (primarily a banking group) and Reaal Groep N.V. (primarily an insurance group).

All shares issued by SNS Reaal Groep are held by Stichting Administratiekantoor SNS Reaal, which is a trust office. All but one of the non-voting depositary receipts issued for the SNS Reaal Groep Shares by Stichting Administratiekantoor SNS Reaal are owned by Stichting Beheer SNS Reaal.



### Board of Directors of SNS Bank

Mr. M.W.J. Hinssen, chairman  
 Mr. C.H. van den Bos, deputy chairman  
 Mr. B.A.G. Janssen, deputy chairman  
 Mr. Th.A.V.M. Janssen  
 Mr. J.A.M. Henneke  
 Mr. M. Menkveld  
 Mr. G.T. van Wakeren

All members of the Board are full-time employees of SNS Bank and have elected domicile at the registered office of SNS Bank.

### Supervisory Board of SNS Bank

The names and major functions outside SNS Reaal Group of the members of the Supervisory Board are as follows:

Mr. J.L. Bouma, chairman	Former Professor of Business Economics, University of Groningen
Mr. H.M. van de Kar, deputy-chairman	Head of Research, Faculty of Law, Leiden University
Mr. J.V.M. van Heeswijk	Former managing director of Geveke N.V.
Mr. D. Huisman	Former deputy chairman of the executive board of Avéro Centraal Beheer Groep
Mr. S.C.J.J. Kortmann	Professor of Civil Law, University of Nijmegen



Mr. H. Muller

Former Federation Executive and Treasurer of the Trade Union Federation FNV

Mr. J.W.M. Simons

Former Chairman of the Board of Directors of N.V. Bouwfonds Nederlandse Gemeenten, Hoevelaken

All members of this Supervisory Board have elected domicile at the registered office of SNS Bank.

### **General Meeting of Shareholders**

The annual general meeting of shareholders is held within six months after the end of the financial year. The general meeting of shareholders appoints the members of the managing board, adopts the annual accounts, determines the allocation of the profits and appoints the auditors of SNS Bank. The general meeting of shareholders has to approve, inter alia, the issue and listing of shares and debt instruments, any major investments in or continuing co-operations with an outside legal entity, as well as any amendments to the articles of association.

### **SNS Reaal Group**

The combination of SNS Bank and Hooge Huys N.V. ('Hooge Huys') forms the sixth-largest financial institution in the Netherlands, with total assets of € 44.4 billion (June 2002). The strategy of SNS Reaal Group is focused on creating a fully integrated bank-insurance institution, with the possibility to use its combined marketing efforts and skills. This 'all finance' concept is offered through a wide range of distribution channels using strongly positioned labels. Distribution of bank and insurance product is done through the physical branch network of SNS Bank and a network of independent intermediaries retained by Hooge Huys. Both brands are well established. In addition the Internet and call centers are increasingly important for distributing financial product.

- A single group management center has been established in Utrecht, and board linkages have been created between the banking and insurance operations - the chairmen of each are also the deputy chairmen of the other.
- A full integration and centralisation of important backoffice functions has recently been completed, which enables the outlets to fully concentrate on the client. This integration and centralisation is aimed to reduce handling and distribution costs in order to further improve efficiency of the total organisation.
- Risk management is also organised centrally, combining the know-how of balance sheet management within banking and insurances.
- Within SNS Reaal Group other functions, like Legal and Fiscal Affairs & Compliance and Controlling have been concentrated.

### **Company Structure and Profile**

SNS Bank N.V. – renamed from SNS Bank Nederland N.V. at the beginning of 2002 – is a Dutch branch-based retail banking organisation, concentrating on savings, mortgages, and services to small and medium sized enterprises (SMEs). Besides a network of approximately 200 branches SNS Bank uses intermediaries, a call center, and the Internet to generate business.

Its focus is on the domestic retail market plus small and medium size companies and institutions with a local or domestic scope. SNS Bank offers a full range of banking and insurance products and services to its clients. In terms of volume, residential mortgages form the major part of SNS Bank's assets. Due to innovative mortgage products SNS Bank has shown a good performance in terms of relative growth of the mortgage business during recent years. SNS Bank also shows a successful performance of its investment funds and increasing sales of insurance products through its banking network. Professional wholesale activities have been developed within SNS Financial Markets and SNS Securities N.V. After the merger of SNS Groep N.V. with Reaal Groep N.V. all asset management activities have been concentrated in one commercial entity named SNS Asset Management.

Besides the SNS label, SNS Bank makes use of other labels, like BLG Hypotheken, ASN Bank and CVB Bank, in niche markets or for specific distribution channels.

#### *Mortgage loans*

The total volume of outstanding mortgage loans on the balance sheet of SNS Bank made up 75% of total assets as of 30th June, 2002. The mortgage loan portfolio showed sustained growth, despite the reduced growth in the mortgage loans market in the first half of 2001 in the Netherlands. SNS Bank is focused on product innovation and packaging mortgage and life insurance product to enhance cross-selling.

#### *Retail banking*

SNS Bank offers its customers a full range of banking products and services. The banking operations further expanded its product offering with the successful introduction of the possibility to invest worldwide via Internet. The savings held for customers by the banking operation increased, particularly as a result of a competitive Internet savings product. Besides the retail markets, SNS Bank is steadily developing into the business markets, although it keeps a clear focus on small and medium sized companies and institutions with a regional or domestic scope.

#### *Insurance*

Through its distribution channels SNS Bank is active in selling life and non-life insurance product. Mortgage production is often accompanied with selling insurance product. SNS Reaal Group is increasingly benefiting from these cross-selling opportunities. The penetration in the SME market will increasingly be used to sell insurance products.

#### *Professional activities*

SNS Securities N.V. is a 100% subsidiary of SNS Bank, which is active as broker of equity, equity derivatives and fixed income products. A wide network of national and international contacts and a long experience in the business area result in a further diversification of commission income and of the profits of SNS Bank.

SNS Financial Markets, which is fully integrated in SNS Bank, is responsible for all funding, treasury, trading and sales activities. Its activities comprise of public and private bond issuance, taking and placing interbank deposits, interest rate products, currency trading and treasury transactions for corporate clients.

SNS Asset Management provides institutional asset management services for SNS Reaal Group entities and for a limited number of external (mainly institutional) customers and investment funds.

#### **Recent Developments**

Any material press release, or any summary thereof, issued by SNS Bank can be obtained from the website of SNS Reaal Group at <http://www.snsreaalgroup.com>. Information on the above mentioned website does not form part of this Prospectus and may not be relied upon in connection with any decision to invest in the Notes.

## FINANCIAL STATEMENTS

### *Income and expenses*

Total income in the first half of 2002 was € 315 million, 14.54% higher than in the same period of the previous year. This increase stemmed mainly from interest income. Both the volume and interest margin of mortgage lending increased in the first half of 2002 which more than compensated for decreased commission income as a result of depressed equity markets.

The net interest income increased by 22.88% to € 247 million (first half of 2001: € 201 million).

The commission income saw an increase of 2.5% to € 41 million (first half-year 2001: € 40 million). This is the balance of significantly lower commission income and significantly higher income from life insurance .

Total expenses in the first half of 2002 increased to € 232 million (+17.17%). The most substantial cost item – the staff costs – even fell slightly, despite an extra addition to the pension fund to compensate for the decrease in value covered. The increase in cost was caused mainly by the additions to value adjustments to loans and advances, in line with the bank's prudent provisioning policy. (€ 5 million in the first half of 2001, was increased to € 33 million in the first half of 2002).

### *Profits*

The net profit increased by 2.0% to € 51 million (first half-year 2001: € 50 million). The Operating profit before taxation increased by 7.79%, amounting to € 83 million (2001: € 77 million).

### *Key figures and ratings*

Total assets increased by 0.9% to € 33.2 billion (first half-year 2001: € 32.9 billion). Despite the continuing growth of the mortgage loan and credit portfolios, the BIS ratio of SNS Bank improved to 11.7%. The efficiency ratio showed a substantial decrease 63.3% (down from 70.2% in the first half year of 2001). SNS Bank has ratings from Moody's (A2/P-1) with a stable outlook, from S&P (A/A-1) with a 'Negative' outlook in February 2003, Fitch (A+/F1) changed its 'Negative' outlook back to stable in September 2002.

### **Outlook**

In current markets it is difficult to make an outlook. However, on the assumption that markets will not deteriorate, the SNS Reaal Group expects a further growth of the business for the year 2003 and is confident that it will achieve its medium to long term objectives.

## FINANCIAL INFORMATION SUMMARY

### KEY FIGURES OF SNS BANK N.V.

(amounts in millions of EUR)

	30th June 2002 (unaudited)	31st December 2001 (audited)	31st December 2000 (audited)
Total assets	33,192	32,416	30,345
Loans and advances to the private sector of which mortgage loans	28,280 24,830	26,076 22,691	24,571 20,866
Funds entrusted	15,853	14,982	14,071
Of which savings accounts	9,035	8,690	7,503
Shareholders' equity	1,282	1,111	1,007
Capital base	2,030	2,126	1,816
BIS tier 1 ratio	7.9%	7.4%	6.8%
BIS total capital ratio	11.7%	11.6%	11.1%
Net interest margin	247	436	391
Income other than interest	68	139	158
Of which net commission income	36	69	89
Net profit	51	93	104

(in numbers)

Offices	Na	198	223
Cash dispensers	Na	341	343
Employees	Na	3,770	3,852

### Capitalisation of SNS Bank

The following table sets forth the capitalization and long-term indebtedness of SNS Bank on a consolidated basis:

(amounts in millions of EUR)

	30th June 2002 (unaudited)	31st December 2001 (audited)	31st December 2000 (audited)
Liabilities with remaining terms to maturity of more than five years			
Banks	700	894	808
Savings accounts	1,007	1,054	580
Funds entrusted	1,080	988	1,230
Debt securities	4,238	3,823	3,093
	7,025	6,759	5,711
Subordinated loan capital	677	707	627
Share Capital*	381	381	381
Participation Certificate	124	N/A	N/A
Revaluation Reserves	11	14	59
Other Reserves	766	716	567
	1,282	1,111	1,007

\* The issued share capital consists of 840,008 common shares of EUR 453,79 nominal and has been fully paid up.

The authorized share capital is EUR 1,905,936,151.60.

Except as may be described herein, there has been no material change in the capitalisation of SNS Bank N.V. since 30th June, 2002.

### The following major bond loans are outstanding (31st December, 2002):

DEM	500	million 4.75% bonds due 2003
USD	500	million FRN due 2003
EUR	600	million FRN due 2003
USD	350	million FRN due 2004
GBP	200	million FRN due 2004
EUR	750	million 4.75% bonds due 2004
EUR	500	million FRN due 2005
NLG	500	million 5.875% bonds due 2007
EUR	1,000	million 6% bonds due 2007
EUR	500	million FRN bonds due 2006
NLG	500	million 5.5% bonds due 2008
FRF	1,500	million 5.25% bonds due 2008
EUR	300	million 4.375% bonds due 2009
NLG	300	million 6.25% subordinated bonds due 2009
EUR	1,000	million 6.125% bonds due 2010
EUR	125	million 5.125% subordinated bonds due 2011
EUR	500	million 5.625 bonds due 2012

The financial year of SNS Bank is the calendar year.

### Auditors

The consolidated financial statements for 2000 and 2001 have been audited by Ernst & Young Accountants, Drentestraat 20, 1083 HK Amsterdam. The auditors have given an unqualified opinion for each of these years. The financial statements for the 6 months ended 30th June 2002 have not been audited.

### Litigation

There are no legal, arbitration or administrative proceedings against or affecting the Issuer or any of its subsidiaries (and no such proceedings are pending or threatened) which have, or may have or have had during the twelve months prior to the date of this document individually or in the aggregate, a significant effect on the financial position of the Issuer or of the Issuer and its subsidiaries taken as a whole.

### Lending Volume

The following table provides a breakdown of the lending volume to non-banks.

(amounts in millions of EUR)

	30th June 2002 (unaudited)	31st December 2001 (audited)	31st December 2000 (audited)
Mortgage loans			
With municipal and other guarantees	3,416	3,321	3,190
Other	21,415	19,370	17,676
	24,831	22,691	20,866
Loans to or guaranteed by public authorities	563	436	476
Consumer loans	573	501	508
Other loans and advances	2,431	2,535	2,849
	28,398	26,163	24,699

### Funding structure

(amounts in millions of EUR)

	30th June 2002 (unaudited)	31st December 2001 (audited)	31st December 2000 (audited)
Banks	3,435	3,628	3,156
Savings accounts	9,035	8,690	7,503
Other deposits			
from non-banks	6,818	6,292	6,568
Debt securities	11,183	10,961	10,410
	30,471	29,571	27,637

# CONSOLIDATED ACCOUNTS

## CONSOLIDATED BALANCE SHEET

(after profit appropriation, amounts in millions of EUR)

	30th June 2002 (unaudited)	31st December 2001 (audited)	31st December 2000 (audited)
<b>Assets</b>			
Cash	265	334	371
Banks	1,755	3,283	2,595
Loans and advances			
To the private sector	28,279	26,076	24,571
To the government	119	87	128
Interest-bearing securities	1,305	1,128	1,290
Shares	621	573	613
Other participating interests	6	6	2
Intangible assets	1	–	–
Property and equipment	224	239	231
Other assets	161	177	103
Prepayments and accrued income	456	513	495
<b>Total assets</b>	<b>33,192</b>	<b>32,416</b>	<b>30,345</b>
<b>Liabilities</b>			
Banks	3,435	3,628	3,156
Savings	9,035	8,690	7,503
Funds entrusted	6,818	6,292	6,568
Debt certificates	11,183	10,961	10,410
Other liabilities	193	153	183
Accruals and deferred income	471	530	646
<b>Provisions</b>	<b>28</b>	<b>36</b>	<b>63</b>
	<b>31,163</b>	<b>30,290</b>	<b>28,529</b>
Fund for general banking risks	70	70	70
Subordinated debt	677	707	627
Shareholders' equity	1,282	1,111	1,007
Third-party interests	–	238	112
Capital base	2,029	2,126	1,816
<b>Total liabilities</b>	<b>33,192</b>	<b>32,416</b>	<b>30,345</b>
Guarantees and similar contingent liabilities	120	103	110
Irrevocable facilities	991	803	664

## CONSOLIDATED PROFIT AND LOSS ACCOUNT

(amounts in millions of EUR)

	30th June 2002 (unaudited)	31st December 2001 (audited)	31st December 2000 (audited)
<b>Income</b>			
Interest income	843	1,750	1,468
Interest charges	596	1,314	1,077
Net interest income	247	436	391
Income from securities and participating interests	2	3	(2)
Commission income	41	79	100
Commission charges	5	10	11
Net commission income	36	69	89
Results on financial transactions	16	38	49
Other revenue	14	29	22
Total income	315	575	549
<b>Expenses</b>			
Staff costs	120	260	229
Other administrative expenses	65	122	118
Depreciation	14	29	29
Value adjustments to loans and advances	33	20	16
Operating profit before taxation	83	144	157
Taxes	32	46	49
Third party interests	–	5	4
Group Profit	51	93	104



## CONSOLIDATED CASH FLOW STATEMENT

### SNS Bank NV

(amounts in millions of EUR)

	30th June 2002 (unaudited)	31st December 2001 (audited)	31st December 2000 (audited)	31st December 1999 (audited)
<b>Cash Flow from operating activities</b>				
Net profit	51	93	104	94
<b>Adjustments for:</b>				
– Depreciation	14	29	29	29
– Value adjustments to loans and advances	33	20	16	6
– Change in general provisions	(8)	(27)	9	4
– Other changes in accrued and deferred items	(437)	3	369	(249)
	(398)	25	423	(210)
<b>Cash flow from business operations</b>	(347)	118	527	(116)
Change in loans and advances	(2,235)	(1,464)	(5,749)	(3,078)
Change in Banks (not payable on demand)	1,392	(143)	(905)	777
Change in Savings	345	1,187	247	484
Change in other funds entrusted	526	(276)	609	(432)
Other changes relating to operating activities	–	–	(112)	(23)
	28	(696)	(5,910)	(2,272)
<b>Total cash flow from operating activities</b>	(319)	(578)	(5,383)	(2,388)
Cash flow from investments activities				
Investments and purchases:				
– Investments portfolio	(325)	(185)	(1,060)	(515)
– Participating interests in group companies	–	–	(526)	0
– Other participating interests	(1)	(4)	(3)	(1)
– Tangible fixed assets	(11)	(30)	(36)	(45)
	(337)	(219)	(1,625)	(561)
<b>Disinvestments, redemptions and disposals:</b>				
– Investments portfolios	143	251	640	439
– Tangible fixed assets	4	4	7	10
	147	255	647	449
Total Cash flow from investments activities	(190)	36	(978)	(112)
<b>Cash flow from financial activities</b>				
Income from subordinated loans	(30)	80	210	154
Income from debt certificates	2,290	8,194	5,949	2,669
Redemptions of debt certificates	(1,762)	(7,643)	(65)	0
Total Cash flow from financing activities	498	631	6,094	2,823
Change in liquid assets	(11)	89	(267)	323

## MARKET RISK MANAGEMENT

A sophisticated model has been developed for Asset & Liability Management (ALM) for managing and measuring market, interest rate, liquidity and currency risks, using dynamic methods in addition to the gapping and duration methods. Bank policy on asset and liability management, interest income and drawing on the capital market is decided at group level. ALM policy and monitoring compliance with the relevant guidelines are also supervised at the highest possible level.

Much attention is paid to the management of market risks relating to the dealing positions, even though these are comparatively small. The volume, any gains or losses and value at risk of these positions are reported on daily basis, so adjustments can be made promptly. Apart from value-at-risk, stress and sensitivity approaches are used for analysing market developments.

---

## REPORT OF THE AUDITORS

In our opinion, the consolidated annual figures for the years 2001 and 2000, as included in this Prospectus, are consistent, in all material respects, with the annual accounts for those years from which they have been derived. We issued an unqualified opinion on these annual accounts on 12th March, 2002 and 14th March, 2001. These auditors' reports are included in the annual accounts for the years referred to, which form an integral part of this Prospectus.

For a better understanding of the company's financial position and results and of the scope of our audit, the consolidated annual figures should be read in conjunction with the annual accounts from which they have been derived and our auditors' reports thereon. The financial statements of SNS Bank N.V. for the 6 months ended 30th June, 2002 have not been audited by us.

Amsterdam, 25 February, 2003

**Ernst & Young Accountants**

---

## NETHERLANDS TAXATION

The information given below is neither intended as tax advice nor purports to describe all of the tax considerations that may be relevant to a prospective purchaser of the Notes. Prospective purchasers are strongly advised to acquaint themselves as with the overall tax consequences of purchasing, holding and/or selling the Notes

This summary is based on the tax laws, published case law and tax regulations in force in the Netherlands as of the date of this Offering Circular, without prejudice to any amendments introduced at a later date and implemented with retroactive effect.

The Issuer has been advised that under the existing laws of The Netherlands:

- (a) All payments by the Issuer of interest and principal under the Notes can be made free of withholding or deduction for or on account of any taxes of whatsoever nature imposed, levied, withheld or assessed by the Netherlands or any political subdivision or taxing authority thereof or therein, unless the Notes qualify as a loan that is regarded as equity for tax purposes as referred to in Section 10 (1) (d) of the Dutch Corporate Income Tax Act (*Wet op de vennootschapsbelasting 1969*).
- (b) A holder of a Note who derives income from a Notes or who realizes a gain on the disposal or redemption of a Notes will not be subject to Dutch taxation on such income or capital gains unless:
  - (i) the holder is, or is deemed to be, resident in the Netherlands or has opted to be treated as a resident of the Netherlands; or
  - (ii) such holder has an enterprise or an interest in an enterprise which, in whole or in part, is carried on through a permanent establishment or a permanent representative in the Netherlands and the Notes are attributable to this permanent establishment or permanent representative; or
  - (iii) such holder is a legal person and has a substantial interest\* in the Issuer and such interest does not form part of the assets of an enterprise; or
  - (iv) such holder is a legal person and has a deemed Netherlands enterprise to which enterprise the Notes are attributable; or
  - (v) such holder is an individual and performs activities in the Netherlands other than business income (as described under b(ii)) to which activities the Notes are attributable; or
  - (vi) such holder or a person related to the holder by law, contract, consanguinity or affinity to the degree specified in the tax laws of the Netherlands has or is deemed to have substantial interest\* in the Issuer.
- \* Generally speaking an interest in the Issuer should not be considered as a substantial interest if the holder of such interest, and if the holder is a natural person, registered partner, certain other relatives or certain persons sharing the holder's household, do not hold, alone or together, whether directly or indirectly, the ownership of, or certain rights over, shares or rights resembling shares representing five percent or more of the total issued and outstanding capital, or the issued and outstanding capital of any class of shares, of the Issuer.
- (c) No gift, estate or inheritance tax will arise in the Netherlands on the transfer by way of gift or inheritance of the Notes, unless:
  - (i) the donor of the deceased at the time of the gift or the death is a resident or a deemed resident of the Netherlands;
  - (ii) at the time of the gift such holder has, or at the time of his or her death such

holder had, an enterprise or interest in an enterprise that is or was, in whole or in part, carried on through a permanent establishment or a permanent representative in the Netherlands and to which enterprise or part the Notes are or were attributable; or

- (iii) in the case of a gift of Notes by an individual who, at the date of the gift, was neither a resident nor deemed to be a resident of the Netherlands, and such individual dies within 180 days after the date of the gift, and at the time of his or her death is or is deemed to be a resident of the Netherlands.
- (d) There will be no registration tax, capital tax, customs duty, stamp duty or any other similar tax or duty due in the Netherlands other than court fees payable in respect of or in connection with the issue, transfer, execution, delivery and/or enforcement by legal proceedings of the Notes or the performance of the Issuer's obligations under the Notes.
- (e) There will be no value added tax due in the Netherlands in respect of payments made in consideration for the issue of the Notes, whether in respect of the payment of interest and principal or in respect of the transfer of Notes.
- (f) A holder of Notes will not become, and will not be deemed to be, resident in the Netherlands by the sole virtue of holding such Note or the execution, performance, delivery and/or enforcement of the Notes.

#### **Proposed European Union Directive on the taxation of savings**

Furthermore the following regarding the proposed European Union Directive on the taxation of savings should be noted.

On 21 January 2003, the Council of Ministers of Economic Affairs and Finance ('Ecofin') reached a political consensus about the so-called Monti package. Part of this tax package is the proposed Directive for taxation on interest received on the savings of private individuals.

The consensus about interest from savings comprises the following elements:

- With effect from 1 January 2004, 12 Member States, including The Netherlands, will introduce a system whereby information about interest paid on savings is automatically exchanged;
- With effect from 1 January 2004, Austria, Belgium and Luxembourg will introduce a withholding tax on interest. This tax will stay in effect until an agreement is reached with third countries such as Switzerland and Liechtenstein about the exchange of information upon request (based on the 2002 OECD Model agreement regarding the exchange of information);
- If such an agreement is not reached, the Austrian, Belgian and Luxembourg withholding tax rate will remain 15% until 2007, 20% until 2010, and, as from 1 January 2010, the withholding tax rate will be 35%.

This all depends on whether a final consensus is reached with Switzerland about the introduction of a similar Swiss withholding tax. It seems that an agreement in principle has been reached, but that a number of details must still be worked out further.

It is the intention that the Ecofin formally approve the Tax Package in March 2003.

## SUBSCRIPTION AND SALE

The Dealers have in an amended and restated dealership agreement dated 19th February 2002 (the 'Dealership Agreement') (as supplemented from time to time) agreed with the Issuer a basis upon which they or any of them may from time to time agree to purchase Notes. Any such agreement will extend to those matters stated under 'Form of the Notes' and 'Terms and Conditions of the Notes' above. In the Dealership Agreement, the Issuer has agreed to reimburse the Dealers for certain of their expenses in connection with the establishment of the Programme and the issue of Notes under the Programme.

### All Issues

Notes may only be offered anywhere in the world:

- a. if those Notes have been or are likely to be shortly admitted to listing on the Official Segment of the stock market of Euronext Amsterdam N.V. which will be the case at the publication of the advertisement (the 'Advertisement') referred to in article 47.7 of the Listing and Issuing Rules of Euronext Amsterdam N.V. (*Fondsenreglement*), and provided that before the time those Notes are likely to be shortly so admitted, no contractually binding offers (or solicitations of such offers) will be or will have been made in respect of the Notes to any one anywhere in the world other than to individuals or legal entities as referred to in (c) hereinafter and that any such offers (or solicitations of such offers will be or will have been made without any documents or advertisements in which the offering of such Notes is publicly announced (whether electronically or otherwise) being disclosed or transmitted to such individuals or legal entities as referred to in (c) hereinafter, prior to the publication of the Advertisement; or
- b. if those Notes have been admitted to official listing on the Luxembourg Stock Exchange or any other European stock exchange in accordance with EC Directive 89/298/EEC, provided that the applicable Pricing Supplement (approved by, or submitted to the Luxembourg Stock Exchange) has been submitted to the Netherlands Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten*) and the Netherlands Authority for the Financial Markets has confirmed (where necessary) the availability of recognition in respect of such document and the Prospectus and the applicable Pricing Supplement are generally available as of the time when the offer is made; or
- c. to persons (including legal entities) who trade or invest in securities in the conduct of their profession or trade (which include banks, securities intermediaries (including dealers and brokers), insurance companies, pension funds, other institutional investors and treasury departments of commercial enterprises which as an ancillary activity regularly invest in securities), provided that (i) the offer, the applicable Pricing Supplement and any other documents and advertisements in which a forthcoming offering of Notes is publicly announced states that the offer is exclusively made to those persons and, (ii) a copy of the applicable Pricing Supplement is submitted to the Netherlands Authority for the Financial Markets before the offer is made; or
- d. to persons (including legal entities) who are established, domiciled or have their residence (collectively, 'are resident') outside the Netherlands, provided that (i) the applicable Pricing Supplement states that the offer is not and will not be made to persons who are resident in the Netherlands, (ii) the offer, the Prospectus and the applicable Pricing Supplement comply with the laws and regulations of any state where the persons to whom the offer is made are resident, (iii) a statement that those laws are complied with is submitted to the Netherlands Authority for the Financial Markets before the offer is made and is included in the applicable Pricing Supplement and each such announcement; or
- e. if those Notes are part of an issue of Notes comprising only Notes with a denomination of at least EUR 50,000 (or the equivalent in any other currency) provided that if such Notes are issued: (a) at a discount, they may only be offered if their issue price is no less than EUR 50,000 (or its equivalent in any other currency);

(b) on a partly-paid basis, they may only be offered if paid up by their initial holders at least to an amount of EUR 50,000 (or its equivalent in any other currency); (c) with a denomination of precisely EUR 50,000 (or its equivalent in any other currency), they may only be offered on a fully-paid basis and at par or at a premium; or

f. if:

(i) those Notes qualify as Euro-securities (*Euro-effecten*) (which they do if (a) they are subscribed for and placed by a syndicate of which at least two members are established in different States party to the Agreement on the European Economic Area, (b) at least 60% of those Notes are placed by syndicate members established in one or more states other than the Netherlands, and (c) those Notes may only be subscribed for or initially be purchased through a credit institution or another institution which in the conduct of its business or profession provides one or more of the services referred to under 7 and 8 of the Annex to the Second Banking Coordination Directive 2000/12/EU); and

(ii) no general advertising or canvassing campaign is conducted in respect of those Notes anywhere in the world; or

g. if those Notes have a maturity of not more than one year; or

h. otherwise in accordance with the 1995 Act on the Supervision of the Securities Trade (*Wet toezicht effectenverkeer 1995*) and the rules and regulations promulgated thereunder.

In addition, Zero Coupon Notes in definitive form may only be transferred or accepted, directly or indirectly, within, from or into The Netherlands through the mediation of either the Issuer or an admitted institution of Euronext Amsterdam N.V. with due observance of the Savings Certificates Act (*‘Wet inzake Spaarbewijzen’*) and its implementing regulations (including identification and registration requirements) (as amended), provided that no mediation is required in respect of (i) the initial issue of those Notes to the first holders thereof, (ii) any transfer and delivery by individuals who do not act in the conduct of a profession or trade, and (iii) the issue and trading of those Notes, if they are physically issued outside the Netherlands and are not distributed in the Netherlands in the course of primary trading or immediately thereafter. As used herein, ‘Zero Coupon Notes’ are Notes which qualify as savings certificates under the Savings Certificates Act (*Wet inzake spaarbewijzen*), i.e. Notes that are in bearer form and that constitute a claim for a fixed sum against the Issuer and on which interest does not become due during their tenor or on which no interest is due whatsoever.

#### **United States**

The Notes have not been and will not be registered under the United States Securities Act of 1933 as amended (the ‘Securities Act’) and may not be offered or sold within the United States or to, or for the account of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act.

Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that, except as permitted by the Dealer Agreement, it will not offer, sell or deliver Notes (i) as part of their distribution at any time and (ii) otherwise until 40 days after the completion of the distribution of all Notes of the Tranche of which such Notes are a part within the United States or to, or for the account or benefit of, U.S. persons and it will have sent to each dealer to which it sells Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in the preceding paragraph and in this paragraph have the meanings given to them by Regulation S under the Securities Act.

In addition, until 40 days after the completion of the distribution of all Notes of the Tranche of which such Notes are a part, an offer or sale of Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

The Notes (other than any Notes issued with an initial maturity of 365 days or less) 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 and regulations thereunder.

Each issue of Index Linked Notes and Dual Currency Notes shall be subject to such additional U.S. selling restrictions as the Issuer and the relevant Dealer may agree, as indicated in the applicable Pricing Supplement.

Each relevant Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that it will offer, sell or deliver such Notes only in compliance with such additional U.S. selling restrictions.

### **United Kingdom**

Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that:

- (i) in relation to Notes which have a maturity of one year or more, it has not offered or sold and, prior to the expiry of the period of six months from the Issue Date of such Notes, will not offer or sell any such Notes to persons in the United Kingdom except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or otherwise in circumstances which have not resulted and will not result in an offer to the public in the United Kingdom within the meaning of the Public Offers of Securities Regulations 1995 (as amended);
- (ii) in relation to any Notes which must be redeemed before the first anniversary of the date of their issue, it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and it has not offered or sold and will not offer or sell any Notes other than to persons:
  - (i) whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses; or
  - (ii) who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses,

where the issue of the Notes would otherwise constitute a contravention of section 19 of the Financial Services and Markets Act 2000 by the Issuer;

- (iii) it has only communicated or caused to be communicated, and will only communicate or cause to be communicated, any invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the Financial Services and Markets Act 2000 does not apply to the Issuer; and
- (iv) it has complied and will comply with all applicable provisions of the Financial Services and Markets Act 2000 with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom;

### **Japan**

The Notes have not been and will not be registered under the Securities and Exchange Law of Japan and, accordingly, each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that it will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any Japanese Person or to others for reoffering or resale, directly or indirectly, in Japan or to any Japanese Person except under circumstances which will result in compliance with all applicable laws, regulations and guidelines promulgated by the relevant Japanese governmental and regulatory



authorities in effect at the relevant time. For the purposes of this paragraph, 'Japanese Person' shall mean any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

**Germany**

Each Dealer has confirmed that it is aware of the fact that no German Selling Prospectus ('Verkaufsprospekt') has been or will be published with respect to the Programme and that it will comply with the Securities Selling Prospectus Act (the 'SSPA') of the Federal Republic of Germany ('Wertpapier-Verkaufsprospektgesetz'). In particular each Dealer has undertaken not to engage in a public offering ('Öffentliches Anbieten') in the Federal Republic of Germany with respect to any Notes issued under the Programme otherwise than in accordance with the SSPA and any other legislation replacing or supplementing the SSPA and all other applicable laws and regulations.

**General**

Each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers or sells Notes or possesses or distributes this Prospectus and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers or deliveries and the Issuer shall not have any responsibility therefor.

Neither the Issuer nor any of the Dealers represents that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

With regard to each Tranche, the relevant Dealer will be required to comply with any additional restrictions set out in the applicable Pricing Supplement.

## GENERAL INFORMATION

### Authorisation

The 2003 update of the Programme was duly authorized by a resolution of the Board of Directors of the Issuer dated 11 February, 2003. All consents, approvals, authorizations or other orders of all regulatory authorities required by the Issuer under the laws of the Netherlands have been given for the issue of Notes and for the Issuer to undertake and perform its obligations under the Dealership Agreement, the Agency Agreement and the Notes.

### Listing

Application has been made for the Notes to be issued under the Programme to be listed on Euronext Amsterdam N.V. and the Luxembourg Stock Exchange. For listing purposes, The Luxembourg Stock Exchange has allocated the number 12081 to the Programme.

A legal notice relating to the Programme as well as the Articles of Association of the Issuer will be lodged with the Chief Registrar of the District Court of Luxembourg (*Greffier en Chef du Tribunal d'Arrondissement de et à Luxembourg*) where such documents may be examined and copies obtained.

However, Notes may be issued pursuant to the Programme which will not be listed on Euronext Amsterdam N.V. or the Luxembourg Stock Exchange or which will be listed on such stock exchange as the Issuer and the relevant Dealer(s) may agree.

### Documents Available

So long as Notes are capable of being issued under the Programme, copies of the following documents will, when published, be available free of charge from the registered office of the Issuer, from the specified office of the Agent and from the specified offices of the Netherlands Listing Agent and the Luxembourg Listing Agent:

- (i) the Dutch language version and an English translation of the most recent Articles of Association of the Issuer;
- (ii) the annual reports of the Issuer for the three most recent financial years and the most recently available unaudited (semi-annual) interim financial statements (in English) of the Issuer;
- (iii) the Dealership Agreement and the Agency Agreement (which contains the forms of the temporary and permanent global Notes, the Definitive Notes, the Receipts, the Coupons and the Talons);
- (iv) a copy of this Prospectus;
- (v) any future prospectuses, offering circulars, supplementary listing particulars, information memoranda and supplements (including the Pricing Supplements in respect of listed Notes) to this Prospectus and any other documents incorporated herein or therein by reference; and
- (vi) the Pricing Supplement for each Tranche of listed Notes.

### Clearing and Settlement Systems

The Notes have been accepted for clearance through Euroclear, Clearstream, Luxembourg and Clearnet (the securities clearing corporation of Euronext Amsterdam N.V.). The appropriate common code, ISIN and Fonscode for each Tranche allocated by Euroclear, Clearstream, Luxembourg and Clearnet (the securities clearing corporation of Euronext Amsterdam), and any other relevant security code, will be specified in the applicable Pricing Supplement. If the Notes are to clear through an additional or alternative clearing system the appropriate information will be specified in the applicable Pricing Supplement.

**U.S. TEFRA Legend**

Notes (other than Temporary Global Notes) and any Coupon appertaining thereto will bear a legend substantially to the following effect: 'Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code.' The sections referred to in such legend provide that a United States person who holds a Note or Coupon generally will not be allowed to deduct any loss realised on the sale, exchange or redemption of such Note or Coupon and any gain (which might otherwise be characterised as capital gain) recognised on such sale, exchange or redemption will be treated as ordinary income.

**Material Change**

Since 31st December, 2001, the last day of the financial period in respect of which the most recent audited financial statements of the Issuer have been prepared, there has been no material adverse change in the condition (financial or otherwise) or prospects of the Issuer and its subsidiaries taken as a whole.

**Litigation**

There are no legal, arbitration or administrative proceedings against or affecting the Issuer or any of its subsidiaries (and no such proceedings are pending or threatened) which have, or may have or have had during the twelve months prior to the date of this document individually or in the aggregate, a significant effect on the financial position of the Issuer or of the Issuer and its subsidiaries taken as a whole.

**Auditors**

Ernst & Young Accountants act as the auditors of the financial statements of the Issuer and have audited the financial statements without qualification for the last three years. The financial statements for the 6 months ended 30th June, 2002 have not been audited.

This page is intentionally left blank

This page is intentionally left blank

This page is intentionally left blank

---

**REGISTERED OFFICE OF THE ISSUER**

**SNS Bank N.V.**  
Croeselaan 1  
3521 BJ Utrecht  
The Netherlands

**AGENT**

**Dexia Banque Internationale à Luxembourg**  
69 Route d'Esch  
L-2953 Luxembourg  
Luxembourg

**OTHER PAYING AGENT**

**ABN AMRO Bank N.V.**  
Kemelstede 2  
4817 ST Breda  
The Netherlands

**LEGAL ADVISERS**

*To the Issuer*  
*(as to Netherlands law except tax law)*  
**De Brauw Blackstone Westbroek N.V.**  
Tripolis 300  
Burgerweeshuispad 301  
1076 HR Amsterdam  
The Netherlands

*To the Dealers in England*  
**Clifford Chance**  
**Limited Liability Partnership**  
200 Aldersgate Street  
London EC1A 4JJ  
United Kingdom

*To the Dealers in the Netherlands*  
**Clifford Chance**  
**Limited Liability Partnership**  
Droogbak 1A  
1013 GE Amsterdam  
The Netherlands

**AUDITORS TO THE ISSUER**

**Ernst & Young Accountants**  
Drentestraat 20  
1083 HK Amsterdam  
The Netherlands

---



## AMSTERDAM LISTING AGENT

### ABN AMRO Bank N.V.

Gustav Mahlerlaan 10  
1082 PP Amsterdam  
The Netherlands

## LUXEMBOURG LISTING AGENT

### Dexia Banque Internationale à Luxembourg

69 Route d'Esch  
L-2953 Luxembourg  
Luxembourg

## DEALERS

### ABN AMRO Bank N.V.

250 Bishopgate  
London EC2M 4AA  
United Kingdom

### Barclays Bank PLC

5 The North Colonnade  
Canary Wharf  
London E14 4BB  
United Kingdom

### Bayerische Hypo- und Vereinsbank AG

Arabellastrasse 12  
D-81925 München  
Germany

### Bayerische Landesbank

Brienner Strasse 20  
80333 München  
Germany

### BNP PARIBAS

10 Harewood Avenue  
London NW1 6AA  
United Kingdom

### Commerzbank Aktiengesellschaft

60 Gracechurchstreet  
London EC3VoHR  
United Kingdom

### Credit Suisse

#### First Boston

(Europe) Limited  
One Cabot Square  
London E14 4QJ  
United Kingdom

### Deutsche Bank AG London

Winchester House  
1 Great Winchester Street  
London EC2N 2DB  
United Kingdom

### Goldman Sachs International

Peterborough Court  
133 Fleet Street  
London EC4A 2BB  
United Kingdom

### HSBC Bank plc

Level 4  
8 Canada Square  
London E14 5HQ  
United Kingdom

### J.P. Morgan Securities Ltd.

125 London Wall  
London EC2Y 5AJ  
United Kingdom

### Merrill Lynch International

Merrill Lynch Financial Centre  
2 King Edward Street  
London EC1A 1HQ  
United Kingdom

### Morgan Stanley & Co.

#### International Limited

25 Cabot Square  
Canary Wharf  
London E14 4QA  
United Kingdom

### Nomura International plc

Nomura House  
1 St. Martin's-le-Grand  
London EC1A 4NP  
United Kingdom

### Salomon Brothers

#### International Limited

Citigroup Centre  
Canada Square  
Canary Wharf  
London E14 5LB  
United Kingdom

### Société Générale

29, boulevard Haussmann  
75009 Paris  
France

### SNS Bank N.V.

Croeselaan 1  
3521 BJ Utrecht  
The Netherlands

### UBS AG, acting through its business group UBS Warburg

1 Finsbury Avenue  
London EC2M 2PP  
United Kingdom

### WestLB AG

Herzogstrasse 15  
D-40217 Düsseldorf  
Germany