

This document constitutes the base prospectus of SNS Bank N.V. and SNS REAAL N.V. in respect of non-equity securities within the meaning of Art. 22 No. 6 (4) of the Commission Regulation (EC) No. 809/2004 of 29 April 2004 (the "**Prospectus**").



SNS BANK N.V.

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



SNS REAAL N.V.

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

Debt Issuance Programme

Under the Debt Issuance Programme of SNS Bank N.V. (an "**Issuer**" or "**SNS Bank**") and SNS REAAL N.V. (an "**Issuer**" or "**SNS REAAL**" and together with SNS Bank the "**Issuers**") (the "**Programme**") may from time to time issue notes (the "**Notes**") denominated in any currency agreed between the relevant Issuer and the relevant Dealer (as defined below), if any. The Issuers are part of a group formed by SNS REAAL and its direct and indirect subsidiaries, including SNS Bank ("**SNS REAAL Group**"). Subject as set out herein, the maximum aggregate nominal amount of the Notes from time to time outstanding under the Programme issued by SNS Bank will not exceed € 25,000,000,000 (or its equivalent in other currencies calculated as described herein) and the maximum aggregate nominal amount of the Notes from time to time outstanding under the Programme issued by SNS REAAL will not exceed € 2,000,000,000 (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 in respect of Notes 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**"). Notes may be distributed by way of public offers or private placements and, in each case, on a syndicated or non-syndicated basis. The method of distribution of each relevant series of Notes (a "**Series**") (or tranche thereof (a "**Tranche**")) will be stated in the applicable final terms (the "**Final Terms**").

Arranger

Rabobank International

Dealers

Rabobank International SNS Financial Markets

The full terms and conditions of each Tranche of Notes issued by SNS Bank are constituted by the master terms and conditions as set out in full in this Prospectus in Chapter 2, Part 1 and the full terms and conditions of each Tranche of Notes issued by SNS REAAL are constituted by the master terms and conditions as set out in full in this Prospectus in Chapter 3, Part 1 which terms and conditions constitute the basis of all Notes to be offered under the Programme, together with, if applicable, any additional terms and conditions and the Final Terms applicable to the relevant issue of Notes, which apply and/or not apply, supplement and/or amend the master terms and conditions in the manner required to reflect the particular terms and conditions applicable to the relevant Series (or Tranche). The full terms and conditions of Capital Securities (as defined in Chapter 8, Part 1) issued by SNS REAAL are constituted by the terms and conditions as set out in full in this Prospectus in Chapter 8, Part 1. The Notes of each Tranche will (unless otherwise specified in the applicable Final Terms) initially be represented by a Temporary Global Note (as defined below) which will be deposited on the issue date thereof either (i) with a common depositary or common safekeeper on behalf of Euroclear Bank S.A./N.V. ("**Euroclear**") and Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**") and/or any other agreed clearing system or (ii) with Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V. ("**Euroclear Nederland**"). See "Form of the Notes".

The relevant Issuer may agree with the relevant 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 required, will be made available which will describe the effect of the agreement reached in relation to such Notes.

Application may be made to Euronext Amsterdam N.V. ("**Euronext Amsterdam**") for Notes to be issued under the Programme up to the expiry of 12 months from the Publication Date (as defined below) of this Prospectus to be admitted to listing and trading on Euronext Amsterdam by NYSE Euronext ("**Euronext Amsterdam by NYSE Euronext**"). In addition, Notes issued under the Programme may, in accordance with applicable rules and regulations, be listed or admitted to trading, as the case may, on the Luxembourg Stock Exchange and on any other stock exchange or market specified in the applicable Final Terms. Each Issuer may also issue unlisted Notes under the Programme.

Notes to be issued by SNS Bank under the Programme are expected to be rated A (negative outlook) for long term Senior Notes, A- for long term Subordinated Notes (Tier 2), and F1 for short term Senior Notes by Fitch Ratings Ltd. ("**Fitch**"), A2 (stable outlook) 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 short-term issuer credit rating, A (negative outlook) for long-term issuer credit rating, and A- for non-perpetual Subordinated Notes by Standard & Poor's Ratings Services ("**Standard & Poor's**").

Notes to be issued by SNS REAAL under the Programme are expected to be rated Baa1 (stable) for Senior unsecured long term Notes, Prime-2 for Senior unsecured short term Notes and Baa2 for Subordinated Notes by Moody's, long term SNS REAAL credit rating A- (negative outlook) and A-2 short term SNS REAAL credit rating, and BBB+ for Subordinated Notes by Standard & Poor's.

The Senior or Subordinated status of the Notes is indicated in the applicable Final Terms and the status is described in the applicable Terms and Conditions of the Medium Term Notes.

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.

This Prospectus has been approved by and filed with The Netherlands Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten*, the "**AFM**"). Each Issuer has requested the AFM to provide the competent authorities in Luxembourg and Italy with a certificate of approval attesting that the Prospectus has been drawn up in accordance with Chapter 5.1 of the Dutch Financial Supervision Act (*Wet op het financieel toezicht*, the "**Wft**") and related regulations which implement Directive 2003/71/EC (the "**Prospectus Directive**") in Dutch law ("**Notification**"). Each Issuer may request the AFM to provide competent authorities in additional Member States within the European Economic Area (the "**EEA**") with a Notification.

This Prospectus will be published in electronic form on the websites of Euronext Amsterdam and the Luxembourg Stock Exchange and on 8 June 2009 (the "Publication Date") on the website of the Issuers at www.snsreaal.com. This Prospectus is issued in replacement of and constitutes an integration of the prospectus of SNS Bank dated 18 April 2008 and the prospectus of SNS REAAL dated 16 July 2008 and accordingly supersedes those earlier prospectuses. It is valid for a period of 12 months from the Publication Date.

TABLE OF CONTENTS

TABLE OF CONTENTS	4
<u>CHAPTER 1: INFORMATION RELATING TO THE DEBT ISSUANCE PROGRAMME</u>	6
SUMMARY	6
RISK FACTORS	14
RISK FACTORS REGARDING SNS BANK AND SNS REAAL GROUP	14
RISK FACTORS RELATING TO THE ACQUISITION OF AXA S.A.'S DUTCH INSURANCE OPERATIONS AND THE ACQUISITION OF THE DUTCH ACTIVITIES OF SWISS LIFE	26
RISK FACTORS REGARDING THE NOTES	27
CERTAIN NOTICES TO INVESTORS	39
Responsibility statement	39
Notice	39
SNS REAAL N.V. AND SNS BANK N.V.	42
SELECTED FINANCIAL INFORMATION OF SNS Bank	53
SELECTED FINANCIAL INFORMATION OF SNS REAAL	59
FORM OF THE NOTES	64
USE OF PROCEEDS	67
TAXATION	68
SUBSCRIPTION AND SALE	70
GENERAL INFORMATION	74
DOCUMENTS INCORPORATED BY REFERENCE	77
<u>CHAPTER 2: MEDIUM TERM NOTES ISSUED BY SNS BANK</u>	78
PART 1: TERMS AND CONDITIONS OF THE MEDIUM TERM NOTES	78
PART 2: FORM OF FINAL TERMS FOR MEDIUM TERM NOTES	108
<u>CHAPTER 3: MEDIUM TERM NOTES ISSUED BY SNS REAAL</u>	125
PART 1: TERMS AND CONDITIONS OF THE MEDIUM TERM NOTES	125
PART 2: FORM OF FINAL TERMS OF THE MEDIUM TERM NOTES	155
<u>CHAPTER 4: INDEX LINKED NOTES</u>	172
PART 1(A): TERMS AND CONDITIONS OF NOTES LINKED TO A SINGLE INDEX	172
PART 1(B): TERMS AND CONDITIONS OF NOTES LINKED TO A BASKET OF INDICES	178
PART 2: FORM OF FINAL TERMS FOR INDEX LINKED NOTES	185
<u>CHAPTER 5: INFLATION LINKED NOTES</u>	204
PART 1: TERMS AND CONDITIONS OF INFLATION LINKED NOTES	204
PART 2: FORM OF FINAL TERMS FOR INFLATION LINKED NOTES	214
<u>CHAPTER 6: SHARE LINKED NOTES</u>	232
PART 1(A): TERMS AND CONDITIONS OF NOTES LINKED TO A SINGLE SHARE	232
PART 1(B): TERMS AND CONDITIONS OF NOTES LINKED TO A BASKET OF SHARES	244
PART 2: FORM OF FINAL TERMS FOR SHARE LINKED NOTES	256
<u>CHAPTER 7: FUND LINKED NOTES</u>	276
PART 1: TERMS AND CONDITIONS OF FUND LINKED NOTES	276
PART 2: FORM OF FINAL TERMS FOR FUND LINKED NOTES	284

<u>CHAPTER 8: CAPITAL SECURITIES ISSUED BY SNS REAAL</u>	303
PART 1: TERMS AND CONDITIONS OF THE CAPITAL SECURITIES	303
PART 2: FORM OF FINAL TERMS FOR THE CAPITAL SECURITIES	334

CHAPTER 1: INFORMATION RELATING TO THE DEBT ISSUANCE PROGRAMME

SUMMARY

The following constitutes the summary (the "**Summary**") of the essential characteristics and risks associated with the Issuers and the Notes to be issued under the Programme. This Summary must be read as an introduction to this Prospectus and any decision to invest in any Notes should be based on a consideration of this Prospectus as a whole, including the documents incorporated by reference. No civil liability will attach to either Issuer in respect of this Summary, including any translation hereof, unless it is misleading, inaccurate or inconsistent when read together with the other parts of this Prospectus. Where a claim relating to information contained in this Prospectus is brought before a court in a Member State of the European Economic Area an ("**EEA State**"), the plaintiff might, under the national legislation of the EEA State where the claim is brought, have to bear the costs of translating the Prospectus before the legal proceedings are initiated.

Issuers: SNS Bank and SNS REAAL

Both SNS Bank and SNS REAAL are incorporated under the laws of The Netherlands with limited liability and have their corporate seat in Utrecht. Their registered address is Croeselaan 1, 3521 BJ Utrecht, The Netherlands. The telephone number of SNS Bank is tel. +31 (0)30 231 5100. The telephone number of SNS REAAL is tel. +31 (0)30 231 5200.

As of 27 July 2005 all of the shares issued by SNS REAAL were held by Stichting Beheer SNS REAAL. On 18 May 2006 the shares of SNS REAAL were listed on Euronext Amsterdam by NYSE Euronext as part of the initial public offering ("**IPO**") of SNS REAAL. As per the Publication Date of this Prospectus Stichting Beheer SNS REAAL owns approximately 54.3% of SNS REAAL's outstanding share capital. SNS Bank is a 100% subsidiary of SNS REAAL and is part of the group formed by SNS REAAL and its subsidiaries ("**SNS REAAL Group**").

SNS REAAL is a Dutch banking and insurance service provider. SNS Bank and REAAL Verzekeringen are the main brands. SNS REAAL also has niche and specialist brands including SNS Property Finance, SNS Regio Bank, ASN Bank, BLG Hypotheken, Zwitserleven and Proteq.

Risk Factors: There are certain factors that may affect the Issuers' ability to fulfil their respective obligations under Notes issued under the Programme. These are set out under "Risk Factors" below and include the fact that the Issuers' results can be adversely affected by (i) general economic conditions, (ii) competition, (iii) regulatory change and (iv) standard banking risks including changes in interest and foreign exchange rates and operational, credit, market,

liquidity and legal risk. In addition, there are certain factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme - see "Risk Factors Regarding the Notes" in this Prospectus.

Description:	Debt Issuance Programme of SNS Bank N.V. and SNS REAAL N.V.
Arranger:	Rabobank International
Dealers:	Rabobank International, SNS Bank N.V. and any additional Dealers appointed by the relevant Issuer from time to time.
Regulatory Matters:	Notes 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
Amsterdam Paying Agent and Listing Agent:	Rabobank International
Size:	Subject as set out herein, the maximum aggregate nominal amount of the Notes from time to time outstanding under the Programme issued by SNS Bank will not exceed € 25,000,000,000 (or its equivalent in other currencies calculated as described herein) and the maximum aggregate nominal amount of the Notes from time to time outstanding under the Programme issued by SNS REAAL will not exceed € 2,000,000,000 (or its equivalent in other currencies calculated as described herein). The Issuers may increase the amount of the Programme in accordance with the terms of the Dealership Agreement.
Distribution:	Notes may be distributed by way of public offers or private placements and in each case on a syndicated or non-syndicated basis. The method of distribution of each Tranche will be stated in the applicable Final Terms.
Currencies:	Subject to any applicable legal or regulatory restrictions, such currencies as may be agreed between the relevant Issuer and the relevant Dealer, including, without limitation, Australian dollars, Canadian dollars, Danish kroner, euro, Hong Kong dollars, Sterling, Swiss francs, United States dollars and Japanese yen.

Maturities:	Any maturity, subject to applicable laws, regulations and restrictions and subject, in the case of Subordinated Notes, to a minimum maturity of five years.
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 Final Terms) initially be represented by a global Note. Each global Note which is not intended to be issued in the form of a new global Note (a " New Global Note " or " NGN "), being a classic global Note (a " Classic Global Note " or " CGN "), as specified in the applicable Final Terms, will be deposited on or around the relevant Issue Date either (i) with a common depository for Euroclear and Clearstream, Luxembourg and/or any other agreed clearing system or (ii) with Euroclear Nederland and each global Note which is intended to be issued in NGN form, as specified in the relevant Final Terms, will be deposited on or around the relevant Issue Date with a common safekeeper for Euroclear and/or Clearstream, Luxembourg. 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 (other than a permanent global Note deposited with Euroclear Nederland) is exchangeable for definitive Notes 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 Nederland, as appropriate.
Fixed Rate Notes:	Fixed interest will be payable on the date or dates specified in the applicable Final Terms and on redemption, and will be calculated on the basis of such Day Count Fraction as may be agreed between the relevant Issuer and the relevant Dealer (as indicated in the applicable Final Terms).
Floating Rate Notes:	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 2006 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 relevant Issuer and the relevant Dealer (as indicated in the applicable Final Terms). The Margin (as specified in the applicable Final Terms) (if any) relating to such floating rate will be specified in the applicable Final Terms.

Specified Interest Period(s) or
Specified Interest
Payment Date(s) for Floating
Rate Notes:

Such period(s) or date(s) as may be specified in the applicable Final Terms.

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 Final Terms.

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 in respect of each Interest Period, as agreed prior to issue by the relevant 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 relevant Issuer and the relevant Dealer (if any) (as specified in the applicable Final Terms).

Index Linked Notes:

Payments in respect of interest on Index Linked Interest Notes or in respect of principal on Index Linked Notes will be calculated by reference to such index and/or formula as may be specified in the applicable Final Terms.

Zero Coupon Notes:

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.

Structured Notes:

Each Issuer may from time to time issue structured Notes on terms set out in chapter 4, 5, 6 and 7 of this Prospectus or any supplement hereto. Structured Notes may include Notes whose returns are linked to an index,

shares, funds, interest rates, inflation rates, foreign exchange rates or other references.

Redemption:

The applicable Final Terms 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 for other reasons as described in Condition 7(b) of the applicable Terms and Conditions of the Medium Term Notes or following an Event of Default) or that such Notes will be redeemable at the option of the relevant Issuer and/or the Noteholders (as defined under applicable Terms and Conditions of the Medium Term Notes) 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 Final Terms) to the Noteholders or the relevant 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 Final Terms.

The applicable Final Terms may provide that Notes may be repayable in two or more instalments of such amounts and on such dates as indicated in it.

Denomination of Notes:

Notes will be issued in such denominations as may be specified in the applicable Final Terms 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.

Taxation:

Payments in respect of the Notes will, as specified in the applicable Final Terms, 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 of the applicable Terms and Conditions of the Medium Term Notes. If the applicable Final Terms provides that payments are to be made subject to withholding of applicable Dutch taxes (if any), it will also specify that Condition 7(b) of the applicable Terms and Conditions of the Medium Term Notes will not apply to the Notes.

Negative Pledge:

The Senior Notes will have the benefit of a negative pledge. See Condition 2(b) of the applicable Terms and Conditions of the Medium Term Notes.

Cross Default:

The Senior Notes will have the benefit of a cross default. See Condition 10(iii) of the applicable Terms and Conditions of the Medium Term Notes.

Status of the Senior Notes:

The Senior Notes issued by an Issuer will constitute unsecured and unsubordinated obligations of that Issuer and will rank pari passu without any preference among themselves and with all other present and future unsecured and unsubordinated obligations of that Issuer save for those preferred by mandatory provisions of law.

Status and Characteristics relating to Subordinated Notes:

The Subordinated Notes issued by an Issuer will constitute unsecured subordinated obligations of that Issuer. Subordinated Notes of one Series will rank pari passu without any preference among themselves and with all other present and future unsecured and identically subordinated obligations of the relevant Issuer, save for those preferred by mandatory provisions of law.

In accordance with the Decree on prudential rules Wft (*Besluit Prudentiële regels Wft*) (the "**Decree on Prudential Rules Wft**") to which SNS Bank is subject, the Subordinated Notes issued by SNS Bank 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 Final Terms and in accordance with such other terms and conditions specified therein replacing or modifying the Terms and Conditions of the Medium Term Notes issued by SNS Bank for the purpose of such Series or 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 any Tier 2 and Tier 3 Notes.

The claims of the holders of the Subordinated Notes of each Series (the "**Subordinated Holders**") against SNS Bank will:

- (i) in the event of the liquidation or bankruptcy of SNS Bank; or
- (ii) in the event that a competent court has declared that SNS Bank is in a situation which requires emergency measures (*noodregeling*) in the interests of all creditors, as referred to in Part 3.5.5 of the Wft, and for so long as such situation is in force (such situation being hereinafter referred to as a "**Moratorium**"),

be 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 SNS Bank or in the event of a Moratorium with respect to SNS Bank, 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.

Status and Characteristics relating
to Capital Securities:

The Capital Securities issued by SNS REAAL constitute direct, unsecured, subordinated securities of SNS REAAL and rank *pari passu* without any preference among themselves and with all other present and future unsecured and identically subordinated obligations of SNS REAAL, save for those preferred by mandatory provisions of law. The Capital Securities are subordinated to Subordinated Notes. The Capital Securities are perpetual securities with no fixed redemption date, however, the Capital Securities can be redeemed in accordance with the applicable terms and conditions and subject to the approval of the Dutch Central Bank.

Ratings:

Notes to be issued by SNS Bank under the Programme are expected to be rated A (negative outlook) for long term Senior Notes, A- for long term Subordinated Notes (Tier 2) and F1 for short term Senior Notes by Fitch, A2 (stable outlook) for Senior Notes, Prime-1 for short term Senior Notes and A3 for Subordinated Notes by Moody's and A-1 for short-term issuer credit rating, A (negative outlook) for long-term issuer credit rating, and A- for non-perpetual Subordinated Notes by Standard & Poor's.

Notes to be issued by SNS REAAL under the Programme are expected to be rated Baa1 (stable) for Senior unsecured long term Notes, Prime-2 for Senior unsecured short term Notes and Baa2 for Subordinated Notes by Moody's, A- (negative outlook) for Senior unsecured long term Notes, A-2 for Senior unsecured short term Notes and BBB+ for Subordinated Notes by Standard & Poor's.

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 may be made for Notes to be issued under the Programme to be listed on Euronext Amsterdam by NYSE Euronext 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 Final Terms 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 the European Economic Area, United Kingdom, Japan and the United States, Zero Coupon Notes and such other restrictions as may be required in connection with the offering and sale of a particular Series or Tranche of Notes. See "Subscription and Sale" below.

RISK FACTORS

Each Issuer believes that the following factors, to the extent these relate to it, may affect the relevant Issuer's ability to fulfil its obligations under the Notes issued by it under the Programme. All risk factors relate to both SNS Bank and SNS REAAL, except the risk factors included on pages 24 through 26 ('For payment under Notes issued by SNS REAAL, it may be dependant on dividend payments received from its subsidiaries' and subsequent risk factors), which only relate to SNS REAAL. Most of these factors are contingencies which may or may not occur and the Issuers are not in a position to express a view on the likelihood of any such contingency occurring. In addition, factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme are also described below.

Each Issuer believes that the factors described below, to the extent these relate to it, represent the material risks inherent in investing in Notes issued by it under the Programme, but the inability of that Issuer to pay interest, principal or other amounts on or in connection with any Notes may occur for other reasons and the Issuers do not represent that the statements below regarding the risks of holding any Notes are exhaustive. Prospective investors should also read the detailed information set out elsewhere in this Prospectus and reach their own views prior to making any investment decision.

Before making an investment decision with respect to any Notes, prospective investors should consult their own stockbroker, bank manager, lawyer, accountant or other financial, legal and tax advisers and carefully review the risks entailed by an investment in the Notes and consider such an investment decision in the light of the prospective investor's personal circumstances.

RISK FACTORS REGARDING SNS BANK AND SNS REAAL GROUP

The businesses of SNS Bank and SNS REAAL Group are primarily concentrated in The Netherlands

SNS Bank and SNS REAAL Group generate most of their income in The Netherlands and therefore are particularly exposed to the economic conditions in The Netherlands. Economic conditions in The Netherlands have been difficult since 2001 both on an absolute and on a relative basis. The Dutch economy posted a modest recovery in 2004, following a difficult year in 2003 when the economy registered a contraction. Growth accelerated in 2008 with gross domestic product ("**GDP**") growing by 2.1 % in 2008 compared to 2007. Any deterioration or merely a long-term persistence of the difficult economic environment in The Netherlands could negatively affect the demand for products and services of SNS Bank and SNS REAAL Group.

As a consequence of the acquisition of SNS Property Finance B.V. by SNS Bank as of 1 December 2006, SNS Bank and SNS REAAL Group are not only exposed to the economic conditions in The Netherlands, but also to those in certain foreign countries. SNS Property Finance B.V. generates approximately 72% of its income in The Netherlands and 28% in certain foreign countries. Commercial property finance activities abroad take place in Belgium, Germany, France, Spain, Sweden, Denmark, the US, Canada, Portugal, Italy, the United Kingdom and Luxembourg ("**Certain Foreign Countries**").

In addition, SNS Bank is also exposed to the risk of a significant deterioration of the financial position of SNS Bank's retail-plus customers in The Netherlands.

A significant portion of the results of SNS Bank relates to its mortgage loan products and thereby indirectly to SNS REAAL Group

Mortgage loans constitute approximately 64% of SNS Bank's total loan portfolio and approximately 74% of SNS REAAL Group's total loan portfolio at year-end 2008. An economic downturn, stagnation or drop in property values, changes in or abolition of the tax deductibility of interest payments on residential mortgage loans, increased interest rates or a combination thereof, could lead to a decrease in the production of new mortgage loans and/or increased default rates on existing mortgage loans. Further, a decrease in the general level of interest rates could affect SNS Bank and SNS REAAL Group through, among other things, increased pre-payments on the loan and mortgage portfolio.

In addition, a general decrease in the production of mortgage loans in The Netherlands may also result in a decrease in the production of mortgage loan related products, including mortgage loan insurance.

SNS Bank and SNS REAAL Group are exposed to risks relating to their commercial property finance activities

SNS Bank and SNS REAAL Group operate in the mortgage backed commercial (business-to-business) market, which include real estate project finance, lease finance and real estate investment finance. In respect of these commercial property finance activities SNS Bank and SNS REAAL Group are exposed to the risk that a counterparty may default on its obligations to SNS Bank or SNS REAAL Group, respectively. This includes defaults on obligations in relation to loans granted or equity provided by SNS Bank or SNS REAAL Group. It is not certain that security rights (such as mortgage rights) can be enforced in all circumstances. In addition, enforcement of security rights by SNS Bank or SNS REAAL Group may result in losses due to a decline in value of the property sold or due to other reasons. An increase in interest rates could lead to such a decline in property values.

The extensive network of intermediaries of SNS Bank and SNS REAAL Group is their most important distribution channel and SNS Bank and SNS REAAL Group, respectively, may be unable to maintain a competitive distribution network

SNS Bank and SNS REAAL Group use a variety of distribution channels in The Netherlands for the marketing and offering of their products and services, including its network of branches, the internet, call centres, intermediaries and partnerships (special distribution).

Substantially more than half of the distribution of SNS Bank and SNS REAAL Group originates from distribution of their products and services by intermediaries who may also offer competitors' products and services. As a result, the success of SNS Bank and SNS REAAL Group through these distribution channels depends on the preferences of these intermediaries for the products and services of SNS Bank and SNS REAAL Group, respectively. Intermediaries' preferences are determined not only by the level of compensation offered, but also by product quality, the services offered to customers and the support services. SNS Bank and SNS REAAL Group may not succeed in continuing to provide sufficient incentives to intermediaries to market their products and services successfully.

In seeking to attract and retain productive intermediaries, SNS Bank and SNS REAAL Group compete with other financial institutions primarily on the basis of their support services, product features, financial position, and compensation. SNS Bank and SNS REAAL Group may not continue to succeed in attracting and retaining new (productive) intermediaries or maintaining the current quality and/or quantity of their distribution networks.

SNS REAAL Group and SNS Bank are exposed to the level of interest rates

The level of interest rates and changes in prevailing interest rates (including changes in the difference between the levels of prevailing short- and long-term rates) could adversely affect the results of SNS REAAL Group and SNS Bank.

The insurance investment portfolio of SNS REAAL Group and SNS Bank consist primarily of fixed income securities. The short-term impact of interest rate fluctuations on the insurance business of SNS REAAL Group and SNS Bank may be reduced in part by products designed to partly or entirely transfer SNS REAAL Group's and SNS Bank's exposure to interest rate movements to the policyholder. While product design and hedging reduce the exposure of SNS REAAL Group and SNS Bank to interest rate volatility, changes in interest rates will impact this business to the extent they result in changes to current interest income, impact the value of the fixed income portfolio of SNS REAAL Group and SNS Bank, and affect the levels of new product sales or surrenders of business in force.

The results of the banking business of SNS REAAL Group and SNS Bank are affected by the management of interest rate sensitivity. The composition of the assets and liabilities of SNS REAAL Group and SNS Bank, and any maturity gap position resulting from that composition, causes the banking business' net interest income to vary with changes in interest rates. There can be no assurance that SNS REAAL Group or SNS Bank will be able to successfully manage interest rate spreads or the potential negative impact of risks associated with sustained low interest rates.

The future results of insurance operations of SNS REAAL Group and SNS Bank are impacted by the level of the interest rates. A prolonged period with low yields could harm the ability to create value in the life insurance operations. Even if premiums would increase after a certain period, the transition period would be associated with lower than expected earnings.

SNS Bank and SNS REAAL Group are exposed to the risk of a decline in the securities markets or poor investment performance

The evolution of prices and indices of securities, both in terms of equity and fixed income, in which SNS Bank and SNS REAAL Group invest, has a considerable impact on their investment income.

Part of the portfolios SNS Bank and SNS REAAL Group handle are non-discretionary portfolios with fee arrangements based on the volume of transactions into which SNS Bank and SNS REAAL Group, respectively, enter on behalf of their respective customers. To the extent that trading volumes decline, lower market activity results in lower commission income for SNS Bank and SNS REAAL Group.

Furthermore, a decline in or disruption of the securities market may cause the customers of SNS Bank and SNS REAAL Group to withdraw funds in favour of investments they perceive as offering greater opportunity or lower risk, which could result in lower investment advisory fees. Where the fee arrangement depends on the performance of the portfolios SNS Bank and SNS REAAL Group, respectively, manage, a decline in or disruption of the securities market may cause lower yields, resulting in a decline in the revenues and profits of SNS Bank and SNS REAAL Group.

A decline in or disruption of the securities market would also lower the value of collateral pledged as security for margin loans, which would increase the risk that they would default as well as impact recovery in the event of a default. If SNS Bank or SNS REAAL Group is unable to recover the full amount owed to it on the loans of SNS Bank and SNS REAAL Group, respectively, to their respective customers, SNS Bank and/or SNS REAAL Group would be forced to recognise loan

losses, which would adversely affect their profitability. Even if the number of loans in default does not increase, a decline in or disruption of the securities market could cause SNS Bank and SNS REAAL Group to call margin loans, requiring the assets pledged as collateral for these loans to be sold. If that happens SNS Bank and SNS REAAL Group would lose both the interest income on the loans, as well as the fees for managing the assets.

Furthermore, the decline in or disruption of the securities market may affect the demand for the products and services offered by SNS Bank and SNS REAAL Group.

SNS Bank and SNS REAAL Group face substantial competitive pressures which could adversely affect their respective results of operations

There is substantial competition in The Netherlands for the types of insurance, banking and other products and services that SNS Bank and SNS REAAL Group provide. Competition in the financial services industry is furthered by the high level of consolidation in The Netherlands in the markets where SNS Bank and SNS REAAL Group operate. SNS Bank and SNS REAAL Group face competition from companies such as ING Group, ABN AMRO Bank N.V., Rabobank and Fortis Bank Nederland N.V. SNS REAAL Group also faces competition from companies such as AEGON N.V. and Fortis N.V. and Fortis SA/NV. If SNS Bank and SNS REAAL Group are unable to offer competing attractive products and service that are profitable, they may lose market share or incur losses on some or all of their activities. Consumer demand, technological changes, regulatory actions and other factors also affect competition. Competitive pressures could result in increased pricing pressures, particularly as competitors seek to win market share, and may harm the ability of SNS Bank and SNS REAAL Group to maintain or increase profitability.

With respect to its commercial property finance activities in Certain Foreign Countries SNS Bank also faces competitive pressure from local banks that specialize in commercial property finance activities, which could also adversely affect SNS Bank's results of operations.

SNS Bank and SNS REAAL Group face significant liquidity risk

SNS Bank and SNS REAAL Group face significant liquidity risk. Liquidity risk refers to the risk that funding and liquid assets will not be (sufficiently) available as a result of which SNS Bank and SNS REAAL Group may not be able to meet short-term financial obligations. The sensitivity of SNS Bank and SNS REAAL Group to this risk is substantial. The amount of mortgages on SNS Bank's balance sheet is higher than the amount of savings money attracted. This has resulted in an increasing dependency on wholesale funding including the use of securitisation of the mortgage portfolio. The gap between loans granted and savings and deposits entrusted is funded in the money and capital markets. Good access to these markets is necessary to finance the growth of the mortgage portfolio and to refinance all outstanding loans with a shorter maturity than the mortgages in which the money is invested. The access to the money and capital markets may be affected by concerns about the credit strength of the relevant institution, but may also be influenced by concerns about the market segments in which SNS Bank and/or SNS REAAL Group is active, or by a general market disruption. Access to the markets may be further affected by the credit rating of SNS Bank and/or SNS REAAL.

Market conditions can adversely affect the results of SNS Bank and SNS REAAL Group

The business segment of SNS Bank and SNS REAAL Group is affected by market conditions, which can cause results to fluctuate from year to year as well as on a long-term basis. These market conditions include, without limitation, fluctuations in interest rates, monetary policy, consumer and business spending and demographics.

In addition, for SNS REAAL these market conditions include insurance industry cycles. The non-life insurance industry cycles are characterized by periods of price competition, fluctuations in

underwriting results and the occurrence of unpredictable weather-related and other losses. SNS REAAL Group's performance in life insurance can be affected by changes with respect to mortality.

The results of the banking operations of SNS Bank and SNS REAAL Group are affected by their management of interest rates sensitivity. The composition of the assets and liabilities of SNS Bank and SNS REAAL Group, and any gap position resulting from such composition, causes the banking operations net interest income to vary with changes in interest rates. There can be no assurance that SNS Bank or SNS REAAL Group will be able to successfully manage interest rate spreads or the potential negative impact of risks associated with sustained low interest rate changes. A mismatch of interest-earning assets and interest bearing liabilities in any given period may, in the event of changes in interest rates, have a material effect on the financial position or result from operations of the banking business of SNS Bank and SNS REAAL Group.

Since SNS Bank also operates in Certain Foreign Countries with respect to its commercial property finance activities, the market conditions in these countries can affect the results of SNS Bank.

While SNS Bank and SNS REAAL Group manage their operational risks, these risks remain an inherent part of all of their businesses

The operational risks that SNS Bank and SNS REAAL Group face include the possibility of inadequate or failed internal or external processes or systems, human error, regulatory breaches, employee misconduct or external events such as fraud. These events may result in financial loss and may harm the reputation of SNS Bank and SNS REAAL Group. Additionally, the loss of key personnel could adversely affect their operations and results.

SNS Bank and SNS REAAL Group attempt to keep operational risks at appropriate levels by maintaining a well controlled environment in light of the characteristics of their business, the markets and the regulatory environments in which they operate. While these control measures mitigate operational risks they do not eliminate them.

SNS REAAL Group and SNS Bank are exposed to financial risks and risks concerning the adequacy of their respective credit provisions

SNS Bank and SNS REAAL Group are exposed to general credit risks; for example, SNS Bank is exposed to credit risk of borrowers. Third parties that owe SNS Bank or SNS REAAL Group money, securities or other assets may not pay or perform under their obligations. These parties include customers (such as borrowers under loans granted), the issuers whose securities are being held by an entity within SNS REAAL Group, trading counterparties, counterparties under swaps and credit and other derivative contracts, clearing agents, exchanges, clearing houses and other financial intermediaries. These parties may default on their obligations to SNS Bank or SNS REAAL Group due to bankruptcy, lack of liquidity, downturns in the economy or real estate values, operational failure or other reasons.

The business of SNS Bank and SNS REAAL Group is subject to risks that have their impact on the adequacy of their credit provisions. These provisions relate to the possibility that a counterparty may default on its obligations to SNS Bank or SNS REAAL Group which arise from lending or other financial transactions. Depending on the actual realisation of such counterparty default, the current credit provisions may prove to be inadequate.

If future events or the effects thereof do not fall within any of the assumptions, factors or assessments used by SNS Bank or SNS REAAL Group to determine their credit provisions, these provisions could be inadequate.

SNS REAAL Group actively manages the financial risks it is exposed to and has developed a policy in relation thereto. These risks are subject to defined limits and guidelines. Financial risks are measured periodically to ensure compliance with such limits and guidelines. Thus adjustments can be made, if necessary. On a tactical level SNS REAAL Group manages a mismatch within defined limits and guidelines.

The rates and prices issued by subsidiaries of SNS REAAL Group are agreed on the basis of theoretical rates. These rates and prices include a fee for expected risks, the cost of shareholders' equity and loan capital and management expenses. Examples of such price risks are the credit risk in a loan, the death risk in a life insurance policy or the market risk in an investment product. The structure of the shareholders' equity and the funding also affect the theoretical pricing. The actual pricing towards clients is determined on the basis of the advice of pricing committees, with account being taken of market conditions, in addition to the theoretical price.

Insurance companies within SNS REAAL Group may transfer their exposure to certain risks in non-life and life insurance businesses to third parties through reinsurance arrangements. Under these arrangements, other insurers assume a portion of the potential losses and expenses associated with reported and unreported losses in exchange for a portion of policy premiums. The availability, amount and cost of reinsurance depend on general market conditions and may vary significantly. Any decrease in the amount of SNS REAAL Group's reinsurance may increase our risk of loss. When reinsurance is obtained, the insurance company concerned will still be liable for those transferred risks if the reinsurer cannot meet its obligations. Therefore, the inability of SNS REAAL Group's reinsurers to meet their financial obligations could materially affect the results of operations of the Issuer. Although SNS REAAL Group conducts a periodic review of the financial statements and reputations of its reinsurers, these reinsurers may become financially unsound by the time they are called upon to pay amounts due, which may not occur for many years.

SNS Bank and SNS REAAL Group are subject to currency-related risks

Currency risk exposure affects funding of the operations of SNS Bank and SNS REAAL Group and part of their investment portfolio. To the extent these are not hedged, SNS Bank and SNS REAAL Group are exposed to certain currency fluctuations between the euro and the US dollar in particular, as well as other currencies, such as the Japanese yen, Hong Kong dollar, pound sterling and Australian dollar. The reporting currency of SNS Bank and SNS REAAL Group is the euro. Non-euro income and expense items are translated into euro for consolidation of the profit and loss statement of SNS Bank and SNS REAAL Group, on the basis of average exchange rates during the period. For the purposes of their respective consolidated balance sheet, SNS Bank and SNS REAAL Group convert non-euro denominated assets and liabilities into euro at the exchange rate prevailing at the balance sheet date.

SNS Bank and SNS REAAL Group may be exposed to failures in their risk management systems

SNS Bank and SNS REAAL Group invest substantial time and effort in their strategies and procedures for managing not only credit risk, but also other risks, such as strategic risk, market risk, underwriting risk, liquidity risk, operational risk and conduct of business risk. These strategies and procedures could nonetheless fail or not be fully effective under some circumstances, particularly if SNS Bank or SNS REAAL Group is confronted with risks that they have not fully or adequately identified or anticipated. Some of methods of SNS Bank and SNS REAAL Group for managing risk are based upon observations of historical market behaviour. Statistical techniques are applied to these observations in order to arrive at quantifications of some of the risk exposures of SNS Bank and SNS REAAL Group. These statistical methods may not accurately quantify the risk exposure of SNS Bank and SNS REAAL Group if circumstances arise which were not

observed in their historical data. For example, as SNS Bank and SNS REAAL Group offer new products or services, the historical data may be incomplete or not accurate for such new products or services. As SNS Bank and SNS REAAL Group gain more experience they may need to make additional provisions.

If circumstances arise that SNS Bank or SNS REAAL Group did not identify, anticipate or correctly evaluate in developing their statistical models, their losses could be greater than the maximum losses envisaged by them. Furthermore, the quantifications do not take all risks or market conditions into account. If the measures used to assess and mitigate risk prove insufficient, SNS Bank and SNS REAAL Group may experience unanticipated losses.

SNS Bank and SNS REAAL Group are exposed to the risk of ineffective systems and processes, and interruption, failure or breach thereof

SNS Bank and SNS REAAL Group rely heavily on their operational processes, and communication and information systems in particular to conduct their business. Even with the back-up recovery systems and contingency plans that are in place, SNS Bank and SNS REAAL Group cannot assure that interruptions, failures or breaches in security of these processes and systems will not occur or, if they do occur, that they will be adequately addressed. Any such interruptions, failures or breaches, even for a limited period of time, could result in, for example:

- interruptions in the services offered or information provided to customers, or inability to serve customers' needs in a timely fashion;
- interruptions or errors in management information and/or information reported to supervisory authorities;
- SNS Bank or SNS REAAL Group being unable to report accurate information in a timely manner and thus being in violation of applicable regulations;
- inability to identify in time or at all, inadequate, fraudulent, negligent and/or unauthorised dealings by employees of SNS Bank or SNS REAAL Group or third parties, or telecommunication connection failures or hacking of the website portal of SNS Bank or SNS REAAL Group;
- considerable costs in terms of, for example, information retrieval and verification.

The business operations of SNS Bank and SNS REAAL Group are also vulnerable to interruption from fire, flood, bomb threats, explosions or other forms of terrorist activity and natural and man-made disasters. The same may apply for third parties on which SNS Bank or SNS REAAL Group depend. Furthermore, SNS Bank and SNS REAAL Group cannot assure that interruptions, failures or breaches of their communication and information systems as a result of external fraud will not occur or, if they do occur, that they will be adequately addressed.

A significant portion of the business of SNS Bank and SNS REAAL Group relates to their dealings with third parties

A significant portion of the business of SNS Bank and SNS REAAL Group relates to products and services which they offer in co-operation with third parties or in relation to which they depend on third parties, for example for the distribution of such products and services. SNS Bank and SNS REAAL Group cannot assure that these third parties will continue their co-operation with them, that the relationships with these third parties will continue to be beneficial or that SNS Bank and SNS REAAL Group will be able to sustain their ability to successfully develop and market the products and services which are developed together with third parties.

Negative publicity about these third parties, whether or not founded, could also harm the reputation of SNS Bank and SNS REAAL Group.

Catastrophic events, terrorist attacks and similar events could have a negative impact on the business and results of SNS Bank and SNS REAAL Group

Catastrophic events, terrorist attacks and similar events, as well as the responses thereto may create economic and political uncertainties, which could have a negative impact on economic conditions in the regions in which SNS Bank and SNS REAAL Group operate and, more specifically, on the business and results of SNS Bank and SNS REAAL Group in ways that cannot be predicted.

The insurance business of insurance companies within SNS REAAL Group is subject to the risk of claims resulting from major (catastrophic) events. For example, some weather-related events (in The Netherlands these specifically include storm and hail events) could result in substantial cumulative claims in the non-life insurance business. The life-insurance business could be affected by catastrophic events like a plane crash or a pandemic. Insurance companies within SNS REAAL Group have transferred the risks of claims resulting from major events (above a certain level) to a panel of reinsurance companies, each with a minimum credit rating of A (by Standard & Poor's).

SNS Bank and SNS REAAL Group operate in industries that are highly regulated. There could be an adverse change or increase in the financial services laws and/or regulations governing their business. There are frequent investigations by supervisory authorities, both into the industry and into SNS Bank and SNS REAAL Group, which could result in governmental enforcement actions

The businesses of SNS Bank and SNS REAAL Group are regulated and supervised by several Dutch supervisory authorities. Laws and regulations applied at national level generally grant supervisory authorities broad administrative discretion over the activities of SNS Bank and SNS REAAL Group, including the power to limit or restrict business activities. It is possible that laws and regulations governing the business of SNS Bank and SNS REAAL Group or particular products and services could be amended or interpreted in a manner that is adverse to them, for example, to the extent that existing laws and regulations are amended or future laws and regulations are adopted that (i) reduce or restrict the sale of the products and services that SNS Bank or SNS REAAL Group offer, whether existing or new, or (ii) negatively affect the performance of the products and services SNS Bank or SNS REAAL Group offer, whether existing or new. The revenues and costs, profitability or required regulatory capital of SNS Bank and SNS REAAL Group could also be affected by an increase or change in the degree of regulation in any of the markets in which they operate, whether existing or new. Due to the complexity of the regulatory environment in which SNS Bank and SNS REAAL Group operate, it will entail more costs to ensure that SNS Bank and SNS REAAL Group are, and will continue to be, in compliance with all applicable laws and regulations at all times, to the extent that the volume of regulation increases and the scope of the activities changes.

Furthermore, laws and regulations grant supervisory authorities the authority to perform investigations into, among other things, the compliance with specific regulations by the industry and/or SNS Bank and/or SNS REAAL Group. Such investigations into financial services groups are on-going. Current and future investigations by supervisory authorities, in particular in the context of, but not limited to, market conduct supervision, could result in sanctions in the event of it being found that SNS Bank or SNS REAAL Group does not or does not fully comply with applicable laws and regulations. The outcome of such investigations could necessitate SNS Bank or SNS REAAL Group to take costly measures. The outcome of such investigations by supervisory authorities could also result in changes in laws and regulations initiated by the relevant supervisory authority in a manner that is adverse to SNS Bank or SNS REAAL Group, which could, as

indicated above, among other things, reduce or restrict the sale of the products and services SNS Bank and SNS REAAL Group offer, whether existing or new, or negatively affect the performance of the products and services SNS Bank and SNS REAAL Group offer, whether existing or new.

SNS Bank and SNS REAAL Group are subjects of an investigation into certain control frameworks (*beheersingskaders*) in the context of market conduct supervision. The outcome of this investigation may damage the reputation of the industry and of SNS Bank and SNS REAAL Group. This investigation induced SNS Bank and SNS REAAL Group to change certain of their operational processes.

If SNS Bank or SNS REAAL Group would be in breach of any existing or new laws or regulations now or in the future, they will be exposed to the risk of intervention by regulatory authorities, including investigation and surveillance, and judicial or administrative proceedings. In addition, the reputation of SNS Bank and SNS REAAL Group could suffer and they could be fined or prohibited from engaging in some of their business activities or be sued by customers if they do not comply with applicable laws or regulations.

SNS Bank and SNS REAAL Group are exposed to risks of damage to their reputation

SNS Bank and SNS REAAL Group are exposed to the risk that, among other things, litigation, employee misconduct, operational failures, outcome of current and future investigations by regulatory authorities and press speculation and the possible negative publicity resulting there from, whether or not founded, will harm their reputation. The reputation of SNS Bank and SNS REAAL Group could also be harmed if products or services recommended by them do not perform as expected, for example in relation to endowment mortgage products.

Negative publicity could, for example, be based on allegations that SNS Bank or SNS REAAL Group does not or does not fully comply with regulatory requirements or anti-money laundering rules, or could result from negative publicity about a third party linked to SNS Bank or SNS REAAL Group (such as an intermediary or a partner) or about politically exposed persons in the customer base of SNS Bank or SNS REAAL Group. Furthermore, negative publicity could result from failures in the information technology systems of SNS Bank or SNS REAAL Group, loss of customer data or confidential information, or failure in risk management procedures. Negative publicity could also, but not exclusively, result from any misconduct or malpractice relating to intermediaries, business promoters or third party managers linked to SNS Bank or SNS REAAL Group.

Any resulting damage to the reputation of SNS Bank or SNS REAAL Group, in particular with a view to their focus on retail customers and the concentration of their business in The Netherlands, could cause disproportionate damage to their business, regardless whether the negative publicity is factually accurate. Negative publicity could also be repeated by third parties, which could damage the reputation of SNS Bank and SNS REAAL Group further.

Any damage to the reputation of SNS Bank or SNS REAAL Group could cause existing customers to withdraw their business from SNS Bank or SNS REAAL Group and potential customers to be reluctant or elect not to do business with SNS Bank or SNS REAAL Group. Furthermore, negative publicity could result in greater regulatory scrutiny and influence market or rating agency perception of SNS Bank or SNS REAAL Group, which may make it more difficult for them to maintain their respective credit rating.

SNS REAAL and SNS Bank are exposed to the risk of a downgrade of any of their respective credit ratings

Standard & Poor's, Moody's and Fitch have issued long-term credit ratings for SNS REAAL of A- (negative outlook), Baa1 (stable outlook) and BBB+ (negative outlook), respectively and Standard

& Poor's, Moody's and Fitch have issued long-term credit ratings for SNS Bank of A (negative outlook), A2 (stable) and A (negative outlook), respectively. A downgrade of any of these ratings (for whatever reason) would result in higher funding and refinancing costs for SNS REAAL and/or SNS Bank in the capital markets. In addition, a downgrade of any of SNS REAAL and/or SNS Bank's ratings may limit their opportunities to operate in certain business areas and could have an adverse effect on SNS REAAL and/or SNS Bank's image vis-à-vis the capital markets and their customers.

SNS REAAL Group and SNS Bank have counterparty risk exposure

SNS REAAL Group and SNS Bank are subject to general credit risks, including risk of borrowers. Third parties that owe SNS REAAL Group or SNS Bank money, securities or other assets may not pay or perform under their obligations. These parties include borrowers under loans granted, clients of insurancy policies, trading counterparties, counterparties under swaps and credit and other derivative contracts, agents and other financial intermediaries. These parties may default on their obligations to SNS REAAL Group or SNS Bank due to bankruptcy, lack of liquidity, downturns in the economy or real estate values, operational failure or other reasons.

In addition, certain of the financial products and services of SNS REAAL Group and SNS Bank are distributed through third parties or form part of broader products and services sold by third parties. Any negative publicity in respect of such third parties or such broader products and services could result in significant damage to the reputation of SNS REAAL Group and SNS Bank, which could in turn greatly hinder their respective ability to retain clients or compete for new business.

The results of operations of SNS Bank and SNS REAAL Group can be affected by significant adverse regulatory developments including changes in tax law

SNS Bank and SNS REAAL Group conduct their businesses subject to ongoing regulatory and associated risks, including the effects of changes in law, regulations, and policies in The Netherlands and any other jurisdiction they conduct their businesses in. The timing and form of future changes in regulation are unpredictable and beyond control of SNS Bank and SNS REAAL Group, and changes made could materially adversely affect their businesses.

The performance of SNS REAAL Group and SNS Bank depends on their respective ability to accurately price their products and services

The results of operations and financial condition of SNS REAAL Group and SNS Bank depends, among other things, on their respective ability to set rates and prices accurately. Rate adequacy is necessary to generate sufficient premiums to pay losses and expenses and to earn profits on income.

The ability of SNS REAAL Group and SNS Bank to price their respective products and services accurately is subject to a number of uncertainties. As a result, rates and prices of products and services may be determined on the basis of inadequate or inaccurate data or inappropriate analyses, assumptions or methodologies. If SNS REAAL Group or SNS Bank fails to establish adequate rates and prices for their respective products and services, their revenues could decline while their expenses increase resulting in proportionately greater losses.

SNS REAAL and SNS Bank have issued guarantees

SNS REAAL and SNS Bank have provided guarantees as referred to in Book 2, Section 403 of the Dutch Civil Code ("**403-guarantee**"). SNS REAAL has provided 403-guarantees for SNS Bank, SNS Asset Management N.V. and SNS REAAL Invest N.V. This 403-guarantee is also provided by SNS REAAL for most of the subsidiaries of SNS Bank and SNS REAAL Invest N.V. REAAL Verzekeringen N.V. has provided such 403- guarantees for some of its subsidiaries, with the

exception of SNS Verzekeringen B.V. for which a 403-guarantee has been provided by SNS REAAL. SNS Bank has issued 403-guarantees for SNS Property Finance B.V., ASN Groenbank N.V. and SNS Securities N.V. SNS Bank has guaranteed the commitments entered into by her subsidiaries ASN Bank N.V., ASN Groenbank N.V., SNS Regio Bank N.V. and BLG Hypotheekbank N.V.

SNS REAAL has furthermore issued guarantees in relation to (i) the sale of certain equity participations of SNS REAAL Invest N.V. and (ii) to meet the commitments of REAAL Schadeverzekeringen N.V. for specific insurance contracts entered into after 1 September 2000.

If enforced in accordance with its terms, SNS REAAL or SNS Bank respectively may be held liable under these guarantees.

For payment under Notes issued by SNS REAAL, it may be dependant on dividend payments received from its subsidiaries

SNS REAAL is the holding company of the SNS REAAL Group which essentially offers banking and insurance products and services. Substantially all of the operations of SNS REAAL Group are conducted through its subsidiaries. Notes issued by SNS REAAL under the Programme will not be guaranteed by any of SNS REAAL's subsidiaries. In order to fulfil its payment obligations under the Notes it issues, SNS REAAL may be dependant on dividend payments received from its subsidiaries. However in general, claims of creditors of SNS REAAL Group subsidiaries, including trade creditors, secured creditors and creditors holding debt and guarantees issued by those subsidiaries, and claims of holders of preferred shares (if any) in those subsidiaries will effectively have priority with respect to the assets and earnings of those subsidiaries over the claims of creditors of SNS REAAL, including holders of the Notes.

SNS REAAL has risk related to the offering of investment insurance policies

Apart from the general obligation of contracting parties to provide information, there are several provisions of Netherlands law applicable to offerors of financial products, such as investment insurance policies. In addition, several codes of conduct apply on a voluntary basis. On the basis of these provisions offerors of these products (and intermediaries) have a duty, *inter alia*, to provide the customers with accurate, complete and non-misleading information about the product, the costs and the risks involved. These requirements have become more strict over time. A breach of these requirements may lead to a claim for damages from the customer on the basis of breach of contract or tort or the relevant contract may be dissolved ("*ontbonden*") or nullified or the insured may claim set-off or defences against the insurance company. The merits of such claims will, to a large extent, depend on the manner in which the product was marketed and the promotional material provided to the insured. Depending on the relationship between the offeror and any intermediary involved in the marketing and sale of the product, the offeror may be liable for actions of the intermediaries which have led to a claim.

In 2006, the AFM issued a report on investment insurance policies ("*beleggingsverzekeringen*") in which it concludes that investment insurance policies are relatively expensive and that the information about costs is in many cases incomplete, inadequate and sometimes incorrect. This report was followed by a letter of the Minister of Finance and a report issued in December 2006 by an independent committee, the Committee de Ruiter, containing recommendations to the insurers to improve the information provided to customers. The Dutch Association of Insurers ("Verbond van Verzekeraars") has in a public communication (a) underwritten the recommendations of the Committee De Ruiter, stating that it sees these as a logical step in the various steps which have in

previous years been made to improve transparency and (b) said that insurers will (1) verify whether in the past in individual cases mistakes have been made and if so, correct these mistakes and (2) provide costumers having an investment insurance policy with all relevant information regarding their insurance policy. In the press class actions have been announced against certain insurers and some civil law suits are pending.

The Dutch Minister of Finance has informed Parliament that the Dutch Government intends to stimulate a balanced approach for resolving complaints, to prevent a multitude of individual disputes before a complaint institute or in public courts, and has requested the Financial Services Ombudsman and Chairman of the Complaint Institute for Financial Services ("*Klachteninstituut Financiële Dienstverlening*") to propose a balanced approach to deal with complaints. This Ombudsman has concluded in its recommendation (published on 4 March 2008) that insurers in general have not provided sufficient transparency concerning the costs of life insurance policies and/or savings insurance policies with an investment alternative. This may, however, vary per insurer. He recommends insurers to compensate customers of life insurance policies and/or savings insurance policies with an investment alternative of which the costs over the duration of the policy is higher than 3.5 per cent. per annum of the gross fund output at least for the incremental costs. If all parties would cooperate with these recommendations, this could accelerate a solution and could result in a compromise for an important number of cases.

The Dutch Association of Insurers has in a public communication stated that the recommendation offers a clear framework for a solution in a cumbersome file and that it expects that insurers will take this recommendation seriously. The recommendation addresses primarily individual insurers who should decide on the basis of their portfolio if and to what extent they will adopt this recommendation. It concludes that the recommendation of the Ombudsman makes fast, clear and transparent adaptation possible and prevents lengthy legal procedures which will benefit both insurers and customers. In the press some claimant organisations have announced that the recommendations are disappointing and/or do not offer customers sufficient compensation and recently further class actions have been announced against two insurance companies. Recently, a number of insurers each acting separately announced that they have reached agreements with two claimant organisations on compensation of their customers for the costs of investment insurance policies entered into with these insurers.

It is noted that any material adverse consequences for the affiliates which are insurance companies of SNS REAAL resulting from the current discussion on investment insurance policies, including any liabilities, may lead to a decline in dividend payments received from such affiliates (See also "For payment under the Notes, SNS REAAL may be dependant on dividend payments received from its subsidiaries") or a deterioration of SNS REAAL's financial position.

The insurance business of SNS REAAL Group is subject to risks concerning the adequacy of its technical provisions to cover future losses and benefits

The insurance business of insurance companies within SNS REAAL Group is subject to risks that have their impact on the adequacy of its technical provisions. These provisions serve to cover the current and future liabilities (losses less benefits) of SNS REAAL Group to its insured. Depending on the actual realisation of the future liabilities of insurance companies within SNS REAAL Group the current technical provisions may prove to be inadequate.

SNS REAAL Group bases the technical provisions for the insurance business on actuarial practices and assumptions. For the life insurance business of SNS REAAL Group these practices and assumptions typically include the assessment of mortality rates and their observed trends, as well as (guaranteed) interest rates. Other factors SNS REAAL Group takes into account when assessing its technical provisions relate, among other things, to policy holder bonus rates and profit sharing. SNS REAAL Group's (actuarial) practices and assumptions for its non-life insurance business include disability and recovery rates and their trends, development of future wage-indices and wage-related claim payments and also court rulings in individual claim cases.

If future events or the effects thereof do not fall within or correspond with any such practices, assumptions, factors or assessments, for example if the actual future mortality rates deviate from those projected, the technical provisions could be inadequate.

Furthermore, additional losses, of which SNS REAAL Group cannot foresee the type or magnitude, may emerge in the future. These losses could, for example, arise from changes in the legal environment, major medical developments, or catastrophic events.

RISK FACTOR RELATING TO THE ACQUISITION OF AXA S.A.'S DUTCH INSURANCE OPERATIONS, CONSISTING OF AXA NEDERLAND B.V., WINTERTHUR VERZEKERINGEN HOLDING B.V. AND DBV HOLDING N.V. AND THE ACQUISITION OF THE DUTCH ACTIVITIES OF SWISS LIFE, INCLUDING ZWISTERLEVEN AND SWISS LIFE ASSET MANAGEMENT (NEDERLAND).

The acquisition of AXA S.A.'s Dutch insurance operations, consisting of AXA Nederland B.V., Winterthur Verzekeringen Holding B.V. and DBV Holding N.V. ("**AXA NL Combined**") and the acquisition of the Dutch activities of Swiss Life, including Zwitserleven and Swiss Life Asset Management (Nederland) ("**Zwitserleven Combined**"), could negatively affect the business and results of SNS REAAL.

SNS REAAL will be exposed to certain risk, including but not limited to:

Any failure to successfully integrate the businesses of AXA NL Combined and Zwitserleven Combined could lead to a potential loss of customers and/or key employees. This in turn could have a material adverse effect on SNS REAAL.

Unexpected risks or liabilities relating to AXA NL Combined and Zwitserleven Combined which may exist were not identified in the due diligence investigation. Should any such risks or liabilities exist they may have a material adverse effect on SNS REAAL.

RISK FACTORS REGARDING THE NOTES

In addition to the risks identified in “Risk Factors regarding SNS Bank and SNS REAAL Group” above, potential investors in Notes should consider the following:

Risks related to the structure of a particular issue of Notes

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

Notes subject to optional redemption by the Issuers

An optional redemption feature of Notes is likely to limit their market value. During any period when an Issuer may elect to redeem Notes it has issued, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This may also be true prior to any redemption period.

An Issuer may be expected to redeem Notes it has issued when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

Partly-paid Notes

Each Issuer may issue Notes where the investor pays part of the purchase price of the Notes on the Issue Date and the remainder on one or more subsequent dates. Potential purchasers of such Notes should understand that a failure by a Noteholder to pay any portion of the purchase price when due may trigger a redemption of all of the Notes by the Issuer and may cause such purchaser to lose all or part of its investment.

Variable Rate Notes with a multiplier or other leverage factor

Notes with variable interest rates can be volatile investments. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features, their market values may be even more volatile than those for securities that do not include those features.

Inverse Floating Rate Notes

Inverse Floating Rate Notes have an interest rate equal to a fixed rate minus a rate based upon a reference rate such as EURIBOR. The market values of those Notes typically are more volatile than market values of other conventional floating rate debt securities based on the same reference rate (and with otherwise comparable terms). Inverse Floating Rate Notes are more volatile because an increase in the reference rate not only decreases the interest rate of such Notes, but may also reflect an increase in prevailing interest rates, which further adversely affects the market value of these Notes.

Fixed/Floating Rate Notes

Fixed/Floating Rate Notes may bear interest at a rate that the relevant Issuer may elect to convert from a fixed rate to a floating rate, or from a floating rate to a fixed rate. The ability of the relevant

Issuer to convert the interest rate will affect the secondary market and the market value of the Notes since the relevant Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the relevant Issuer converts from a fixed rate to a floating rate, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the relevant Issuer converts from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing rates on its Notes.

Notes issued at a substantial discount or premium

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

Index Linked Notes, Inflation Linked Notes, Share Linked Notes, Fund Linked Notes and Dual Currency Notes

Each Issuer may issue Notes with principal or interest determined by reference to an index or formula, to changes in the prices of securities or commodities, to movements in currency exchange rates or other factors (each, a "**Relevant Factor**"). In addition, each Issuer may issue Notes with principal or interest payable in one or more currencies which may be different from the currency in which the Notes are denominated. Prospective investors should be aware that:

- (i) the market price of such Notes may be very volatile;
- (ii) they may receive no interest;
- (iii) payment of principal or interest may occur at a different time or in a different currency than expected;
- (iv) they may lose all or a substantial portion of their principal;
- (v) a Relevant Factor may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices;
- (vi) if a Relevant Factor is applied to Notes in conjunction with a multiplier greater than one or contains some other leverage factor, the effect of changes in the Relevant Factor on principal or interest payable likely will be magnified;
- (vii) the timing of changes in a Relevant Factor may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the Relevant Factor, the greater the effect on yield; and
- (viii) with respect to Share Linked Notes and Fund Linked Notes, if the Notes are redeemable by payment of the principal amount, there is no assurance that the value of the shares received will not be less than the principal amount of the Notes.

Fund Linked Notes, Share Linked Notes

Each Issuer may issue Notes with principal or interest determined by reference to the performance of an underlying investment fund or the performance of a single share or a basket of investment funds or shares. Potential investors in Fund Linked Notes or Share Linked Notes should understand that:

- (i) there are market risks associated with an actual investment in the underlying investment fund or shares, and though the Notes do not create an actual interest in the underlying investment fund (or basket of investment funds) or issuer or issuers of shares, the return on the Notes generally involves the same associated risks as an actual investment in the underlying investment fund (or basket of investment funds) or shares. Potential investors in Fund Linked Notes or Share Linked Notes should understand that the Issuers have not

- purported and do not purport to be a source of information concerning the market risks associated with the underlying fund, fund interests or shares;
- (ii) each Issuer may invest in the underlying investment fund (or basket of investment funds) or shares (or basket of shares) for its own account, and such Issuer may exercise its discretion in respect of matters concerning its holding of fund interests or shares as it sees fit, without regard to the interests of any investor in the Notes;
 - (iii) any performance of the underlying investment fund (or basket of investment funds) or shares (or basket of shares) necessary for the Notes to yield a specific return is not assured. Potential investors in the Notes should understand that the performance of the underlying investment fund (or basket of investment funds) or shares (or basket of shares) may, depending on the terms of the Notes, strongly affect the value of payments on the Notes and the Issuers have no control over the underlying investment fund (or basket of investment funds) or shares (or basket of shares) or the performance of such investment fund (or basket of investment funds) or shares (or basket of shares);
 - (iv) the value of units in the underlying investment fund (or basket of investment funds) or shares (or basket of shares) and the income from them may fluctuate significantly. The Issuers have not provided (save as provided herein) and will not provide during the term of the Notes prospective purchasers of the Notes with any information or advice with respect to the performance of an underlying investment fund (or basket of investment funds) or shares (or basket of shares). The Issuers may have acquired, or during the term of the Notes may acquire, non-public information with respect to an underlying investment fund, shares or issuers of shares, which will not be provided to the Noteholders. The Issuers make no representation or warranty about, or guarantee of, the performance of an underlying investment fund (or basket of investment funds) or shares (or basket of shares). Past performance of an investment fund (or basket of investment funds) or shares (or basket of shares) cannot be considered a guide to future performance;

Potential investors in Fund Linked Notes should also understand that:

- (v) third parties, not related to the relevant Issuer, may subscribe for and redeem underlying fund interests. These investments may affect the performance and volatility of the fund's net asset value. In turn, this could affect, from time to time, the return on the Notes;
- (vi) the investment funds may follow a wide range of investment strategies, and invest in assets in a number of different countries and denominated in a number of different currencies. The returns to the Noteholders may, therefore, be materially affected by, among other things, market trends, exchange rate fluctuations and political and economic developments in the relevant countries. This may lead to substantial volatility in the net asset value of the funds;
- (vii) the investment funds may have investment strategies and guidelines that are very broad. They may also be free to engage in additional or alternative strategies without reference to any other person;
- (viii) the investment funds may often rely on a few individuals to determine their investment strategies and to make investment decisions. The loss of such individuals could jeopardise the performance of the funds;
- (ix) the investment funds may be engaged in a high level of trading with commensurately high brokerage and transaction costs, as well as costs associated with leverage, such as interest payments and margin maintenance. Such costs will adversely affect the net asset value of the funds;
- (x) the investment funds will be exposed to credit risks against brokers and other counterparties with which they deal in implementing their investment strategies;
- (xi) where underlying investment funds invest in unlisted shares and certain other assets, risks associated with reduced liquidity and lack of objective valuations will arise. Moreover,

the underlying investment funds may invest in emerging markets. This involves risks attributable to nationalisations, expropriation or taxation, currency devaluation, foreign exchange control, political, social or diplomatic instability or governmental restrictions. The capital markets in such countries have substantially less volume, and are generally less liquid and more volatile, than those in more developed markets. Disclosure and regulatory requirements could be less stringent than in other markets, with a low level of monitoring and limited and uneven enforcement of existing regulations;

- (xii) certain of the underlying funds may have no or a limited operating history, with no proven track record in achieving their stated investment objectives;
- (xiii) the underlying investment funds, or some of them, may be wholly unregulated investment vehicles and may trade in futures, options, forward exchange contracts and other derivative instruments, which may represent significant investment risks. In addition, underlying investment funds may acquire leveraged trading positions, including through the use of borrowing, and may engage in short selling. As a result of leverage, relatively small price movements may result in substantial losses or gains and an underlying investment fund itself may be subject to fees and charges on its investments which shall be borne by such fund and incorporated in the value of interests in it.

Issues of Subordinated Notes; limited rights to accelerate

Each Issuer may issue Notes under the Programme which are subordinated to the extent described in Condition 3 of the applicable Terms and Conditions of the Medium Term Notes. Any such Subordinated Notes will constitute unsecured subordinated obligations of the relevant Issuer. Subordinated Notes of one Series will rank *pari passu* without any preference among themselves and with all other present and future unsecured and identically subordinated obligations of the relevant Issuer, save for those preferred by mandatory provisions of law. In the event of liquidation or bankruptcy of the relevant Issuer or in the event of a Moratorium with respect to the relevant Issuer, the claims of the holders of the Subordinated Notes against such Issuer will be 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 relevant Issuer or in the event of a Moratorium with respect to the relevant Issuer, only be made after, and any set-off by a Subordinated Holder shall be excluded until, all obligations of the relevant Issuer resulting from deposits, unsubordinated claims with respect to the repayment of borrowed money and other unsubordinated claims have been satisfied. A Subordinated Holder may therefore recover less than the holders of deposit liabilities or the holders of other unsubordinated liabilities of the relevant Issuer. Furthermore, the Conditions do not limit the amount of the liabilities ranking senior to any Subordinated Notes which may be incurred or assumed by the relevant Issuer from time to time, whether before or after the Issue Date of the relevant Subordinated Notes.

In addition, the rights of Holders of Subordinated Notes are limited in certain respects. In particular, (i) redemption of Subordinated Notes pursuant to Conditions 7(b), (c) or (d) of the Terms and Conditions of the Medium Term Notes issued by SNS Bank may only be effected after SNS Bank has obtained the written consent of the Dutch Central Bank (*De Nederlandsche Bank N.V.*, "DNB"), and (ii) SNS Bank must obtain the prior written consent of DNB before effecting any repayment of Subordinated Notes following an event of default. See Conditions 7(e) and 10 of the Terms and Conditions of the Medium Term Notes issued by SNS Bank for further details.

Under certain conditions, interest payments under Tier 1 Notes must be forfeited.

Interest on Tier 1 Notes shall not be payable on any Interest Payment Date in the event that SNS Bank has - based on information contained in its most recently adopted annual accounts - no

distributable items, as referred to in article 2:3 under b of the DNB Regulation ("**Distributable Items**") or Distributable Items which are less than the aggregate amount of interest due and payable on all outstanding Tier 1 Notes and any dividends or interest due and payable on any *pari passu* ranking Tier 1 Capital of SNS Bank, in each case otherwise payable during the financial year in which the relevant Interest Payment Dates fall.

"DNB Regulation" means the regulation in respect of hybrid instruments as set out by the DNB and published in the Supervisory Regulation on the Recognition of Hybrid Instruments as Regulatory Capital Components dated 11 December 2007 (*Regeling gelijkstelling hybride instrumenten met eigenvermogensbestanddelen*) issued pursuant to the Decree on Prudential Rules Wft.

If interest is not paid on this ground, such unpaid interest shall be forfeited (*vervallen*) and there shall be no cumulation. Forfeited amounts of interest shall be lost to the investor and the investor will have no right to demand any compensation or alternative remedy in respect of interest payments so forfeited. Any forfeiting of interest payments will be likely to have an adverse effect on the market price of the Tier 1 Notes. In addition, as a result of the interest forfeiting provision of the Tier 1 Notes, the market price of the Tier 1 Notes may be more volatile than the market prices of other debt securities in respect of which accrued interest is not subject to such omission and may be more sensitive generally to adverse changes in the Issuer's financial condition.

Under certain conditions, interest payments under Tier 3 Notes must be deferred.

Interest on Tier 3 Notes will not be payable on any interest payment date if and to the extent that at the time of, or as a result of such payment the SNS Bank's actual Own Funds (as defined in Condition 5(f) of the Terms and Conditions of the Medium Term Notes issued by SNS Bank) would amount to less than 100 per cent. of SNS Bank's required minimum amount of Own Funds under the Decree on Prudential Rules Wft (as defined in Condition 3 of the Terms and Conditions of the Medium Term Notes issued by SNS Bank). Any interest in respect of the Tier 3 Notes not paid on an 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 SNS Bank as soon as and to the extent that SNS Bank 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 a moratorium resulting from the application of emergency measures as referred to in Chapter 3.5.5 of the Wft is declared in respect of SNS Bank. 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 the relevant 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.

Any deferral of interest payments will likely have an adverse effect on the market price of the Tier 3 Notes. In addition, as a result of the interest deferral provision of the Tier 3 Notes, the market price of the Tier 3 Notes may be more volatile than the market prices of other debt securities on which original issue discount or interest accrues that are not subject to such deferrals and may be more sensitive generally to adverse changes in the Issuer's financial condition.

Risk related to the Capital Securities issued by SNS REAAL

Optional deferral

SNS REAAL may at its discretion elect to defer any Payment (as defined in 'Terms and Conditions of the Capital Securities' under 20, 'Definitions') (such term does not include principal) on the

Capital Securities for any period of time subject to suspension of payment on Junior Securities (as defined in 'Terms and Conditions of the Capital Securities' under 20, 'Definitions') and Parity Securities (as defined in 'Terms and Conditions of the Capital Securities' under 20, 'Definitions'). Any payment deferred pursuant to SNS REAAL's optional right to defer will bear interest at the Applicable Coupon Rate (as defined in 'Terms and Conditions of the Capital Securities' under 20, 'Definitions'). See more particularly described in 'Terms and Conditions of the Capital Securities' under 4, Deferrals - (b) 'Optional Deferral of Payments' below.

Required deferral

If and when the Required Deferral Condition (as defined in 'Terms and Conditions of the Capital Securities' under 20, 'Definitions') is met and during the period such Required Deferral Condition is continuing, SNS REAAL will defer further Payments (such term does not include principal) on the Capital Securities for any period of time subject to SNS REAAL no longer being subject to a Required Deferral Condition. Any Payments so deferred will not accrue interest. See more particularly described in 'Terms and Conditions of the Capital Securities' under 4, Deferrals – (a) 'Required Deferral of Payment'.

Perpetual securities

SNS REAAL is under no obligation to redeem the Capital Securities at any time and the Holders (as defined in 'Terms and Conditions of the Capital Securities' under 20, 'Definitions') have no right to call for their redemption. SNS REAAL may from time to time, in connection with the issue of a series of Capital Securities, enter into a replacement capital covenant for the benefit of one or more designated series of debt securities. A replacement capital covenant would permit SNS REAAL to redeem such series of Capital Securities only to the extent it has raised sufficient net proceeds from the issuance of qualifying securities. See Condition 7(a) in the Terms and Conditions of the Capital Securities for a summary of the terms of such a replacement capital covenant.

Status, Subordination and Ranking

The Capital Securities constitute direct, unsecured, subordinated securities of SNS REAAL and rank *pari passu* without any preference among themselves. The rights and claims of the Holders under the Capital Securities are subordinated to the claims of Senior Creditors (as defined below) of SNS REAAL, present and future. On a winding-up (*faillissement of vereffening na ontbinding*) of SNS REAAL, the Capital Securities will rank in priority to distributions on all classes of share capital of SNS REAAL and will rank *pari passu* with each other and among themselves, but will be subordinated in right of payment to the claims of Senior Creditors of SNS REAAL, present and future.

The Capital Securities are exclusive obligations of SNS REAAL. SNS REAAL is a holding company and conducts substantially all of its operations through its subsidiaries which own substantially all of its operating assets. Its subsidiaries are separate and distinct legal entities, and have no obligation to pay any amounts due or to provide SNS REAAL with funds to meet any payment obligations that arise thereunder. SNS REAAL's right to receive any assets of any of its subsidiaries, as an equity holder of such subsidiaries, upon their liquidation or reorganization, and therefore the right of the holders of Capital Securities to participate in those assets, will be effectively subordinated to the claims of that subsidiary's creditors, including obligations to policyholders.

“Senior Creditors” means present and future creditors of SNS REAAL:

- (i) who are unsubordinated creditors of SNS REAAL, or
- (ii) whose claims are, or are expressed to be, subordinated (whether only in the event of the winding-up (*faillissement of vereffening na ontbinding*) of SNS REAAL or otherwise) to the claims of unsubordinated creditors of SNS REAAL, but not further or otherwise; or
- (iii) who are subordinated creditors of SNS REAAL other than those whose claims are, or are expressed to rank, *pari passu* with, or junior to, the claims of the Holders.

Redemption risk

Upon the occurrence of certain specified tax or regulatory events, or the exercise of an issuer call, the Capital Securities may be redeemed at their principal amount together with any Outstanding Payments (as defined in 'Terms and Conditions of the Capital Securities' under 20, 'Definitions'), subject as provided in 'Terms and Conditions of the Capital Securities' under 7, 'Redemption and Purchases'.

Alteration of terms upon a Regulatory Event

Upon the occurrence of a Regulatory Event (as defined in 'Terms and Conditions of the Capital Securities' under 20, 'Definitions'), the terms of the Capital Securities will be automatically altered so to reflect that they have become Altered Capital Securities which for International Financial Reporting Standards ("**IFRS**") purposes are classified as equity applying the current IFRS standards. See 'Terms and Conditions of the Capital Securities' – 8, 'Alteration of Terms'.

If the terms of the Capital Securities are so altered, the Altered Capital Securities that a Holder will then hold will have different rights than those applicable to the Capital Securities and such rights are less favourable to Holders than those that apply to the Capital Securities, provided that in a winding-up of SNS REAAL the Altered Capital Securities will in any case have the same ranking as the Capital Securities.

No limitation on issuing debt

There is no restriction on the amount of debt which SNS REAAL may issue which ranks senior to the Capital Securities or on the amount of securities which SNS REAAL may issue which ranks *pari passu* with the Capital Securities. The issue of any such debt or securities may reduce the amount recoverable by Holders on a winding-up (*faillissement of vereffening na ontbinding*) of SNS REAAL and may increase the likelihood of a deferral of Payments under the Capital Securities.

Use of the Alternative Coupon Satisfaction Mechanism to satisfy Deferred Coupon Payments may be subject to caps

SNS REAAL may satisfy Deferred Coupon Payments (as defined in 'Terms and Conditions of the Capital Securities' under 20, 'Definitions') only by means of issuing Ordinary Shares (as defined in 'Terms and Conditions of the Capital Securities' under 20, 'Definitions') in accordance with Condition 6 of the Terms and Conditions of the Capital Securities. The ability of SNS REAAL to satisfy Deferred Coupon Payments by means of issuing Ordinary Shares may be subject to a cap on the issue of such Ordinary Shares during predefined periods of time, as referred to in Condition 6(a) of the Terms and Conditions of the Capital Securities and, if applicable, as specified in the

relevant Final Terms in relation to any Capital Securities. Consequently, if at any time when any Deferred Coupon Payment fails to be satisfied as a result of SNS REAAL having reached the Ordinary Shares Threshold (as defined in 'Terms and Conditions of the Capital Securities' under 20, 'Definitions'), if applicable, SNS REAAL will not be able to satisfy such Deferred Coupon Payment until the expiry of the relevant ACSM Cap Period (as defined in 'Terms and Conditions of the Capital Securities' under 20, 'Definitions'). In addition, if at the end of any "ACSM Settlement" specified in the Final Terms (the "**ACSM Settlement Period**") in respect of any Deferred Coupon Payment SNS REAAL has been unable to make full payment of such Deferred Coupon Payment in accordance with the Alternative Coupon Satisfaction Mechanism (as defined in 'Terms and Conditions of the Capital Securities' under 20, 'Definitions'), the obligations of SNS REAAL to satisfy the Coupon Payment (as defined in 'Terms and Conditions of the Capital Securities' under 20, 'Definitions') that was deferred at the beginning of such ACSM Settlement Period shall, to the extent not already settled under the ACSM, be cancelled, and Holders of the Capital Securities will have no claim in respect thereof. Furthermore, in the event of a winding-up of SNS REAAL, if the Final Terms in relation to any Capital Securities indicate that the Ordinary Shares Threshold is applicable, if any part of a Deferred Coupon Payment remains unsettled as a result of SNS REAAL having reached the Ordinary Shares Threshold during the ACSM Cap Period preceding wind up, then the Holders of the Capital Securities will have no claim in respect of such unsettled Deferred Coupon Payment.

Availability of shares

If the Issuer is to make a payment using the Alternative Coupon Satisfaction Mechanism (which is mandatory if it concerns Deferred Coupon Payments and which SNS REAAL may elect to do in other cases) and has an insufficient number of Ordinary Shares available for issue, then SNS REAAL's payment obligation shall be suspended to the extent of such insufficiency until such time as sufficient shares are available to satisfy all or part of the suspended payment obligation, as more particularly described in 'Terms and Conditions of the Capital Securities' under 6, Alternative Coupon Satisfaction Mechanism – (d) 'Reservation and Insufficiency of Ordinary Shares'.

Market Disruption Event

If, in the event the Alternative Coupon Satisfaction Mechanism is applied (which is mandatory if it concerns Deferred Coupon Payments and which SNS REAAL may elect to do in other cases), in the opinion of SNS REAAL a Market Disruption Event (as defined in 'Terms and Conditions of the Capital Securities' under 20, 'Definitions') in respect of its Ordinary Shares exists, the payment to Holders may be deferred until the cessation of such market disruption, as more particularly described in 'Terms and Conditions of the Capital Securities' under 6, Alternative Coupon Satisfaction Mechanism – (e) 'Market Disruption'. Any such deferred payments shall bear interest at the Applicable Coupon Rate if the Market Disruption Event continues for 14 days or more.

Restricted remedy for non-payment

The sole remedy against SNS REAAL available to any Holder for recovery of amounts owing in respect of any Payment or principal in respect of the Capital Securities will be the institution of proceedings for the winding-up (*faillissementsprocedure*) of SNS REAAL and/or proving in such winding-up.

Set-off

Subject to applicable law, no Holder may exercise or claim any right of set-off in respect of any amount owed to it by SNS REAAL arising under or in connection with the Capital Securities and

each Holder shall, by virtue of being the holder of any Capital Security, be deemed to have waived all such rights of set-off.

Risks related to the Notes generally

Set out below is a brief description of certain risks relating to the Notes generally.

Modification, waivers and substitution

The conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

The conditions of the Notes also provide that the Agent may, without the consent of Noteholders, agree to (i) any modification (not being a modification requiring the approval of a meeting of Noteholders) of any of the provisions of Notes which is not materially prejudicial to the interests of the Noteholders or (ii) any modification of the Notes which is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of law or (iii) the substitution of another company as principal debtor under any Notes in place of the relevant Issuer, in the circumstances described in Condition 17 of the applicable Terms and Conditions of the Medium Term Notes.

Eurosystem eligibility

Notes may be held in a manner which will allow Eurosystem (as defined under "Form of the Notes") eligibility. This means that such Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Notes will be recognized as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.

EU Savings Directive

If a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of tax were to be withheld from that payment, neither the Issuer nor any Paying Agent nor any other person would be obliged to pay additional amounts with respect to any Note as a result of the imposition of such withholding tax. For further information on the Directive on the taxation of savings income, see "Taxation – EU Savings Directive" below. Each Issuer is required to maintain a Paying Agent in a Member State that will not be obliged to withhold or deduct tax pursuant to the Directive.

Tax consequences of holding the Notes

Potential investors should consider the tax consequences of investing in the Notes and consult their tax adviser about their own tax situation. See also "Taxation" and condition 8 of the applicable Terms and Conditions of the Medium Term Notes.

Notes held in global form

The Notes will initially be held by a common depositary on behalf of Euroclear and/or Clearstream, Luxembourg or by Euroclear Nederland, in each case in the form of a global Note which will be exchangeable for definitive Notes in limited circumstances as more fully described in the section headed "Form of the Notes" below. For as long as any Notes are represented by a global Note held by a common depositary in the case of a CGN, or a common safekeeper in the case of an NGN, on behalf of Euroclear and/or Clearstream, Luxembourg, payments of principal, interest (if any) and any other amounts on a global Note will be made through Euroclear and/or Clearstream, Luxembourg (as the case may be) against presentation or surrender (as the case may be) of the

relevant global Note and, in the case of a Temporary Global Note, certification as to non-U.S. beneficial ownership. The bearer of the relevant global Note, being the common depositary for Euroclear and/or Clearstream, Luxembourg or Euroclear Nederland, shall be treated by the relevant Issuer and any Paying Agent as the sole holder of the relevant Notes represented by such global Note with respect to the payment of principal, interest (if any) and any other amounts payable in respect of the Notes.

In relation to any issue of Notes which have a denomination of € 50,000 (in such case defined as the minimum "**Specified Denomination**") plus a higher integral multiple of another smaller amount, it is possible that the Notes may be traded in amounts in excess of € 50,000 (or its equivalent) that are not integral multiples of € 50,000 (or its equivalent). In such a case a Noteholder who, as a result of trading such amounts, holds a principal amount of less than the minimum Specified Denomination (a "**Stub Amount**") may not receive a definitive Note in respect of such holding (should definitive Notes be printed) and would need to purchase a principal amount of Notes such that its holding amounts to a Specified Denomination. As long as the Stub Amount is held in the relevant clearing system, the Noteholder will be unable to transfer this Stub Amount.

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

Nominee Arrangements

Where, in the case of an issue of Notes a nominee service provider is used by an investor to hold the relevant Notes or such investor holds interests in any Series of Notes through accounts with a clearing system (such as Euroclear, Clearstream, Luxembourg or Euroclear Nederland), such investor will receive payments in respect of principal, interest, (if any) or any other amounts due, as applicable, solely on the basis of the arrangements entered into by the investor with the relevant nominee service provider or clearing system, as the case may be. Furthermore, such investor must rely on the relevant nominee service provider or clearing system to distribute all payments attributable to the relevant Notes which are received from the Issuer. Accordingly, such an investor will be exposed to the credit risk of, and default risk in respect of, the relevant nominee service provider or clearing system, as well as the relevant Issuer.

For the purposes of (a) distributing any notices to Noteholders, and (b) recognising Noteholders for the purposes of attending and/or voting at any meetings of Noteholders, the relevant Issuer will recognise as Noteholders only those persons who are at any time shown as accountholders in the records of Euroclear and/or Clearstream, Luxembourg or Euroclear Nederland as persons holding a principal amount of the relevant Series of Notes. Accordingly, an investor must rely upon the nominee service provider which is the accountholder with the relevant clearing system through which the investor made arrangements to invest in the Notes (and, if applicable, the domestic clearing system through which the Notes are held), to forward notices received by it from Euroclear and/or Clearstream, Luxembourg or Euroclear Nederland and to return the investor's voting instructions or voting certificate application to Euroclear and/or Clearstream, Luxembourg or Euroclear Nederland. Accordingly, such an investor will be exposed to the risk that the relevant nominee service provider or clearing system may fail to pass on the relevant notice to, or fail to take relevant instructions from, the investor.

In addition, such a Noteholder will only be able to sell any Note held by it prior to its stated maturity date with the assistance of the relevant nominee service provider.

None of the Issuers, the Arranger, any Dealer to be appointed under the Programme or the Agent shall be responsible for the acts or omissions of any relevant nominee service provider or clearing system nor makes any representation or warranty, express or implied, as to the services provided by any relevant nominee service provider or clearing system.

Change of law and jurisdiction

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

Prospective investors should note that the courts of The Netherlands shall have jurisdiction in respect of any disputes involving any Series of Notes. Noteholders may take any suit, action or proceedings arising out of or in connection with the Notes against the relevant Issuer in any court of competent jurisdiction. The laws of The Netherlands may be materially different from the equivalent law in the home jurisdiction of prospective investors in its application to the Notes.

Risks related to the market generally

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

The secondary market generally

Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be very liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of Notes.

Exchange rate risks and exchange controls

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

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

Interest rate risks

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

Credit ratings may not reflect all risks

One or more independent credit rating agencies may assign credit ratings to the Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time. There is no assurance that a rating will remain for any given period of time or that a rating will not be lowered or withdrawn by the relevant rating agency if, in its judgement, circumstances in the future so warrant. In the event that a rating assigned to the Notes or the relevant Issuer is subsequently lowered for any reason, the market value of the Notes is likely to be adversely affected, but no person or entity is obliged to provide any additional support or credit enhancement with respect to the Notes.

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

An investor's total return on an investment in any Notes will be affected by the level of fees charged by the nominee service provider and/or clearing system used by the investor. Such a person or institution may charge fees for the opening and operation of an investment account, transfers of Notes, custody services and on payments of interest, principal and other amounts. Potential investors are therefore advised to investigate the basis on which any such fees will be charged on the relevant Notes.

Legal investment considerations may restrict certain investments

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

General risks

The value of the Notes may be influenced by national and international political, economical, social, environmental circumstances and developments.

CERTAIN NOTICES TO INVESTORS

Responsibility statement

SNS Bank accepts responsibility for the information contained in this Prospectus, other than the information contained in the following sections of this Prospectus, for which only SNS REAAL is responsible: information under "Summary" which specifically relates SNS REAAL or SNS REAAL N.V., the risk factors relating only to SNS REAAL (as indicated on page 14 of this Prospectus), the information contained in the chapter "SNS REAAL N.V. and SNS Bank N.V." which relates specifically to SNS REAAL or SNS REAAL N.V., information contained in the chapter "Selected Financial Information of SNS REAAL", the information referred to under (e) through (i) in chapter "Documents Incorporated by Reference", the information contained in Chapter 3 of this Prospectus and the information contained in Chapter 8 of this Prospectus. SNS Bank declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus (other than in the sections mentioned above) is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

SNS REAAL accepts responsibility for the information contained in this Prospectus, other than the information contained in the following sections of this Prospectus, for which only SNS Bank is responsible: under "Summary" which specifically relates SNS Bank or SNS Bank N.V., the information contained in the chapter "SNS REAAL N.V. and SNS Bank N.V." which relates specifically to SNS Bank or SNS Bank N.V., information contained in the chapter "Selected Financial Information of SNS Bank", the information referred to under (a) through (d) in chapter "Documents Incorporated by Reference" and the information contained in Chapter 2 of this Prospectus. SNS REAAL declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus (other than in the section mentioned above) is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

No representation, warranty or undertaking, express or implied, is made and no responsibility is accepted by the Dealers as to the accuracy or completeness of the information contained in this Prospectus or any other information provided by the Issuers. The Dealers do not accept any liability in relation to the information contained in this Prospectus or any other information provided by the Issuers in connection with the Programme.

Notice

This Prospectus should be read and understood in accordance with any amendment or supplement hereto and with any other documents incorporated herein by reference. Full information on the Issuers and any Series or Tranche of Notes is only available on the basis of the combination of this Prospectus and the relevant Final Terms.

Each Issuer has undertaken to the Dealers to furnish a supplement to this Prospectus in case of any significant new factor, material mistake or inaccuracy relating to the information contained in this Prospectus which is capable of affecting the assessment of the Notes and which arises or is noticed between the time when this Prospectus has been approved and the final closing of any Tranche of Notes offered to the public or, as the case may be, when trading of any Tranche of Notes on a regulated market begins, in respect of Notes issued on the basis 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, any amendment or supplement thereto, any document incorporated by reference herein, or the applicable Final Terms, or any other information supplied in connection with the Programme or the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuers, the Arranger or any Dealer.

This Prospectus is valid for 12 months following its Publication Date and this Prospectus and any amendment or supplement hereto as well as any Final Terms reflect the status as of their respective dates of issue. The delivery of this Prospectus or any Final Terms and the offering, sale or delivery of any Notes shall not in any circumstances imply that the information contained in such documents is correct at any time subsequent to their respective dates of issue or that there has been no adverse change in the financial situation of the Issuers since such date or that any other information supplied in connection with the Programme or the Notes is correct at any time subsequent to the date on which it is supplied or, if different, the time indicated in the document containing the same. The Arranger and any Dealer expressly do not undertake to review the financial condition or affairs of the Issuers during the life of the Programme. Investors should review, inter alia, the most recent financial statements of the Issuers when deciding whether or not to purchase any Notes.

Neither this Prospectus nor any other information supplied in connection with the Programme should be considered as a recommendation by the Issuers, the Arranger or any Dealer 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 the Arranger or any Dealer in their capacity as such. Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes (including an evaluation of the financial condition, creditworthiness and affairs of the relevant Issuer) and the information contained or incorporated by reference in this Prospectus, the relevant Final Terms and any supplements;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;
- (iv) understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets; and
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks (including, without limitation, those described in "Risk Factors" in this Prospectus).

Some Notes are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in Notes unless it has the expertise (either alone or with a financial adviser) to evaluate how the Notes will

perform under changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the potential investor's overall investment portfolio.

The distribution of this Prospectus and any Final Terms and the offer or sale of Notes may be restricted by law in certain jurisdictions. Persons into whose possession this Prospectus or any Final Terms come must inform themselves about, and observe, any such restrictions. See "Subscription and Sale" below.

This Prospectus may only be used for the purpose for which it has been published.

This Prospectus and any Final Terms do not constitute an offer or an invitation to subscribe for or purchase any Notes.

This Prospectus and any Final Terms may not be used for the purpose of an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. None of the Issuers, the Arranger and the Dealers represent that this Prospectus may be lawfully distributed, or that Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any jurisdiction other than in certain Member States of the EEA of which the competent authorities have obtained a notification within the meaning of article 18 of the Prospectus Directive, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuers, the Arranger or any Dealer appointed under the Programme which would permit a public offering of the Notes or distribution of this document in any jurisdiction where action for that purpose is required, other than in certain Member States of the EEA.

In connection with the issue of any Series or Tranche of Notes, the Dealer or Dealers (if any) named as the Stabilising Manager(s) in the applicable Final Terms (or persons acting on behalf of any Stabilising Manager(s)) may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager(s) (or persons acting on behalf of a Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin at any time after the adequate public disclosure of the final terms of the offer of the relevant Notes and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Notes and 60 days after the date of the allotment of the relevant Notes. Any stabilisation or over-allotment must be conducted by the relevant Stabilising Manager(s) (or person(s) acting on behalf of any Stabilising Manager(s)) in accordance with all applicable laws and rules. Any loss resulting from any such over-allotment or stabilisation shall be borne, and any net profit arising therefrom shall be retained, by the relevant Stabilising Manager for its own account.

SNS REAAL N.V. and SNS BANK N.V.

Incorporation

SNS REAAL N.V. ("**SNS REAAL**") is a public limited liability company ("*naamloze vennootschap*") established under the laws of The Netherlands and was incorporated on 25 May 1987. SNS REAAL 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). SNS REAAL is registered in the Commercial Register of the Utrecht Chamber of Commerce ("*handelsregister van de Kamer van Koophandel en Fabrieken in Utrecht*") under number 16062627 with SNS REAAL N.V. and SNS REAAL as its commercial names (*handelsnamen*). Its registered office is at Croeselaan 1, 3521 BJ Utrecht, The Netherlands. The telephone number of SNS REAAL is +31 (0)30 291 5200.

The articles of association of SNS REAAL were lastly amended by notarial deed executed on 28 April, 2008 before mr. R. Bosveld, candidate civil law notary practising in Amsterdam, a duly authorised substitute of mr. J.D.M. Schoonbrood, civil law notary practising in Amsterdam, on the draft of which deed the Ministerial certificate that there have appeared no objections was granted with number 319.435.

The objects of SNS REAAL according to its articles of association is to participate in, to conduct the management and administration of and to finance other business enterprises of whatever nature and to invest and manage capital. Furthermore, SNS REAAL may guarantee liabilities of other companies with which it is connected in a group. SNS REAAL generally operates under Dutch law, be it that it has entered into and operates under, and may enter into and operate under, agreements which are not governed by Dutch law.

SNS Bank N.V. ("**SNS Bank**"), a public limited liability company ("*naamloze vennootschap*"), was incorporated under Dutch law on 18 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, The Netherlands 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 telephone number of SNS Bank is +31(0)30 291 5100. The articles of association of SNS Bank were lastly 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.

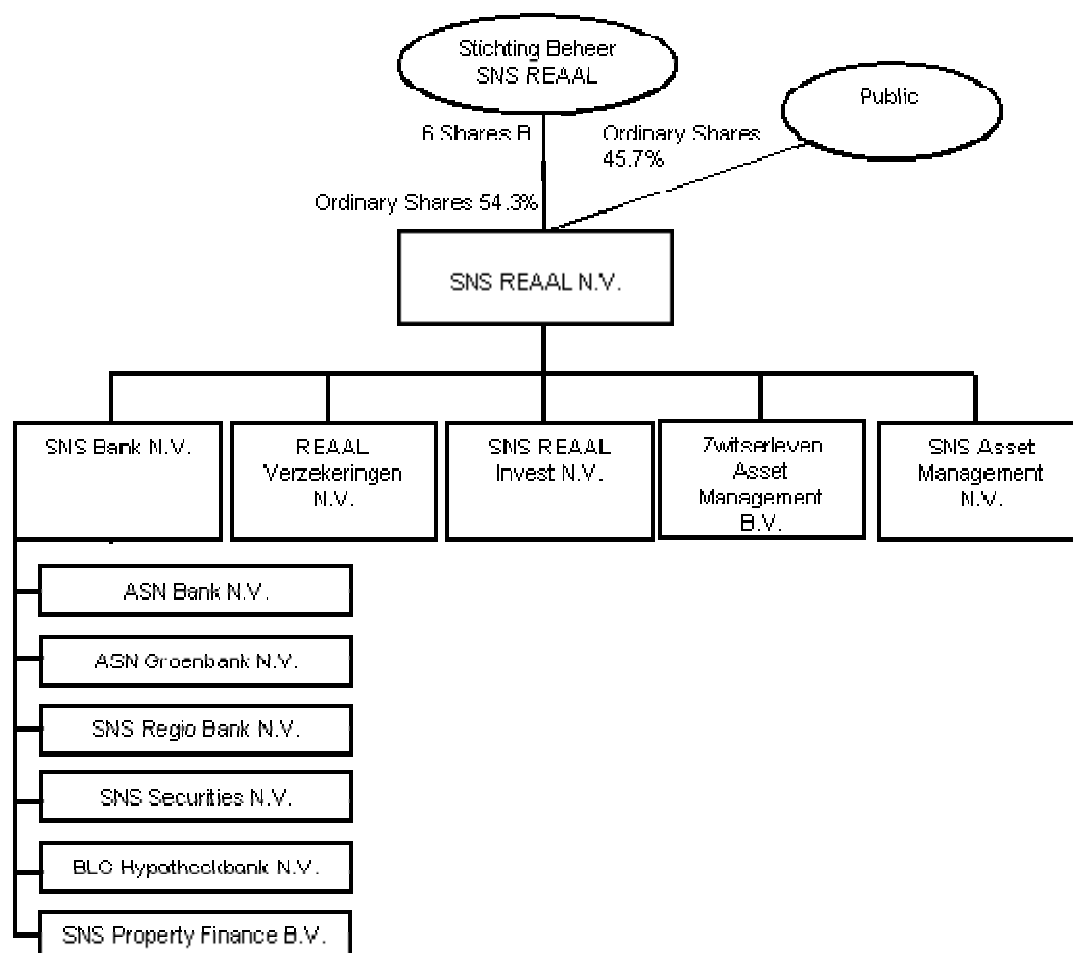
Ownership

As of 27 July 2005 all of the shares issued by SNS REAAL were held by Stichting Beheer SNS REAAL. On 18 May 2006 the shares of SNS REAAL were listed on Euronext Amsterdam by NYSE Euronext as part of the IPO of SNS REAAL. As per date of this Prospectus, Stichting Beheer SNS REAAL owns approximately 54.3% of SNS REAAL's outstanding share capital. SNS Bank is a 100% subsidiary of SNS REAAL and is part of the group formed by SNS REAAL and its subsidiaries ("**SNS REAAL Group**").

During the extraordinary general meeting of shareholders of SNS REAAL held on 29 January 2008, the decision was taken to amend the articles of association of SNS REAAL in connection with the acquisition of the Dutch and Belgian activities of Swiss Life, including Zwitserleven, Swiss Life Asset Management (Nederland) and Swiss Life Belgium ('the acquisition of Zwitserleven'). This amendment of the articles of association was effected by executing a notarial deed of

amendment of the articles of association on 28 April 2008. The amendment was necessary in order to ensure that the share capital of SNS REAAL should consist of two types of shares, namely ordinary shares and shares B. In order to finance the acquisition of Zwitserleven, six shares B in the capital of SNS REAAL (hereinafter also to be referred to as: the 'shares B') were issued to Stichting Beheer SNS REAAL for a total issue price of € 600,000,000 in cash. The total nominal amount of the shares B amounts to € 9.78. The issue price exceeds this total nominal amount by € 599,999,990.22. The surplus was added to the share premium reserve that will be linked to the shares B in the capital of SNS REAAL. The issue of the shares B was effected by executing a notarial deed of issue of shares on 28 April 2008. As per 28 April 2008 the issued and paid up capital of SNS REAAL is EUR 426,200,360.82 consisting of 261,472,608 ordinary shares and six shares B.

On 12 November 2008 SNS REAAL decided to strengthen its solvency with € 500 million in capital securities, to be issued to Stichting Beheer SNS REAAL and € 750 million in capital securities to be issued to the State of The Netherlands in view of the market environment and in recognition of higher capital market solvency requirements for financial institutions. Those transactions were completed on 11 December 2008. The documentation is available on www.snsreaal.com under the heading "Investor relations". The proceeds of the transaction have been used to increase SNS Bank's core capital by € 260 million and to strengthen the solvency capital of REAAL Verzekeringen by € 975 million. The State of the Netherlands obtained the right to nominate two members for SNS REAAL's Supervisory Board and as such nominated Charlotte Insinger and Ludo Wijngaarden for appointment. Charlotte Insinger and Ludo Wijngaarden were appointed by the general meeting of shareholders of SNS REAAL of 15 April 2009.



Board of Directors of SNS REAAL

Ronald Latenstein van Voorst, Chairman
Ference Lamp, Chief Financial Officer
Rien Hinssen

All members of the Board of Directors of SNS REAAL are full-time employees of SNS REAAL and have elected domicile as the registered office of SNS REAAL.

On 3 June 2009, the Supervisory Board of SNS REAAL announced that it intends to appoint Dick Okhuijsen to the Board of Directors of SNS REAAL N.V. Within the Board of Directors, he will be primarily responsible for the insurance operations of REAAL and Zwitserleven. He will enter the employment of SNS REAAL as of 1 September 2009. The intended appointment of Dick Okhuijsen is subject to the customary approvals of the supervisory authorities and the advice of the Central Workers Council. Following his appointment to the Board of Directors of SNS REAAL, he will also become a member of the statutory boards of directors of SNS Bank N.V. and REAAL Verzekeringen N.V.

Board of Directors of SNS Bank

Rien Hinssen, chairman, as well as member of the Board of Directors of SNS REAAL.
Ference Lamp, also member of the Board of Directors of SNS REAAL
Henk Kroeze
Marius Menkveld, also member of the Board of SNS Property Finance B.V.

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

Supervisory Board of SNS REAAL and SNS Bank

The names and major functions outside SNS REAAL and SNS Bank of the members of the Supervisory Board of both companies are as follows:

Rob Zwartendijk, Chairman, former chairman of Stichting Beheer SNS REAAL
Hans van de Kar, deputy-chairman and interim chairman, Former lecturer at Leiden University
Charlotte Insinger, member of the Executive Board of the Erasmus MC
Bas Kortmann, Professor of Civil Law, University of Nijmegen
Robert-Jan van de Kraats, CFO and deputy-chairman of Randstad Holding N.V.
Jaap Lagerweij, general managing director of Sperwer Groep
Henk Muller, Former Federation Executive and Treasurer of the Trade Union Federation FNV
Jos Nijhuis, President & CEO of the Schiphol Group
Herna Verhagen, Managing Director Group Human Resources TNT
Ludo Wijngaarden, formerly the Chairman of the ING Intermediary Division and a member of the Management Board of ING Netherlands

The members of the Supervisory Board are also member of the Supervisory Board of REAAL Verzekeringen. All members of this Supervisory Board have elected domicile at the shared registered office of SNS REAAL and SNS Bank, being Croeselaan 1, 3521 BJ Utrecht, The Netherlands.

Audit Committee

The Audit Committee of SNS REAAL and SNS Bank currently consists of 5 members, all members of the Supervisory Board of SNS REAAL and SNS Bank:

Charlotte Insinger
Hans van de Kar
Robert-Jan van de Kraats
Jos Nijhuis
Ludo Wijngaarden

The Audit Committee has obtained a mandate from the Supervisory Board of each of SNS REAAL and SNS Bank to prepare in collaboration with the Board of Directors of respectively SNS REAAL and SNS Bank the meetings of the Supervisory Board of SNS REAAL and SNS Bank. In addition, the Audit Committee has the mandate to supervise the main developments in the field of financial reporting, tax, funding and finance, risk management and to monitor the relationship with the independent auditors of SNS REAAL and SNS Bank.

SNS REAAL and the Code Tabaksblat

Compliance with Code Tabaksblat

As a result of the IPO in 2006, the Dutch Corporate Governance Code (the "**Code Tabaksblat**") now formally applies to SNS REAAL. When the Code Tabaksblat was created, SNS REAAL had already decided to follow it to a significant degree. The Code Tabaksblat was adopted by the Tabaksblat Committee on 9 December 2003. It contains 21 principles and 113 best-practice provisions relating to the Board of Directors, the Supervisory Board, shareholders and the annual meeting of shareholders, financial reporting and the auditor.

The Code Tabaksblat applies to all companies listed on the Dutch stock exchange. In their annual report, these companies are obligated to comment on their compliance with the principles and best practices of the Code Tabaksblat with regard to the Board of Directors and the Supervisory Board of the company. In the event a company has not applied these principles or best practices, or does not plan to do so in the current and following annual accounting period, it must explain its reasons in the annual report.

Although the Code Tabaksblat does not apply to SNS Bank, SNS Bank endorses most principles of the Code Tabaksblat.

In connection with the Code Tabaksblat, SNS REAAL has set up an Audit Committee and a Remuneration, Selection and Appointment Committee. While the Code Tabaksblat assumes the existence of a remuneration committee in addition to a selection and appointment committee, SNS REAAL has opted to merge these committees. The reason is that the Supervisory Board wished to appoint the same individuals to these committees, and that in its opinion, partly in view of the related spheres of activity, it would not be efficient to have two committees.

Deviations from the Code Tabaksblat

The Code Tabaksblat states that the company is also in compliance with the Code Tabaksblat if the general meeting of shareholders has approved the corporate governance structure and sanctions the deviations from the Code Tabaksblat's principles.

Best-practice provision II.1.1: 'A management board member is appointed for a maximum period of four years. A member may be reappointed for a term of not more than four years at a time.'

The members of the Board of Directors were appointed for an indefinite period, in line with the statutory provisions prevailing at the time of their appointment, before the Code Tabaksblat came into existence. SNS REAAL considers it inappropriate to change the terms of the employment contracts in this respect. Ference Lamp has been appointed as CFO for a period up to four years, naturally with the option of reappointment.

Best-practice provision II.2.3: 'Shares granted to management board members without financial consideration shall be retained for a period of at least five years or until at least the end of the employment, if this period is shorter. The number of shares to be granted shall be dependent on the achievement of clearly quantifiable and challenging targets specified beforehand.'

The shares in SNS REAAL granted to the members of the Board of Directors in the context of the long-term bonus scheme are conditionally awarded for a period of three years. The shares vest upon expiry of this period. The number of shares that vest is calculated on the basis of the conditional award and the extent to which the performance criteria have been satisfied. Transfer of these shares is restricted for a period of three years after the vested shares in SNS REAAL have been transferred to the members of the Board of Directors. Formally, then, this does not constitute a period of five years. However, SNS REAAL is of the opinion that this term is in fact complied with, as the term of the conditional award should also be taken into account. In the event a member of the Board of Directors has reached his target level, this three-year transfer restriction period does not apply to the number of SNS REAAL shares that exceed the target level. The free shares acquired by the members of the Board of Directors in the event they purchase SNS REAAL shares are not dependent on the achievement of the targets specified beforehand. Here the long-term bonus scheme thus deviates from the Code Tabaksblat as well. The reason for this deviation is that SNS REAAL wants to promote SNS REAAL shareholding until the target level has been reached.

Best-practice provision II.2.7: 'The maximum remuneration in the event of dismissal is one year's salary (the 'fixed' remuneration component). If the maximum of one year's salary would be manifestly unreasonable for a management board member who is dismissed during his first term of office, such board member shall be eligible for a severance pay not exceeding twice the annual salary.'

The terms of employment of the current members of the Board of Directors were contracted before the introduction of the Code Tabaksblat and deviate from this principle. The employment contracts have been recently amended; for more information, please refer to the text below regarding the capital injection. In August 2008 it was agreed that the employment of Cor van den Bos would be terminated.

The substance of the agreements made with him is described in the remuneration report. His employment contract was also concluded prior to the Code Tabaksblat. As a result, SNS REAAL was unable to comply with all relevant principles and best practices of the Code Tabaksblat.

Best-practice provision III.2.1: 'All Supervisory Board members, with the exception of no more than one person, shall be independent within the meaning of best-practice provision III.2.2.'

The Code Tabaksblat's point of departure is that a Supervisory Board member is not independent if he is a management board member at a legal entity that holds at least 10% of the shares in the company. Stichting Beheer SNS REAAL ('the trust') holds more than 10% of the shares in SNS REAAL. Two of the eight members of the Supervisory Board of SNS REAAL are members of the trust's board. Although the majority of the members of the Supervisory Board are independent, two members do not qualify according to the above description. SNS REAAL is of the opinion that the

nature and aims of the majority shareholder can and should be distinguished from those of majority shareholders of many other companies. The majority shareholder in this case is a trust (and thus has no members or shareholders), whose objects are limited. The trust's objectives include the promotion of the interests of SNS REAAL. This objective is anchored in the Articles of the trust. The Supervisory Board members of SNS REAAL are also obligated by law to be guided by the interests of the company and its associated business in the performance of their duties. Given this equivalence, SNS REAAL sees no reason to change the current situation.

Best-practice provision III.6.2: 'A Supervisory Board member shall not take part in a discussion and/or decision-making on a subject or transaction in relation to which he has a conflict of interest with the company.'

Depending on the specific circumstances, a situation may arise in which the two members of the Supervisory Board who also sit on the board of the trust may have a conflict of interest with regard to certain topics or transactions, in connection with their position on the trust's board. SNS REAAL believes that such a conflict of interest, in view of the special objectives of the trust, will rarely come to pass in actual practice. For these reasons, it has been decided that (I) the two members of the Supervisory Board who sit also on the trust's board will not take part in discussions and decisions taken within the Supervisory Board on agreements between SNS REAAL and the trust and (II) in principle, in all other cases they will take part in the discussions and decision-making in the Supervisory Board.

Best-practice provision IV.1.5: 'The proposal to distribute dividend shall be assessed as a separate point on the agenda at the AGM.'

Partly in connection with the issue of six B-shares in the capital of SNS REAAL to the trust in order to finance the acquisition of Zwitterleven, SNS REAAL's articles of association were amended on 28 April 2008. As a result of this amendment to the articles of association, SNS REAAL's authorised capital has been increased by six B-shares and the provisions in the articles of association pertaining to profits, losses and dividend have been changed.

The amended articles of association provide, inter alia, that as a result of the adoption of the financial statements, the freely distributable profits, to the extent there are no losses to be cleared and after reservation of the ordinary reservation amount (both as defined in the articles of association), will be distributed to the holders of ordinary shares and holders of B-shares in accordance with the proportions stipulated in the articles of association. Accordingly, it ensues from the articles of association that upon adoption of the financial statements, the dividend is declared and, moreover, is distributable.

Conflicts of interest SNS Bank

There are no potential conflicts between any duties to SNS Bank and the private interests and/or other duties of members of the Board of Directors and/or the Supervisory Board of SNS Bank. These members may obtain financial services of SNS Bank.

Independent Auditors

KPMG ACCOUNTANTS N.V., with registered offices in Amstelveen, has been appointed as independent auditor to SNS REAAL and SNS Bank. Each partner of KPMG Accountants N.V. is a member of the Royal Dutch Institute for Chartered Accountants (NIVRA).

Rating Agencies

SNS REAAL and SNS Bank have been rated by independent rating agencies Moody's, Standard & Poors and Fitch. The most recently published reports by these rating agencies, expressing opinions

on any of the ratings assigned to either SNS REAAL or SNS Bank, will be made available on www.snsreaal.com under the heading "Investor relations".

SNS REAAL

With a balance sheet total of almost € 124 billion as of the end of December 2008, SNS REAAL is one of the major financial bank-insurance companies in the Netherlands. As a bank and insurer, SNS REAAL holds a distinct position in its market by quickly and effectively translating client needs into accessible and transparent products. In-depth knowledge of products and efficient processes lead to effective standardisations and combination options within product and client groups. SNS REAAL is a decisive and flexible organisation that through its core brands SNS Bank and REAAL Verzekeringen and specialised sales labels enjoy strong positions in the Dutch market. Furthermore the combination has involved the following:

- A single group management centre has been established in Utrecht;
- Centralisation of staff departments within the SNS REAAL Group such as risk management, audit, finance, legal affairs, compliance, fiscal affairs and human resources; and:
- Creation of centralised competence centres and service centres.

Company Structure and Profile

SNS Bank N.V. comprises a division for retail operations (SNS Retail Bank) and a division for property finance (SNS Property Finance). Both these divisions pursue focused strategies for product development and distribution. The activities of SNS Property Finance are well aligned with retail banking's SME operations, which focuses on commercial mortgages. The labels active under aforementioned two business units are all, except for SNS Fundcoach, vested in separate legal entities.

The clients of **SNS Retail Bank** comprise private individuals and SME in the Netherlands. Its key product groups are mortgages, savings and investments. Distribution takes place mainly through the internet, location-independent advisers, SNS shops, SNS Regio Bank franchises, and independent intermediaries. SNS Retail Bank uses different brands for its products, each having a distinct market position. Each brand is linked to the most suitable distribution channel or to an optimum mix of distribution channels. SNS Retail Bank also distributes third-party products and uses REAAL Verzekeringen's distribution channels. Joint and central product development and data administration for the brands of the retail banking business result in a cost efficient and flexible organisation. SNS Retail Bank's strategy mainly focuses on the further development of distribution capacity. Other strategic spearheads include expansion in the Randstad urban area, in savings, commercial mortgages, as well as sustainable asset growth through ASN Bank.

SNS Property Finance operates in all phases of the property cycle, from short-term (project) loans for land purchase, construction and trading transactions to long-term loans for investment properties. SNS Property Finance participates in several projects as a risk-bearing participant in the results if a number of conditions are strictly complied with. SNS Property Finance does not provide loans to property companies that are not (mortgage) secured and usually does not provide working capital funding. SNS Property Finance is one of the major financiers of property investments and projects in the Netherlands. SNS Property Finance is, to a limited extent, also active internationally.

Business unit	Label	Product groups	Clients	Distribution channels
SNS Retail Bank	SNS Bank	Mortgages, savings, investments, payments, loans, insurance, commercial credit	Retail, SME	SNS shops, internet, intermediaries, telephone
	ASN Bank	Savings, investments, payments	Retail	Internet
	SNS Regio Bank	Mortgages, savings, investments	Retail, SME	Franchise offices
	BLG Hypotheken	Mortgages	Retail, SME	Intermediaries, distribution partners
	SNS Securities	Securities research, institutional brokerage, corporate finance, asset management	Institutional (international), wealthy individuals	Account management
	SNS Fundcoach	Investment funds	Retail	Internet
	SNS Assurantiën	Insurance, pensions	SME	Offices, sales staff
SNS Property Finance	SNS Property Finance	Property finance (investments, projects, participations)	Companies, professional investors, project developers, housing corporations	Offices

REAAL Verzekeringen

REAAL Verzekeringen targets the sale through intermediaries (indirect distribution) of insurance, banking and investment products for the private and business markets. It is renowned for the quality of its product packages and its high level of service. In insurance, REAAL Verzekeringen focuses on life insurance, with non-life insurance in a supporting or parallel role.

REAAL Verzekeringen attaches great value to synergy-increasing and cross selling activities, which can be realised through intra-group cooperation. Furthermore REAAL Verzekeringen introduced an integrated financial services package based on financial planning, with a banking-oriented product.

For intermediaries, this concept offers excellent prospects for high-quality consultancy work. Clients can follow the value growth of their portfolio on the Internet any time they may wish.

SNS REAAL announced on 6 September 2007 that it completed the acquisition of AXA Nederland B.V., Winterthur Verzekeringen Holding B.V. and DBV Holding N.V., together referred to as "AXA NL Combined", after having obtaining all relevant regulatory approvals and advice from the works councils. The acquisition of AXA NL Combined was previously announced on 4 June 2007, with the expectation that the closing would occur before year end 2007.

AXA NL Combined was acquired for a cash consideration of €1,811 million, which consists of the acquisition price of €1,750 million plus €48 million of accrued interest (4% per annum as from 1 January 2007, the effective date of the acquisition, up to and including the date of the acquisition, 5 September 2007) and €13 million of costs directly related to the acquisition .

AXA Nederland B.V. and Winterthur Verzekeringen Holding B.V. have been merged into REAAL Verzekeringen. DBV Holding N.V. has become a 100% subsidiary of REAAL Verzekeringen. AXA Nederland B.V., Winterthur Verzekeringen Holding B.V. and DBV Holding N.V. were financially consolidated as of 6 September 2007. The pre-closing year-to-date net profit of AXA NL Combined has accrued to SNS REAAL's shareholders' equity.

SNS Reaal Invest

SNS REAAL Invest N.V. ("**SNS REAAL Invest**") is a subsidiary of SNS REAAL which supports financial activities within SNS REAAL. In 2003 it was announced that SNS REAAL Invest would gradually be wound down. As a result, SNS REAAL Invest maintains strategic and non-strategic divisions, a categorisation that depends on whether an activity is considered to be essential for the support of the banking or insurance operations. The size of the total portfolio decreased from € 114 million at year-end 2007 to € 23 million (excluding Van Lanschot N.V.) at year-end 2008 (– 79.8%) due to downward revaluations and partial sale of the equity portfolio in financial institutions.

Zwitserleven Asset Management B.V.

Zwitserleven Asset Management is the asset manager for Zwitserleven and for the Zwitserleven investment funds. Zwitserleven Asset Management provides high-quality and transparent investment solutions for Zwitserleven's pension and life insurance clients. For this purpose, Zwitserleven Asset Management invests in the financial markets throughout the world. Those investments and the ensuing proceeds constitute Zwitserleven's hedge for its obligations to clients. Zwitserleven Asset Management works closely together with SNS Asset Management, amongst others in determining its vision on investments and developing new investment products. The assets under management increased from € 12.5 billion to € 12.8 billion (+ 2.6%) in 2008 as a result of inflow and the increased value of the fixed-income portfolio.

SNS Asset Management N.V.

SNS Asset Management's primary objective is the responsible management of the investments of SNS Bank and REAAL Verzekeringen for own account and the investment funds of SNS Bank and ASN Bank. In addition, SNS Asset Management takes care of the administration for a large number of funds of REAAL Verzekeringen and SNS Regio Bank and focuses on the external market for sustainable institutional asset management. SNS Asset management's assets under management increased from € 18.7 billion to € 22.9 billion (+ 22.5%) in 2008, particularly as a result of the transfer of the AXA NL portfolios.

Supervision

Currently SNS REAAL itself is not regulated directly, but as the holding company of a group of licensed banks and insurance companies, it is subject to the supervision which the Dutch Central Bank (De Nederlandsche Bank, "DNB") exercises on a consolidated level. The implementation in The Netherlands of Directive 2002/87/EC of 16 December 2002 on the supplementary supervision of credit institutions, insurance undertakings and investment firms in a financial conglomerate (the "Financial Conglomerates Directive") in Chapter 3.6 of the Financial Services Act (Wet op het financieel toezicht (Wft)) has resulted in SNS REAAL becoming subject to new regulatory requirements as of 1 January 2007. The Financial Conglomerates Directive introduces supplementary supervision of banking, insurance and investment activities carried out in a financial conglomerate. The rules relate to capital adequacy, risk concentration, intra-group transactions, internal control mechanisms and risk management processes. The rules are partly directed at the regulated entities within the conglomerate (although some of the rules relate to the conglomerate as a whole) and partly at the mixed financial holding company heading up the conglomerate, such as the Company.

Prior thereto SNS REAAL was not regulated directly, but as the holding company of a group of licensed credit institutions and insurance companies, it was subject to the supervision which DNB exercises on a consolidated level.

The principles of this consolidated supervision were laid down in a protocol dated 12 October 1999 (Protocol De Nederlandsche Bank N.V./Verzekeringskamer) between the DNB and the (former) Pensions and Insurance Chamber. This protocol provided, among other things, for information and reporting requirements applicable to SNS REAAL regarding the solvency of SNS REAAL.

Within SNS REAAL Group the following subsidiaries of SNS REAAL hold licences under the Wft:

Licensed banks:

SNS Bank N.V.

SNS Regio Bank N.V.

ASN Bank N.V.

ASN Groenbank N.V.

SNS Property Finance B.V.

SNS Securities N.V.

Licensed insurance companies:

REAAL Levensverzekeringen N.V.

REAAL Schadeverzekeringen N.V.

Proteq levensverzekeringen N.V.

Proteq schadeverzekeringen N.V.

DBV Levensverzekeringsmaatschappij N.V.

Zwitserleven N.V.

Licensed investment companies:

SNS Asset Management N.V.

Zwitserleven Asset Management B.V.

Zwitserleven Vermogensbeheer N.V.

Licensed fund management companies:

SNS Beleggingsfondsen Beheer B.V.

ASN Beleggingsinstellingen Beheer B.V.

Both fund management companies mainly manage “umbrella funds” (SNS Beleggingsfondsen N.V. and ASN Beleggingsfondsen N.V.), which do not form part of SNS REAAL..

Recent developments

SNS Bank has obtained approval from the Dutch Ministry of Finance to participate in the Credit Guarantee Scheme of the State of the Netherlands. Please be referred to www.dsta.nl for an overview of issues by SNS Bank for which the State of The Netherlands has issued a guarantee.

On 25 March 2009, SNS REAAL announced that it had reached an agreement with Stichting Verliespolis, Stichting Woekerpolis Claim, Vereniging van Effectenbezitters, Vereniging Eigen Huis and Vereniging Consument & Geldzaken, regarding financial compensation of policyholders for the costs of investment based insurance policies. The Dutch Financial Services Ombudsman endorses the compensation scheme drawn up by SNS REAAL. The current value of the compensation totals approximately € 320 million, including an amount of € 52.5 million for a fund for clients in distressed situations. Expectations are that SNS REAAL made sufficient provisions for this compensation scheme in its 2008 financial accounts.

SELECTED FINANCIAL INFORMATION OF SNS BANK

SNS Bank's publicly available consolidated audited annual financial statements for the years ended 31 December 2008 and 31 December 2007 (the "**SNS Bank Financial Statements**") are incorporated by reference into this Prospectus. Not all information below has been derived from the SNS Bank Financial Statements.

Key Figures of SNS Bank (amounts in millions of EUR)

	31 December 2008 (audited)	31 December 2007 (audited)
Total assets	76.695	70.584
Loans and advances to the private sector	65.794	60.236
of which mortgage loans	48.684	46.172
Amounts due to customers	32.043	27.025
of which savings	21.859	19.179
Equity distributable to Shareholders	2.134	2.209
Capital base	4.083	3.887
Tier 1 ratio ¹	10,5%	8,4%
BIS ratio ²	14,0%	11,5%
Net interest income	773	783
Other income	183	155
of which net commission and management fees	116	129
Net profit	144	272
<i>(in numbers)</i>		
Branches	140	146
Cash dispensers	571	513
Employees (fte's, average)	3.212	3.223

Capitalisation of SNS Bank

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

¹ 2008 figures are calculated based on Basel II, taking into account the 80% Floor as of 1 January 2009.

2007 figures are calculated based on Basel I.

² See footnote 1.

<i>(amounts in millions of EUR)</i>	31December 2008 (audited)	31December 2007 (audited)
Short-term debt (remaining terms to maturity up to and including five years)		
- Savings	21.355	18.979
- Other amounts due to customers	8.887	6.705
- Derivatives	1.284	709
- Debt certificates	14.613	15.730
- Amounts to banks	5.182	3.650
- Participation cert. and subordinated debts	558	506
- Non interest-bearing liabilities	1.642	1.484
	53.521	47.763
Long-term debt (remaining terms to maturity over five years)		
- Savings	504	200
- Other amounts due to customers	1.297	1.141
- Derivatives	860	229
- Debt certificates	15.669	16.452
- Amounts due to banks	1.309	1.416
- Participation cert. and subordinated debts	1.131	1.172
- Non interest-bearing liabilities	-	-
	20.770	20.610
Share Capital*	381	381
Revaluation Reserve	3	-
Cash Flow Hedge Reserve	1	3
Fair Value reserve	56	-51
Other Reserves	1.693	1.876
Securities capital	260	-
Third party interests	10	2
	2.404	2.211
Total		
- Savings	21.859	19.179
- Other amounts due to customers	10.184	7.846
- Derivatives	2.144	938
- Debt certificates	30.282	32.182
- Amounts to credit institutions	6.491	5.066
- Participation cert. and subordinated debts	1.689	1.678
- Not interest-bearing liabilities	1.642	1.484
	76.695	70.584

* The authorised capital consists of 4,200,040 shares with a nominal value of € 453.79 each, which amounts to € 1,905,936,151. The issued and paid-up share capital consists of 840,008 shares with a nominal value of € 453.79 each.

In December 2008, SNS REAAL strengthened its capital with € 500 million in capital securities issued to Stichting Beheer SNS REAAL (the "trust") and € 750 million in capital securities issued

to the State of The Netherlands. SNS REAAL used the proceeds of these transactions to increase SNS Bank's core capital by € 260 million.

Financial Year

The financial year of SNS Bank is the calendar year.

Independent Auditors

The consolidated financial statements of SNS Bank for 2008 and 2007 have been audited by KPMG ACCOUNTANTS N.V., Burg. Rynderslaan 10-20, 1185 MC Amstelveen, The Netherlands. The independent auditors have given an unqualified opinion for each of these years.

Legal proceedings

SNS Bank and its affiliates are and may become from-time-to-time involved in governmental, legal and arbitration proceedings that relate to claims by and against the respective company which ensue from its normal business operations. Although it is impossible to predict the result of any pending or threatened governmental, legal and arbitration proceedings, based on information currently available and after consulting legal advisors, SNS Bank is not aware of any governmental, legal and arbitration proceedings the result of which may have or has had a significant effect on the financial position or results of SNS Bank and its affiliates, and, to our knowledge no such governmental, legal or arbitration proceedings are currently threatened or pending.

Lending Volume

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

(amounts in millions of EUR)	31 December 2008 (audited)	31 December 2007 (audited)
Mortgage loans to customers		
- with municipal and other guarantees	4.973	5.579
- other	43.711	40.593
	48.684	46.172
Loans to or guaranteed by public authorities	733	784
Consumer loans	584	582
Property Finance	13.583	11.575
Other loans and advances to customers	2.210	1.123
	65.794	60.236

Funding structure

(amounts in millions of EUR)	31 December 2008 (audited)	31 December 2007 (audited)
Amounts due to banks	6.491	5.066
Savings	21.859	19.179
Other amounts due to customers	10.184	7.846
Participation certificates and subordinated debts	1.689	1.678
Debt certificates	30.282	32.182
	70.505	65.951

Summary Consolidated Accounts

The 2008 and 2007 financial statements of SNS Bank have been prepared in accordance with the International Financial Reporting Standards as adopted by the European Union ("EU").

Consolidated Balance Sheet

*(before profit appropriation, amounts
in millions of EUR)*

	31 December 2008 (audited)	31 December 2007 (audited)
	<hr/>	<hr/>
Assets		
Cash and cash equivalents	1.692	3.141
Loans and advances to banks	2.783	1.092
Mortgage loans to customers	48.684	46.172
Property Finance	13.583	11.575
Other loans and advances to customers	3.527	2.489
Loans and advances to customers	65.794	60.236
Derivatives	1.113	1.041
Investments	3.942	4.056
Investment property	10	6
Investment in associates	47	53
Tangible fixed assets	119	139
Intangible Assets	291	285
Deferred tax assets	227	128
Other tax receivables	106	100
Other assets	571	307
Total assets	76.695	70.584
Liabilities and equity		
Savings	21.859	19.179
Other amounts due to customers	10.184	7.846
Amounts due to customers	32.043	27.025
Amounts due to banks	6.491	5.066
Debt certificates	30.282	32.182
Derivatives	2.144	938
Deferred tax liabilities	285	151
Corporate tax	-	-
Other liabilities	1.327	1.316
Other provisions	30	17
Participation certificates and subordinated debts	1.689	1.678
Share capital	381	381
Other reserves	1.691	1.686
Retained profit	62	142
Shareholder's equity	2.134	2.209
Security capital	260	-
Third Party Interest	10	2
Total Equity	2.404	2.211
Total liabilities and equity	76.695	70.584

Consolidated Profit And Loss Account (amounts in millions of EUR)

31 December 2008 (audited)	31 December 2007 (audited)
<hr/>	<hr/>

Income		
Interest income, banking operations	3.883	3.359
Interest charges, banking operations	3.110	2.576
	<hr/>	<hr/>
Net interest income	773	783
Commission and management fees received	152	163
Commission and management fees paid	36	34
	<hr/>	<hr/>
Net Commission and management fees	116	129
Share in the result of associates	4-	3-
Result on investments	84	14
Result on derivatives and other financial instruments	15-	13
Other operating income	2	2
Total income	956	938
Expenses		
Staff costs	380	332
Other operating expenses	188	203
Value adjustments of financial instruments and other assets	173	35
Depreciation and amortisation of fixed assets	32	31
Total Expenses	773	601
Share in the results of associated companies		-
Operating profit before taxation	183	337
Taxes	36	64
Third party interest	3	1
Net profit	144	272
<i>Consolidated cash flow statement</i>		
(amounts in millions of EUR)	31-dec-2008 (audited)	31-dec-2007 (audited)
	<hr/>	<hr/>
Cash Flow from operating activities		
Operating profit before taxation	183	337
Adjustments for:		
- Depreciation and amortisation	27	32

- Changes in other provisions	48	67-
- Value adjustments	173	36
- Unrealised results on investments through profit and loss	6-	114
Retained profit share in associates	8	8-
Tax paid	3	9-

Change in operating assets and liabilities

Change in loans and advances to customers	3.220-	1.519-
Change in loans and advances to banks	266-	1.443
Change in savings	2.680	2.531
Change in trading portfolio	1.386	636-
Change in other operating activities	669-	83-
Total net cash flow from operating activities	347	2.171

Cash flow from investment activities

Income on the sale of intangible assets	-	-
Income on the sale of tangible fixed assets	5	29
Income on the sale of subsidiaries	13	-
Income from the sale of investment property	-	1
Income from the sale and redemption of investments and derivatives	1.447	652
Purchase of intangible assets	13-	7-
Purchase of property and equipment	21-	29-
Purchase of associated companies	-	-
Purchase of other investments	-	-
Purchase of subsidiaries	19-	32
Purchase of investment property	3-	-
Purchase of investments and derivatives	1.679-	2.048-
Total Cash flow from investment activities	270-	1370-

Cash flow from financing activities

	-	-
Income from issue of capital securities	260	-
Income from subordinated loans	337	255
Income from debt certificates	8.889	11.406
Redemption of subordinated loans	305-	19-
Redemptions of debt certificates	10.387-	9.859-
Dividend paid	320-	130-
Net Cash flow from financing activities	1.526-	1.653

Cash and cash equivalents as at 1 January	3.141	687
Change in cash and cash equivalents	1.449-	2.454
Cash and cash equivalents as at 31 December	1.692	3.141

Outlook

The outlook for SNS Bank is included in the chapter 'Outlook 2009' on pages 15 through 17 of the annual report of SNS Bank for the year ended 31 December 2008, which chapter is included by reference in this Prospectus.

SELECTED FINANCIAL INFORMATION OF SNS REAAL

SNS REAAL's publicly available consolidated audited annual financial statements for the years ended 31 December 2008 and 31 December 2007 (the "**SNS REAAL Financial Statements**") are incorporated by reference into this Prospectus. The information in "Key Figures of SNS REAAL" and "Summary Consolidated accounts" below has been derived from the SNS REAAL Financial Statements.

Key figures of SNS REAAL

Balance Sheet (In €millions)

	31 December 2008	31 December 2007
TOTAL ASSETS	124.414	103.177
Investments	29.296	21.055
Investments for account of policyholders	10.724	7.235
Loans and advances to customers	67.704	63.045
Loans and advances to banks	4.722	1.631
Total equity	4.892	3.591
Capital base	6.997	5.620
Debt certificates	32.679	35.212
Insurance contracts	36.067	24.956
Savings	21.859	19.179
Amounts due to banks	10.612	6.887

Result

Income banking operations		
Net interest income	773	783
Net fee and commission income	116	129
Other income	67	26
Total income banking operations	956	938
Income insurance operations		
Net premium income	4.302	2.523
Investment income	1.219	834
Investment income for account of policyholders	(1.691)	96
Other income	337	94
Total income insurance operations	4.167	3.547
Other income and eliminations	30	58
Total consolidated income	5.153	4.543
Total consolidated expenses	5.881	3.974
Operating result before taxation	(728)	569
Taxation	(208)	101
Net result discontinued operations	22	-
Minority interests	6	3
Net result attributable to shareholders and securityholders	(504)	465
Net result banking operations	144	272

Net result insurance operations	(550)	205
Net result group activities	(98)	(12)
Earnings per share (€)	(1,93)	1,87
Diluted earnings per share (€)	(1,93)	1,87

KEY RATIOS

	31 December 2008	31 December 2007
Return on shareholders' equity	(13.3%)	13.7%
Double Leverage	113,7%	116.3%
Average number of employees (FTE)	7.287	6.245
SNS Bank:		
Efficiency ratio	62.8%	60.3%
BIS ratio ³	14.0%	11.5%
Tier 1 ratio ⁴	10.5%	8.4%
REAAL Verzekeringen		
New annual premium equivalent (in € millions)	456	207
Operating cost/premium ratio	15.9%	14.1%
Solvency REAAL Life	165%	272%
Solvency Zwitserleven	206%	-
Solvency REAAL Non-Life	307%	255%

Summary Consolidated Accounts

Consolidated Balance Sheet

Before result appropriation and in € millions	31-12-2008	31-12-2007
Assets		
Intangible assets	2.907	2.116
Property and equipment	433	418
Investments in associates	110	127
Investment properties	210	169
Investments	29.296	21.055
Investments for account of policyholders	10.724	7.235
Invested collateral securities lending	2.310	--
Derivatives	1.761	1.161
Deferred tax assets	483	329
Reinsurance contracts	402	483
Loans and advances to customers	67.704	63.045
Loans and advances to banks	4.722	1.631
Corporate income tax	374	216
Other assets	1.017	851
Cash and cash equivalents	1.961	4.341
Total assets	124.414	103.177

³ 2008 figures are calculated based on Basel II, taking into account the 80% Floor as of 1 January 2009.

2007 figures are calculated based on Basel I.

⁴ See footnote 3.

Equity and liabilities

Share capital	426	426
Other reserves	3.933	2.791
Retained earnings	(736)	371
Shareholders' equity	3.623	3.588
Equity attributable to securityholders	1.249	-
Minority interests	20	3
Total equity	4.892	3.591
Participation certificates and subordinated debt	2.125	2.032
Debt certificates	32.679	35.212
Insurance contracts	36.067	24.956
Provision for employee benefits	389	201
Other provisions	56	46
Securities lending liabilities	2.377	-
Derivatives	2.358	959
Deferred tax liabilities	754	507
Savings	21.859	19.179
Other amounts due to customers	7.412	7.247
Amounts due to banks	10.612	6.887
Other liabilities	2.834	2.360
Total equity and liabilities	124,414	103,177

Consolidated Profit and Loss Account

In € millions	2008	2007
Income		
Interest income	3.836	3.356
Interest expense	2.986	2.522
Net interest income	850	834
Premium income	4.384	2.584
Reinsurance premiums	82	61
Net premium income	4.302	2.523
Fee and commission income	202	202
Fee and commission expense	9	19
Net fee and commission income	193	183
Share in result of associates	(13)	9
Investment income	1.242	842
Investment income for account of policyholders	(1.696)	96
Result on financial instruments	119	43
Income invested collateral securities lending	106	-
Other operating income	50	13
Total income	5.153	4.543
Expenses		
Technical claims and benefits	3.423	1.979
Charges for account of policyholders	(642)	496
Acquisition costs for insurance operations	392	327
Impairment charges/ (reversals)	1.020	63
Staff costs	814	604
Depreciation and amortisation of fixed assets	95	67

Other operating expenses	310	256
Interest expense securities lending	95	-
Other interest expenses	374	182
Total expenses	5.881	3.974
Result before tax	(728)	569
Taxation	(208)	101
Net result continued operations	(520)	468
Net result discontinued operations	22	-
Net result for the financial year	(498)	468
Attribution:		
Net result for the financial year	(498)	468
Net result attributable to securityholders	-	-
Net result attributable to minority interests	(6)	(3)
Net result attributable to shareholders	(504)	465

Consolidated Cash Flow Statement

Cash flow from operating activities

Result before taxation	(728)	569
Adjustments for:		
Depreciation and amortisation of fixed assets	303	206
Changes in technical provisions own risk	819	272
Changes in other provisions	107	(238)
Impairment charges / (reversals)	1.020	35
Unrealised results on investments through profit or loss	19	83
Retained share in the result of associates	25	(5)
Tax paid	(9)	(58)

Change in operating assets and liabilities

Change in loans and advances to customers	(5.109)	(941)
Change in loans and advances to banks	694	2.892
Change in savings	2.680	2.531
Change in trading portfolio	313	(681)
Change in other operating activities	339	396

Net cash flow from operating activities	473	5.061
--	------------	--------------

Cash flow from investing activities

Proceeds from the sale of intangible assets	1	-
Proceeds from the sale of property and equipment	6	2
Proceeds from the sale of subsidiaries	156	61
Proceeds from the sale of investment property	10	25
Proceeds from the sale and redemption of investments and derivatives	13.400	4.065
Purchase of intangible fixed assets	(90)	(166)
Purchase of property and equipment	(43)	(46)
Purchase of subsidiaries	(1.552)	(1.670)
Purchase of investment property	(10)	(9)
Purchase of investments and derivatives	(12.828)	(6.044)

Net cash flow from investment activities	(950)	(3.782)
---	--------------	----------------

Cash flow from financing activities

Proceeds from issue of shares	600	342
Proceeds from issue of securities capital	1.249	-
Proceeds from issue of subordinated loans	415	377

Proceeds from issue of debt certificates	8.813	11.868
Redemption of subordinated loans	(321)	(24)
Redemption of debt certificates	(12.427)	(10.367)
Dividends paid on ordinary and B-shares	(232)	(94)
Net cash flow from financing activities	(1.903)	2.102
Cash and cash equivalents as at 1 January	4.341	960
Cash from acquisitions	21	219
Change in cash and cash equivalents	(2.401)	3.162
Cash and cash equivalents as at 31 December	1.961	4.341
Additional disclosure with regard to cash flows from operating activities		
Interest income received	5.276	3.393
Dividends received	178	103
Interest paid	3.215	2.431

Legal proceedings

SNS REAAL and its affiliates are and may become from-time-to-time involved in governmental, legal and arbitration proceedings that relate to claims by and against the respective company which ensue from its normal business operations. Although it is impossible to predict the result of any pending or threatened governmental, legal and arbitration proceedings, based on information currently available and after consulting legal advisors, SNS REAAL is not aware of any governmental, legal and arbitration proceedings the result of which may have or has had a significant effect on the financial position or results of SNS REAAL and its affiliates, and, to our knowledge no such governmental, legal or arbitration proceedings are currently threatened or pending.

Outlook

The outlook for SNS REAAL is included in the chapter 'Outlook 2009' on pages 26 through 29 of the annual report of SNS REAAL for the year ended 31 December 2008, which chapter is included by reference in this Prospectus.

FORM OF THE NOTES

Each Tranche of Notes will (unless otherwise indicated in the applicable Final Terms) be initially represented by a temporary global Note (the "**Temporary Global Note**") (or, if so specified in the applicable Final Terms, a permanent global Note (the "**Permanent Global Note**")), without receipts, interest coupons or talons, which, if it is not intended to be issued in NGN form, as specified in the applicable Final Terms, 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 Nederland and each global Note which is intended to be issued in NGN form, as specified in the applicable Final Terms, will be deposited on or around the Issue Date of the relevant Tranche of Notes with a common safekeeper for Euroclear and/or Clearstream, Luxembourg. 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 Final Terms.

On 13 June 2006 the European Central Bank (the "**ECB**") announced that Notes in NGN form are in compliance with the "Standards for the use of EU securities settlement systems in ESCB credit operations" of the central banking system for the euro (the "**Eurosystem**"), provided that certain other criteria are fulfilled. At the same time the ECB also announced that arrangements for Notes in NGN form will be offered by Euroclear and Clearstream, Luxembourg as of 30 June 2006 and that debt securities in global bearer form issued through Euroclear and Clearstream, Luxembourg after 31 December 2006 will only be eligible as collateral for Eurosystem operations if the NGN form is used. Recognition as eligible collateral will also depend on satisfaction of Eurosystem eligibility criteria.

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 Final Terms) 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 the preceding 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 unless, upon due certification, exchange of the Temporary Global Note for an interest in a Permanent Global Note or for Definitive Notes is improperly withheld or refused.

Pursuant to the Agency Agreement (as defined under the relevant "Terms and Conditions of the Medium Term Notes") 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 which are different from the ISIN and common code assigned to Notes of any other Tranche of the same Series until at least the expiry of the distribution compliance period (as defined in Regulation S under the Securities Act) applicable to the Notes of such Tranche. In case of Notes which have a denomination consisting of

the minimum Specified Denomination plus a higher integral multiple of another smaller amount, it is possible that the Notes may be traded in amounts in excess of € 50,000 (or the equivalent thereof) that are not integral multiples of € 50,000 (or the equivalent thereof). So long as such Notes are represented by a Temporary Global Note or Permanent Global Note and the relevant clearing system(s) so permit, these Notes will be tradeable only in the minimum authorised denomination of € 50,000 increased with integral multiples of € 1,000, notwithstanding that no Definitive Notes will be issued with a denomination over € 99,000.

Definitive Notes will be either in the standard euromarket form, in K-form (including *verzamelbewijs*) (with Coupons (as defined in the 'Terms and Conditions of the Medium Term Notes', Chapter 2, Part 1 and Chapter 3, Part 1)) 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 (as defined in the 'Terms and Conditions of the Medium Term Notes', Chapter 2, Part 1 and Chapter 3, Part 1), for further Coupons attached but will not be issued with Receipts (as defined in the 'Terms and Conditions of the Medium Term Notes', Chapter 2, Part 1 and Chapter 3, Part 1) 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 to or to the order of any Paying Agent without any requirement for certification. A Permanent Global Note (other than a Permanent Global Note deposited with Euroclear Nederland) will be exchangeable (free of charge), in whole in accordance with the applicable Final Terms 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 relevant Issuer has been notified that both Euroclear and Clearstream, Luxembourg have 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 of the applicable Terms and Conditions of the Medium Term Notes occur or (3) the relevant Issuer has or will become obliged to pay additional amounts as provided for or referred to in Condition 8 of applicable Terms and Conditions of the Medium Term Notes which would not be required were the Notes represented in definitive form. The Issuer will promptly give notice to Noteholders in accordance with Condition 14 of applicable Terms and Conditions of the Medium Term Notes 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 relevant 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. In case of Notes represented by a Permanent Global Note deposited with Euroclear Nederland, a Noteholder shall not have the right to request delivery (*uitlevering*) of his Notes under the Dutch Securities Giro Transfer Act (*Wet giraal effectenverkeer*) (as amended).

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 Nederland 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 Final Terms.

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

"Notice: This Note is issued for deposit with Euroclear Nederland 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 applicable Terms and Conditions of the Medium Term 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 Nederland) 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 Nederland) will become entitled to proceed directly against the relevant Issuer on the basis of statements of account provided by the relevant clearing system(s) (other than Euroclear Nederland) on and subject to the terms of the relevant Global Note. In the case of a global Note deposited with Euroclear Nederland, the rights of Noteholders will be exercised in accordance with the Dutch Securities Giro Transfer Act (as amended).

USE OF PROCEEDS

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

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 Prospectus, without prejudice to any amendments introduced at a later date and implemented with retroactive effect.

Each Issuer has been advised by its independent tax counsel KPMG Meijburg & Co. that under the existing laws of The Netherlands:

- (a) No Dutch withholding tax will be due on payments of principal and/or interest, or on any other amounts payable under the Notes that may be issued pursuant to the Programme, unless the Notes qualify as debt 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*) or the Notes can be reclassified, partly or wholly, as equity for Dutch tax purposes.
- (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 an entity and has a substantial interest* in the relevant Issuer and such interest does not form part of the assets of an enterprise ; or
 - (iv) such holder is an entity and has a deemed Netherlands enterprise to which enterprise the Notes are attributable; or
 - (v) such holder is an individual and derives benefits from miscellaneous activities carried out in The Netherlands in respect of the Notes, including, without limitation, activities which are beyond the scope of active portfolio investment activities; 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 interest⁵ in the relevant 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 or 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,

⁵Generally speaking an interest in an Issuer should not be considered as a substantial interest if the holder of such interest, and if the holder is a natural person, his or her spouse, 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.

- 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, other than value added tax that could be due with regard to services such as management, administrative and similar services and the handling of verifying documents.
 - (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.
 - (g) If the Company pays interest directly to, or secures its the payment for the immediate benefit of, a Holder that is (i) an individual, (ii) a resident of another EU Member State or designated jurisdiction and (iii) the beneficial owner of that interest, it must verify the Holder's identity and place of residence and provide information regarding that Holder and the interest payments concerned to the Dutch tax authorities. This obligation does not apply if the interest is paid to, or secured for the benefit of, a Holder via a bank or other paying agent as defined in Dutch tax law.

EU Savings Directive

On June 3, 2003, the European Council of Economics and Finance Ministers adopted a Directive on the taxation of savings income in the form of interest payments (2003/48/EC). Under the Directive, Member States will (if equivalent measures have been introduced by certain non-EU jurisdictions and agreements are in place for the introduction of the same measures in certain other non-EU jurisdictions) be required, from July 1, 2005, to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State. However, for a transitional period, Belgium, Luxembourg and Austria will instead be required (unless during that period they elect to provide information as described above) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries).

SUBSCRIPTION AND SALE

The Dealers have in an amended and restated dealership agreement dated on or about 8 June 2009 (the "**Dealership Agreement**") (as supplemented from time to time) agreed with each 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, each 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.

Public offer selling restriction under the Prospectus Directive

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**") it has not made and will not make an offer of Notes to the public which are the subject of the offering contemplated by this Prospectus in relation thereto to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant Member State:

- (a) following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus;
- (b) at any time to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;
- (c) at any time to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43,000,000; and (3) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts;
- (d) at any time to fewer than 100 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the relevant Issuer for any such offer; or
- (e) at any time in any other circumstances which do not require the publication by the relevant Issuer of a prospectus pursuant to Article 3(2) of the Prospectus Directive;

provided that no such offer of Notes referred to in (b) to (e) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression "**an offer of Notes to the public**" in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State and the expression "**Prospectus Directive**" means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

United Kingdom

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

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

United States of America

1. The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account of, or benefit of, U.S. persons except in accordance with Regulation S under the Securities Act or pursuant to an exemption from the registration requirements of the Securities Act. Each Dealer represents and agrees that it has offered and sold any Notes, and will offer and sell any 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, as determined and notified as provided below, only in accordance with Rule 903 of Regulation S under the Securities Act. Accordingly, each Dealer further represents and agrees that it, its affiliates or any persons acting on its or their behalf have not engaged and will not engage in any directed selling efforts with respect to any Note, and it and they have complied and will comply with the offering restrictions requirement of Regulation S. Each Dealer who has subscribed for Notes of a Tranche hereunder (or in the case of a sale of a Tranche of Notes issued to or through more than one Dealer, each of such Dealers as to the Notes of such Tranche subscribed for by or through it or, in the case of a syndicated issue, the relevant Lead Manager) shall determine and notify to the Agent the completion of the distribution by it of the Notes of such Tranche. On the basis of such notification or notifications, the Agent will notify such Dealer/Lead Manager of the end of the distribution compliance period with respect to such Tranche. Each Dealer also agrees that, at or prior to confirmation of sale of Notes, it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases Notes from it during the distribution compliance period a confirmation or notice to substantially the following effect:

*"The securities covered hereby have not been registered under the U.S. Securities Act of 1933 (the "**Securities Act**") and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of the Securities as determined and notified by the Agent for the Securities to [name of the relevant Dealer], except in either case in accordance with Regulation S under the Securities Act. Terms used above have the meanings given to them in Regulation S."*

Terms used in this sub-clause 1(1) have the meanings given to them by Regulation S.

2. In addition (but only in relation to Notes with an initial maturity in excess of 365 days):
where TEFRA D is specified in the applicable Final Terms:
 - (a) except to the extent permitted under U.S. Treas. Reg. §1.163-5(c)(2)(i)(D) (the "**D Rules**"), each Dealer (a) represents that it has not offered or sold, and agrees that during the restricted period it will not offer or sell, Notes in bearer form to a person who is within the United States or its possessions or to a United States person, and
 - (b) represents that it has not delivered and agrees that it will not deliver within the United States or its possessions definitive Notes in bearer form that are sold during the restricted period;

- (b) each Dealer represents that it has and agrees that throughout the restricted period it will have in effect procedures reasonably designed to ensure that its employees or agents who are directly engaged in selling Notes in bearer form are aware that such Notes may not be offered or sold during the restricted period to a person who is within the United States or its possessions or to a United States person, except as permitted by the D Rules;
- (c) if it is a United States person, each Dealer represents that it is acquiring the Notes for purposes of resale in connection with their original issuance and if it retains Notes in bearer form for its own account, it will only do so in accordance with the requirements of U.S. Treas. Reg. §1.163-5(c)(2)(i)(D)(6); and
- (d) with respect to each affiliate that acquires Notes from a Dealer for the purpose of offering or selling such Notes during the restricted period, such Dealer repeats and confirms the representations and agreements contained in subparagraphs (a), (b) and (c) on such affiliate's behalf.

Terms used in this paragraph 1(2) have the meanings given to them by the U.S. Internal Revenue Code and regulations thereunder, including the D Rules.

where TEFRA C is specified in the applicable Final Terms:

Each Dealer understands that under U.S. Treas. Reg. §1.163-5(c)(2)(i)(C) (the "**C Rules**"), Notes in bearer form must be issued and delivered outside the United States and its possessions in connection with their original issuance. Each Dealer represents and agrees that it has not offered, sold or delivered, and will not offer, sell or deliver, directly or indirectly, Notes in bearer form within the United States or its possessions in connection with their original issuance. Further, in connection with the original issuance of Notes in bearer form, the Dealer has not communicated, and will not communicate, directly or indirectly, with a prospective purchaser if either the Dealer or the prospective purchaser is within the United States or its possessions or otherwise involve a U.S. office of the Dealer in the offer or sale of Notes in bearer form. Terms used in this paragraph 1(2) have the meanings given to them by the U.S. Internal Revenue Code and regulations thereunder, including the C Rules.

3. Each issue of Index Linked Notes or Dual Currency Notes shall be subject to any additional U.S. selling restrictions set out in the applicable Final Terms. Each relevant Dealer agrees that it shall offer, sell and deliver such Notes only in compliance with such additional U.S. selling restrictions.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948, as amended) and 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 resident of Japan (which term herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to a resident of Japan except under circumstances which will result in compliance with all applicable laws, regulations and guidelines of Japan in effect at the relevant time.

General

Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and 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 neither of the Issuers shall have any responsibility therefore. Neither of the Issuers 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 other additional restrictions set out in the applicable Final Terms.

Zero Coupon Notes

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 of the Issuers or a member firm of Euronext Amsterdam with due observance of the Savings Certificates Act (*Wet inzake Spaarbewijzen*) (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 relevant Issuer and on which interest does not become due during their tenor or on which no interest is due whatsoever.

GENERAL INFORMATION

Authorisation

The update of the Programme, the integration and update of the prospectus of SNS Bank dated 18 April 2008 and the prospectus of SNS REAAL dated 16 July 2008 into this Prospectus, and each future issue under the Programme were duly authorized by a resolution of the Board of Directors of SNS Bank dated 19 May 2009 and by a resolution of the Board of Directors of SNS REAAL dated 11 May 2009 approved by a resolution of the Supervisory Board of SNS REAAL dated 20 May 2009. All consents, approvals, authorizations or other orders of all regulatory authorities required by each Issuer under the laws of The Netherlands have been or will be obtained for the issue of Notes and for the relevant Issuer to undertake and perform their respective obligations under the Dealership Agreement, Agency Agreement and the relevant Notes.

Significant or material adverse change

At the date hereof, other than in respect of:

(i) the risk and leverage reductions and especially the substantial reduction of the equity portfolio at the Insurance activities as disclosed in the trading update first quarter 2009 published on 19 May 2009;

(ii) unrealised losses on fixed income investments which led at the insurance activities to a negative fair value reserve and a consequent decline in shareholders' equity as disclosed in the trading update first quarter 2009 published on 19 May 2009; and

(iii) sharply increasing impairment charges, mainly in the international property finance portfolio. In view of the current economic environment, impairment charges for the full year 2009 are now expected to exceed the level of 2008 as disclosed in the trading update first quarter 2009 published on 19 May 2009.

there has been no significant change in the financial or trading position of SNS REAAL and its affiliates or the financial position of SNS Bank and its affiliates and there has been no material adverse change in the prospects of SNS REAAL or SNS Bank since 31 December 2008, the last day of the financial period in respect of which audited financial statements of respectively SNS REAAL and SNS Bank have been prepared.

Listing

Application may be made to Euronext Amsterdam for Notes to be issued under the Programme up to the expiry of 12 months from the Publication Date of this Prospectus to be admitted to listing and trading on Euronext Amsterdam by NYSE Euronext. In addition, Notes issued under the Programme may be listed or admitted to trading, as the case may be, on the Luxembourg Stock Exchange and on any other stock exchange or market specified in the applicable Final Terms. The Issuers may also issue unlisted Notes under the Programme.

Documents Available

So long as Notes are outstanding under the Programme, copies of the following documents will, when published, be available free of charge from the registered office of the Issuers, from the specified office of the Agent and the Other Paying Agent, from the specified offices of The Netherlands Listing Agent and the Luxembourg Listing Agent and at the Amsterdam office of the Issuers at Nieuwezijds Voorburgwal 162, Amsterdam, The Netherlands:

- (i) the Dutch language version and an English translation of the most recent articles of association of the Issuers;
- (ii) the audited annual reports of the Issuers for the three most recent financial years and the most recently available unaudited (semi-annual) interim financial statements (in English) of the Issuers;
- (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, supplements to this Prospectus and any other documents incorporated herein or therein by reference; and
- (vi) the applicable Final Terms for each Tranche of 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). The appropriate common code and ISIN 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 Final Terms. If the Notes are to clear through an additional or alternative clearing system the appropriate information will be specified in the applicable Final Terms.

Clearing systems addresses

The address of Euroclear is 1 Boulevard de Roi Albert II, 1210 Brussels, Belgium. The address of Clearstream, Luxembourg is 42 Avenue J.F. Kennedy, L-1855 Luxembourg, Luxembourg. The address of Euroclear Nederland is Herengracht 459 - 469, 1017 BS Amsterdam, The Netherlands. The address of LCH.Clearnet Group Ltd. is Aldgate House, 33 Aldgate High Street, London EC3N 1EA., United Kingdom.

Ratings

Rating definitions Fitch:

- "A": High credit quality. 'A' ratings denote a low expectation of credit risk. The capacity for timely payment of financial commitments is considered strong. This capacity may, nevertheless, be more vulnerable to changes in circumstances or in economic conditions than is the case for higher ratings.
- "+" or "-": may be appended to a rating to denote relative status within major rating categories.
- F1: Highest credit quality. Indicates the strongest capacity for timely payment of financial commitments; may have an added "+" to denote any exceptionally strong credit feature.

Rating definitions Moody's

- A: Obligations rated A are considered upper-medium grade and are subject to low credit risk.
Moody's appends numerical modifiers 1, 2, and 3 to each generic rating classification from Aa through Caa. The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of that generic rating category.
- Prime-1 (P-1): Issuers (or supporting institutions) rated Prime-1 have a superior ability to repay short-term debt obligations.

Rating definitions Standard & Poor's

A: An obligation rated 'A' is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligations in higher-rated categories. However, the obligor's capacity to meet its financial commitment on the obligation is still strong.

Plus (+) or minus (-): The ratings from 'AA' to 'CCC' may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the major rating categories.

A-1: A short-term obligation rated 'A-1' is rated in the highest category by Standard & Poor's. The obligor's capacity to meet its financial commitment on the obligation is strong. Within this category, certain obligations are designated with a plus sign (+). This indicates that the obligor's capacity to meet its financial commitment on these obligations is extremely strong.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents which have previously been published or are published simultaneously with this Prospectus and have been approved by the AFM or filed with it shall be deemed to be incorporated in, and to form part of, this Prospectus:

- (a) SNS Bank's publicly available financial statements and auditors report for the years ended 31 December 2008 (set forth on pages 46 up to and including 117, page 121 and page 122 of its 2008 annual report) and 31 December 2007 ((set forth on pages 50 up to and including 123, page 127 and page 128 of its 2007 annual report);
- (b) SNS Bank's articles of association as per the Publication Date of this Prospectus (in the original Dutch language version as well as in English translation); and
- (c) the terms and conditions set forth on pages 62 up to and including 91, 109 up to and including 120 (for Index Linked Notes), 139 up to and including 148 (for Inflation Linked Notes), 167 up to and including 189 (for Share Linked Notes) and 210 up to and including 217 (for Fund Linked Notes) of the prospectus relating to the Programme of SNS Bank dated 18 April 2008 (the "**2008 Terms and Conditions**") and the terms and conditions set forth on pages 58 up to and including 85, 102 up to and including 113 (for Index Linked Notes), 132 up to and including 141 (for Inflation Linked Notes), 159 up to and including 181 (for Share Linked Notes) and 201 up to and including 208 (for Fund Linked Notes) of the prospectus relating to the Programme of SNS Bank dated 19 April 2007 (the "**2007 Terms and Conditions**").
- (d) The Chapter 'Outlook 2009' on pages 15 through 17 of SNS Bank's annual report 2008;
- (e) Trading update first quarter 2009 published by SNS REAAL on 19 May 2009;
- (f) SNS REAAL N.V.'s publicly available financial statements and auditors report for the years ended 31 December 2008 (set forth on pages 102 up to and including 228, and page 231 and 232 of its 2008 annual report), and 31 December 2007 (set forth on pages 126 up to and including 253, and page 257 and 258 of its 2007 annual report);
- (g) SNS REAAL N.V.'s articles of association as per the Publication Date of this Prospectus (in the original Dutch language version as well as in English translation); and
- (h) the Medium Term Notes terms and conditions set forth on pages 80 up to and including 112 and the Capital Securities terms and conditions set forth on pages 131 up to and including 162 of the prospectus relating to the Programme of SNS REAAL dated 16 July 2008, the ("**2008 Terms and Conditions**") and the Medium Term Notes terms and conditions set forth on pages 71 up to and including 101 and the Capital Securities terms and conditions set forth on pages 121 up to and including 145 of the prospectus relating to the Programme of SNS REAAL dated 25 June 2007, the ("**2007 Terms and Conditions**");
- (i) The Chapter 'Outlook 2009' on pages 26 through 29 of SNS REAAL's annual report 2008.

These documents can be obtained without charge at the offices of the Issuers and the Agent, each as set out at the end of this Prospectus. In addition these documents are available on the Issuers' website at www.snsreaal.com, except for the documents referred to under (a), which can be obtained free of charge by sending an e-mail to: investorrelations@snsreaal.com

CHAPTER 2: MEDIUM TERM NOTES ISSUED BY SNS BANK

PART 1: TERMS AND CONDITIONS OF THE MEDIUM TERM NOTES

The following are the Terms and Conditions of Notes to be issued by SNS Bank which will be incorporated by reference into each global Note and which will be endorsed on (or, if permitted by the rules of the relevant stock exchange and agreed between SNS Bank 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 Final Terms 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 Final Terms 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 Final Terms 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 on or about 8 June 2009 (as supplemented from time to time, the "**Agency Agreement**") and made between the SNS Bank N.V., SNS REAAL N.V., 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 Final Terms) have interest coupons ("**Coupons**") and, if indicated in the applicable Final Terms, 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 Nederland or one of its participants.

Interest bearing definitive Notes in K-form will have Coupons and, if indicated in the applicable Final Terms, 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 Final Terms for this Note are 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.

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 Final Terms are available at the specified offices of each of the Agent and the other Paying Agents save that Final Terms 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 Final Terms which are binding on them.

Words and expressions defined in the Agency Agreement or used in the applicable Final Terms 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).

Each Note is a Senior Note or a Subordinated Note, as indicated in the applicable Final Terms.

Each Note is either a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, an Index Linked Interest Note, a Share Linked Interest Note, an Inflation Linked Interest Note, a Fund Linked Interest Note, a Dual Currency Note, an Index Linked Note, an Inflation Linked Note, a Share Linked Note, a Fund Linked 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 Final Terms.

Notes in definitive form are issued with Coupons attached, (unless otherwise indicated in the applicable Final Terms) 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 Nederland, 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 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 or by a common safekeeper 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 Final Terms but shall not include Euroclear Nederland. Any amendments to the Terms and Conditions required in connection with such addition or alternative clearing system shall be specified in the applicable Final Terms.

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 Final Terms). 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 bank or an insurer within the meaning of the Wft and is supervised by the DNB.

3. Status and Characteristics relating to Subordinated Notes

The Subordinated Notes 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 each 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 emergency measures (*noodregeling*) in the interests of all creditors, as referred to in Part 3.5.5 of the Wft 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 Decree on Prudential Rules Wft to which the Issuer is subject, the Subordinated Notes may qualify as tier 1 capital, i.e. Tier 1 Notes, tier 2 capital, i.e. Tier 2 Notes, or tier 3 capital, i.e. Tier 3 Notes, as specified in the applicable Final Terms and in accordance with such other terms and conditions specified therein replacing or modifying these Terms and Conditions for the purpose of such Series 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 Final Terms 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 Nederland 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, the Receipts and the Coupons denominated in the Specified Currency (or Specified Currencies) (each the **"Old Currency"**) shall be redenominated in another currency (the **"New Currency"**) being either euro, or, in the event of redenomination upon the occurrence of a Convertibility Event, a currency other than euro, as the case may be.

The election will have effect as follows:

- (i) the Notes, the Receipts and the Coupons shall be deemed to be redenominated into the New Currency in the denomination of euro 0.01, or its equivalent in another currency, 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 the New Currency 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 the New Currency 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 or its equivalent in another currency;
- (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, or any of its equivalents in another currency, 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 of Old Currency 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 Currency 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 the New Currency as though references in the Notes to the Specified Currency were to the New Currency. Payments will be made in the New Currency by credit or transfer to a New Currency account (or any other account to which the New Currency may be credited or transferred) specified by the payee or, at the option of the payee, by a New Currency cheque;
- (vi) if the Notes are Fixed Rate Interest 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 Calculation Amount, multiplying such sum by the applicable Fixed Day Count Fraction (as defined in Condition 5(a)), and rounding the resultant figure to the nearest sub-unit of the relevant New Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. The amount of interest payable in respect of such Fixed Rate Interest Note shall be the aggregate of the amounts (determined in the manner provided above) for each Calculation Amount comprising the Specified Denomination without any further rounding; and

- (vii) if the Notes are Floating Rate Notes, Index Linked Interest Notes, Inflation Linked Interest Notes, Share Linked Interest Notes or Fund Linked Interest Notes, the applicable Final Terms will specify any relevant changes to the provisions relating to interest; and
- (viii) the applicable Final Terms will specify the exact date on which the redenomination will occur in case the Notes were issued in a currency other than euro and in a currency in which the TARGET 2 System does not apply.

(b) Definitions

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

"Convertibility Event" means the determination by the national government of the country in the currency of which the Notes were issued, that such currency is substituted by another currency;

"Established Rate" means the rate for the conversion of the Old Currency into the New Currency as fixed by the relevant government of such Old Currency, but which in case the New Currency will be euro (including compliance with rules relating to roundings in accordance with applicable European Community regulations), shall be as established by the Council of the European Union pursuant to Article 109 I(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 in case of (i) the New Currency being euro, 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 in case of (ii) the New Currency being a currency other than euro, shall be the date the relevant government of the New Currency accepts payment in the New Currency as legal tender; 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 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 Final Terms, 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 Final Terms, amount to the Broken Amount so specified.

If a Business Day Convention is specified in the applicable Final Terms and (x) if there is no numerically corresponding day in 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) 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
- (2) 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
- (3) the Preceding Business Day Convention, such Interest Payment Date (or other date) shall be brought forward to the immediately preceding Business Day; or
- (4) No Adjustment, such Interest Payment Date (or other date) shall not be adjusted in accordance with any Business Day Convention.

If "**Unadjusted**" is specified in the applicable Final Terms the number of days in each Interest Period shall be calculated as if the Interest Payment Date were not subject to adjustment in accordance with the Business Day Convention specified in the applicable Final Terms.

If "**Adjusted**" is specified in the applicable Final Terms the number of days in each Interest Period shall be calculated as if the Interest Payment Date is subject to adjustment in accordance with the Business Day Convention specified in the applicable Final Terms.

If interest is required to be calculated for a period starting or ending other than on an Interest Payment Date (the "**Calculation Period**"), such interest shall be calculated by applying the fixed Rate of Interest to each Calculation Amount, 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 and multiplying such rounded up figure by a fraction equal to the Specified Denomination of such Note divided by the Calculation Amount.

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

- (i) If "**Actual/Actual (ICMA)**" or "**ACT/ACT (ICMA)**" is specified in the applicable Final Terms, 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 (1) 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 Final Terms, the number of days in the Calculation 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 Calculation Period is the 31st day of a month but the first day of the Calculation 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 Calculation 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.

Calculation of interest amount: The amount of interest payable in respect of each Note for any period for which a Fixed Coupon Amount is not specified shall be calculated by applying the Rate of Interest to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded up figure by a fraction equal to the Specified Denomination of such Note divided by the Calculation Amount.

“Calculation Amount” has the meaning ascribed to it in the Final Terms;

The applicable Final Terms 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, Index Linked Interest Notes, Share Linked Interest Notes, Inflation Linked Interest Notes and Fund Linked Interest Notes

(i) Interest Payment Dates

Each Floating Rate Note, Index Linked Interest Note, Share Linked Interest Note, Inflation Linked Interest Note and Fund Linked Interest Note bears interest on its outstanding nominal amount 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 Final Terms, each date (each an "**Interest Payment Date**") which falls the number of months or other period specified as the Specified Period in the applicable Final Terms 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 "**Unadjusted**" is specified in the applicable Final Terms the number of days in each Interest Period shall be calculated as if the Interest Payment Date were not subject to adjustment in accordance with the Business Day Convention specified in the applicable Final Terms.

If "**Adjusted**" is specified in the applicable Final Terms the number of days in each Interest Period shall be calculated as if the Interest Payment Date is subject to adjustment in accordance with the Business Day Convention specified in the applicable Final Terms.

If a Business Day Convention is specified in the applicable Final Terms and (x) if there is no numerically corresponding day in 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 is specified:

- (1) in any case where Specified Periods are specified in accordance with Condition 5 (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 Final Terms; 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 which, if the Specified Currency is (a) Australian dollars, shall be Sydney, (b) Hong Kong dollars, shall be Hong Kong and (c) Japanese yen, shall be Tokyo 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 ("**Rate of Interest**") payable from time to time in respect of the Floating Rate Notes, Index Linked Interest Notes, Inflation Linked Interest Notes, Share Linked Interest Notes and Fund Linked Interest Notes will be determined in the manner specified in the applicable Final Terms.

(a) *ISDA Determination For Floating Rate Notes*

Where ISDA Determination is specified in the applicable Final Terms 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 Final Terms) the Margin (if any). For the purposes of this subparagraph (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 2006 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 Final Terms;
- (2) the Designated Maturity is the period specified in the applicable Final Terms; 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 Final Terms.

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 5(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 subparagraph (a).

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

Where Screen Rate Determination is specified in the applicable Final Terms 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 Final Terms) 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 Final Terms as being other than LIBOR or EURIBOR, the Rate of Interest in respect of such Notes will be determined as provided in the applicable Final Terms.

(iii) Minimum and/or Maximum Rate of Interest

If the applicable Final Terms 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 Final Terms 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, Inflation Linked Interest Notes, Share Linked Interest Notes or Fund 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, Inflation Linked Interest Notes, Share Linked Interest Notes or Fund 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, Index Linked Interest Notes, Inflation Linked Interest Notes, Share Linked Interest Notes or Fund Linked Interest Notes, in respect of each Calculation Amount for the relevant Interest Period. Each Interest Amount shall be calculated by applying the Rate of Interest to each Calculation Amount, 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 and multiplying such rounded up figure by a fraction equal to the Specified

Denomination of such Note divided by the Calculation Amount.

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

- (i) if **"Actual/Actual (ISDA)"** is specified in the applicable Final Terms, 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 (I) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (II) 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 Final Terms, the actual number of days in the Interest Period divided by 365;
- (iii) if **"Actual/360"** is specified in the applicable Final Terms, 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 Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y₁" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y₂" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"M₁" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M₂" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D₁" is the first calendar day, expressed as a number, of the Interest Period, unless such number is 31, in which case D₁ will be 30; and

"D₂" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D₁ is greater than 29, in which case D₂ will be 30;

- (v) if **"30E/360"** or **"Eurobond Basis"** is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y₁" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y₂" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"M₁" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M₂" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D₁" is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D₁ will be 30; and

"D₂" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case D₂ will be 30;

- (vi) if "**30E/360 (ISDA)**" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y₁" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y₂" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"M₁" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M₂" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D₁" is the first calendar day, expressed as a number, of the Interest Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D₁ will be 30; and

"D₂" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D₂ will be 30.

(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, Index Linked Interest Notes, Inflation Linked Interest Notes, Fund Linked Interest Notes or Share 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, Inflation Linked Interest Notes, Share Linked Interest Notes or Fund Linked Interest Notes are for the time being listed and to the Noteholders in accordance with Condition 14. If the Calculation Amount is less than the minimum Specified Denomination the Calculation Agent shall not be obliged to publish each Interest Amount but instead may publish only the Calculation Amount and the Interest Amount in respect of a Note having the minimum Specified Denomination. 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 5(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, Receipholders and Couponholders and (in the absence as aforesaid) no liability to the Issuer, the Noteholders, the Receipholders 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 Final Terms ("**Rate of Exchange**").

(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 on the paid-up nominal amount of such Notes and otherwise as specified in the applicable Final Terms.

(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 Interest Payment Date or Specified Interest Payment Date or for a Specified Period 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 Decree on Prudential

Rules Wft. 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 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 emergency measures (*noodregeling*) in the interest of all creditors, as referred to in Part 3.5.5 of the Wft 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 Decree on Prudential Rules Wft.

(g) Forfeiting of Interest Payments on Tier 1 Notes

Notwithstanding anything to the contrary contained elsewhere in this Condition 5, no interest shall be payable on Tier 1 Notes of any Series on any Interest Payment Date in the event that the Issuer has - based on information contained in its most recently adopted annual accounts - no Distributable Items, as referred to in article 2:3 under b of the DNB Regulation or Distributable Items which are less than the aggregate amount of interest due and payable on all outstanding Tier 1 Notes and any dividends or interest due and payable on any *pari passu* ranking Tier 1 Capital of the Issuer, in each case otherwise payable during the financial year in which the relevant Interest Payment Dates fall. For the avoidance of doubt, if no interest is paid pursuant to this Condition 5(g), such unpaid interest shall be forfeited (*vervallen*) and there shall be no cumulation.

"Tier 1 Capital" means notes or other debt instruments ranking *pari passu* with the Tier 1 Notes which qualify as tier 1 capital in accordance with the DNB Regulation.

"DNB Regulation" means the regulation in respect of hybrid instruments as set out by the DNB and published in the Supervisory Regulation on the Recognition of Hybrid Instruments as Regulatory Capital Components dated 11 December 2007 (*Regeling gelijkstelling hybride instrumenten met eigenvermogensbestanddelen*) issued pursuant to the Decree on Prudential Rules Wft.

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 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, in the case of Australian dollars, shall be Sydney, in the case of Hong Kong dollars, shall be Hong Kong and in the case of Japanese yen, shall be Tokyo); 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, Fund Linked Notes, Inflation Linked Notes, Share 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, Fund Linked Note, Inflation Linked Note or Share 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 to or to the order of any Paying Agent. On each occasion on which a payment of principal or interest is made in respect of a Classic Global Note, the payment is noted in a schedule thereto and in respect of a New Global Note the payment is entered pro rata in the record of Euroclear and Clearstream, Luxembourg.

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 Final Terms), "**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 Final Terms; 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 which, if the Specified Currency is (a) Australian dollars, shall be Sydney, (b) Hong Kong dollars, shall be Hong Kong and (c) Japanese yen, shall be Tokyo, 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 Final Terms in the relevant Specified Currency on the Maturity Date or by instalments in the Instalment Amount(s) and on the Instalment Date(s) specified in the applicable Final Terms (in the case of a Note redeemable in instalments, an "**Instalment Note**").

(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 DNB having first been obtained and only if so specified in the applicable Final Terms, 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, Index Linked Interest Notes, Inflation Linked Interest Notes, Share Linked Interest Notes or Fund Linked Interest Notes) or on any Specified Interest Payment Date (in the case of Floating Rate Notes, Index Linked Interest Notes, Inflation Linked Interest Notes, Share Linked Interest Notes or Fund 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 redeemed 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 Final Terms 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 or such other period of notice as is specified in the applicable Final Terms, 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 Final Terms 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 Final Terms. 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 (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor of a reduction in principal amount at their discretion) and/or Euroclear Nederland, 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 Final Terms 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 Final Terms (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 Final Terms, 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 Final Terms 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 Final Terms or, if no such amount or manner is so specified in the applicable Final Terms, 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 Final Terms.
- (iv) in case of Tier 1 Notes, which bear interest at a fixed rate and if so specified in the Final Terms, at an amount equal to the greater of the principal amount including interest accrued until the Early Redemption Date (subject to and excluding interest forfeited pursuant to Condition 5(g)) and the Make-Whole Amount.

The "**Make-Whole Amount**" will be calculated by the Calculation Agent, and will equal the sum of the Present Values on the Early Redemption Date of (i) the principal amount of the Tier 1 Notes and (ii) the scheduled payments of interest on the Tier 1 Notes remaining as of and including the Early Redemption Date up to the First Call Date as specified in the relevant Final Terms.

"**Present Values**" will be calculated by the Calculation Agent by discounting the principal amount of the Tier 1 Notes on the Early Redemption Date and the remaining interest payments to the First Call Date on an annual basis, assuming a 360-day year consisting of twelve 30-day months and using the Adjusted Comparable Yield plus the Make-Whole Margin as specified in the relevant Final Terms.

The "**Adjusted Comparable Yield**" will be the yield as of the Early Redemption Date of the euro benchmark security selected by the Calculation Agent as having a maturity comparable to the remaining term of the Tier 1 Notes to the First Call Date that would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the First Call Date.

(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 Final Terms.

(h) Purchases

The Issuer or any of its subsidiaries may at any time purchase Notes (provided that, in the case of definitive Notes, all unmaturing 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)(iii) 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 Interest Payment Date or Specified Interest Payment Date (or for Specified Periods) 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 Decree on Prudential Rules Wft. Any principal in respect of the Tier 3 Notes of this Series not paid on an Interest Payment Date or Specified Interest Payment Date or for a Specified Period 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 emergency measures (*noodregeling*) in the interest of all creditors, as referred to in Part 3.5.5 of the Wft 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.

(l) Redemption of Tier 1 Notes

Redemption of Tier 1 Notes of any Series is subject to prior written approval from the DNB, provided that if the Tier 1 Notes cease to qualify as Tier 1 Capital and/or cease to (partly) qualify as upper Tier 2 Capital in accordance with the DNB Regulation, such redemption shall not require the approval of the DNB and the Issuer may, but shall not be obliged to, redeem any or all Tier 1 Notes on the next succeeding Interest Payment Date at the Early Redemption Amount after having

given notice to the Noteholders in accordance with Condition 14 at least 15 days prior to the Early Redemption Date.

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 Final Terms, 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 European Council Directive 2003/48/EC 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) therefore.

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 25,000,000 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; or
- (iv) the Issuer or any Material Subsidiary is declared bankrupt, or a declaration in respect of the Issuer or any Material Subsidiary is made as referred to in Part 3.5.5 of the Wft; 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 DNB.

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) the Issuer will ensure that it maintains a paying agent with a specified office in an EU Member State that will not be obliged to withhold or deduct tax pursuant to the EU Savings Directive. EU Savings Directive means the EU Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to such EU Savings 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 Interest Payment Date or the Specified Interest Payment Date or for the Specified Period, 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 Interest Payment Date or the Specified Interest Payment Date or for the Specified Period (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) if and for so long as the Notes are listed on Euronext Amsterdam by NYSE Euronext, in the Euronext Amsterdam Daily Official List (*Officiële Prijscourant*) and in at least one daily newspaper of wide circulation in The Netherlands, and (ii) if and for so long as the Notes are listed on the Luxembourg Stock Exchange, on the website of the Luxembourg Stock Exchange (www.bourse.lu). It is expected that such publication in a daily newspaper will be made in *Het Financieele Dagblad*. 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 or on the date of publication on the website of the Luxembourg Stock Exchange.

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 with a depository or a common depository on behalf of Euroclear and Clearstream, Luxembourg and/or any other relevant clearing system or a common safekeeper 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 and/or any other relevant clearing system 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 and/or any other relevant clearing system, except that, for so long as such Notes are admitted to trading on the Luxembourg Stock Exchange and it is a requirement of applicable law or regulations, such notices shall be published on the website of the Luxembourg Stock Exchange (www.bourse.lu).

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 Euronext Amsterdam by NYSE Euronext and the rules of such stock exchange so require, such notices will also be published in a daily newspaper of general circulation in The Netherlands.

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 and/or any other relevant clearing system as the case may be, in such manner as the Agent and Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system 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 5 % 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 % 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 DNB, 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 DNB 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. 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.

PART 2: FORM OF FINAL TERMS FOR MEDIUM TERM NOTES

Copies of the Final Terms will be provided by the Issuer upon request. [In addition, in case of Notes listed on Euronext Amsterdam by NYSE Euronext, the Final Terms will be displayed on the website of Euronext Amsterdam (_____) and in case of Notes listed on the Luxembourg Stock Exchange, on the website of the Luxembourg Stock Exchange (_____)].

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

Final Terms

SNS Bank N.V.

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

Issue of [up to] [Aggregate Nominal Amount of Tranche] [Title of Notes] (the "**Notes**") issued under the Debt Issuance Programme of SNS Bank N.V. and SNS REAAL N.V.

dated [•]

This document constitutes the Final Terms of the issue of Notes under the Debt Issuance Programme (the "**Programme**") of SNS Bank N.V. (the "**Issuer**") and SNS REAAL N.V., described herein for the purposes of article 5.4 of Directive 2003/71/EC (the "**Prospectus Directive**"). It must be read in conjunction with the base prospectus pertaining to the Programme, dated 8 June 2009 (the "**Prospectus**") and any amendments or supplements thereto, which together constitute a base prospectus for the purposes of the Prospectus Directive. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Prospectus and any amendments or supplements thereto. The Prospectus (and any amendments thereto) is available for viewing at www.snsreaal.com as well as at the Amsterdam office of the Issuer at Nieuwezijds Voorburgwal 162, 1012 SJ, Amsterdam, The Netherlands, where copies may also be obtained (free of charge). Any supplements to the Prospectus will in any case be available at this office and copies thereof may be obtained (free of charge) there.

These Final Terms are to be read in conjunction with the Terms and Conditions of the Medium Term Notes (the "**Terms and Conditions**") set forth in Chapter 2, Part 1 of the Prospectus. The Terms and Conditions as supplemented, amended and/or disapplied by these Final Terms constitute the conditions (the "**Conditions**") of the Notes. Capitalised terms not defined herein have the same meaning as in the Terms and Conditions. Certain capitalised terms in the Terms and Conditions which are not defined therein have the meaning set forth in these Final Terms. All references to numbered Conditions and sections are to Conditions and sections of the Terms and Conditions set forth in Chapter 2, Part 1 of the Prospectus.

[The following language applies if the first tranche of an issue which is being increased was issued under a Prospectus with an earlier date: This document constitutes the Final Terms of the issue of Notes under the Debt Issuance Programme (the "**Programme**") of SNS Bank N.V. ("**Issuer**") and SNS REAAL N.V., described herein for the purposes of article 5.4 of Directive 2003/71/EC (the "**Prospectus Directive**"). It must be read in conjunction with the base prospectus pertaining to the Programme, dated 8 June 2009 (the "**Prospectus**") and any amendments or supplements thereto, which together constitute a base prospectus for the purposes of the Prospectus Directive, save in

respect of the Conditions (as defined below) which are extracted from the prospectus dated [18 April 2008] [19 April 2007] and are incorporated by reference and form part of the Prospectus. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Prospectus and any amendments or supplements thereto. The Prospectus (and any amendments thereto) is available for viewing at www.snsreaal.com as well as at the Amsterdam office of the Issuer at Nieuwezijds Voorburgwal 162, 1012 SJ, Amsterdam, The Netherlands, where copies may also be obtained (free of charge). Any supplements to the Prospectus will in any case be available at this office and copies thereof may be obtained there.

These Final Terms are to be read in conjunction with the Terms and Conditions (the "**Terms and Conditions**") set forth in the prospectus published by SNS Bank dated [18 April 2008] [19 April 2007] which are incorporated by reference in the Prospectus. The Terms and Conditions as supplemented, amended and/or disappplied by these Final Terms constitute the conditions (the "**Conditions**") of the Notes. Capitalised terms not defined herein have the same meaning as in the Terms and Conditions. Certain capitalised terms in the Terms and Conditions which are not defined therein have the meaning set forth in these Final Terms. All references to numbered Conditions and sections are to Conditions and sections of the Terms and Conditions set forth in the 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. Italics denote directions for completing the Final Terms.]

[When adding any other final terms or information at, for example, items 9, 10, 15, 16, 17, 18 or 35 or in relation to disclosure relating to the interests of natural and legal persons involved in the issue/offer consideration should be given as to whether such terms or information constitute "significant new factors" and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive, the publication of which would in turn trigger the investors' right to withdraw their acceptances within a period of 2 business days.]

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 [of Notes admitted to trading]:
 (i) Tranche: [Up to]
 (ii) Series: [Up to]
5. Issue Price of Tranche: [] per cent. of the Aggregate Nominal Amount
 [plus accrued interest from [insert date] (in the case of fungible issues only, if applicable)]
6. (i) Specified Denominations: []

*[Note – where multiple denominations above [€50,000] or equivalent are being used the following sample wording should be followed:
“[€50,000] and integral multiples of [€1,000] in excess thereof up to and including [€99,000].
No Notes in definitive form will be issued with a denomination above [€99,000].”]*

- (ii) Calculation Amount []
- (If only one Specified Denomination, insert the Specified Denomination. If more than one Specified Denomination, insert the highest common factor. Note: There must be a common factor in the case of two or more Specified Denominations.)*
- (iii) 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 or nearest to [specify month and year]]
9. Interest Basis: [[] per cent. Fixed Rate]
[[LIBOR/EURIBOR/other] +/- [] per cent. Floating Rate]
[Dual Currency Interest]
[Zero Coupon]
[Index Linked Interest]
[Inflation Linked Interest]
[Share Linked Interest]
[Fund Linked Interest]
[Non Interest Bearing]
[specify other]
(further particulars specified below)
10. Redemption/Payment Basis: [Redemption at par]
[Dual Currency Redemption]
[Instalment]
[Partly Paid]
[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/Tier1 Subordinated/Tier 2 Subordinated/Tier 3 Subordinated]
14. Method of distribution:	[Syndicated/Non-syndicated/Not applicable]
<i>PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE</i>	
15. Fixed Rate Note Provisions	[Applicable/Not Applicable] (If not applicable, delete the remaining sub- paragraphs of this paragraph)
(i) Rate(s) of Interest:	[] per cent. per annum [payable [annually/semi-annually/quarterly] in arrear]
(ii) Interest Payment Date(s):	[] in each year (NB: This will need to be amended in the case of long or short coupons)
(iii) Interest Period	[Please specify in case of step-up note/Not Applicable]
(iv) Fixed Coupon Amount(s):	[] per Calculation Amount
(v) Broken Amount(s): Payment Date falling [in/on] []	[] per Calculation Amount, payable on the Interest
(vi) Business Day Convention	
- Business Day Convention	[Following Business Day Convention/Modified Following Business Day Convention/No adjustment/Preceding Business Day Convention/[specify other]]
- Adjustment or Unadjustment for Interest Period	[Adjusted] or [Unadjusted]
(vii) Fixed Day Count Fraction: or specify other]	[30/360 or Actual/Actual (ICMA)
(viii) Other terms relating to the method of calculating interest for Fixed Rate Notes:	[None/give details]
16. Floating Rate Note Provisions	[Applicable/Not Applicable] (If not applicable, delete the remaining sub- paragraphs of this paragraph)

- (i) Specified Period(s): ☐ [] [only applicable if no Specified Interest Payment Dates are set out]
- (ii) Specified Interest Payment Dates: ☐ []
- (iii) Business Day Convention:
 - Business Day Convention ☐ [Floating Rate Convention/ Following Business Day Convention/ Modified Following Business Day Convention/ No adjustment/ Preceding Business Day Convention/ [specify other]]
- Adjustment or Unadjustment for Interest Period ☐ [Adjusted] or [Unadjusted]
- (iv) Additional Business Centre(s): ☐ []
- (v) Manner in which the Rate of Interest and Interest Amount is to be determined: ☐ [Screen Rate Determination/ISDA Determination/specify other]
- (vi) Party responsible for calculating the Rate of Interest and interest Amount (if not the Agent): ☐ []
- (vii) Screen Rate Determination: ☐ [Yes/No] (if not applicable, delete the remaining sub-paragraphs of this paragraph)
- Reference Rate: ☐ []
 (Either LIBOR, EURIBOR or other, although additional information is required if other –including fallback 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, euro LIBOR or any other inter-bank offered rate prevailing in a country in which the TARGET System does not apply)
- Relevant Screen Page: ☐ []
 (In the case of EURIBOR, if not Reuters EURIBOR 01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)

- Relevant Time: ☐ ☐
(For example, 11.00 a.m. London time/Brussels time)
- (viii) ISDA Determination: [Yes/No]
 - Floating Rate Option: ☐ ☐
 - Designated Maturity: ☐ ☐
 - Reset Date: ☐ ☐
- (ix) Margin(s): ☐ ☐ ☐ per cent. per annum
- (x) Minimum Rate of Interest: ☐ ☐ per cent. per annum
- (xi) Maximum Rate of Interest: ☐ ☐ per cent. per annum
- (xii) Floating Day Count Fraction: [Actual/Actual (ISDA)
Actual/365 (Fixed)
Actual/360
30/360 or 360/360 or Bond Basis
30E/360 or Eurobond Basis
30E/360 (ISDA)
Other]
[(See Condition 5 for alternatives)]
- (xiii) 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: ☐ ☐
- (xiv) Description of any market disruption or settlement disruption events that affect the underlying: ☐ ☐
- 17. 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: ☐ ☐
- 18. 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, name index and description and manner of determining coupon]
- (ii) Calculation Agent responsible for calculating the principal and/or interest due: [please insert name + address + contact]
- (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:
- Business Day Convention [Floating Rate Convention/ Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention/ No adjustment/ specify other]
 - Adjustment or Unadjustment for Interest Period [Adjusted] or [Unadjusted]
- (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: [Actual/Actual (ISDA)
Actual/365 (Fixed)
Actual/360
30/360 or 360/360 or Bond Basis
30E/360 or Eurobond Basis
30E/360 (ISDA)
Other]
[(See Condition 5 for alternatives)]
- (x) Description of any market disruption or settlement disruption events that affect the underlying: []

19. Inflation Linked Interest Note Provisions [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)

- (i) Inflation/Formula: [Give or annex details, name inflation and description and manner of determining coupon]
- (ii) Calculation Agent responsible for calculating the principal and/or interest due: [please insert name + address + contact]
- (iii) Provisions for determining coupon where calculation by reference to inflation and/or formula is impossible or impracticable:: []
- (iv) Specified Period(s)/Specified Interest Payment Dates: []
- (v) Business Day Convention:
 - Business Day Convention [Floating Rate Convention/ Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention/ No adjustment/ specify other]
- Adjustment or Unadjustment for Interest Period [Adjusted] or [Unadjusted]
- (vi) Additional Business Centre(s): []
- (vii) Minimum Rate of Interest: [] per cent. per annum
- (vii) Maximum Rate of Interest: [] per cent. per annum
- (ix) Floating Day Count Fraction: [Actual/Actual (ISDA)
 Actual/365 (Fixed)
 Actual/360
 30/360 or 360/360 or Bond Basis
 30E/360 or Eurobond Basis
 30E/360 (ISDA)
 Other]
 (See Condition 5 for alternatives)]
- (x) Description of any market disruption or settlement disruption events that affect the underlying: []
20. Share Linked Interest Note Provisions [Applicable/Not Applicable]
 (If not applicable, delete the remaining subparagraphs of this paragraph)

- (i) Share/Formula: [Give or annex details, name share and description and manner of determining coupon]
- (ii) Calculation Agent responsible for calculating the principal and/or interest due: [please insert name + address + contact]
- (iii) Provisions for determining coupon where calculation by reference to share and/or formula is impossible or impracticable: []
- (iv) Specified Period(s)/Specified Interest Payment Dates: []
- (v) Business Day Convention:
- Business Day Convention [Floating Rate Convention/ Following Business Day Convention/Modified Following Business Day Convention/No adjustment/ Preceding Business Day Convention/ specify other]
 - Adjustment or Unadjustment for Interest Period [Adjusted] or [Unadjusted]
- (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: Actual/Actual (ISDA)
Actual/365 (Fixed)
Actual/360
30/360 or 360/360 or Bond Basis
30E/360 or Eurobond Basis
30E/360 (ISDA)
Other]
[(See Condition 5 for alternatives)]
- (x) Description of any market disruption or settlement disruption events that affect the underlying: []
21. Fund Linked Interest Note Provisions [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) Fund/Formula: [Give or annex details, name fund and description and manner of determining coupon]

- (ii) Calculation Agent responsible for calculating the principal and/or interest due: [please insert name + address + contact]
- (iii) Provisions for determining coupon where calculation by reference to fund and/or formula is impossible or impracticable: []
- (v) Specified Period(s)/Specified Interest Payment Dates: []
- (vi) Business Day Convention:
- Business Day Convention [Floating Rate Convention/ Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention/ No adjustment/ specify other]
 - Adjustment or Unadjustment for Interest Period [Adjusted] or [Unadjusted]
- (vii) Additional Business Centre(s): []
- (viii) Minimum Rate of Interest: [] per cent. per annum
- (ix) Maximum Rate of Interest: [] per cent. per annum
- (x) Floating Day Count Fraction: [Actual/Actual (ISDA)
Actual/365 (Fixed)
Actual/360
30/360 or 360/360 or Bond Basis
30E/360 or Eurobond Basis
30E/360 (ISDA)
Other]
[(See Condition 5 for alternatives)]
- (xi) Description of any market disruption or settlement disruption events that affect the underlying: []

22. 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: [please insert name + address + contact]

(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

23. Issuer Call: [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-
paragraphs of this paragraph)

(i) Optional Redemption Date(s): []

(ii) Optional Redemption Amount(s)
and method, if any, of calculation
of such amount(s): [] per Calculation Amount

(iii) If redeemable in part:
(a) Minimum Redemption Amount: [] per Calculation Amount
(b) Maximum Redemption Amount: [] per Calculation Amount

(iv) Notice period (if other than as set
out in the Conditions): []
-(N.B. If setting notice periods which are different to
those provided in the Conditions, the Issuer is
advised to consider the practicalities of distribution
of information through intermediaries, for example,
clearing systems and custodians, as well as any
other notice requirements which may apply, for
example, as between the Issuer and the Agent)

24. Investor Put: [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-
paragraphs of this paragraph)

(i) Optional Redemption Date(s): []

(ii) Optional Redemption Amount(s)
and method, if any, of calculation
of such amount(s): [] per Calculation Amount

(iii) Notice period (if other than as set
out in the Conditions): []

(N.B. If setting notice periods which are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent)

25. Final Redemption Amount ☐ per Calculation Amount /specify other/see Appendix
26. Early Redemption Amount(s) per Calculation Amount 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)): ☐
27. Additional provisions applicable in case of redemption of Dual Currency Notes ☐ [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Provisions in case business day final redemption differs from Interest Payment Date final coupon ☐

GENERAL PROVISIONS APPLICABLE TO THE NOTES

28. 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]
29. New Global Note form: ☐ [Applicable/Not Applicable]
30. Additional Financial Centre(s) or other special provisions relating to payment ☐ [Please refer to item 51(v) if applicable]
☐ [Not Applicable/give details] Note that this item relates to the date and place

- Dates: of payment and not Interest Period end dates to which items 15(ii), 16(ii), 18(iv), 19(iv), 20(iv) and 21(iv) relate
31. 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]
32. Details relating to Instalment Notes; amount of each instalment, date on which each payment is to be made: [Not Applicable/give details]
33. Redenomination: [Redenomination [not] applicable (if Redenomination is applicable, include (i) either the applicable Fixed Day Count Fraction or any provisions necessary to deal with floating rate interest, inflation linked interest, share linked interest, fund linked interest or index linked interest calculation (including alternative reference rates) and (ii) the New Currency]
34. Whether Condition 8 first paragraph under (a) of the Notes applies (in which case Condition 7(b) of the Notes will not apply) or whether Condition 8 first paragraph under (b) of the Notes applies (in which case Condition 7(b) of the Notes will apply): [Condition 8 first paragraph under (a) applies and Condition 7(b) does not apply] [Condition 8 first paragraph under (b) applies and Condition 7(b) applies]
35. Other terms or special conditions: [Not Applicable/give details]
- (when adding any other final terms consideration should be given as to whether such terms constitute "significant new factors" and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive)

DISTRIBUTION

36. (i) If syndicated, names of Managers and underwriting commitments [Not Applicable/give names/ give legal names, [addresses] ** and underwriting commitments]
- [Please note that the process for notification to potential investors of the amount allotted and an indication whether dealing may begin before notification is made will be provided for by the Manager(s) and notified by the Manager(s) to potential investors]

(ii) Date of Syndication Agreement: []**

(iii) Stabilising Manager (if any): [Not Applicable/give legal name]

37. If non-syndicated, name and address of relevant Dealer: [specify name [and address]** of Dealer/Not applicable. The Notes are not being underwritten by any Dealer(s).]

38. Total commission and concession**: [] per cent. of the Aggregate Nominal Amount**

OTHER PROVISIONS

39. Whether TEFRA D or TEFRA C rules applicable [TEFRA D/TEFRA C]

40. Additional selling restrictions: [Not Applicable/give details]

41. Listing

(i) Listing [Euronext Amsterdam by NYSE Euronext /other (specify)/ None]

(ii) Admission to trading: [Application has been made for the Notes to be admitted to trading on Euronext Amsterdam by NYSE Euronext with effect from []], [Not Applicable].
(Where documenting a fungible issue need to indicate that original securities are already admitted to trading.)** []*

42. Ratings: The Notes to be issued have [not] been rated:

[S & P: []]

[Moody's: []]

[Fitch: []]

[[Other]: []]

[Include here a brief explanation of the meaning of the ratings if this deviates from the explanations given in "General Information" published by the rating provider.]**

43. Notification

The Netherlands Authority for the Financial Markets (*Autoriteit Financiële Markten*) ("**AFM**") [has been requested to provide/has provided – include first alternative for an issue which is contemporaneous with the update of the Programme and the second alternative for subsequent issues] the [names of competent authorities of host Member States] with a notification that the Prospectus has been drawn up in accordance with the Prospectus Directive.]

44. Interests of Natural and Legal Persons Involved in the Issue

[Save for any fees payable to the Dealers, so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. – Amend as appropriate if there are other interests]

45. Reasons for the Offer (if different from making a profit and/or hedging certain risks)
46. Estimated net proceeds and total expenses
- (i) Estimated net proceeds []
- (Also see "Use of Proceeds" wording in Prospectus – if reasons for offer different from making profit and/or hedging certain risks will need to include those reasons here. If proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding.)
- (ii) Estimated total expenses: []. [Include breakdown of expenses]
47. Yield (Fixed Rate Notes only)
- Indication of yield: []
- The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield. [Calculated as [include details of method of calculation in summary form] on the Issue Date.]**
48. Historic Interest Rates (Floating Rate Notes only)**
- Details of historic [LIBOR/EURIBOR/other] rates can be obtained from [Reuters system or Reuters EURIBOR 01]
49. Performance of index/formula, inflation/formula, share/formula or fund/formula, explanation of effect on value of investment and associated risks (Index Linked Interest Notes, Inflation Linked Interest Notes, Share Linked Interest Notes and Fund Linked Interest Notes only)**
- [Name of index/inflation/share/fund] []
- [Description of index/inflation/share/fund if composed by Issuer:] []
- [Information on index/inflation/share/fund if not composed by Issuer:] []
- [Need to include details of where information on the past and future performance and volatility of the index/formula, inflation/formula, share/formula or fund/formula can be obtained and a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.]
- The underlying is a security: [Name of the issuer of the security]
[ISIN Code or other identification code]
- The underlying is a basket of underlyings: [disclosure of relevant weightings of each underlying in the basket]
50. Performance of rate[s] of exchange and explanation of effect on value of investment (Dual Currency Notes only)
- [Need to include details of where information on the past and future performance and volatility of the relevant rates can be obtained and a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.]

51. Operational Information

- (i) ISIN Code: []
- (ii) Common Code: []
- (iii) WKN Code: [] [Not Applicable]
- (iv) Other relevant code: [] [Not Applicable/give name(s) and numbers(s)]
- (v) New Global Note intended to be held in a manner which would allow Eurosystem eligibility: [Not Applicable/Yes/No]

[Note that the designation "Yes" simply means that the Notes are intended upon issue to be deposited with Euroclear or Clearstream, Luxembourg as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.] *[Include this text if "Yes" selected in which case the Notes must be issued in NGN form]*

- (vi) Offer Period: [The offer of the Notes is expected to open at [] hours ([] time) on [] and close at [] hours ([] time) on [] or such earlier or later date or time as the Issuer may determine, following consultation with the relevant Dealer where practical,] (and announce)] [Not Applicable]
- (vii) Delivery: Delivery [against/free of] payment
- (viii) Payment: Method and time limits of paying up the Notes – *to be included if any agreement in this respect is entered into between Issuer and Manager(s)*
- (ix) Settlement Procedure: [Method of settlement procedure]
- (x) Clearing System: [Euroclear / Clearstream Luxembourg/ Euroclear Nederland / other alternative clearing system]

52. Additional paying agent (if any) [Name:][Address:] / Not Applicable]

53. Additional information

[The following information should be consulted in connection with the offer of the Notes:
- insert relevant information which does not necessitate a Supplement to the Prospectus / Not Applicable].

54. Listing Application

[These Final Terms comprise the final terms required to list and have admitted to trading the issue of Notes described herein pursuant to the Programme for the issuance of Notes of SNS Bank N.V./ Not Applicable]

Responsibility

The Issuer declares that, having taken all reasonable care to ensure that such is the case, the information contained herein is, to the best of its knowledge, in accordance with the facts and

contains no omission likely to affect its import. The Issuer accepts responsibility for the information contained in these Final Terms. [[] has been extracted from []. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of the Issuer:

By: By:

Duly authorised

Duly authorised

Notes:

* Not required if the minimum denomination is less than € 50,000

** Not required if the minimum denomination is equal or higher than € 50,000

CHAPTER 3: MEDIUM TERM NOTES ISSUED BY SNS REAAL

PART 1: TERMS AND CONDITIONS OF THE MEDIUM TERM NOTES

The following are the Terms and Conditions of Notes to be issued by SNS REAAL which will be incorporated by reference into each global Note and which will be endorsed on (or, if permitted by the rules of the relevant stock exchange and agreed between SNS REAAL 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 Final Terms 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 Final Terms 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 Final Terms 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 REAAL 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 on or about 8 June 2009 (as supplemented from time to time, the "**Agency Agreement**") and made between the SNS Bank N.V., SNS REAAL N.V., 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 Final Terms) have interest coupons ("**Coupons**") and, if indicated in the applicable Final Terms, 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 Nederland or one of its participants.

Interest bearing definitive Notes in K-form will have Coupons and, if indicated in the applicable Final Terms, 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 Final Terms for this Note are endorsed hereon, attached hereto, applicable hereto or incorporated by reference herein and supplement 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.

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 Final Terms are available at the specified offices of each of the Agent and the other Paying Agents save that Final Terms 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 Final Terms which are binding on them.

Words and expressions defined in the Agency Agreement or used in the applicable Final Terms 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).

Each Note is a Senior Note or a Subordinated Note, as indicated in the applicable Final Terms.

Each Note is either a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, an Index Linked Interest Note, a Share Linked Interest Note, an Inflation Linked Interest Note, a Fund Linked Interest Note, a Dual Currency Note, an Index Linked Note, an Inflation Linked Note, a Share Linked Note, a Fund Linked 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 Final Terms.

Notes in definitive form are issued with Coupons attached, (unless otherwise indicated in the applicable Final Terms) 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 Nederland, 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 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 or by a common safekeeper 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 Final Terms but shall not include Euroclear Nederland. Any amendments to the Terms and Conditions required in connection with such addition or alternative clearing system shall be specified in the applicable Final Terms.

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 Final Terms). 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 (i) an Encumbrance over any asset in the form as specified under Relevant Indebtedness, whether arising under any plan of securitisation or repackaging of the Issuer or any subsidiary thereof and (ii) an Encumbrance created or permitted to subsist by SNS Bank N.V. or its subsidiaries 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 bank or an insurer within the meaning of the Wft and is supervised by the DNB.

3. *Status and Characteristics relating to Subordinated Notes (Subject to review on Tier 1))*

The Subordinated Notes 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 each 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 emergency measures (*noodregeling*) in the interests of all creditors, as referred to in Part 3.5.5. of the Wft 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.

4. *Redenomination*

(a) *Redenomination*

Where redenomination is specified in the applicable Final Terms 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 Nederland 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, the Receipts and the Coupons denominated in the Specified Currency (or Specified Currencies) (each the **"Old Currency"**) shall be redenominated in another currency (the **"New Currency"**) being either euro, or, in the event of redenomination upon the occurrence of a Convertibility Event, a currency other than euro, as the case may be.

The election will have effect as follows:

- (i) the Notes, the Receipts and the Coupons shall be deemed to be redenominated into the New Currency in the denomination of euro 0.01, or its equivalent in another currency, 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 the New Currency 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 the New Currency 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 or its equivalent in another currency;
- (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 or any of its equivalents in another currency, 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 replacements of Old Currency 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 Currency 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 the New Currency as though references in the Notes to the Specified Currency were to the New Currency. Payments

will be made in the New Currency by credit or transfer to a New Currency account (or any other account to which the New Currency may be credited or transferred) specified by the payee or, at the option of the payee, by a New Currency cheque;

- (vi) if the Notes are Fixed Rate Interest 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 Calculation Amount, multiplying such sum by the applicable Fixed Day Count Fraction (as defined in Condition 5(a)), and rounding the resultant figure to the nearest sub-unit of the relevant New Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. The amount of interest payable in respect of such Fixed Rate Note shall be the aggregate of the amounts (determined in the manner provided above) for each Calculation Amount comprising the Specified Denomination without any further rounding; and
- (vii) if the Notes are Floating Rate Notes, Index Linked Interest Notes, Inflation Linked Interest Notes, Share Linked Interest Notes or Fund Linked Interest Notes, the applicable Final Terms will specify any relevant changes to the provisions relating to interest; and
- (viii) the applicable Final Terms will specify the exact date on which the redenominations will occur in case the Notes were issued in a currency other than euro and in a currency in which the TARGET 2 System does not apply.

(b) *Definitions*

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

"Convertibility Event" means the determination by the national government of the country in the currency of which the Notes were issued, that such currency is substituted by another currency.

"Established Rate" means the rate for the conversion of the Old Currency into the New Currency as fixed by the relevant government of such Old Currency, but which in case the New Currency will be euro (including compliance with rules relating to roundings in accordance with applicable European Community regulations) shall be as established by the Council of the European Union pursuant to Article 109 I(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 in case of (i) the New Currency being euro, 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 in case of (ii) the New Currency being a currency other than euro shall be the date the relevant government of the New Currency accepts payment in the New Currency as legal tender; 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 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 Final Terms, 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 Final Terms, amount to the Broken Amount so specified.

If a Business Day Convention is specified in the applicable Final Terms 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:

- (i) 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
- (ii) 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
- (iii) the Preceding Business Day Convention, such Interest Payment Date (or other date) shall be brought forward to the immediately preceding Business Day; or
- (iv) No Adjustment, such Interest Payment Date (or other date) shall not be adjusted in accordance with any Business Day Convention.

If **"Unadjusted"** is specified in the applicable Final Terms the number of days in each Interest Period shall be calculated as if the Interest Payment Date were not subject to adjustment in accordance with the Business Day Convention specified in the applicable Final Terms.

If **"Adjusted"** is specified in the applicable Final Terms the number of days in each Interest Period shall be calculated as if the Interest Payment Date is subject to adjustment in accordance with the Business Day Convention specified in the applicable Final Terms.

If interest is required to be calculated for a period starting or ending other than on an Interest Payment Date (the **"Calculation Period"**), such interest shall be calculated by applying the fixed Rate of Interest to each Calculation Amount, 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 50080793 M 2018568 / 117

applicable market convention and multiplying such rounded up figure by a fraction equal to the Specified Denomination of such Note divided by the Calculation Amount.

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

- (i) if **"Actual/Actual (ICMA)"** or **"ACT/ACT (ICMA)"** is specified in the applicable Final Terms, 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 (1) 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 Final Terms, the number of days in the Calculation 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 Calculation Period is the 31st day of a month but the first day of the Calculation 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 Calculation 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.

Calculation of interest amount: The amount of interest payable in respect of each Note for any period for which a Fixed Coupon Amount is not specified shall be calculated by applying the Rate of Interest to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded up figure by a fraction equal to the Specified Denomination of such Note divided by the Calculation Amount.

"Calculation Amount" has the meaning ascribed to it in the Final Terms;

The applicable Final Terms 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, Index Linked Interest Notes, Share Linked Interest Notes, Inflation Linked Interest Notes and Fund Linked Interest Notes*

(i) Interest Payment Dates

Each Floating Rate Note, Index Linked Interest Note, Share Linked Interest Note, Inflation Linked Interest Note and Fund Linked Interest Note bears interest on its outstanding nominal amount 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 Final Terms, each date (each an **"Interest Payment Date"**) which falls the number of months or other period specified as the Specified Period in the applicable Final Terms 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 **"Unadjusted"** is specified in the applicable Final Terms the number of days in each Interest Period shall be calculated as if the Interest Payment Date were not subject to adjustment in accordance with the Business Day Convention specified in the applicable Final Terms.

If **"Adjusted"** is specified in the applicable Final Terms the number of days in each Interest Period shall be calculated as if the Interest Payment Date is subject to adjustment in accordance with the Business Day Convention specified in the applicable Final Terms.

If a Business Day Convention is specified in the applicable Final Terms and (x) if there is no numerically corresponding day in 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 is specified:

(1) in any case where Specified Periods are specified in accordance with Condition 5 (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 Final Terms; 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 (a) Australian dollars, shall be Sydney, (b) New Zealand dollars, shall be Wellington, (c) Hong Kong dollars, shall be Hong Kong and (d) Japanese yen, shall be Tokyo 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 ("**Rate of Interest**") payable from time to time in respect of the Floating Rate Notes, Index Linked Interest Notes, Share Linked Interest Notes, Inflation Linked Interest Notes, and Fund Linked Interest Notes will be determined in the manner specified in the applicable Final Terms.

(a) *ISDA Determination For Floating Rate Notes*

Where ISDA Determination is specified in the applicable Final Terms 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 Final Terms) the Margin (if any). For the purposes of this subparagraph (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 2006 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 Final Terms;
- (2) the Designated Maturity is the period specified in the applicable Final Terms; 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 Final Terms.

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 5 (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 subparagraph (a).

(b) Screen Rate Determination for Floating Rate Notes

Where Screen Rate Determination is specified in the applicable Final Terms 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 Final Terms) 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 Final Terms as being other than LIBOR or EURIBOR, the Rate of Interest in respect of such Notes will be determined as provided in the applicable Final Terms.

(iii) Minimum and/or Maximum Rate of Interest

If the applicable Final Terms 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 Final Terms 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, Inflation Linked Interest Notes, Share Linked Interest Notes or Fund 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, Inflation Linked Interest Notes, Share Linked Interest Notes or Fund 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, Index Linked Interest Notes, Inflation Linked Interest Notes, Share Linked Interest Notes or Fund Linked Interest Notes in respect of each Calculation Amount for the relevant Interest Period. Each Interest Amount shall be calculated by applying the Rate of Interest to each Calculation Amount, 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 and multiplying such rounded up figure by a fraction equal to the Specified Denomination of such Note divided by the Calculation Amount.

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

- (i) if "**Actual/Actual ISDA**" is specified in the applicable Final Terms, 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 Final Terms, the actual number of days in the Interest Period divided by 365;
- (iii) if "**Actual/360**" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;
- (iv) if "**30E/360**", "**360/360**" or "**Bond Basis**" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$= \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"**Y₁**" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y₂" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"M₁" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M₂" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D₁" is the first calendar day, expressed as a number, of the Interest Period, unless such number is 31, in which case D₁ will be 30; and

"D₂" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D₁ is greater than 29, in which case D₂ will be 30;

- (v) if "**30E/360**" or "**Eurobond Basis**" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y₁" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y₂" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"M₁" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M₂" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D₁" is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D₁ will be 30; and

"D₂" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case D₂ will be 30;

- (vi) if "**30E/360 (ISDA)**" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y₁" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y₂" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"M₁" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M₂" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D₁" is the first calendar day, expressed as a number, of the Interest Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D₁ will be 30; and

"D₂" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D₂ will be 30.

(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, Index Linked Interest Notes, Inflation Linked Interest Notes, Fund Linked Interest Notes or Share 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, Inflation Linked Interest Notes, Share Linked Interest Notes or Fund Linked Interest Notes are for the time being listed and to the Noteholders in accordance with Condition 14. If the Calculation Amount is less than the minimum Specified Denomination the Calculation Agent shall not be obliged to publish each Interest Amount but instead may publish only the Calculation Amount and the Interest Amount in respect of a Note having the minimum Specified Denomination. 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 5 (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 Final Terms ("**Rate of Exchange**").

(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 on the paid-up nominal amount of such Notes and otherwise as specified in the applicable Final Terms.

(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.

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 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, in case of the Australian dollars, shall be Sydney, in case of New Zealand dollars, shall be Wellington, in the case of Hong Kong dollars, shall be Hong Kong and in the case of Japanese yen, shall be Tokyo); 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, Fund Linked Note, Inflation Linked Note or Share Linked Note or Long Maturity Note (as defined below) 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 to or to the order of any Paying Agent. On each occasion on which a payment of principal or interest is made in respect of a Classic Global Note, the payment is noted in a schedule thereto and in respect of a New Global Note the payment is entered pro rata in the record of Euroclear and Clearstream, Luxembourg.

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 Final Terms), "**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 Final Terms; 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 which, if the Specified Currency is (a) Australian dollars, shall be Sydney, (b) New Zealand dollars, shall be Wellington, (c) Hong Kong dollars, shall be Hong Kong and (d) Japanese yen, shall be Tokyo, 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 Final Terms in the relevant Specified Currency on the Maturity Date or by instalments in the Instalment Amount(s) and on the Instalment Date(s) specified in the applicable Final Terms (in the case of a Note redeemable in instalments, an "**Instalment Note**").

(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 DNB 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, Index Linked Interest Notes, Inflation Linked Interest Notes, Share Linked Interest Notes or Fund Linked Interest Notes) or on any Specified Interest Payment Date (in the case of Floating Rate Notes, Index Linked Interest Notes, Inflation Linked Interest Notes, Share

Linked Interest Notes or Fund 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 redeemed 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 Final Terms 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 or such other period of notice as is specified in the applicable Final Terms, 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 Final Terms 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 Final Terms. 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 (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor of a reduction in principal amount at their discretion) and/or Euroclear Nederland, 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 Final Terms 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 Final Terms (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 Final Terms, 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 Final Terms 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 Final Terms or, if no such amount or manner is so specified in the applicable Final Terms, 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 Final Terms.

(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 Final Terms.

(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.

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 Final Terms, 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 European Council Directive 2003/48/EC 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).

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) any one or more of the events specified in (ii), (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 Material 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; or
- (iv) the Issuer or any Material Subsidiary is declared bankrupt, or the Issuer or any Material Subsidiary applies for *surséance van betaling* (within the meaning of The Netherlands

Bankruptcy Act (*Faillissementswet*), or a declaration in respect of any Material Subsidiary is made as referred to in Part 3.5.5. of the Wft; 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 DNB.

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) the Issuer will ensure that it maintains a paying agent with a specified office in an EU Member State that will not be obliged to withhold or deduct tax pursuant to the EU Savings Directive. EU Savings Directive means the EU Directive 2003/48/EC or any law

implementing or complying with, or introduced in order to conform to such EU Savings 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 Interest Payment Date or the Specified Interest Payment Date or for the Specified Period, 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 Interest Payment Date or the Specified Interest Payment Date or for the Specified Period (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) if and for so long as the Notes are listed on Euronext Amsterdam by NYSE Euronext, in the Euronext Amsterdam Daily Official List (*Officiële Prijscourant*) and in at least one daily newspaper of wide circulation in The Netherlands, and (ii) if and for so long as the Notes are listed on the Luxembourg Stock Exchange, on the website of the Luxembourg Stock Exchange (www.bourse.lu). It is expected that such publication in a daily newspaper will be made in *Het Financieele Dagblad*. 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 or on the date of publication on the website of the Luxembourg Stock Exchange.

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 with a depository or a common depository on behalf of Euroclear and Clearstream, Luxembourg and/or any other relevant clearing system or a common safekeeper 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 and/or any other relevant clearing system 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 and/or any other relevant clearing system, except that, for so long as such Notes are admitted to trading on the Luxembourg Stock Exchange and it is a requirement of applicable law or regulations, such notices shall be published on the website of the Luxembourg Stock Exchange (www.bourse.lu).

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 Euronext Amsterdam by NYSE Euronext and the rules of such stock exchange so require, such notices will also be published in a daily newspaper of general circulation in The Netherlands.

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 and/or any other relevant clearing system as the case may be, in such manner as the Agent and Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system 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 5% 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 % 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 of or interest on any of the Notes is in default and after written approval of DNB 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 DNB 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 endure 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. 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.

PART 2: FORM OF FINAL TERMS FOR MEDIUM TERM NOTES

FORM OF FINAL TERMS

Copies of the Final Terms will be provided by the Issuer upon request. [In addition, in case of Notes listed on Euronext Amsterdam by NYSE Euronext, the Final Terms will be displayed on the website of Euronext Amsterdam (_____) and in case of Notes listed on the Luxembourg Stock Exchange, on the website of the Luxembourg Stock Exchange (_____)].

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

Final Terms

SNS REAAL N.V.

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

Issue of [up to] [Aggregate Nominal Amount of Tranche] [Title of Notes] (the "**Notes**") issued under the Debt Issuance Programme of SNS Bank N.V. and SNS REAAL N.V.

dated [•]

This document constitutes the Final Terms of the issue of Notes under the Debt Issuance Programme (the "**Programme**") of SNS Bank N.V. and SNS REAAL N.V. (the "**Issuer**"), described herein for the purposes of article 5.4 of Directive 2003/71/EC (the "**Prospectus Directive**"). It must be read in conjunction with the base prospectus pertaining to the Programme, dated 8 June 2009 (the "**Prospectus**") and any amendments or supplements thereto, which together constitute a base prospectus for the purposes of the Prospectus Directive. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Prospectus and any amendments or supplements thereto. The Prospectus (and any amendments thereto) is available for viewing at www.snsreaal.com as well as at the Amsterdam office of the Issuer at Nieuwezijds Voorburgwal 162, 1012 SJ, Amsterdam, The Netherlands, where copies may also be obtained (free of charge). Any supplements to the Prospectus will in any case be available at this office and copies thereof may be obtained (free of charge) there.

These Final Terms are to be read in conjunction with the Terms and Conditions of the Medium Term Notes (the "**Terms and Conditions**") set forth in Chapter 3, Part 1 of the Prospectus. The Terms and Conditions as supplemented, amended and/or disapplied by these Final Terms constitute the conditions (the "**Conditions**") of the Notes. Capitalised terms not defined herein have the same meaning as in the Terms and Conditions. Certain capitalised terms in the Terms and Conditions which are not defined therein have the meaning set forth in these Final Terms. All references to numbered Conditions and sections are to Conditions and sections of the Terms and Conditions set forth in Chapter 3, Part 1 of the Prospectus.

*[The following language applies if the first tranche of an issue which is being increased was issued under a Prospectus with an earlier date: This document constitutes the Final Terms of the issue of Notes under the Debt Issuance Programme (the "**Programme**") of SNS Bank N.V. and SNS REAAL N.V. (the "**Issuer**"), described herein for the purposes of article 5.4 of Directive 2003/71/EC (the "**Prospectus Directive**"). It must be read in conjunction with the base prospectus*

pertaining to the Programme, dated 8 June 2009 (the **Prospectus**) and any amendments or supplements thereto, which together constitute a base prospectus for the purposes of the Prospectus Directive, save in respect of the Conditions (as defined below) which are extracted from the prospectus dated [16 July 2008] [25 June 2007] and are incorporated by reference and form part of the Prospectus. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Prospectus and any amendments or supplements thereto. The Prospectus (and any amendments thereto) is available for viewing at www.snsreaal.com as well as at the Amsterdam office of the Issuer at Nieuwezijds Voorburgwal 162, 1012 SJ, Amsterdam, The Netherlands, where copies may also be obtained (free of charge). Any supplements to the Prospectus will in any case be available at this office and copies thereof may be obtained there.

These Final Terms are to be read in conjunction with the Terms and Conditions (the **"Terms and Conditions"**) set forth in the prospectus published by SNS REAAL dated [16 July 2008] [25 June 2007] which are incorporated by reference in the Prospectus. The Terms and Conditions as supplemented, amended and/or disappplied by these Final Terms constitute the conditions (the **"Conditions"**) of the Notes. Capitalised terms not defined herein have the same meaning as in the Terms and Conditions. Certain capitalised terms in the Terms and Conditions which are not defined therein have the meaning set forth in these Final Terms. All references to numbered Conditions and sections are to Conditions and sections of the Terms and Conditions set forth in the 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. Italics denote directions for completing the Final Terms.]

[When adding any other final terms or information at, for example, items 9, 10, 15, 16, 17, 18 or 35 or in relation to disclosure relating to the interests of natural and legal persons involved in the issue/offer consideration should be given as to whether such terms or information constitute "significant new factors" and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive, the publication of which would in turn trigger the investors' right to withdraw their acceptances within a period of 2 business days.]

1. Issuer: SNS REAAL 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 [of Notes admitted to trading]:
 (i) Tranche: [Up to]
 (ii) Series: [Up to]

5. Issue Price of Tranche: [] per cent. of the Aggregate Nominal Amount
 [plus accrued interest from [insert date] (in the case

of fungible issues only, if applicable)]

6. (i) Specified Denominations: []

[Note - where multiple denominations above [€50,000] or equivalent are being used the following sample wording should be followed: "[€50,000] and integral multiples of [€ 1,000] in excess thereof up to and including [€99,000]. No Notes in definitive form will be issued with a denomination above [€99,000]."]

(ii) Calculation Amount []

(If only one Specified Denomination, insert the Specified Denomination. If more than one Specified Denomination, insert the highest common factor. Note: There must be a common factor in the case of two or more Specified Denominations).

(iii) 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 or nearest to [specify month and year]]

9. Interest Basis: [[] per cent. Fixed Rate]
[[LIBOR/EURIBOR/other] +/- [] %. Floating Rate]
[Dual Currency Interest]
[Zero Coupon]
[Index Linked Interest]
[Inflation Linked Interest]
[Share Linked Interest]
[Fund Linked Interest]
Non Interest Bearing]
[specify other]
(further particulars specified below)

10. Redemption/Payment Basis: [Redemption at par]
[Dual Currency Redemption]
[Instalment]
[Partly Paid]
[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. Method of distribution: [Syndicated/Non-syndicated/Not applicable]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15. Fixed Rate Note Provisions [Applicable/Not Applicable]
[(If not applicable, delete the remaining sub-paragraphs of this paragraph)]
- (i) Rate(s) of Interest: [] per cent. per annum [payable [annually/semi-annually/quarterly] in arrear]
- (ii) Interest Payment Date(s): [] in each year [(NB: This will need to be amended in the case of long or short coupons)]
- (iii) Interest Period [Please specify in case of step-up note/Not Applicable]
- (iv) Fixed Coupon Amount(s): [] per Calculation Amount
- (v) Broken Amount(s): [per Calculation Amount, payable on the Interest Payment Date falling [in/on] []]
- (vi) Business Day Convention
-Business Day Convention [Following Business Day Convention/Modified Following Business Day Convention/No adjustment/Preceding Business Day Convention/[specify other]]
- Adjustment or Unadjustment for Interest Period [Adjusted] or [Unadjusted]
- (vii) Fixed Day Count Fraction: [30/360 or Actual/Actual (ICMA) or specify other]
- (viii) Other terms relating to
The method of calculating interest for Fixed Rate Interest

Notes: [None/give details]

16. Floating Rate Note Provisions [Applicable/Not Applicable]

[(If not applicable, delete the remaining sub-paragraphs of this paragraph)]

(i) Specified Period(s): [] [only applicable if no Specified Interest Payment Dates are set out]

(ii) Specified Interest Payment Dates: []

(iii) Business Day Convention
- Business Day Convention Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/No Adjustment/Preceding Business Day Convention/[specify other]]

- Adjustment or Unadjustment for Interest Period [Adjusted] or [Unadjusted]

(iv) Additional Business Centre(s): []

(v) Manner in which the Rate of Interest and Interest Amount is to be determined: [Screen Rate Determination/ISDA Determination/specify other]

(vi) Party responsible for calculating the Rate of Interest and interest Amount (if not the Agent): []

(vii) Screen Rate Determination: [Yes/No] (if not applicable, delete the remaining sub-paragraphs of this paragraph)

- Reference Rate: []
[(Either LIBOR, EURIBOR or other, although additional information is required if other –including fallback 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, euro LIBOR or any other inter-bank offered rate prevailing in a country which the TARGET System does not apply))

- Relevant Screen Page: ☐ ☐
(In the case of EURIBOR, if not Reuters EURIBOR 01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)

- Relevant Time: ☐ ☐
(For example, 11.00 a.m. London time/Brussels time)

- (viii) ISDA Determination: ☐ [Yes/No]
 - Floating Rate Option: ☐ ☐
 - Designated Maturity: ☐ ☐
 - Reset Date: ☐ ☐

- (ix) Margin(s): ☐ [+/-] ☐ ☐ per cent. per annum

- (x) Minimum Rate of Interest: ☐ ☐ per cent. per annum

- (xi) Maximum Rate of Interest: ☐ ☐ per cent. per annum

- (xii) Floating Day Count Fraction: ☐ [Actual/Actual (ISDA)
Actual/365 (Fixed)
Actual/360
30/360 or 360/360 or Bond Basis
30E/360 or Eurobond Basis
30E/360 (ISDA)
Other]
☐ [(See Condition 5 for alternatives)]

- (xiii) Fall back provisions, rounding provisions and any other terms relating to the method of calculating interest on Floating Rate Interest Notes, if different from those set out in the Conditions: ☐ ☐

- (xiv) Description of any market disruption or settlement disruption events that affect the underlying: ☐ ☐

- 17. 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: []

18. 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, name index and description and manner of determining coupon]
- (ii) Calculation Agent responsible for calculating the principal and/or interest due: [please insert name + address + contact]
- (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:
- Business Day Convention [Floating Rate Convention/ Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention/ No adjustment/ specify other]

- Adjustment or Unadjustment for Interest Period [Adjusted] or [Unadjusted]
- (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: [Actual/Actual (ISDA)
Actual/365 (Fixed)
Actual/360
30/360 or 360/360 or Bond Basis
30E/360 or Eurobond Basis
30E/360 (ISDA)
Other]
[(See Condition 5 for alternatives)]
- (x) Description of any market disruption or settlement disruption events that affect the underlying: []

19. Inflation Linked Interest Note Provisions [Applicable/Not Applicable]
[(If not applicable, delete the remaining subparagraphs of this paragraph)]
- (i) Inflation/Formula: [Give or annex details, name inflation and description and manner of determining coupon]
- (ii) Calculation Agent responsible for calculating the principal and/or interest due: [please insert name + address + contact]
- (iii) Provisions for determining coupon where calculation by reference to inflation and/or Formula is impossible or impracticable: []
- (iv) Specified Period(s)/Specified Interest Payment Dates: []
- (v) Business Day Convention:
 - Business Day Convention: [Floating Rate Convention/ Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention/ No adjustment/ specify other]
 - Adjustment or Unadjustment for Interest Period [Adjusted] or [Unadjusted]
- (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: Actual/Actual (ISDA)
Actual/365 (Fixed)
Actual/360
30/360 or 360/360 or Bond Basis
30E/360 or Eurobond Basis
30E/360 (ISDA)
Other]
[(See Condition 5 for alternatives)]
- (x) Description of any market disruption or settlement disruption events that

affect the underlying: []

20. Share Linked Interest Note Provisions [Applicable/Not Applicable]

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

(i) Share/Formula: [Give or annex details, name share and description and manner of determining coupon]

(ii) Calculation Agent responsible for calculating the principal and/or interest due: [please insert name + address + contact]

(iii) Provisions for determining coupon where calculation by reference to share and/or formula is impossible or impracticable: []

(iv) Specified Period(s)/Specified Interest Payment Dates: []

(v) Business Day Convention:
- Business Day Convention [Floating Rate Convention/ Following Business Day Convention/Modified Following Business Day Convention/No adjustment/ Preceding Business Day Convention/ specify other]

- Adjustment or Unadjustment for Interest Period [Adjusted] or [Unadjusted]

(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: [Actual/Actual (ISDA)
Actual/365 (Fixed)
Actual/360
30/360 or 360/360 or Bond Basis
30E/360 or Eurobond Basis
30E/360 (ISDA)
Other]
[(See Condition 5 for alternatives)]

(x) Description of any market disruption or settlement disruption events that affect the underlying: []

21. Fund Linked Interest Note Provisions [Applicable/Not Applicable]
 [(If not applicable, delete the remaining subparagraphs of this paragraph)]
- (i) Fund/Formula: [Give or annex details, name fund and description and manner of determining coupon]
- (ii) Calculation Agent responsible for calculating the principal and/or interest due: [please insert name + address + contact]
- (iii) Provisions for determining coupon where calculation by reference to fund and/or formula is impossible or impracticable: []
- (iv) Specified Period(s)/Specified Interest Payment Dates: []
- (v) Business Day Convention:
 - Business Day Convention [Floating Rate Convention/ Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention/ No adjustment/ specify other]
 - Adjustment or Unadjustment for Interest Period [Adjusted] or [Unadjusted]
- (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: [Actual/Actual (ISDA)
 Actual/365 (Fixed)
 Actual/360
 30/360 or 360/360 or Bond Basis
 30E/360 or Eurobond Basis
 30E/360 (ISDA)
 Other]
 [(See Condition 5 for alternatives)]
- (x) Description of any market disruption or settlement disruption events that affect the underlying: []

22. 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: [please insert name + address + contact]
- (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

23. Issuer Call: [Applicable/Not Applicable]
 [(If not applicable, delete the remaining sub-paragraphs of this paragraph)]
- (i) Optional Redemption Date(s): []
- (ii) Optional Redemption Amount(s) and method, if any, of calculation of such amount(s): [] per Calculation Amount
- (iii) If redeemable in part:
 (a) Minimum Redemption Amount: [] per Calculation Amount
 (b) Maximum Redemption Amount: [] per Calculation Amount
- (iv) Notice period (if other than as set out in the Conditions): []
 [(N.B. If setting notice periods which are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent)]
24. Investor Put: [Applicable/Not Applicable]
 [(If not applicable, delete the remaining sub-paragraphs of this paragraph)]
- (i) Optional Redemption Date(s): []

- (ii) Optional Redemption Amount(s)
and method, if any, of calculation
of such amount(s): [] per Calculation Amount
- (iii) Notice period (if other than as set
out in the Conditions): []
[(N.B. If setting notice periods which are different to
those provided in the Conditions, the Issuer is
advised to consider the practicalities of distribution
of information through intermediaries, for example,
clearing systems and custodians, as well as any
other notice requirements which may apply, for
example, as between the Issuer and the Agent)]
25. Final Redemption Amount [per Calculation Amount/specify other/see
Appendix]
26. Early Redemption Amount(s) per Calculation Amount 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)): []
27. Additional provisions applicable in
case of redemption of Dual Currency
Notes: [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-
paragraphs of this paragraph)
- (i) Provisions in case business day
final redemption differs from
Interest Payment Date final
coupon []

GENERAL PROVISIONS APPLICABLE TO THE NOTES

28. 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]
29. New Global Note [Applicable/Not Applicable]
[Please refer to item 51(v) if applicable]
30. Additional Financial Centre(s) or other special provisions relating to payment Dates: [Not Applicable/give details]
[Note that this item relates to the date and place of payment and not Interest Period end dates to which items 15(ii), 16(ii), 18(iv), 19(iv), 20(iv) and 21(iv) relate]
31. 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]
32. Details relating to Instalment Notes; amount of each instalment, date on which each payment is to be made: [Not Applicable/give details]
33. Redenomination: [Redenomination [not] applicable
(if Redenomination is applicable, include (i) either the applicable Fixed Day Count Fraction or any provisions necessary to deal with floating rate interest, inflation linked interest, share linked interest, fund linked interest or index linked interest calculation (including alternative reference rates) and (ii) the New Currency]
34. Whether Condition 8 first paragraph under (a) of the Notes applies (in which case Condition 7(b) of the Notes will not apply) or whether Condition 8 first paragraph under (b) of the Notes applies (in which case Condition 7(b) of the Notes will apply): [Condition 8 first paragraph under (a) applies and Condition 7(b) does not apply] [Condition 8 first paragraph under (b) applies and Condition 7(b) applies]
35. Other terms or special conditions: [Not Applicable/give details]
[*(when adding any other final terms consideration should be given as to whether such terms constitute "significant new factors" and consequently trigger the need for a supplement to*

DISTRIBUTION

36. (i) [If syndicated, names of Managers and underwriting commitments] [Not Applicable/give names/ give legal names, addresses and underwriting commitments]
[Please note that the process for notification to potential investors of the amount allotted and an indication whether dealing may begin before notification is made will be provided for by the Manager(s) and notified by the Manager(s) to potential investors]
- (ii) Date of Syndication Agreement: []**
- (iii) Stabilising Manager (if any): [Not Applicable/give legal name]
37. If non-syndicated, name and address of relevant Dealer: [specify name [and address]** of Dealer/Not applicable. The Notes are not being underwritten by any Dealer(s).]
38. Total commission and concession: [] per cent. of the Aggregate Nominal Amount**

OTHER PROVISIONS

39. Whether TEFRA D or TEFRA C rules applicable [TEFRA D/TEFRA C]
40. Additional selling restrictions: [Not Applicable/give details]
41. Listing
- (i) Listing [Euronext Amsterdam by NYSE Euronext/other (specify)/ None]
- (ii) Admission to trading: [Application has been made for the Notes to be admitted to trading on Euronext Amsterdam by NYSE Euronext with effect from [], [Not Applicable]. [(Where documenting a fungible issue need to indicate that original securities are already admitted to trading.)** []*]
42. Ratings:
- [S & P: []]
- [Moody's: []]
- [Fitch: []]
- [[Other]: []]
- The Notes to be issued have [not] been rated:
- [Include here a brief explanation of the meaning of the ratings if this deviates from the explanations

given in "General Information" published by the rating provider.]**

43. Notification

The Netherlands Authority for the Financial Markets (*Autoriteit Financiële Markten*, "**AFM**") [has been requested to provide/has provided – include first alternative for an issue which is contemporaneous with the update of the Programme and the second alternative for subsequent issues] the [names of competent authorities of host Member States] with a notification that the Prospectus has been drawn up in accordance with the Prospectus Directive.]

44. Interests of Natural and Legal Persons Involved in the Issue

[Save for any fees payable to the Dealers, so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. – Amend as appropriate if there are other interests]

45. Reasons for the Offer (if different from making a profit and/or hedging certain risks):[]

46. Estimated net proceeds and total expenses

(i) Estimated net proceeds []

[(Also see "Use of Proceeds" wording in Prospectus – if reasons for offer different from making profit and/or hedging certain risks will need to include those reasons here. If proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding.)]

(ii) Estimated total expenses: []. [Include breakdown of expenses]

47. Yield (Fixed Rate Interest Notes only)

Indication of yield: []

The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

[Calculated as [include details of method of calculation in summary form] on the Issue Date.]**

48. Historic Interest Rates (Floating Rate Notes only)**

Details of historic [LIBOR/EURIBOR/other] rates can be obtained from Reuters system or Reuters EURIBOR 01]

49. Performance of index/formula, inflation/formula, share/formula or fund/formula explanation of effect on value of investment and associated risks (Index-Linked Interest Notes, Inflation Linked Interest Notes, Share Linked Interest Notes and Fund Linked Interest Notes only)**

[Name of index/inflation/share/fund] []

[Description of index/inflation/share/fund

if composed by Issuer:] []

[Information on index/inflation/share/fund

if not composed by Issuer:] []

[Need to include details of where information on the past and future performance and volatility of the index/formula, inflation/formula, share/formula or fund/formula can be obtained and a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.]

The underlying is a security:

[Name of the issuer of the security]

[ISIN Code or other identification code]

The underlying is a basket of

underlyings:

[disclosure of relevant weightings of each underlying in the basket]

50. Performance of rate[s] of exchange and explanation of effect on value of investment (Dual Currency Notes only)

[Need to include details of where information on the past and future performance and volatility of the relevant rates can be obtained and a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.]

51. Operational Information

(i) ISIN Code: []

(ii) Common Code: []

(iii) WKN Code: [] [Not Applicable]

(iv) Other relevant code: [] [Not Applicable/give name(s) and numbers(s)]

(v) New Global Note intended to be

held in a manner which would

allow Eurosystem eligibility: [Not Applicable/Yes/No]

[Note that the designation "Yes" simply means that the Notes are intended upon issue to be deposited with Euroclear or Clearstream, Luxembourg as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.] *[Include this text if "Yes" selected in which case the Notes must be issued in NGN form]*

(vi) Offer Period:

[The offer of the Notes is expected to open at [] hours ([] time) on [] and close at [] hours ([] time) on [] or such earlier or later date or time as the Issuer may determine, following consultation with the relevant Dealer where practical,] (and announce))] [Not Applicable]

- | | |
|----------------------------|---|
| (vii) Delivery: | Delivery [against/free of] payment |
| (viii) Payment: | [Method and time limits of paying up the Notes – to be included if any agreement in this respect is entered into between Issuer and Manager(s)] |
| (ix) Settlement Procedure: | [Method of settlement procedure] |
| (x) Clearing System: | [Euroclear /Clearstream Luxembourg/ Euroclear Nederland/other alternative clearing system] |
52. Additional paying agent (if any) [Name:]
[Address:]
53. Additional information [The following information should be consulted in connection with the offer of the Notes:
[- insert relevant information which does not necessitate a Supplement to the Prospectus].
54. Listing Application
[These Final Terms comprise the final terms required to list and have admitted to trading the issue of Notes described herein pursuant to the Programme for the issuance of Notes of SNS REAAL N.V./Not Applicable]

Responsibility

The Issuer declares that, having taken all reasonable care to ensure that such is the case, the information contained herein is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import. The Issuer accepts responsibility for the information contained in these Final Terms. [[] has been extracted from []. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of the Issuer:

By:	By:
Duly authorised	Duly authorised

Notes:

- * Not required if the minimum denomination is less than €50,000
- ** Not required if the minimum denomination is equal of higher than €50,000

CHAPTER 4: INDEX LINKED NOTES

PART 1(A): TERMS AND CONDITIONS OF NOTES LINKED TO A SINGLE INDEX

The terms and conditions applicable to Notes linked to a single index ("**Index Linked Notes**") shall comprise the Terms and Conditions of the Medium Term Notes set out in Chapter 2, Part 1 (in case SNS Bank N.V. is the Issuer) or in Chapter 3, Part 1 (in case SNS REAAL N.V. is the Issuer) (the "**General Conditions**") and the additional Terms and Conditions set out below (the "**Single Index Linked Conditions**"), in each case subject to completion and/or amendment in the applicable Final Terms. In the event of any inconsistency between the General Conditions and the Single Index Linked Conditions, the Single Index Linked Conditions set out below shall prevail. In the event of any inconsistency between (i) the General Conditions and/or the Single Index Linked Conditions and (ii) the Final Terms, the Final Terms shall prevail. For purposes of these Single Index Linked Conditions and references to the "Issuer" shall be to the Issuer of the relevant Notes.

1. Final Redemption

Subject to any applicable automatic redemption and/or early redemption and/or put options and/or call options set forth in the Final Terms not having occurred prior to any applicable date specified therein, for the purposes of Condition 7(a) of the General Conditions the Final Redemption Amount payable per Note on the Maturity Date (subject to the provisions of Conditions 7(m) and 7(n) of the Single Index Linked Conditions) shall be an amount in the Specified Currency determined by the Calculation Agent as set forth in the Final Terms.

2. Definitions

For the purposes of the terms and conditions of the Notes, the following terms shall have the meanings set out below:

"Additional Disruption Event" means a Change in Law or a Hedging Disruption or Increased Cost of Hedging.

"Averaging Dates" means, each of the dates set forth in the Final Terms, if any, or if any such date is not a Scheduled Trading Day, the next following Scheduled Trading Day, in each case subject to Condition 7(m) of the Single Index Linked Conditions.

"Change in Law" means that, on or after the Issue Date (or as otherwise set forth in the Final Terms) (A) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law) or (B) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Calculation Agent determines that the Issuer will incur a materially increased cost in performing its obligations under the Notes (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position) or it has become illegal to hold, acquire or dispose of shares that comprise the index relating to its hedge position in respect of such Notes.

"Disrupted Day" means any Scheduled Trading Day on which (i) if "Multi-Exchange Index" is specified in the Final Terms, the Index Sponsor fails to publish the level of the Index or, if "Non Multi-Exchange Index" is specified in the Final Terms, the Exchange fails to open for trading during its regular trading session, (ii) any Related Exchange fails to open for trading during its regular trading session or (iii) on which a Market Disruption Event has occurred.

“Early Closure” means the closure on any Exchange Business Day of the relevant Exchange(s) or Related Exchange(s), if any, prior to its/their Scheduled Closing Time unless such earlier closing time is announced by the relevant Exchange(s) or Related Exchange(s) at least one hour prior to the earlier of (i) the actual closing time for the regular trading session on such Exchange(s) or such Related Exchange(s) on such Exchange Business Day and (ii) the submission deadline for orders to be entered into the relevant Exchange(s) or such Related Exchange(s) system(s) for execution at the Valuation Time on such Exchange Business Day.

“Exchange(s)” means, if “Non Multi-Exchange Index” is specified in the Final Terms, the Exchange specified in the Final Terms or, if “Multi-Exchange Index” is specified in the Final Terms, in respect of any securities comprised in the Index, the stock exchanges (from time to time) on which in the determination of the Issuer such securities are listed for the purposes of such Index or any successor to any such exchange or quotation system or any substitute exchange or quotation system to which trading in the securities comprised in the Index has temporarily been relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the securities underlying such Index on such successor or substitute exchange or quotation system as on the original Exchange).

“Exchange Business Day” means any Scheduled Trading Day on which the relevant Exchange and each Related Exchange are open for trading during their respective regular trading sessions, notwithstanding such relevant Exchange or any such relevant Related Exchange closing prior to its Scheduled Closing Time.

“Exchange Disruption” means any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (i) to effect transactions in, or obtain market values for, if “Multi-Exchange Index” is specified in the Final Terms, any security comprised in the Index on any relevant Exchange or, if “Non Multi-Exchange Index” is specified in the Final Terms, securities that comprise 20 per cent or more of the level of the Index on the Exchange or (ii) to effect transactions in, or obtain market values for, futures or options contracts relating to the Index on any relevant Related Exchange.

“Expiration Date” means the date (if any) specified as such in the Final Terms, or if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day, in each case subject to Condition 7(m) of the Single Index Linked Conditions.

“Hedging Disruption” means that the Issuer and/or any of its affiliates is unable, after using commercially reasonable efforts, to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the index or other price risk of the Issuer issuing and performing its obligations with respect to the Notes, or (b) realise, recover or remit the proceeds of any such transaction(s) or asset(s).

“Increased Cost of Hedging” means that the Issuer and/or any of its affiliates would incur a materially increased (as compared with circumstances existing on the Issue Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the index or other price risk of the Issuer issuing and performing its obligations with respect to the Notes, or (b) realise, recover or remit the proceeds of any such transaction(s) or asset(s), provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer and/or any of its affiliates shall not be deemed an Increased Cost of Hedging.

“Index” means the index specified in the Final Terms, or any Successor Index.

“Index Cancellation” means the Index Sponsor cancels the Index and no Successor Index exists.

“Index Disruption” means the Index Sponsor fails to calculate and announce the Index Level.

“Index Level” means, on any relevant Scheduled Trading Day, the official closing level of the Index, as calculated and published by the Index Sponsor.

“Index Modification” means the Index Sponsor announces that it will make (in the opinion of the Issuer) a material change in the formula for or the method of calculating the Index or in any other way materially modifies the Index (other than a modification prescribed in that formula or method to maintain the Index in the event of changes in constituent securities and capitalization and other routine events).

“Index Sponsor” means either (x) the index sponsor specified in the Final Terms or such other corporation or entity as determined by the Calculation Agent that (a) is responsible for setting and reviewing the rules and procedures and the methods of calculation and adjustments, if any, related to the Index and (b) announces (directly or through an agent) the level of the Index on a regular basis during each Scheduled Trading Day, failing whom such person acceptable to the Calculation Agent who calculates and announces the Index or any agent or person acting on behalf of such person or (y) if no such index sponsor is specified in the Final Terms, then the corporation or entity as determined by the Calculation Agent that (a) is responsible for setting and reviewing the rules and procedures and the methods of calculation and adjustments, if any, related to the Index and (b) announces (directly or through an agent) the level of the Index on a regular basis during each Scheduled Trading Day, failing whom such person acceptable to the Calculation Agent who calculates and announces the Index or any agent or person acting on behalf of such person.

“Market Disruption Event” means the occurrence or existence on any Scheduled Trading Day of (i) a Trading Disruption or (ii) an Exchange Disruption, which in either case the Calculation Agent determines in its sole discretion is material at any time during the one hour period that ends at the relevant Valuation Time or (iii) an Early Closure, provided that, if “Multi-Exchange Index” is specified in the Final Terms, the securities comprised in the Index in respect of which an Early Closure, an Exchange Disruption and/or a Trading Disruption occurs or exists amount, in the determination of the Issuer, in aggregate to 20 per cent. or more of the level of the Index. For the purpose of determining whether a Market Disruption Event exists at any time in respect of a security included in the Index at any time, then the relevant percentage contribution of that security to the level of the Index shall be based on a comparison of (x) the portion of the level of the Index attributable to that security and (y) the overall level of the Index, in each case immediately before the occurrence of such Market Disruption Event, as determined by the Calculation Agent.

“Observation Date” means each date, if any, specified as such in the Final Terms, or if any such date is not a Scheduled Trading Day, the next following Scheduled Trading Day, in each case subject to Condition 7(m) of the Single Index Linked Conditions.

“Observation Period” has the meaning ascribed to it in the Final Terms.

“Related Exchange” means each exchange or quotation system as the Calculation Agent determines on which trading has a material effect (as determined by the Calculation Agent) on the overall market for futures or options contracts relating to the Index, or such other options or futures exchange(s) as the Issuer may select, any transferee or successor to any such exchange or quotation system or any substitute exchange or quotation system to which trading in futures or options contracts relating to the Index has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to the Index on such temporary substitute exchange or quotation system as on the original Related Exchange).

“Scheduled Closing Time” means in respect of the relevant Exchange(s) or a Related Exchange and a Scheduled Trading Day, the scheduled weekday closing time of the relevant Exchange(s) or such Related Exchange on such Scheduled Trading Day, without regard to after hours or any other trading outside of the regular trading session hours.

“Scheduled Trading Day” means (i) if “Multi-Exchange Index” is specified in the Final Terms, any day on which the Index Sponsor is scheduled to publish the level of the Index and each Related Exchange is scheduled to be open for trading for its regular trading session and (ii) if “Non Multi-Exchange Index” is specified in the Final Terms, any day on which the Exchange and each Related Exchange is scheduled to be open for trading for its regular trading session.

“Strike Date” means the date (if any) specified as such in the Final Terms, or if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day, in each case subject to Condition 7(m) of the Single Index Linked Conditions.

“Strike Price” means the price (if any) specified as such in the Final Terms.

“Successor Index” means where the Index is (i) not calculated and announced by the Index Sponsor but is calculated and announced by a successor sponsor acceptable to the Calculation Agent or (ii) replaced by a successor index using, in the determination of the Calculation Agent, the same or a substantially similar formula for and method of calculation as used in the calculation of the Index, such successor index or index calculated and announced by the successor sponsor.

“Trading Disruption” means any suspension of or limitation imposed on trading by an Exchange or a Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or the relevant Related Exchange or otherwise (i) if “Multi-Exchange Index” is specified in the Final Terms, on any relevant Exchange(s) relating to any security comprised in the Index or, if “Non Multi-Exchange Index” is specified in the Final Terms, on the Exchange relating to securities that comprise 20 per cent or more of the level of the Index, or (ii) in futures or options contracts relating to the Index on a Related Exchange.

“Valuation Time” means the Scheduled Closing Time on the relevant date. If the relevant Exchange closes prior to its Scheduled Closing Time, and the specified Valuation Time is after the actual closing time for its regular trading session, then (subject to Condition 7(m) of the Single Index Linked Conditions) the Valuation Time shall be such actual closing time.

3. Disrupted Days

For the purposes of the Notes, Condition 7 of the General Conditions shall be amended by the addition of a new Single Index Linked Condition 7(m) as follows:

“(m) Disrupted Days

If the Calculation Agent determines that the Strike Date, the Expiration Date, any Averaging Date or any Observation Date, as the case may be, in respect of the Index is a Disrupted Day, then the Strike Date, the Expiration Date, such Averaging Date or such Observation Date, as the case may be, shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the eight Scheduled Trading Days immediately following the original date that, but for the determination by the Issuer of the occurrence of a Disrupted Day, would have been the Strike Date, the Expiration Date, such Averaging Date or such Observation Date, as the case may be, is a Disrupted Day. In that case:

- (a) that eighth Scheduled Trading Day shall be deemed to be the Strike Date, the Expiration Date, such Averaging Date or such Observation Date, as the case may be, in respect of the Index, notwithstanding the fact that such day is a Disrupted Day; and

- (b) the Calculation Agent shall determine the Index Level on that eighth Scheduled Trading Day in accordance with the formula for and method of calculating the Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange-traded or quoted price as of the Valuation Time on that eighth Scheduled Trading Day of each security comprised in the Index (or, if the Calculation Agent determines that an event giving rise to a Disrupted Day has occurred in respect of a relevant security on that eighth Scheduled Trading Day, its good faith estimate of the value for the relevant security as of the Valuation Time on that eighth Scheduled Trading Day).

Notwithstanding the provisions of any other Condition, if the Calculation Agent determines that a Disrupted Day has occurred on the Expiration Date and/or any Observation Date or Averaging Date, payment of the Final Redemption Amount any/or any amount of interest (if the payment of interest is index-linked), as the case may be, shall be postponed to the later of (i) the Maturity Date and/or the relevant Interest Payment Date and (ii) the date that is three Business Days (or such other period specified in the Final Terms) following the postponed Expiration Date, Observation Date or Averaging Date, as the case may be. For the avoidance of doubt, no additional amounts shall be payable in respect of the postponement of any payment of the Final Redemption Amount and/or any amount of interest in accordance with this Condition 7(m) of the Single Index Linked Conditions.

The Issuer shall give notice to the holders of the Notes, in accordance with Condition 14 of the General Conditions, of the occurrence of a Disrupted Day if it results in the postponement of any payment in respect of the Notes.”

4. Adjustments, Consequences of Certain Events and Currency

For the purposes of the Notes, Condition 7 of the General Conditions shall be amended by the addition of a new Single Index Linked Condition 7(n) as follows:

“(n) Adjustments and Currency

- (i) Index Modification, Index Cancellation and/or Index Disruption

If the Calculation Agent determines that an Index Modification, Index Cancellation or Index Disruption has occurred or any other event or events occur which the Calculation Agent determines necessitate(s) an adjustment or adjustments to the Final Redemption Amount and/or any other relevant term of the Notes, the Issuer may make any adjustment or adjustments to the Final Redemption Amount and/or any other relevant term of the Notes as it deems necessary. The Issuer shall give notice to the holders of the Notes of any such adjustment in accordance with Condition 14 of the General Conditions.

- (ii) Change of Exchange

If the or an Exchange is changed, the Issuer may make such consequential modifications to any of the Strike Price, Final Redemption Amount, Valuation Time and such other terms and conditions of the Notes as it may deem necessary.

- (iii) Price Correction

In the event that any price or level published on the relevant Exchange(s) or by the Index Sponsor and which is utilised for any calculation or determination made under the Notes is subsequently corrected and the correction is published by the relevant Exchange(s) or Index Sponsor(s) within three Business Days (or such other period specified in the Final Terms) after the original publication, the Calculation Agent will determine the amount (if any) that is payable following that correction, and, to the extent necessary, the Issuer will adjust the terms and conditions of the Notes to account for such correction.

(iv) **Currency**

If the Calculation Agent determines that any event occurs affecting the Specified Currency (whether relating to its convertibility into other currencies or otherwise) which the Calculation Agent determines necessitates an adjustment or adjustments to the Final Redemption Amount, Strike Price and/or any other relevant term of the Notes (including the date on which any amount is payable by the Issuer), the Issuer may make such adjustment or adjustments to the Final Redemption Amount, Strike Price and/or any other relevant term of the Notes as it deems necessary. The Issuer shall give notice to the holders of the Notes of any such adjustment in accordance with Condition 14 of the General Conditions.

(v) **Additional Disruption Event**

If the Calculation Agent determines that an Additional Disruption Event has occurred, the Issuer may redeem each Note at its fair economic value (as determined by the Calculation Agent) as at the date of redemption taking into account the Additional Disruption Event, less the cost to the Issuer of unwinding or amending any related underlying hedging arrangements (unless provided for otherwise in the Final Terms). Notice of any redemption of the Notes or determination pursuant to this paragraph shall be given to Noteholders in accordance with Condition 14 of the General Conditions."

5. Index Disclaimer

The Notes are not sponsored, endorsed, sold or promoted by the Index or the Index Sponsor and the Index Sponsor has made no representation whatsoever, whether express or implied, either as to the results to be obtained from the use of the Index and/or the levels at which the Index stands at any particular time on any particular date or otherwise. The Index Sponsor shall not be liable (whether in negligence or otherwise) to any person for any error in the Index and the Index Sponsor is under no obligation to advise any person of any error therein. The Index Sponsor has made no representation whatsoever, whether express or implied, as to the advisability of purchasing or assuming any risk in connection with the Notes. Neither the Issuer nor the Calculation Agent shall have any liability to any person for any act or failure to act by the Index Sponsor in connection with the calculation, adjustment or maintenance of the Index. Neither the Issuer nor the Calculation Agent has any affiliation with or control over the Index or the Index Sponsor or any control over the computation, composition or dissemination of the Index. Although the Issuer and the Calculation Agent will obtain information concerning the Index from publicly available sources they believe to be reliable, they will not independently verify this information. Accordingly, no representation, warranty or undertaking (express or implied) is made and no responsibility is accepted by the Issuer or the Calculation Agent as to the accuracy, completeness and timeliness of information concerning the Index.

PART 1(B): TERMS AND CONDITIONS OF NOTES LINKED TO A BASKET OF INDICES

The terms and conditions applicable to Notes linked to a basket of indices ("**Fund Linked Notes**") shall comprise the Terms and Conditions of the Medium Term Notes set out in Chapter 2, Part 1 (in case SNS Bank N.V. is the Issuer) or in Chapter 3, Part 1 (in case SNS REAAL N.V. is the Issuer) (the "**General Conditions**") and the additional Terms and Conditions set out below (the "**Basket Index Linked Conditions**"), in each case subject to completion and/or amendment in the applicable Final Terms. In the event of any inconsistency between the General Conditions and the Basket Index Linked Conditions, the Basket Index Linked Conditions set out below shall prevail. In the event of any inconsistency between (i) the General Conditions and/or the Basket Index Linked Conditions and (ii) the Final Terms, the Final Terms shall prevail. For purposes of these Basket Index Linked Conditions and references to the "Issuer" shall be to the Issuer of the relevant Notes.

1. Final Redemption

Subject to any applicable automatic redemption and/or early redemption and/or put options and/or call options set forth in the Final Terms not having occurred prior to any applicable date specified therein, for the purposes of Condition 7(a) of the General Conditions the Final Redemption Amount payable per Note on the Maturity Date (subject to the provisions of Condition 7(m) and 7(n) of the Basket Index Linked Conditions) shall be an amount in the Specified Currency determined by the Calculation Agent as set forth in the Final Terms.

2. Definitions

For the purposes of the terms and conditions of the Notes, the following terms shall have the meanings set out below:

"Additional Disruption Event" means a Change in Law or a Hedging Disruption or Increased Cost of Hedging.

"Averaging Dates" means, in respect of an Index, each of the dates set forth in the Final Terms, if any, or if any such date is not a Scheduled Trading Day in respect of the relevant Index, the next following Scheduled Trading Day in respect of that Index, in each case subject to Condition 7(m) of the Basket Index Linked Conditions.

"Basket" means a basket composed of the Indices specified in the Final Terms.

"Change in Law" means that, on or after the Issue Date (or as otherwise set forth in the Final Terms) (A) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law) or (B) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Calculation Agent determines that the Issuer will incur a materially increased cost in performing its obligations under the Notes (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position) or it has become illegal to hold, acquire or dispose of shares that comprise an index relating to its hedge position in respect of such Notes.

"Disrupted Day" means, in respect of an Index, any Scheduled Trading Day on which (i) if Multi-Exchange Index is specified in the Final Terms, the relevant Index Sponsor fails to publish the level of the relevant Index or, if Non Multi-Exchange Index is specified in relation to that Index in the Final Terms, the relevant Exchange fails to open for trading during its regular trading session, (ii) any Related Exchange fails to open for trading during its regular trading session or (iii) on which a Market Disruption Event has occurred.

“Early Closure” means, in respect of an Index, the closure on any Exchange Business Day of any relevant Exchange(s) or Related Exchange(s) prior to its/their Scheduled Closing Time unless such earlier closing time is announced by such Exchange(s) or Related Exchange(s) at least one hour prior to the earlier of (i) the actual closing time for the regular trading session on such Exchange(s) or Related Exchange(s) on such Exchange Business Day and (ii) the submission deadline for orders to be entered into the relevant Exchange(s) or such Related Exchange(s) system(s) for execution at the Valuation Time on such Exchange Business Day.

“Exchange(s)” means, in respect of an Index, if “Non Multi-Exchange Index” is specified in relation to that Index in the Final Terms, the Exchange specified for such Index in the Final Terms and, if Multi-Exchange Index is specified in relation to that Index in the Final Terms, in respect of any securities comprised in such Index, the stock exchanges (from time to time) on which in the determination of the Issuer such securities are listed for the purposes of such Index or any successor to any such exchange or quotation system or any substitute exchange or quotation system to which trading in the securities comprised in the relevant Index has temporarily been relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the securities underlying such Index on such successor or substitute exchange or quotation system as on the original Exchange).

“Exchange Business Day” means, in respect of an Index, any Scheduled Trading Day on which the relevant Exchange(s) and each Related Exchange are open for trading during their respective regular trading sessions, notwithstanding any such Exchange(s) or Related Exchange(s) closing prior to its/their Scheduled Closing Time.

“Exchange Disruption” means, in respect of an Index, any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (i) to effect transactions in, or obtain market values for, (x) if “Multi-Exchange Index” is specified in relation to that Index in the Final Terms any security comprised in such Index on any relevant Exchange and (y) if “Non Multi-Exchange Index” is specified in relation to that Index in the Final Terms, securities that comprise 20 per cent. or more of the level of such Index on the relevant Exchange or (ii) to effect transactions in, or obtain market values for, futures or options contracts relating to such Index on any relevant Related Exchange.

“Expiration Date” means the date (if any) specified as such in the Final Terms, or if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day, in each case subject to Condition 7(m) of the Basket Index Linked Conditions.

“Hedging Disruption” means that the Issuer and/or any of its affiliates is unable, after using commercially reasonable efforts, to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the index or other price risk of the Issuer issuing and performing its obligations with respect to the Notes, or (b) realise, recover or remit the proceeds of any such transaction(s) or asset(s).

“Increased Cost of Hedging” means that the Issuer and/or any of its affiliates would incur a materially increased (as compared with circumstances existing on the Issue Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the index or other price risk of the Issuer issuing and performing its obligations with respect to the Notes, or (b) realise, recover or remit the proceeds of any such transaction(s) or asset(s), provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer and/or any of its affiliates shall not be deemed an Increased Cost of Hedging.

“Index” means one of the indices specified in the definition of Basket or any Successor Index, and

“Indices” means all such indices together.

“Index Cancellation” means, in respect of an Index, the Index Sponsor in respect of such Index cancels the Index and no Successor Index exists.

“Index Disruption” means, in respect of an Index, the Index Sponsor in respect of such Index fails to calculate and announce the Index Level.

“Index Level” means, in respect of an Index, on any relevant Scheduled Trading Day, the official closing level of the relevant Index, as calculated and published by the relevant Index Sponsor.

“Index Modification” means, in respect of an Index, the relevant Index Sponsor announces that it will make (in the opinion of the Issuer) a material change in the formula for or the method of calculating such Index or in any other way materially modifies such Index (other than a modification prescribed in that formula or method to maintain such Index in the event of changes in constituent securities and capitalization and other routine events).

“Index Sponsor” means, in respect of an Index, either (x) the index sponsor specified in the Final Terms or such other corporation or entity as determined by the Calculation Agent that (a) is responsible for setting and reviewing the rules and procedures and the methods of calculation and adjustments, if any, related to such Index and (b) announces (directly or through an agent) the level of such Index on a regular basis during each Scheduled Trading Day failing whom such person acceptable to the Calculation Agent who calculates and announces the relevant Index or any agent or person acting on behalf of such person or (y) if no such index sponsor is specified in the Final Terms, then the corporation or entity as determined by the Calculation Agent that (a) is responsible for setting and reviewing the rules and procedures and the methods of calculation and adjustments, if any, related to such Index and (b) announces (directly or through an agent) the level of such Index on a regular basis during each Scheduled Trading Day, failing whom such person acceptable to the Calculation Agent who calculates and announces the relevant Index or any agent or person acting on behalf of such person.

“Market Disruption Event” means, in respect of an Index, the occurrence or existence on any Scheduled Trading Day of (i) a Trading Disruption or (ii) an Exchange Disruption, which in either case the Calculation Agent determines in its sole discretion is material, at any time during the one hour period that ends at the relevant Valuation Time or (iii) an Early Closure, provided that, if “Multi-Exchange Index” is specified in relation to that Index in the Final Terms, the securities comprised in the relevant Index in respect of which an Early Closure, an Exchange Disruption and/or a Trading Disruption occurs or exists amount, in the determination of the Issuer, in aggregate to 20 per cent. or more of the level of such Index. For the purpose of determining whether a Market Disruption Event exists at any time in respect of a security included in the relevant Index at any time, then the relevant percentage contribution of that security to the level of such Index shall be based on a comparison of (x) the portion of the level of the relevant Index attributable to that security and (y) the overall level of such Index, in each case immediately before the occurrence of such Market Disruption Event, as determined by the Calculation Agent.

“Observation Date” means, in respect of an Index, each date, if any, specified as such in the Final Terms or, if any such date is not a Scheduled Trading Day in respect of such Index, the next following such Scheduled Trading Day, in each case subject to Condition 7(m) of the Basket Index Linked Conditions.

“Observation Period” has the meaning ascribed to it in the Final Terms.

“Related Exchange” means, in respect of an Index, each exchange or quotation system as the Calculation Agent determines on which trading has a material effect (as determined by the

Calculation Agent) on the overall market for futures or options contracts relating to such Index, any transferee or successor to any such exchange or quotation system or any substitute exchange or quotation system to which trading in futures or options contracts relating to such Index has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to the relevant Index on such temporary substitute exchange or quotation system as on the original Related Exchange).

"Scheduled Closing Time" means in respect of an Exchange or a Related Exchange and a Scheduled Trading Day, the scheduled weekday closing time of such Exchange or such Related Exchange on such Scheduled Trading Day, without regard to after hours or any other trading outside of the regular trading session hours.

"Scheduled Trading Day" means, in respect of an Index, (i) if "Multi-Exchange Index" is specified in relation to that Index in the Final Terms, any day on which the relevant Index Sponsor is scheduled to publish the level of such Index and each Related Exchange is scheduled to be open for trading for its regular trading session and (ii) if "Non Multi-Exchange Index" is specified in relation to that Index in the Final Terms, any day on which each relevant Exchange and each Related Exchange is scheduled to be open for trading for its regular trading session.

"Strike Date" means the date (if any) specified as such in the Final Terms, or if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day, in each case subject to Condition 7(m) of the Basket Index Linked Conditions.

"Strike Price" means the price (if any) specified as such in the Final Terms.

"Successor Index" means, in respect of an Index, where such Index is (i) not calculated and announced by the relevant Index Sponsor but is calculated and announced by a successor sponsor acceptable to the Issuer or (ii) replaced by a successor index using, in the determination of the Issuer, the same or a substantially similar formula for and method of calculation as used in the calculation of the relevant Index, such successor index or index calculated and announced by the successor sponsor.

"Trading Disruption" means, in respect of an Index, any suspension of or limitation imposed on trading by a relevant Exchange or a Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or relevant Related Exchange or otherwise (i) if "Multi-Exchange Index" is specified in relation to that Index in the Final Terms, on any relevant Exchange(s) relating to any security comprised in the relevant Index or, if "Non Multi-Exchange Index" is specified in relation to that Index in the Final Terms, on the Exchange relating to securities that comprise 20 per cent or more of the level of the relevant Index, or (ii) in futures or options contracts relating to the Index on any relevant Related Exchange.

"Valuation Time" means the Scheduled Closing Time on the relevant date. If a relevant Exchange closes prior to its Scheduled Closing Time, and the specified Valuation Time is after the actual closing time for its regular trading session, then (subject to Condition 7(m) of the Basket Index Linked Conditions) the Valuation Time shall be such actual closing time.

3. Disrupted Days

For the purposes of the Notes, Condition 7 of the General Conditions shall be amended by the addition of a new Basket Index Linked Condition 7(m) as follows:

"(m) Disrupted Days

If the Calculation Agent determines that the Strike Date, the Expiration Date, any Averaging Date or any Observation Date, as the case may be, is a Disrupted Day in respect of an Index, then the

Strike Date, the Expiration Date, such Averaging Date or such Observation Date, as the case may be, for such Index shall be the first succeeding Scheduled Trading Day in respect of such Index that is not a Disrupted Day, unless each of the eight Scheduled Trading Days immediately following the original date that, but for the determination by the Issuer of the occurrence of a Disrupted Day, would have been the Strike Date, the Expiration Date, such Averaging Date or such Observation Date, as the case may be, is a Disrupted Day for such Index. In that case:

- (a) that eighth Scheduled Trading Day shall be deemed to be the Strike Date, the Expiration Date, such Averaging Date or such Observation Date, as the case may be, for such Index, notwithstanding the fact that such day is a Disrupted Day; and
- (b) the Calculation Agent shall determine the Index Level of such Index on that eighth Scheduled Trading Day in accordance with the formula for and method of calculating such Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted price as of the Valuation Time on that eighth Scheduled Trading Day of each security comprised in the relevant Index (or, if the Calculation Agent determines that an event giving rise to a Disrupted Day has occurred in respect of a relevant security on that eighth Scheduled Trading Day, its good faith estimate of the value for the relevant security as of the Valuation Time on that eighth Scheduled Trading Day).

Notwithstanding the provisions of any other Condition, if the Calculation Agent determines that a Disrupted Day has occurred in respect of an Index on the Expiration Date and/or any Observation Date or Averaging Date, payment of the Final Redemption Amount and/or amount of interest (if the payment of interest is index-linked), as the case may be, shall be postponed to the later of (i) the Maturity Date and/or the relevant Interest Payment Date and (ii) the date that is three Business Days (or such other period specified in the Final Terms) following the postponed Expiration Date, Observation Date or Averaging Date, as the case may be, in respect of the Indices. For the avoidance of doubt, no additional amounts shall be payable in respect of the postponement of any payment of the Final Redemption Amount and/or any amount of interest in accordance with this Condition 7(m) of the Basket Index Linked Conditions.

The Issuer shall give notice to the holders of the Notes, in accordance with Condition 14 of the General Conditions, of the occurrence of a Disrupted Day if it results in the postponement of any payment in respect of the Notes.”

4. Adjustments, Consequences of Certain Events and Currency

For the purposes of the Notes, Condition 7 of the General Conditions shall be amended by the addition of a new Basket Index Linked Condition 7(n) as follows:

“(n) Adjustments and Currency

- (i) Index Modification, Index Cancellation and/or Index Disruption

If the Calculation Agent determines that, in respect of any Index, an Index Modification, Index Cancellation or Index Disruption has occurred or any other event or events occur which the Calculation Agent determines necessitate(s) an adjustment or adjustments to the Final Redemption Amount and/or any other relevant term of the Notes, the Issuer may make any adjustment or adjustments to the Final Redemption Amount and/or any other relevant

term of the Notes as it deems necessary. The Issuer shall give notice to the holders of the Notes of any such adjustment in accordance with Condition 14 of the General Conditions.

(ii) Change of Exchange

If an Exchange is changed, the Issuer may make such consequential modifications to the Strike Price, Final Redemption Amount, Valuation Time and such other terms and conditions of the Notes as it may deem necessary.

(iii) Price Correction

In the event that any price or level published on any relevant Exchange or by any relevant Index Sponsor in respect of an Index and which is utilised for any calculation or determination made under the Notes is subsequently corrected and the correction is published by the relevant Exchange or the relevant Index Sponsor within three Business Days (or such other period as specified in the Final Terms) after the original publication, the Calculation Agent will determine the amount (if any) that is payable following that correction, and, to the extent necessary, the Issuer will adjust the terms and conditions of the Notes to account for such correction.

(iv) Currency

If the Calculation Agent determines that any event occurs affecting the Specified Currency (whether relating to its convertibility into other currencies or otherwise) which the Calculation Agent determines necessitates an adjustment or adjustments to the Final Redemption Amount, Strike Price and/or any other relevant term of the Notes (including the date on which any amount is payable by the Issuer), the Issuer may make such adjustment or adjustments to the Final Redemption Amount, Strike Price and/or any other relevant term of the Notes as it deems necessary. The Issuer shall give notice to the holders of the Notes of any such adjustment in accordance with Condition 14 of the General Conditions.

(v) Additional Disruption Events

If the Calculation Agent determines that an Additional Disruption Event has occurred, the Issuer may redeem each Note at its fair economic value (as determined by the Calculation Agent) as at the date of redemption taking into account the Additional Disruption Event, less the cost to the Issuer of unwinding or amending any related underlying hedging arrangements (unless provided for otherwise in the Final Terms). Notice of any redemption of the Notes or determination pursuant to this paragraph shall be given to Noteholders in accordance with Condition 14 of the General Conditions."

5. Index Disclaimer

The Notes are not sponsored, endorsed, sold or promoted by any of the Indices or any of the Index Sponsors and none of the Index Sponsors has made any representation whatsoever, whether express or implied, either as to the results to be obtained from the use of the relevant Index and/or the levels at which any such Index stands at any particular time on any particular date or otherwise. None of the Index Sponsors shall be liable (whether in negligence or otherwise) to any person for any error in any relevant Index and none of the Index Sponsors are under any obligation to advise any person of any error therein. The Index Sponsors have made no representation whatsoever, whether express or implied, as to the advisability of purchasing or assuming any risk

in connection with the Notes. Neither the Issuer nor the Calculation Agent shall have any liability to any person for any act or failure to act by any Index Sponsor in connection with the calculation, adjustment or maintenance of any Index. Neither the Issuer nor the Calculation Agent has any affiliation with or control over any of the Indices or any of the Index Sponsors or any control over the computation, composition or dissemination of the Indices. Although the Issuer and the Calculation Agent will obtain information concerning the Indices from publicly available sources they believe to be reliable, they will not independently verify this information. Accordingly, no representation, warranty or undertaking (express or implied) is made and no responsibility is accepted by the Issuer or the Calculation Agent as to the accuracy, completeness and timeliness of information concerning any Index.

PART 2: FORM OF FINAL TERMS FOR INDEX LINKED NOTES

Copies of the Final Terms will be provided by the Issuer upon request. [In addition, in case of Notes listed on Euronext Amsterdam by NYSE Euronext, the Final Terms will be displayed on the website of Euronext Amsterdam (_____) and in case of Notes listed on the Luxembourg Stock Exchange, on the website of the Luxembourg Stock Exchange (_____)].

Set out below is the form of Final Terms which will be completed for each Tranche of Index Linked Notes issued under the Programme.

Final Terms

[SNS Bank N.V. / SNS REAAL N.V.] (the "**Issuer**")

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

Issue of [up to] [Aggregate Nominal Amount of Tranche] [Title of Notes] (the "**Notes**")
issued under the Debt Issuance Programme of SNS Bank N.V. and SNS REAAL N.V.

dated [•]

This document constitutes the Final Terms of the issue of Notes under the Debt Issuance Programme (the "**Programme**") of SNS Bank N.V. and SNS REAAL N.V., described herein for the purposes of article 5.4 of Directive 2003/71/EC (the "**Prospectus Directive**"). This document must be read in conjunction with the base prospectus pertaining to the Programme, dated 8 June 2009 (the "**Prospectus**") and any amendments or supplements thereto, which together constitute a base prospectus for the purposes of the Prospectus Directive. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Prospectus and any amendments or supplements thereto. The Prospectus (and any amendments thereto) is available for viewing at www.snsreaal.com as well as at the Amsterdam office of the Issuer at Nieuwezijds Voorburgwal 162, 1012 SJ, Amsterdam, The Netherlands, where copies may also be obtained (free of charge). Any supplements to the Prospectus will in any case be available at this office and copies thereof may be obtained (free of charge) there.

These Final Terms are to be read in conjunction with the Terms and Conditions (the "**Terms and Conditions**") set forth in [[Chapter 2, Part 1][include if SNS Bank is Issuer][Chapter 3, Part 1][include if SNS REAAL is Issuer]] and Chapter 4, Part 1 of the Prospectus. The Terms and Conditions as supplemented, amended and/or disappplied by these Final Terms constitute the conditions (the "**Conditions**") of the Notes. Capitalised terms not defined herein have the same meaning as in the Terms and Conditions. Certain capitalised terms in the Terms and Conditions which are not defined therein have the meaning set forth in these Final Terms. All references to numbered Conditions and sections are to Conditions and sections of the Terms and Conditions set forth in [[Chapter 2, Part 1][include if SNS Bank is Issuer][Chapter 3, Part 1][include if SNS REAAL is Issuer]] and Chapter 4, Part 1 of the Prospectus.

*[The following language applies if the first tranche of an issue which is being increased was issued under a Prospectus with an earlier date: This document constitutes the Final Terms of the issue of Notes under the Debt Issuance Programme (the "**Programme**") of SNS Bank N.V. and SNS*

REAAL N.V., described herein for the purposes of article 5.4 of Directive 2003/71/EC (the "**Prospectus Directive**"). This document must be read in conjunction with the base prospectus pertaining to the Programme, dated 8 June 2009 (the "**Prospectus**") and any amendments or supplements thereto, which together constitute a base prospectus for the purposes of the Prospectus Directive, save in respect of the Conditions (as defined below) which are extracted from the prospectus of [SNS Bank N.V. dated [18 April 2008] [19 April 2007]] [SNS REAAL dated [16 July 2008] [25 June 2007]] and are incorporated by reference and form part of the Prospectus. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Prospectus and any amendments or supplements thereto. The Prospectus (and any amendments thereto) is available for viewing at www.snsreaal.com as well as at the Amsterdam office of the Issuer at Nieuwezijds Voorburgwal 162, 1012 SJ, Amsterdam, The Netherlands, where copies may also be obtained (free of charge). Any supplements to the Prospectus will in any case be available at this office and copies thereof may be obtained (free of charge) there.

These Final Terms are to be read in conjunction with the Terms and Conditions (the "**Terms and Conditions**") set forth in the prospectus of [SNS Bank N.V. dated [18 April 2008] [19 April 2007]] [SNS REAAL dated [16 July 2008] [25 June 2007]] which are incorporated by reference in the Prospectus. The Terms and Conditions as supplemented, amended and/or disappplied by these Final Terms constitute the conditions (the "**Conditions**") of the Notes. Capitalised terms not defined herein have the same meaning as in the Terms and Conditions. Certain capitalised terms in the Terms and Conditions which are not defined therein have the meaning set forth in these Final Terms. All references to numbered Conditions and sections are to Conditions and sections of the Terms and Conditions set forth in the 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. Italics denote directions for completing the Final Terms.]

[When adding any other final terms or information at, for example, items 9, 10, 15, 16, 17, 18 or 35 or in relation to disclosure relating to the interests of natural and legal persons involved in the issue/offer consideration should be given as to whether such terms or information constitute "significant new factors" and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive, the publication of which would in turn trigger the investors' right to withdraw their acceptances within a period of 2 business days.]

1. Issuer: [SNS Bank N.V. / SNS REAAL 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 [of Notes admitted to trading]:
(i) Tranche: [Up to]
(ii) Series: [Up to]

5. Issue Price of Tranche: [] per cent. of the Aggregate Nominal Amount
[plus accrued interest from [insert date] (in the case of fungible issues only, if applicable)]
6. (i) Specified Denominations: []
- [Note – where multiple denominations above [€50,000] or equivalent are being used the following sample wording should be followed:
“[€50,000] and integral multiples of [€1,000] in excess thereof up to and including [€99,000].
No Notes in definitive form will be issued with a denomination above [€99,000].”]*
- (ii) Calculation Amount []
- (If only one Specified Denomination, insert the Specified Denomination. If more than one Specified Denomination, insert the highest common factor. Note: There must be a common factor in the case of two or more Specified Denominations.)*
- (iii) 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 or nearest to [specify month and year]]
9. Interest Basis: [[] per cent. Fixed Rate]
[[LIBOR/EURIBOR/other] +/- [] per cent. Floating Rate]
[Dual Currency Interest]
[Zero Coupon]
[Index Linked Interest]
[Inflation Linked Interest]
[Share Linked Interest]
[Fund Linked Interest]
[Non Interest Bearing]
[specify other]
(further particulars specified below)
10. Redemption/Payment Basis: [Redemption at par]
[Index Linked Redemption]
[Dual Currency Redemption]
[Instalment]

[Partly Paid]
[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/Tier1 Subordinated/Tier 2
Subordinated/Tier 3 Subordinated]
14. Method of distribution: [Syndicated/Non-syndicated/Not applicable]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15. Fixed Rate Note Provisions [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-
paragraphs of this paragraph)
- (i) Rate(s) of Interest: [] per cent. per annum [payable
[annually/semi-annually/quarterly] in arrear]
- (ii) Interest Payment Date(s): [] in each year
(NB: This will need to be amended in the case of
long or short coupons)
- (iii) Interest Period [Please specify in case of step-up note/Not
Applicable]
- (iv) Fixed Coupon Amount(s): [] per Calculation Amount
- (v) Broken Amount(s): [] per Calculation Amount, payable on the Interest
Payment Date falling [in/on] []
- (vi) Business Day Convention
- Business Day Convention [Following Business Day
Convention/Modified Following Business Day
Convention/No adjustment/Preceding Business
Day Convention/[specify other]]
- Adjustment or Unadjustment
for Interest Period [Adjusted] or [Unadjusted]
- (vii) Fixed Day Count Fraction: [30/360 or Actual/Actual (ICMA)
or specify other]

- (viii) Other terms relating to the method of calculating interest for Fixed Rate Notes: [None/give details]
16. Floating Rate Note Provisions [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Specified Period(s): [] [only applicable if no Specified Interest Payment Dates are set out]
- (ii) Specified Interest Payment Dates: []
- (iii) Business Day Convention:
- Business Day Convention [Floating Rate Convention/ Following Business Day Convention/ Modified Following Business Day Convention/ No adjustment/ Preceding Business Day Convention/ [specify other]]
- Adjustment or Unadjustment for Interest Period [Adjusted] or [Unadjusted]
- (iv) Additional Business Centre(s): []
- (v) Manner in which the Rate of Interest and Interest Amount is to be determined: [Screen Rate Determination/ISDA Determination/specify other]
- (vi) Party responsible for calculating the Rate of Interest and interest Amount (if not the Agent): []
- (vii) Screen Rate Determination: [Yes/No] (if not applicable, delete the remaining sub-paragraphs of this paragraph)
- Reference Rate: []
(Either LIBOR, EURIBOR or other, although additional information is required if other –including fallback 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, euro LIBOR or any other inter-bank offered rate prevailing in a country in which the TARGET System does not apply)

- Relevant Screen Page: ☐ ☐
(In the case of EURIBOR, if not Reuters EURIBOR 01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)

- Relevant Time: ☐ ☐
(For example, 11.00 a.m. London time/Brussels time)

- (viii) ISDA Determination: ☐ [Yes/No]
 - Floating Rate Option: ☐ ☐
 - Designated Maturity: ☐ ☐
 - Reset Date: ☐ ☐

- (ix) Margin(s): ☐ [+/-] ☐ ☐ per cent. per annum

- (x) Minimum Rate of Interest: ☐ ☐ per cent. per annum

- (xi) Maximum Rate of Interest: ☐ ☐ per cent. per annum

- (xii) Floating Day Count Fraction: ☐ [Actual/Actual (ISDA)
Actual/365 (Fixed)
Actual/360
30/360 or 360/360 or Bond Basis
30E/360 or Eurobond Basis
30E/360 (ISDA)
Other]
[(See Condition 5 for alternatives)]

- (xiii) 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: ☐ ☐

- (xiv) Description of any market disruption or settlement disruption events that affect the underlying: ☐ ☐

- 17. Zero Coupon Note Provisions ☐ [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)

- (i) Accrual Yield: ☐ ☐ per cent. per annum

- (ii) Reference Price: ☐ ☐

- (iii) Any other formula/basis of determining amount payable: ☐ ☐

18. 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, name index and description and manner of determining coupon]
- (ii) Calculation Agent responsible for calculating the principal and/or interest due: [please insert name + address + contact]
- (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:
- Business Day Convention [Floating Rate Convention/ Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention/ No adjustment/ specify other]
 - Adjustment or Unadjustment for Interest Period [Adjusted] or [Unadjusted]
- (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: [Actual/Actual (ISDA)
Actual/365 (Fixed)
Actual/360
30/360 or 360/360 or Bond Basis
30E/360 or Eurobond Basis
30E/360 (ISDA)
Other]
[(See Condition 5 for alternatives)]
- (x) Description of any market disruption or settlement disruption events that affect the underlying: []

19. Inflation Linked Interest Note Provisions [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) Inflation/Formula: [Give or annex details, name inflation and description and manner of determining coupon]
- (ii) Calculation Agent responsible for calculating the principal and/or interest due: [please insert name + address + contact]
- (iii) Provisions for determining coupon where calculation by reference to inflation and/or formula is impossible or impracticable: []
- (iv) Specified Period(s)/Specified Interest Payment Dates: []
- (v) Business Day Convention:
 - Business Day Convention [Floating Rate Convention/ Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention/ No adjustment/ specify other]
 - Adjustment or Unadjustment for Interest Period [Adjusted] or [Unadjusted]
- (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: [Actual/Actual (ISDA)
 Actual/365 (Fixed)
 Actual/360
 30/360 or 360/360 or Bond Basis
 30E/360 or Eurobond Basis
 30E/360 (ISDA)
 Other]
 [(See Condition 5 for alternatives)]
- (x) Description of any market disruption or settlement disruption events that affect the underlying: []

20. Share Linked Interest Note Provisions [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) Share/Formula: [Give or annex details, name share and description and manner of determining coupon]
- (ii) Calculation Agent responsible for calculating the principal and/or interest due: [please insert name + address + contact]
- (iii) Provisions for determining coupon where calculation by reference to share and/or formula is impossible or impracticable: []
- (iv) Specified Period(s)/Specified Interest Payment Dates: []
- (v) Business Day Convention:
 - Business Day Convention [Floating Rate Convention/ Following Business Day Convention/Modified Following Business Day Convention/No adjustment/ Preceding Business Day Convention/ specify other]
 - Adjustment or Unadjustment for Interest Period [Adjusted] or [Unadjusted]
- (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: [Actual/Actual (ISDA)
 Actual/365 (Fixed)
 Actual/360
 30/360 or 360/360 or Bond Basis
 30E/360 or Eurobond Basis
 30E/360 (ISDA)
 Other]
 [(See Condition 5 for alternatives)]
- (x) Description of any market disruption or settlement disruption events that affect the underlying: []

21. Fund Linked Interest Note Provisions [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) Fund/Formula: [Give or annex details, name fund and description and manner of determining coupon]
- (ii) Calculation Agent responsible for calculating the principal and/or interest due: [please insert name + address + contact]
- (iii) Provisions for determining coupon where calculation by reference to fund and/or formula is impossible or impracticable: []
- (iv) Specified Period(s)/Specified Interest Payment Dates: []
- (v) Business Day Convention:
- Business Day Convention [Floating Rate Convention/ Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention/ No adjustment/ specify other]
- Adjustment or Unadjustment for Interest Period [Adjusted] or [Unadjusted]
- (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: [Actual/Actual (ISDA) Actual/365 (Fixed) Actual/360 30/360 or 360/360 or Bond Basis 30E/360 or Eurobond Basis 30E/360 (ISDA) Other]
[(See Condition 5 for alternatives)]
- (x) Description of any market disruption or settlement disruption events that affect the underlying: []
22. 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: [please insert name + address + contact]
- (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

23. Issuer Call: [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)

- (i) Optional Redemption Date(s): []
- (ii) Optional Redemption Amount(s) and method, if any, of calculation of such amount(s): [] per Calculation Amount
- (iii) If redeemable in part:
 - (a) Minimum Redemption Amount: [] per Calculation Amount
 - (b) Maximum Redemption Amount: [] per Calculation Amount
- (iv) Notice period (if other than as set out in the Conditions): []

-(N.B. If setting notice periods which are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent)

24. Investor Put: [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)

- (i) Optional Redemption Date(s): []
- (ii) Optional Redemption Amount(s)

and method, if any, of calculation
of such amount(s): ☐ per Calculation Amount

- (iii) Notice period (if other than as set
out in the Conditions): ☐

(N.B. If setting notice periods which are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent)

25. Final Redemption Amount ☐ per Calculation Amount /specify other/see Appendix

26. Early Redemption Amount(s) per Calculation Amount 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)): ☐

27. Additional provisions applicable in case of redemption of Dual Currency Notes ☐ [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)

- (i) Provisions in case business day final redemption differs from Interest Payment Date final coupon ☐

GENERAL PROVISIONS APPLICABLE TO THE NOTES

28. 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]

29. New Global Note form: [Applicable/Not Applicable]
30. Additional Financial Centre(s) or other special provisions relating to payment Dates: [Please refer to item 52(v) if applicable]
[Not Applicable/give details]
Note that this item relates to the date and place of payment and not Interest Period end dates to which items 15(ii), 16(ii) and 18(iv) relate
31. 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]
32. Details relating to Instalment Notes; amount of each instalment, date on which each payment is to be made: [Not Applicable/give details]
33. Redenomination: [Redenomination [not] applicable
(if Redenomination is applicable, include
(i) either the applicable Fixed Day Count Fraction or any provisions necessary to deal with floating rate interest, inflation linked interest, share linked interest, fund linked interest or index linked interest calculation (including alternative reference rates) and
(ii) the New Currency]
34. Whether Condition 8 first paragraph under (a) of the Notes applies (in which case Condition 7(b) of the Notes will not apply) or whether Condition 8 first paragraph under (b) of the Notes applies (in which case Condition 7(b) of the Notes will apply): [Condition 8 first paragraph under (a) applies and Condition 7(b) does not apply] [Condition 8 first paragraph under (b) applies and Condition 7(b) applies]
35. Other terms or special conditions: [Not Applicable/give details]

(when adding any other final terms consideration should be given as to whether such terms constitute "significant new factors" and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive)

DISTRIBUTION

36. (i) If syndicated, names of Managers and underwriting commitments [Not Applicable/give names/ give legal names, [addresses] ** and underwriting commitments]

[Please note that the process for notification to potential investors of the amount allotted and an indication whether dealing may begin before notification is made will be provided for by the Manager(s) and notified by the Manager(s) to potential investors]

(ii) Date of Syndication Agreement: []**

(iii) Stabilising Manager (if any): [Not Applicable/give legal name]

37. If non-syndicated, name and address of relevant Dealer: [specify name [and address]** of Dealer/Not applicable. The Notes are not being underwritten by any Dealer(s).]

38. Total commission and concession**: [] per cent. of the Aggregate Nominal Amount**

INDEX LINKED PROVISIONS

39. **[The following apply to Notes linked to a single index only:**

Averaging Dates: [specify dates or delete if N/A]

Barrier Level: [specify as [[●] per. cent of Initial Index Level]
Or delete if N/A]

Business Day: [specify as [a day on which (i) commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in [●] [and (ii) which is a TARGET Business Day]]

Exchange(s): [specify if Non-Multi Exchange Index, otherwise no need to complete]

Expiration Date: [specify or delete if N/A]

Index: [specify]

Index Sponsors: [specify or delete if fallback provisions in Chapter 4, Part 1 to apply]

Initial Index Levels: [specify as [the Index Level on the Strike Date]
Or delete if N/A]

Multi-Exchange Index: [Yes/No]

Non Multi-Exchange Index: [Yes/No]

Observation Date(s): [specify or delete if N/A]

Observation Period: [specify as [the period from and including the Issue Date, Strike Date or [●] to and including The Expiration Date or [●]] or delete if N/A]

Strike Date: [specify or delete if N/A]

Strike Prices: [specify or delete if N/A]

[Insert any other relevant terms]]

[The following apply to Notes linked to a basket of indices only:

Averaging Dates: [specify dates or delete if N/A]

Barrier Level: [specify as [●] per. cent of Initial Index Level]
Or delete if N/A]

Basket: [specify names of Indices and their weightings]
[indicate which are Multi-Exchange Indices
And which are Non Multi-Exchange Indices]

Business Day: [specify as [a day on which (i) commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in [●] [and (ii) which is a TARGET Business Day].

Exchange(s): [specify if any Non Multi-Exchange Indices, otherwise no need to complete]

Expiration Date: [specify or delete if N/A]

Index Sponsor: [specify or delete if fallback provisions in Chapter 3, Part 1 to apply]

Initial Index Level: [specify as [the Index Level on the Strike Date]
Or delete if N/A]

Observation Date(s): [specify or delete if N/A]

Observation Period: [specify as [the period from and including the Issue Date, Strike Date or [●] to and including The Expiration Date or [●]] or delete if N/A]

Strike Date: [specify or delete if N/A]

Strike Price: [specify or delete if N/A]

[Insert any other relevant terms]]

OTHER PROVISIONS

40. Whether TEFRA D or TEFRA C rules applicable [TEFRA D/TEFRA C]
41. Additional selling restrictions: [Not Applicable/give details]
42. Listing
(i) Listing [Euronext Amsterdam by NYSE Euronext /other (specify)/ None]
- (ii) Admission to trading: [Application has been made for the Notes to be admitted to trading on Euronext Amsterdam by NYSE Euronext with effect from [], [Not Applicable].
(Where documenting a fungible issue need to indicate that original securities are already admitted to trading.)** []*]
43. Ratings: The Notes to be issued have [not] been rated:
[S & P: []]
[Moody's: []]
[Fitch: []]
[[Other]: []]
[Include here a brief explanation of the meaning of the ratings if this deviates from the explanations given in "General Information" published by the rating provider.]**
44. Notification
The Netherlands Authority for the Financial Markets (*Autoriteit Financiële Markten*, "**AFM**") [has been requested to provide/has provided – include first alternative for an issue which is contemporaneous with the update of the Programme and the second alternative for subsequent issues] the [names of competent authorities of host Member States] with a notification that the Prospectus has been drawn up in accordance with the Prospectus Directive.]
45. Interests of Natural and Legal Persons Involved in the Issue
[Save for any fees payable to the Dealers, so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. – Amend as appropriate if there are other interests]
46. Reasons for the Offer (if different from making a profit and/or hedging certain risks)
47. Estimated net proceeds and total expenses
(i) Estimated net proceeds []
(Also see "Use of Proceeds" wording in Prospectus – if reasons for offer different from making profit and/or hedging certain risks will need to include those reasons here. If proceeds are intended for more than one use will need to split out and present in

order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding.)

(ii) Estimated total expenses: []. [Include breakdown of expenses]

48. Yield (Fixed Rate Notes only)

Indication of yield: []

The yield is calculated at the Issue [Calculated as [include details of method of
Date on the basis of the Issue Price. calculation in summary form] on the Issue Date.]**
It is not an indication of future yield.

49. Historic Interest Rates (Floating Rate Notes only)**

Details of historic [LIBOR/EURIBOR/other] rates can be obtained from [Reuters system or Reuters EURIBOR 01]

50. Performance of index/formula, inflation/formula, share/formula or fund/formula, explanation of effect on value of investment and associated risks (Index Linked Interest Notes, Inflation Linked Interest Notes, Share Linked Interest Notes and Fund Linked Interest Notes only)**

[Name of index/inflation/share/fund] []

[Description of index/inflation/share/fund

if composed by Issuer:] []

[Information on index/inflation/share/fund

if not composed by Issuer:] []

[Need to include details of where information on the past and future performance and volatility of the index/formula, inflation/formula, share/formula or fund/formula can be obtained and a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.]

The underlying is a security: [Name of the issuer of the security]

[ISIN Code or other identification code]

The underlying is a basket of

underlyings: [disclosure of relevant weightings of each
underlying in the basket]

51. Performance of rate[s] of exchange and explanation of effect on value of investment (Dual Currency Notes only)

[Need to include details of where information on the past and future performance and volatility of the relevant rates can be obtained and a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.]

52. Operational Information

(i) ISIN Code: []

(ii) Common Code: []

(iii) WKN Code: [] [Not Applicable]

(iv) Other relevant code: []

[Not Applicable/give name(s) and numbers(s)]

(v) New Global Note intended to be
held in a manner which would

allow Eurosystem eligibility: [Not Applicable/Yes/No]

- [Note that the designation "Yes" simply means that the Notes are intended upon issue to be deposited with Euroclear or Clearstream, Luxembourg as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.] *[Include this text if "Yes" selected in which case the Notes must be issued in NGN form]*
- (vi) Offer Period: [The offer of the Notes is expected to open at [] hours ([] time) on [] and close at [] hours ([] time) on [] or such earlier or later date or time as the Issuer may determine, following consultation with the relevant Dealer where practical,] (and announce)] [Not Applicable]
- (vii) Delivery: Delivery [against/free of] payment
- (viii) Payment: Method and time limits of paying up the Notes – *to be included if any agreement in this respect is entered into between Issuer and Manager(s)*
- (ix) Settlement Procedure: [Method of settlement procedure]
- (x) Clearing System: [Euroclear/Clearstream Luxembourg/Euroclear Nederland/other alternative clearing system]
53. Additional paying agent (if any) [Name:][Address:] / Not Applicable]
54. Additional information
[The following information should be consulted in connection with the offer of the Notes:
- insert relevant information which does not necessitate a Supplement to the Prospectus].
55. Listing Application
[These Final Terms comprise the final terms required to list and have admitted to trading the issue of Notes described herein pursuant to the Programme / Not Applicable]

Responsibility

The Issuer declares that, having taken all reasonable care to ensure that such is the case, the information contained herein is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import. The Issuer accepts responsibility for the information contained in these Final Terms. [[] has been extracted from []. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of the Issuer:

By: By:
Duly authorised

Duly authorised

Notes:

- * Not required if the minimum denomination is less than € 50,000
- ** Not required if the minimum denomination is equal or higher than € 50,000

CHAPTER 5: INFLATION LINKED NOTES

PART 1: TERMS AND CONDITIONS OF INFLATION LINKED NOTES

The terms and conditions applicable to inflation linked notes ("**Inflation Linked Notes**") shall comprise the Terms and Conditions of the Medium Term Notes set out in Chapter 2, Part 1 (in case SNS Bank N.V. is the Issuer) or in Chapter 3, Part 1 (in case SNS REAAL N.V. is the Issuer) (the "**General Conditions**") and the additional Terms and Conditions set out below (the "**Inflation Linked Conditions**"), in each case subject to completion and/or amendment in the applicable Final Terms. In the event of any inconsistency between the General Conditions and the Inflation Linked Conditions set out below, the Inflation Linked Conditions set out below shall prevail. In the event of any inconsistency between (i) the General Conditions and/or the Inflation Linked Conditions and (ii) the Final Terms, the Final Terms shall prevail. For purposes of these Inflation Linked Conditions and references to the "Issuer" shall be to the Issuer of the relevant Notes.

1. Final Redemption

Subject to any applicable automatic redemption and/or early redemption and/or put options and/or call options set forth in the relevant Final Terms not having occurred prior to the Maturity Date or any other applicable date specified in the Final Terms, for the purposes of Condition 7(a) of the General Conditions the Final Redemption Amount payable per Note on the Maturity Date (subject to the provisions of Conditions 7(m), 7(n) and 7(o) of the Inflation Linked Conditions) shall be an amount in the Specified Currency determined by the Calculation Agent in accordance with the formula specified in the relevant Final Terms.

2. Definitions

For the purposes of the terms and conditions of the Notes, the following terms shall have the meanings set out below:

"Averaging Date(s)" means, if Averaging Dates is specified as applicable in the relevant Final Terms, each of the dates specified as such in the relevant Final Terms, subject to adjustment in accordance with the Business Day Convention specified in the relevant Final Terms.

"AUD – Non-revised Consumer Price Index (CPI)" means the "Non-revised Index of Consumer Prices for Weighted Average of Eight Capital Cities: All – Groups Index before Seasonal Adjustment", or relevant Successor Index, measuring the rate of inflation in Australia, expressed as an index and published by the relevant Index Sponsor.

"Base Level" means the Index Level (whether definitive or provisional) published or announced by the Index Sponsor in respect of the month which is 12 calendar months prior to the Reference Month for which the Substitute Index Level is being determined.

"BLG – Non-revised Harmonised Consumer Price Index (HICP)" means the "Non-revised Harmonised Index of Consumer Prices", or relevant Successor Index, measuring the rate of inflation in Belgium, expressed as an index and published by the relevant Index Sponsor.

"BRL – Non-revised Consumer Price Index (IPCA)" means the "Non-revised Extensive National Consumer Price Index", or relevant Successor Index, measuring the rate of inflation in Brazil, expressed as an index and published by the relevant Index Sponsor.

“BRL – Non-revised Price Index (IGP-M)” means the “IGP-M General Price Index”, or relevant Successor Index, measuring the rate of inflation in Brazil, expressed as an index and published by the relevant Index Sponsor.

“CAD – Non-revised Consumer Price Index (CPI)” means the “Non-revised Index of Consumer Prices”, or relevant Successor Index, measuring the rate of inflation in Canada, expressed as an index and published by the relevant Index Sponsor.

“Change in Law” means that, on or after the earlier of the Strike Date and Issue Date, as applicable, (or as otherwise set forth in the relevant Final Terms) (A) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law) or (B) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Issuer determines that it will incur a materially increased cost in performing its obligations under the Notes (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position).

“Cut-Off Date” means, in respect of a Determination Date, the number of Business Days specified in the relevant Final Terms prior to such Determination Date.

“DEK – Non-revised Consumer Price Index (CPI)” means the “Non-revised Index of Consumer Prices”, or relevant Successor Index, measuring the rate of inflation in Denmark, expressed as an index and published by the relevant Index Sponsor.

“Delayed Index Level Event” means, in respect of any Determination Date, that the Index Sponsor fails to publish or announce the level of the Index (the “Relevant Level”) in respect of any Reference Month which is to be utilised in any calculation or determination to be made by the Issuer in respect of such Determination Date, at any time prior to the Cut-Off Date.

“DEM – Non-revised Consumer Price Index (CPI)” means the “Non-revised All Items Index of Consumer Prices”, or relevant Successor Index, measuring the rate of inflation in Germany, expressed as an index and published by the relevant Index Sponsor.

“Determination Date” means the Strike Date, the Expiration Date, any Averaging Date, any Observation Date, the Maturity Date or any other date designated in the relevant Final Terms.

“ESP – Harmonised-Non-revised Consumer Price Index (HCPI)” means the “Non-revised Harmonised Index of Consumer Prices including Tobacco”, or relevant Successor Index, measuring the rate of inflation in Spain expressed as an index and published by the relevant Index Sponsor.

“ESP – Harmonised-Revised Consumer Price Index (HCPI)” means the Harmonised Index of Consumer Prices including Tobacco”, or relevant Successor Index, measuring the rate of inflation in Spain expressed as an index and published by the relevant Index Sponsor.

“ESP – National-Non-revised Consumer Price Index (CPI)” means the “Non-revised Index of Consumer Prices including Tobacco”, or relevant Successor Index, measuring the rate of inflation in Spain expressed as an index and published by the relevant Index Sponsor.

“ESP – National-Revised Consumer Price Index (CPI)” means the “Year on Year Revised Index of Consumer Prices”, or relevant Successor Index, measuring the rate of inflation in Spain, expressed as an annual percentage and published by the relevant Index Sponsor.

“EUR – All Items-Non-revised Consumer Price Index” means the “Non-revised Harmonised Index of Consumer Prices All Items”, or relevant Successor Index, measuring the rate of inflation in the European Monetary Union expressed as an index and published by the relevant Index Sponsor.

“EUR – All Items-Revised Consumer Price Index” means the “Revised Harmonised Index of Consumer Prices All Items”, or relevant Successor Index, measuring the rate of inflation in the European Monetary Union expressed as an index and published by the relevant Index Sponsor.

“EUR – Excluding Tobacco-Non-revised Consumer Price Index” means the “Non-revised Index of Consumer Prices excluding Tobacco”, or relevant Successor Index, measuring the rate of inflation in the European Monetary Union excluding tobacco, expressed as an index and published by the relevant Index Sponsor.

“Expiration Date” means the date specified as such in the relevant Final Terms, subject to adjustment in accordance with the Business Day Convention specified in the relevant Final Terms.

“FRC – Excluding Tobacco-Non-Revised Consumer Price Index” means the “Non-revised Index of Consumer Prices excluding Tobacco”, or relevant Successor Index, measuring the rate of inflation in France excluding tobacco expressed as an index and published by the relevant Index Sponsor.

“GBP – Non-revised Retail Price Index (UKRPI)” means the “Non-revised Retail Price Index in the United Kingdom”, or relevant Successor Index, measuring the rate of inflation in the United Kingdom expressed as an index and published by the relevant Index Sponsor.

“GRD – Harmonised-Non-revised Consumer Price Index (HICP)” means the “Non-revised Harmonised Index of Consumer Prices”, or relevant Successor Index, measuring the rate of inflation in Greece expressed as an index and published by the relevant Index Sponsor.

“GRD – Non-revised Consumer Price Index (CPI)” means the “Non-revised Index of Consumer Prices”, or relevant Successor Index, measuring the rate of inflation in Greece expressed as an index and published by the relevant Index Sponsor.

“Index” means the index specified in the relevant Final Terms, or any Successor Index.

“Index Cancellation” means a level for the Index has not been published or announced for two consecutive months and/or the Index Sponsor cancels the Index and/or the Index Sponsor announces that it will no longer continue to publish or announce the Index and no Successor Index exists.

“Index Level” means the level of the Index or any Substitute Index Level.

“Index Modification” means the Index Sponsor announces that it will make (in the opinion of the Issuer) a material change in the formula for or the method of calculating the Index or in any other way materially modifies the Index.

“Index Sponsor” means either (x) the index sponsor specified in the Final Terms or such other corporation or entity as determined by the Calculation Agent that (a) is responsible for setting and reviewing the rules and procedures and the methods of calculation and adjustments, if any, related to the Index and (b) announces (directly or through an agent) the level of the Index failing whom such person acceptable to the Calculation Agent who calculates and announces the Index or any agent or person acting on behalf of such person or (y) if no such index sponsor is specified in the Final Terms, then the corporation or entity as determined by the Calculation Agent that (a) is responsible for setting and reviewing the rules and procedures and the methods of calculation and adjustments, if any, related to the Index and (b) announces (directly or through an agent) the level of the Index failing whom such person acceptable to the Calculation Agent who calculates and announces the Index or any agent or person acting on behalf of such person.

“IRL – Non-revised Consumer Price Index (CPI)” means the “Consumer Price Index-All Items”, or relevant Successor Index, measuring the rate of inflation in Ireland, expressed as an index and published by the relevant Index Sponsor.

“ISK – Harmonised Consumer Price Index (HICP)” means the “Non-revised Harmonised Index of Consumer Prices”, or relevant Successor Index, measuring the rate of inflation in Iceland, expressed as an index and published by the relevant Index Sponsor.

“ISK – Non-revised Consumer Price Index (CPI)” means the “Non-revised Consumer Price Index”, or relevant Successor Index, measuring the rate of inflation in Iceland, expressed as an index and published by the relevant Index Sponsor.

“ITL – Inflation for Blue Collar Workers and Employees-Excluding Tobacco Consumer Price Index” means the “Indice dei prezzi al consume per famiglie di operai e impiegati (FOI) senza tabacchi”, or relevant Successor Index, measuring the rate of inflation in Italy expressed as an index and published by the relevant Index Sponsor.

“ITL – Inflation for Blue Collar Workers and Employees-Including Tobacco Consumer Price Index” means the “Indice dei prezzi al consumo per famiglie di operai e impiegati (FOI) con tabacchi”, or relevant Successor Index, measuring the rate of inflation in Italy expressed as an index and published by the relevant Index Sponsor.

“ITL – Whole Community – Excluding Tobacco Consumer Price Index” means the “Indice nazionale dei prezzi al consumo per l'intera collettività (NIC) senza tabacchi” or relevant Successor Index, measuring the rate of inflation in Italy expressed as an index and published by the relevant Index Sponsor.

“ITL – Whole Community – Including Tobacco Consumer Price Index” means the “Indice nazionale dei prezzi al consume per l'intera collettività (NIC) con tabacchi”, or relevant Successor Index, measuring the rate of inflation in Italy expressed as an index and published by the relevant Index Sponsor.

“JPY – Non-revised Consumer Price Index Nationwide General Excluding Fresh Food (CPI)” means the “Non-revised Consumer Price Index Nationwide General Excluding Fresh Food”, or relevant Successor Index, measuring the rate of inflation excluding fresh food in Japan, expressed as an index and published by the relevant Index Sponsor.

“KRW – Non-revised Consumer Price Index (CPI)” means the “Non-revised Consumer Price Index”, or relevant Successor Index, measuring the rate of inflation in South Korea, expressed as an index and published by the relevant Index Sponsor.

“Latest Level” means the latest Index Level (whether definitive or provisional) published or announced by the Index Sponsor prior to the Reference Month in respect of which the Substitute Index Level is being determined.

“MXN – Non-revised Consumer Price Index (CPI)” means the “Non-revised Consumer Price Index”, or relevant Successor Index, measuring the rate of inflation in Mexico, expressed as an index and published by the relevant Index Sponsor.

“MXN – Unidad de Inversion Index (UDI)” means the **“Unidad de Inversion Index”**, or relevant Successor Index, reporting the daily peso value of an Unidad de Inversion (an “UDI”), expressed as an index and published by the relevant Index Sponsor.

“NLG – Harmonised-Non-revised Consumer Price Index (HICP)” means the “Non-revised Harmonised Index of Consumer Prices”, or relevant Successor Index, measuring the rate of inflation in The Netherlands, expressed as an index and published by the relevant Index Sponsor.

“NZD – Non-revised Consumer Price Index (CPI)” means the “Non-revised Consumer Price Index”, or relevant Successor Index, measuring the rate of inflation in New Zealand, expressed as an index and published by the relevant Index Sponsor.

“Observation Date” means, if specified as applicable in the relevant Final Terms, each date, if any, set forth in the relevant Final Terms, subject to adjustment in accordance with the Business Day Convention specified in the relevant Final Terms.

“Observation Period” has the meaning ascribed to it in the relevant Final Terms.

“PLN – Non-revised Consumer Price Index (CPI)” means the “Non-revised Price Indices of Consumer Goods and Services”, or relevant Successor Index, measuring the rate of inflation in Poland, expressed as an index and published by the relevant Index Sponsor.

“Rebased Index” has the meaning given to it in Condition 7(o)(v) of the Inflation Linked Conditions.

“Reference Level” means the Index Level (whether definitive or provisional) published or announced by the Index Sponsor in respect of the Reference Month that is 12 calendar months prior to the Reference Month in respect of the Latest Level.

“Reference Month” means the calendar month for which the level of the Index was reported, regardless of when this information is published or announced. If the period for which the Index Level was reported is a period other than a month, the Reference Month shall be the period for which the Index Level was reported.

“Related Bond” means, if specified as applicable in the relevant Final Terms, means the bond specified as such in the relevant Final Terms.

“Related Bond Redemption Event” means, if specified as applicable in the relevant Final Terms, at any time prior to the Maturity Date, (i) the Related Bond is redeemed, repurchased or cancelled, (ii) the Related Bond becomes repayable prior to its stated date of maturity for whatever reason, or (iii) the issuer of the Related Bond announces that the Related Bond will be redeemed, repurchased or cancelled prior to its stated date of maturity.

“Relevant Level” has the meaning given to it in the definition of Delayed Index Level Event.

“SEK – Non-revised Consumer Price Index (CPI)” means the “Non-revised Index of Consumer Prices”, or relevant Successor Index, measuring the rate of inflation in Sweden, expressed as an index and published by the relevant Index Sponsor.

“Successor Index” has the meaning given to it in Condition 7(o) of the Inflation Linked Conditions.

“Substitute Index Level” means, in respect of a Delayed Index Level Event, the index level determined by the Issuer in accordance with Condition 7(m) of the Inflation Linked Conditions.

“USA – Non-revised Consumer Price Index – Urban (CPI-U)” means the “Non-revised index of Consumer Prices for All Urban Consumers (CPI-U) before seasonal adjustment”, or relevant Successor Index, measuring the rate of inflation in the United States expressed as an index and published by the relevant Index Sponsor.

“ZAR – Non-revised Consumer Price Index (CPI)” means the “Non-revised Index of Consumer Prices”, or relevant Successor Index, measuring the rate of inflation in South Africa, expressed as an index and published by the relevant Index Sponsor.

“ZAR – Non-revised Consumer Price Index Excluding Mortgages (CPIX)” means the “Nonrevised Index of Consumer Prices excluding Mortgage”, or relevant Successor Index, measuring the rate of inflation excluding mortgages in South Africa, expressed as an index and published by the relevant Index Sponsor.

3. Delay in Publication

For the purposes of the Notes, Condition 7 of the General Conditions shall be amended by the addition of a new Inflation Linked Condition 7(m) as follows:

“(m) Delay in Publication

If the Calculation Agent determines that a Delayed Index Level Event has occurred with respect to any Determination Date, then the Index Level with respect to any Reference Month which is to be utilized in any calculation or determination to be made by the Calculation Agent and/or the Issuer with respect to such Determination Date (the **“Substitute Index Level”**) shall be determined by the Calculation Agent (subject to Condition 7(n)(ii)) of the Inflation Linked Conditions as follows:

- (i) if Related Bond is specified as applicable in the applicable Final Terms, the Calculation Agent shall determine the Substitute Index Level by reference to the corresponding index level determined under the terms and conditions of the Related Bond; or
- (ii) if (I) Related Bond is specified as not applicable in the relevant Final Terms, or (II) the Calculation Agent is not able to determine a Substitute Index Level under (i) above, the Calculation Agent shall determine the Substitute Index Level by reference to the following formula:

Substitute Index Level = Base Level x (Latest Level/Reference Level); or

- (iii) in accordance with any formula specified in the applicable Final Terms.

The Issuer shall promptly give notice to the holders of any Substitute Index Level of the Notes in accordance with Condition 14 of the General Conditions.”

4. Successor Index

For the purposes of the Notes, Condition 7 of the General Conditions shall be amended by the addition of a new Inflation Linked Condition 7(o) as follows:

“(o) Successor Index

If the Calculation Agent determines that the level of an Index is not calculated and announced by the Index Sponsor for two consecutive months and/or the Index Sponsor announces that it will no longer continue to publish or announce the Index and/or the Index Sponsor cancels the Index then the Calculation Agent shall determine a successor index (a **“Successor Index”**) (in lieu of any previously applicable Index) for the purposes of the Notes as follows:

- (i) if the Index Sponsor announces that it will no longer publish or announce the Index but that it will be superseded by a replacement Index specified by the Index Sponsor, and the Calculation Agent determines that such replacement Index is calculated using the same or a substantially similar formula or method of calculation as used in the calculation of the Index, such replacement index shall be designated a “Successor Index”;
- (ii) if (i) above does not apply and if Related Bond is specified as applicable in the Final Terms, the successor index (if any) designated pursuant to the terms and conditions

of the Related Bond and such successor index shall be designated a "Successor Index"; or

- (iii) if (i) above does apply and if Related Bond is specified as not applicable in the Final Terms or a Related Bond Redemption Event has occurred, the Calculation Agent shall determine an appropriate alternative index and such index will be deemed a "Successor Index"; or
- (iv) if the Calculation Agent determines that neither (i), (ii) nor (iii) above apply, there will be deemed to be no Successor Index and an Index Cancellation will be deemed to have occurred.

For the avoidance of doubt, the Calculation Agent shall determine the date on which the Successor Index shall be deemed to replace the Index for the purposes of the Notes. Notice of the determination of a Successor Index, the effective date of the Successor Index or the occurrence of an Index Cancellation will be given to holders of the Notes by the Issuer in accordance with Condition 14 of the General Conditions."

5. Adjustments

For the purposes of the Notes, Condition 7 of the General Conditions shall be amended by the addition of a new Inflation Linked Condition 7(n) as follows:

"(n) Adjustments and Currency

- (i) **Successor Index**
If a Successor Index is determined in accordance with Condition 7(n) of the Inflation Linked Conditions, the Issuer may make any adjustment or adjustments (without limitation) to the final Redemption Amount, interest payable under the Notes (if any) and/or any other relevant term of the Notes as the Calculation Agent deems necessary. The Issuer shall give notice to the holders of the Notes of any such adjustment in accordance with Condition 14 of the General Conditions.
- (ii) **Substitute Index Level** If the Calculation Agent determines a Substitute Index Level in accordance with Condition 7(m) of the Inflation Linked Conditions, the Issuer may make any adjustment or adjustments (without limitation) to (I) the Substitute Index Level determined in accordance with Condition 7(m) of the Inflation Linked Conditions and/or (II) the Final Redemption Amount, interest payable under the Notes (if any) and/or any other relevant term of the Notes, in each case, as the Calculation Agent deems necessary. The Issuer shall give notice to the holders of the Notes of any such adjustment in accordance with Condition 14 of the General Conditions.
- (iii) **Index Level Adjustment Correction**
 - (I) The first publication or announcement of the Index Level (disregarding estimates) by the Index Sponsor for any Reference Month shall be final and conclusive and, subject to Condition 7(n)(iii)(II) of the Inflation Linked Conditions, later revisions to the level for such Reference Month will not be used in any calculations, save that in respect of the EUR-All Items-Revised Consumer Price Index, the ESP-National-Revised Consumer Price Index (CPI) and the ESP-Harmonised-Revised Consumer Price Index HCPI, revisions to the Index Level which are published or announced up

to and including the day that is two Business Days prior to any relevant Determination Date will be valid and the revised Index Level for the relevant Reference Month will be deemed to be the final and conclusive Index Level for such Reference Month. The Issuer shall give notice to the holders of the Notes of any valid revision in accordance with Condition 14 of the General Conditions.

- (II) If, within thirty days of publication or at any time prior to a Determination Date in respect of which an Index Level will be used in any calculation or determination in respect of such Determination Date, the Calculation Agent determines that the Index Sponsor has corrected the Index Level to correct an error which the Calculation Agent determines is material, the Issuer may make any adjustment to the Final Redemption Amount, interest payable under the Notes (if any) and/or any other relevant term of the Notes as the Calculation Agent deems appropriate as a result of such correction and/or determine the amount (if any) that is payable as a result of that correction. The Issuer shall give notice to the holders of the Notes of any such adjustment and/or amount in accordance with Condition 14 of the General Conditions.
- (III) If a Relevant Level is published or announced at any time after the Cut-Off Date in respect of a Determination Date in respect of which a Substitute Index Level was determined, the Calculation Agent may either (A) determine that such Relevant Level shall not be used in any calculation or determination under the Notes and that the Substitute Index Level shall be deemed to be the definitive Index Level for the relevant Reference Month, or (B) request the Issuer to make any adjustment to the Final Redemption Amount, interest payable under the Notes (if any) and/or any other relevant term of the Notes as it deems appropriate as a result of the announcement or publication of the Relevant Level and/or determine the amount (if any) that is payable as a result of such publication or announcement. The Issuer shall give notice to the holders of the Notes of any determination in respect of (A) or (B), together with any adjustment or amount in respect thereof, in accordance with Condition 14 of the General Conditions.
- (iv) **Currency** If the Calculation Agent determines that any event occurs affecting the Specified Currency (whether relating to its convertibility into other currencies or otherwise) which the Calculation Agent determines necessitates an adjustment or adjustments to the Final Redemption Amount, Strike Price and/or any other relevant term of the Notes (including the date on which any amount is payable by the Issuer), the Issuer may make such adjustment or adjustments to the Final Redemption Amount, Strike Price and/or any other relevant term of the Notes as the Calculation Agent deems necessary. The Issuer shall give notice to the holders of the Notes of any such adjustment in accordance with Condition 14 of the General Conditions.
- (v) **Rebasing** If the Calculation Agent determines that the Index has been or will be rebased at any time, the Index as so rebased (the "**Rebased Index**") will be used for purposes of determining the Index Level from the date of such rebasing; provided, however, that the Issuer may make (A) if Related Bond is specified as applicable in the relevant Final Terms, any adjustments as are made pursuant to the terms and conditions of the Related Bond, if any, to the past levels of the Rebased Index so that the Rebased Index levels prior to the date of rebasing reflect the same rate of inflation as before the rebasing, and/or (B) if Related Bond is specified as not applicable in the relevant Final Terms or a Related Bond Redemption Event has

occurred, the Calculation Agent may make adjustments to the past levels of the Rebased Index so that the Rebased Index levels prior to the date of rebasing reflect the same rate of inflation as the Index before it was rebased, and in each case the Issuer may make any adjustment(s) to the Final Redemption Amount, interest payable under the Notes (if any) and/or any other term of the Notes as the Calculation Agent may deem necessary. If the Calculation Agent determines that neither (A) nor (B) above would produce a commercially reasonable result, the Issuer may redeem each Note on a date notified by the Issuer to Noteholders in accordance with Condition 14 of the General Conditions at its fair economic value as determined by the Calculation Agent (unless otherwise provided in the relevant Final Terms) as at the date of redemption taking into account the rebasing, less the cost to the Issuer of unwinding or amending any related underlying hedging arrangements (unless provided for otherwise in the relevant Final Terms). Notice of any adjustment, redemption of the Notes or determination pursuant to this paragraph shall be given to Noteholders in accordance with Condition 14 of the General Conditions.

- (vi) **Index Modification**
- (I) If, on or prior to the Cut-Off Date in respect of any Determination Date, the Calculation Agent determines that an Index Modification has occurred the Issuer may (A) if Related Bond is specified as applicable in the relevant Final Terms, make any adjustments to the Index, any Index Level and/or any other relevant term of the Notes (including, without limitation, the Final Redemption Amount and/or interest payable under the Notes (if any)), consistent with any adjustments made to the Related Bond as the Calculation Agent deems necessary, or (B) if Related Bond is specified as not applicable in the Final Terms or a Related Bond Redemption Event has occurred, make only those adjustments to the Index, any Index Level and/or any other term of the Notes (including, without limitation, the Final Redemption Amount and/or interest payable under the Notes (if any)), as the Calculation Agent deems necessary for the modified Index to continue as the Index and to account for the economic effect of the Index Modification.
- (II) If the Calculation Agent determines that an Index Modification has occurred at any time after the Cut-Off Date in respect of any Determination Date, the Issuer may determine either to ignore such Index Modification for the purposes of any calculation or determination made by the Calculation Agent with respect to such Determination Date, in which case the relevant Index Modification will be deemed to have occurred with respect to the immediately succeeding Determination Date such that the provisions of (I) above will apply, or, notwithstanding that the Index Modification has occurred following the Cut-Off Date, to make any adjustments as the Calculation Agent deems fit in accordance with (I) above.
- (vii) **Change in Law** If the Calculation Agent determines that a Change in Law has occurred, the Issuer may redeem each Note on the date notified by the Issuer to Noteholders in accordance with Condition 14 of the General Conditions at its fair economic value as determined by the Calculation Agent) as at the date of redemption taking into account the Change in Law, less the cost to the Issuer of unwinding or amending any related underlying hedging arrangements (unless provided for otherwise in the relevant Final Terms). Notice of any redemption of the Notes shall be given to Noteholders in accordance with Condition 14 of the General Conditions.

- (viii) **Index Cancellation** If the Calculation Agent determines that an Index Cancellation has occurred, the Issuer may redeem each Note on the date notified by the Issuer to Noteholders in accordance with Condition 14 of the General Conditions at its fair economic value (as determined by the Calculation Agent) as at the date of redemption taking into account the Index Cancellation, less the cost to the Issuer of unwinding or amending any related underlying hedging arrangements (unless provided for otherwise in the relevant Final Terms). Notice of any redemption of the Notes pursuant to this paragraph shall be given to Noteholders in accordance with Condition 14 of the General Conditions.”

6. Index Disclaimer

The Notes are not sponsored, endorsed, sold or promoted by the Index or the Index Sponsor and the Index Sponsor has made no representation whatsoever, whether express or implied, either as to the results to be obtained from the use of the Index and/or the levels at which the Index stands at any particular time on any particular date or otherwise. The Index Sponsor shall not be liable (whether in negligence or otherwise) to any person for any error in the Index and the Index Sponsor is under no obligation to advise any person of any error therein. The Index Sponsor has made no representation whatsoever, whether express or implied, as to the advisability of purchasing or assuming any risk in connection with the Notes. Neither the Issuer nor the Calculation Agent shall have any liability to any person for any act or failure to act by the Index Sponsor in connection with the calculation, adjustment or maintenance of the Index. Neither the Issuer nor the Calculation Agent has any affiliation with or control over the Index or the Index Sponsor or any control over the computation, composition or dissemination of the Index. Although the Issuer and the Calculation Agent will obtain information concerning the Index from publicly available sources they believe to be reliable, they will not independently verify this information. Accordingly, no representation, warranty or undertaking (express or implied) is made and no responsibility is accepted by the Issuer or the Calculation Agent as to the accuracy, completeness and timeliness of information concerning the Index.

7. Related Bond Disclaimer

The Notes are not sponsored endorsed, sold or promoted by the issuer of the Related Bond and the issuer of the Related Bond has made no representation whatsoever, whether express or implied, as to the performance of the Related Bond and/or any amendments, adjustments or modifications to the terms and conditions of the Related Bond, and/or as to the results to be obtained from the use of any value or index level determined or derived with respect to the Related Bond or otherwise. The issuer of the Related Bond shall not be liable (whether in negligence or otherwise) to any person for any error in the index level or any value determined or derived with respect to the Related Bond and such issuer is under no obligation to advise any person of any error with respect thereto. The issuer of the Related Bond has made no representation whatsoever, whether express or implied, as to the advisability of purchasing or assuming any risk in connection with the Notes. Neither the issuer of the Related Bond nor any calculation agent in respect thereof shall have any liability to any person for any act or failure to act in connection with the Related Bond.

PART 2: FORM OF FINAL TERMS FOR INFLATION LINKED NOTES

Copies of the Final Terms will be provided by the Issuer upon request. [In addition, in case of Notes listed on Euronext Amsterdam by NYSE Euronext, the Final Terms will be displayed on the website of Euronext Amsterdam (_____) and in case of Notes listed on the Luxembourg Stock Exchange, on the website of the Luxembourg Stock Exchange (_____)].

Set out below is the form of Final Terms which will be completed for each Tranche of Inflation Linked Notes issued under the Programme.

Final Terms

[SNS Bank N.V. / SNS REAAL N.V.] (the "**Issuer**")

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

Issue of [up to] [Aggregate Nominal Amount of Tranche] [Title of Notes] (the "**Notes**")
issued under the Debt Issuance Programme of SNS Bank N.V. and SNS REAAL N.V.

dated [•]

This document constitutes the Final Terms of the issue of Notes under the Debt Issuance Programme (the "**Programme**") of SNS Bank N.V. and SNS REAAL N.V., described herein for the purposes of article 5.4 of Directive 2003/71/EC (the "**Prospectus Directive**"). This document must be read in conjunction with the base prospectus pertaining to the Programme, dated 8 June 2009 (the "**Prospectus**") and any amendments or supplements thereto, which together constitute a base prospectus for the purposes of the Prospectus Directive. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Prospectus and any amendments or supplements thereto. The Prospectus (and any amendments thereto) is available for viewing at www.snsreaal.com as well as at the Amsterdam office of the Issuer at Nieuwezijds Voorburgwal 162, 1012 SJ, Amsterdam, The Netherlands, where copies may also be obtained (free of charge). Any supplements to the Prospectus will in any case be available at this office and copies thereof may be obtained (free of charge) there.

These Final Terms are to be read in conjunction with the Terms and Conditions (the "**Terms and Conditions**") set forth in [[Chapter 2, Part 1][include if SNS Bank is Issuer][Chapter 3, Part 1][include if SNS REAAL is Issuer]] and Chapter 5, Part 1 of the Prospectus. The Terms and Conditions as supplemented, amended and/or disapplied by these Final Terms constitute the conditions (the "**Conditions**") of the Notes. Capitalised terms not defined herein have the same meaning as in the Terms and Conditions. Certain capitalised terms in the Terms and Conditions which are not defined therein have the meaning set forth in these Final Terms. All references to numbered Conditions and sections are to Conditions and sections of the Terms and Conditions set forth in [[Chapter 2, Part 1][include if SNS Bank is Issuer][Chapter 3, Part 1][include if SNS REAAL is Issuer]] and Chapter 5, Part 1 of the Prospectus.

[The following language applies if the first tranche of an issue which is being increased was issued under a Prospectus with an earlier date: This document constitutes the Final Terms of the issue of Notes under the Debt Issuance Programme (the "**Programme**") of SNS Bank N.V. (the "**Issuer**"), described herein for the purposes of article 5.4 of Directive 2003/71/EC (the "**Prospectus Directive**"). This document must be read in conjunction with the base prospectus pertaining to the

Programme, dated 8 June 2009 (the "**Prospectus**") and any amendments or supplements thereto, which together constitute a base prospectus for the purposes of the Prospectus Directive, save in respect of the Conditions (as defined below) which are extracted from the prospectus of SNS Bank N.V. dated [18 April 2008] [19 April 2007]] [SNS REAAL dated [16 July 2008] [25 June 2007]] and are incorporated by reference and form part of the Prospectus. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Prospectus and any amendments or supplements thereto. The Prospectus (and any amendments thereto) is available for viewing at www.snsreaal.com as well as at the Amsterdam office of the Issuer at Nieuwezijds Voorburgwal 162, 1012 SJ, Amsterdam, The Netherlands, where copies may also be obtained (free of charge). Any supplements to the Prospectus will in any case be available at this office and copies thereof may be obtained (free of charge) there.

These Final Terms are to be read in conjunction with the Terms and Conditions (the "**Terms and Conditions**") set forth in the prospectus of [SNS Bank N.V. dated [18 April 2008] [19 April 2007]] [SNS REAAL dated [16 July 2008] [25 June 2007]] which are incorporated by reference in the Prospectus. The Terms and Conditions as supplemented, amended and/or disappplied by these Final Terms constitute the conditions (the "**Conditions**") of the Notes. Capitalised terms not defined herein have the same meaning as in the Terms and Conditions. Certain capitalised terms in the Terms and Conditions which are not defined therein have the meaning set forth in these Final Terms. All references to numbered Conditions and sections are to Conditions and sections of the Terms and Conditions set forth in the 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. Italics denote directions for completing the Final Terms.]

[When adding any other final terms or information at, for example, items 9, 10, 15, 16, 17, 18 or 35 or in relation to disclosure relating to the interests of natural and legal persons involved in the issue/offer consideration should be given as to whether such terms or information constitute "significant new factors" and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive, the publication of which would in turn trigger the investors' right to withdraw their acceptances within a period of 2 business days.]

1. Issuer: [SNS Bank N.V. / SNS REAAL 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 [of Notes admitted to trading]:
(i) Tranche: [Up to]
(ii) Series: [Up to]

5. Issue Price of Tranche: [] per cent. of the Aggregate Nominal Amount
[plus accrued interest from [insert date] (in the case of fungible issues only, if applicable)]
6. (i) Specified Denominations: []
[Note – where multiple denominations above [€50,000] or equivalent are being used the following sample wording should be followed: “[€50,000] and integral multiples of [€1,000] in excess thereof up to and including [€99,000]. No Notes in definitive form will be issued with a denomination above [€99,000].”]
- (ii) Calculation Amount []
(If only one Specified Denomination, insert the Specified Denomination. If more than one Specified Denomination, insert the highest common factor. Note: There must be a common factor in the case of two or more Specified Denominations.)
- (iii) 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 or nearest to [specify month and year]]
9. Interest Basis: [[] per cent. Fixed Rate]
[[LIBOR/EURIBOR/other] +/- [] per cent. Floating Rate]
[Dual Currency Interest]
[Zero Coupon]
[Index Linked Interest]
[Inflation Linked Interest]
[Share Linked Interest]
[Fund Linked Interest]
[Non Interest Bearing]
[specify other]
(further particulars specified below)
10. Redemption/Payment Basis: [Redemption at par]
[Inflation Linked Redemption]
[Dual Currency Redemption]
[Instalment]
[Partly Paid]

[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/Tier1 Subordinated/Tier 2
Subordinated/Tier 3 Subordinated]
14. Method of distribution: [Syndicated/Non-syndicated/Not applicable]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15. Fixed Rate Note Provisions [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-
paragraphs of this paragraph)
- (i) Rate(s) of Interest: [] per cent. per annum [payable
[annually/semi-annually/quarterly] in arrear]
- (ii) Interest Payment Date(s): [] in each year
(NB: This will need to be amended in the case of
long or short coupons)
- (iii) Interest Period [Please specify in case of step-up note/Not
Applicable]
- (iv) Fixed Coupon Amount(s): [] per Calculation Amount
- (v) Broken Amount(s): [] per Calculation Amount, payable on the Interest
Payment Date falling [in/on] []
- (vi) Business Day Convention
- Business Day Convention [Following Business Day
Convention/Modified Following Business Day
Convention/No adjustment/Preceding Business
Day Convention/[specify other]]
- Adjustment or Unadjustment
for Interest Period [Adjusted] or [Unadjusted]
- (vii) Fixed Day Count Fraction: [30/360 or Actual/Actual (ICMA)
or specify other]

- (viii) Other terms relating to the method of calculating interest for Fixed Rate Notes: [None/give details]
16. Floating Rate Note Provisions [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Specified Period(s): [] [only applicable if no Specified Interest Payment Dates are set out]
- (ii) Specified Interest Payment Dates: []
- (iii) Business Day Convention:
 - Business Day Convention [Floating Rate Convention/ Following Business Day Convention/ Modified Following Business Day Convention/ No adjustment/ Preceding Business Day Convention/ [specify other]]
 - Adjustment or Unadjustment for Interest Period [Adjusted] or [Unadjusted]
- (iv) Additional Business Centre(s): []
- (v) Manner in which the Rate of Interest and Interest Amount is to be determined: [Screen Rate Determination/ISDA Determination/specify other]
- (vi) Party responsible for calculating the Rate of Interest and interest Amount (if not the Agent): []
- (vii) Screen Rate Determination: [Yes/No] (if not applicable, delete the remaining sub-paragraphs of this paragraph)
 - Reference Rate: []
 (Either LIBOR, EURIBOR or other, although additional information is required if other –including fallback 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, euro LIBOR or any other inter-bank offered rate prevailing in a country in which the TARGET System does not apply)
 - Relevant Screen Page: []

(In the case of EURIBOR, if not Reuters EURIBOR 01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)

- Relevant Time: ☐ ☐
(For example, 11.00 a.m. London time/Brussels time)
- (viii) ISDA Determination: ☐ [Yes/No]
 - Floating Rate Option: ☐ ☐
 - Designated Maturity: ☐ ☐
 - Reset Date: ☐ ☐
- (ix) Margin(s): ☐ [+/–] ☐ per cent. per annum
- (x) Minimum Rate of Interest: ☐ ☐ per cent. per annum
- (xi) Maximum Rate of Interest: ☐ ☐ per cent. per annum
- (xii) Floating Day Count Fraction: ☐ [Actual/Actual (ISDA)
Actual/365 (Fixed)
Actual/360
30/360 or 360/360 or Bond Basis
30E/360 or Eurobond Basis
30E/360 (ISDA)
Other]
[(See Condition 5 for alternatives)]
- (xiii) 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: ☐ ☐
- (xiv) Description of any market disruption or settlement disruption events that affect the underlying: ☐ ☐
- 17. Zero Coupon Note Provisions ☐ [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
 - (i) Accrual Yield: ☐ ☐ per cent. per annum
 - (ii) Reference Price: ☐ ☐
 - (iii) Any other formula/basis of determining amount payable: ☐ ☐

18. 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, name index and description and manner of determining coupon]
- (ii) Calculation Agent responsible for calculating the principal and/or interest due: [please insert name + address + contact]
- (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:
 - Business Day Convention [Floating Rate Convention/ Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention/ No adjustment/ specify other]
 - Adjustment or Unadjustment for Interest Period [Adjusted] or [Unadjusted]
- (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: [Actual/Actual (ISDA)
Actual/365 (Fixed)
Actual/360
30/360 or 360/360 or Bond Basis
30E/360 or Eurobond Basis
30E/360 (ISDA)
Other]
[(See Condition 5 for alternatives)]
- (x) Description of any market disruption or settlement disruption events that affect the underlying: []

19. Inflation Linked Interest Note Provisions [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) Inflation/Formula: [Give or annex details, name inflation and description and manner of determining coupon]
- (ii) Calculation Agent responsible for calculating the principal and/or interest due: [please insert name + address + contact]
- (iii) Provisions for determining coupon where calculation by reference to inflation and/or formula is impossible or impracticable: []
- (iv) Specified Period(s)/Specified Interest Payment Dates: []
- (v) Business Day Convention:
- Business Day Convention [Floating Rate Convention/ Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention/ No adjustment/ specify other]
- Adjustment or Unadjustment for Interest Period [Adjusted] or [Unadjusted]
- (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: [Actual/Actual (ISDA)
Actual/365 (Fixed)
Actual/360
30/360 or 360/360 or Bond Basis
30E/360 or Eurobond Basis
30E/360 (ISDA)
Other]
[(See Condition 5 for alternatives)]
- (x) Description of any market disruption or settlement disruption events that affect the underlying: []

20. Share Linked Interest Note Provisions [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) Share/Formula: [Give or annex details, name share and description and manner of determining coupon]
- (ii) Calculation Agent responsible for calculating the principal and/or interest due: [please insert name + address + contact]
- (iii) Provisions for determining coupon where calculation by reference to share and/or formula is impossible or impracticable: []
- (iv) Specified Period(s)/Specified Interest Payment Dates: []
- (v) Business Day Convention:
 - Business Day Convention [Floating Rate Convention/ Following Business Day Convention/Modified Following Business Day Convention/No adjustment/ Preceding Business Day Convention/ specify other]
 - Adjustment or Unadjustment for Interest Period [Adjusted] or [Unadjusted]
- (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: [Actual/Actual (ISDA)
Actual/365 (Fixed)
Actual/360
30/360 or 360/360 or Bond Basis
30E/360 or Eurobond Basis
30E/360 (ISDA)
Other]
[(See Condition 5 for alternatives)]
- (x) Description of any market disruption or settlement disruption events that affect the underlying: []

21. Fund Linked Interest Note Provisions [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) Fund/Formula: [Give or annex details, name fund and description and manner of determining coupon]
- (ii) Calculation Agent responsible for calculating the principal and/or interest due: [please insert name + address + contact]
- (iii) Provisions for determining coupon where calculation by reference to fund and/or formula is impossible or impracticable: []
- (iv) Specified Period(s)/Specified Interest Payment Dates: []
- (v) Business Day Convention:
 - Business Day Convention [Floating Rate Convention/ Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention/ No adjustment/ specify other]
 - Adjustment or Unadjustment for Interest Period [Adjusted] or [Unadjusted]
- (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: [Actual/Actual (ISDA)
Actual/365 (Fixed)
Actual/360
30/360 or 360/360 or Bond Basis
30E/360 or Eurobond Basis
30E/360 (ISDA)
Other]
[(See Condition 5 for alternatives)]
- (x) Description of any market disruption or settlement disruption events that affect the underlying: []

22. 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: [please insert name + address + contact]
- (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

23. Issuer Call: [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)

- (i) Optional Redemption Date(s): []
- (ii) Optional Redemption Amount(s) and method, if any, of calculation of such amount(s): [] per Calculation Amount
- (iii) If redeemable in part:
 - (a) Minimum Redemption Amount: [] per Calculation Amount
 - (b) Higher Redemption Amount: [] per Calculation Amount
- (iv) Notice period (if other than as set out in the Conditions): []
 -(N.B. If setting notice periods which are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent)

24. Investor Put: [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)

- (i) Optional Redemption Date(s): []

- (ii) Optional Redemption Amount(s) and method, if any, of calculation of such amount(s): [] per Calculation Amount
- (iii) Notice period (if other than as set out in the Conditions): []
(N.B. If setting notice periods which are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent)
25. Final Redemption Amount Appendix [] per Calculation Amount/specify other/see
26. Early Redemption Amount(s) per Calculation Amount 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)): []
27. Additional provisions in case of redemption of Dual Currency Notes [Applicable/Not Applicable]
(if not applicable, delete the remaining wording of this paragraph)
- (i) Provisions in case business days Final redemption differs from Interest Payment Date final coupon []

GENERAL PROVISIONS APPLICABLE TO THE NOTES

28. 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]

29. New Global Note form; [Applicable/Not Applicable]
[Please refer to item 52(v), if applicable]
30. Additional Financial Centre(s) or other special provisions relating to payment Dates: [Not Applicable/give details]
Note that this item relates to the date and place of payment and not Interest Period end dates to which items 15(ii), 16(ii), 18(iv), 19(iv), 20(iv) and 21(iv) relate
31. 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]
32. Details relating to Instalment Notes; amount of each instalment, date on which each payment is to be made: [Not Applicable/give details]
33. Redenomination: [Redenomination [not] applicable
(if Redenomination is applicable, include (i) either the applicable Fixed Day Count Fraction or any provisions necessary to deal with floating rate interest, inflation linked interest, share linked interest, fund linked interest or index linked interest calculation (including alternative reference rates) and (ii) the New Currency]
34. Whether Condition 8 first paragraph under (a) of the Notes applies (in which case Condition 7(b) of the Notes will not apply) or whether Condition 8 first paragraph under (b) of the Notes applies (in which case Condition 7(b) of the Notes will apply): [Condition 8 first paragraph under (a) applies and Condition 7(b) does not apply] [Condition 8 first paragraph under (b) applies and Condition 7(b) applies]
35. Other terms or special conditions: [Not Applicable/give details]

(when adding any other final terms consideration should be given as to whether such terms constitute "significant new factors" and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive)

DISTRIBUTION

36. (i) If syndicated, names of Managers and underwriting commitments [Not Applicable/give names/ give legal names, addresses] ** and underwriting commitments
- [Please note that the process for notification to potential investors of the amount allotted and an indication whether dealing may begin before notification is made will be provided for by the Manager(s) and notified by the Manager(s) to potential investors]
- (ii) Date of Syndication Agreement: []**
- (iii) Stabilising Manager (if any): [Not Applicable/give legal name]
37. If non-syndicated, name and address of relevant Dealer: [specify name [and address]** of Dealer/Not applicable. The Notes are not being underwritten by any Dealer(s).]
38. Total commission and concession**: [] per cent. of the Aggregate Nominal Amount**
39. *INFLATION LINKED PROVISIONS*
- Index: [•]
- Index Sponsor: [•]
- Related Bond: [Applicable/N/A] [if applicable, specify]
- Issuer of Related Bond: [Applicable/N/A] [if applicable, specify]
- Related Bond Redemption Event: [Applicable/N/A] [if applicable, specify]
- Averaging Date: [Applicable/N/A] [if applicable, specify]
- Observation Date: [Applicable/N/A] [if applicable, specify]
- Expiration Date: [•]
- Strike Date: [•]
- Strike Price: [•]
- Observation Period: [Applicable/Not Applicable] [if applicable, specify]
- First Publication: [Applicable/Not Applicable]

Substitute Index Level: [As determined in accordance with Condition 7(m)][●]

Cut-Off Date: In respect of a Determination Date, the day that is [●] Business Days prior to such Determination Date.

Business Day Convention: [●]

OTHER PROVISIONS

40. Whether TEFRA D or TEFRA C rules applicable [TEFRA D/TEFRA C]
41. Additional selling restrictions: [Not Applicable/give details]
42. Listing
(i) Listing [Euronext Amsterdam by NYSE Euronext /other (specify)/ None]
(ii) Admission to trading: [Application has been made for the Notes to be admitted to trading on Euronext Amsterdam by NYSE Euronext with effect from [___], [Not Applicable].
(Where documenting a fungible issue need to indicate that original securities are already admitted to trading.)** [___]*]
43. Ratings: The Notes to be issued have [not] been rated:
[S & P: []]
[Moody's: []]
[Fitch: []]
[[Other]: []]
[Include here a brief explanation of the meaning of the ratings if this deviates from the explanations given in "General Information" published by the rating provider.]**
44. Notification
The Netherlands Authority for the Financial Markets (*Autoriteit Financiële Markten*, "**AFM**") [has been requested to provide/has provided – include first alternative for an issue which is contemporaneous with the update of the Programme and the second alternative for subsequent issues] the [names of competent authorities of host Member States] with a notification that the Prospectus has been drawn up in accordance with the Prospectus Directive.]
45. Interests of Natural and Legal Persons Involved in the Issue
[Save for any fees payable to the Dealers, so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. – Amend as appropriate if there are other interests]
46. Reasons for the Offer (if different from making a profit and/or hedging certain risks)

- (i) Estimated net proceeds []
(Also see "Use of Proceeds" wording in Prospectus – if reasons for offer different from making profit and/or hedging certain risks will need to include those reasons here. If proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding.)
- (ii) Estimated total expenses: []. [Include breakdown of expenses]
48. Yield (Fixed Rate Notes only)
Indication of yield: []
The yield is calculated at the Issue [Calculated as [include details of method of
Date on the basis of the Issue Price. calculation in summary form] on the Issue Date.]**
It is not an indication of future yield.
49. Historic Interest Rates (Floating Rate Notes only)**
Details of historic [LIBOR/EURIBOR/other] rates can be obtained from [Reuters system or Reuters EURIBOR 01]
50. Performance of index/formula, inflation/formula, share/formula or fund/formula, explanation of effect on value of investment and associated risks (Index Linked Interest Notes, Inflation Linked Interest Notes, Share Linked Interest Notes and Fund Linked Interest Notes only)**
[Name of index/inflation/share/fund] []
[Description of index/inflation/share/fund
if composed by Issuer:] []
[Information on index/inflation/share/fund
if not composed by Issuer:] []
[Need to include details of where information on the past and future performance and volatility of the index/formula, inflation/formula, share/formula or fund/formula can be obtained and a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.]
- The underlying is a security: [Name of the issuer of the security]
[ISIN Code or other identification code]
- The underlying is a basket of
underlyings: [disclosure of relevant weightings of each
underlying in the basket]
51. Performance of rate[s] of exchange and explanation of effect on value of investment (Dual Currency Notes only)
- [Need to include details of where information on the past and future performance and volatility of the relevant rates can be obtained and a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.]
52. Operational Information
- (i) ISIN Code: []
- (ii) Common Code: []

- (iii) WKN Code: ☐ [Not Applicable]
- (iv) Other relevant code: ☐
 [Not Applicable/give name(s) and numbers(s)]
- (v) New Global Note intended to be held in a manner which would allow Eurosystem eligibility: ☐ [Not Applicable/Yes/No]
- [Note that the designation "Yes" simply means that the Notes are intended upon issue to be deposited with Euroclear or Clearstream, Luxembourg as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.] *[Include this text if "Yes" selected in which case the Notes must be issued in NGN form]*
- (vi) Offer Period: ☐ [The offer of the Notes is expected to open at ☐ hours (☐ time) on ☐ and close at ☐ hours (☐ time) on ☐ or such earlier or later date or time as the Issuer may determine, following consultation with the relevant Dealer where practical,] (and announce)] ☐ [Not Applicable]
- (vii) Delivery: ☐ Delivery [against/free of] payment
- (viii) Payment: ☐ Method and time limits of paying up the Notes – *to be included if any agreement in this respect is entered into between Issuer and Manager(s)*
- (ix) Settlement Procedure: ☐ [Method of settlement procedure]
- (x) Clearing System: ☐ [Euroclear/Clearstream Luxembourg/Euroclear Nederland/other alternative clearing system]

53. Additional paying agent (if any) ☐ [Name:][Address:] / Not Applicable]
54. Additional information
[The following information should be consulted in connection with the offer of the Notes:
- insert relevant information which does not necessitate a Supplement to the Prospectus / Not Applicable].
55. Listing Application
[These Final Terms comprise the final terms required to list and have admitted to trading the issue of Notes described herein pursuant to the Programme / Not Applicable]

Responsibility

The Issuer declares that, having taken all reasonable care to ensure that such is the case, the information contained herein is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import. The Issuer accepts responsibility for the information contained in these Final Terms. ☐ has been extracted from ☐. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain

from information published by [], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of the Issuer:

By: By:
Duly authorised

Duly authorised

Notes:

- * Not required if the minimum denomination is less than € 50,000
- ** Not required if the minimum denomination is equal or higher than € 50,000

CHAPTER 6: SHARE LINKED NOTES

PART 1(A): TERMS AND CONDITIONS OF NOTES LINKED TO A SINGLE SHARE

The terms and conditions applicable to Notes linked to a single share ("**Share Linked Notes**") shall comprise the Terms and Conditions of the Medium Term Notes set out in Chapter 2, Part 1 (in case SNS Bank N.V. is the Issuer) or in Chapter 3, Part 1 (in case SNS REAAL N.V. is the Issuer) (the "**General Conditions**") and the additional Terms and Conditions set out below (the "**Single Share Linked Conditions**"), in each case subject to completion and/or amendment in the applicable Final Terms. In the event of any inconsistency between the General Conditions and the Single Share Linked Conditions, the Single Share Linked Conditions set out below shall prevail. In the event of any inconsistency between (i) the General Conditions and/or the Single Share Linked Conditions and (ii) the Final Terms, the Final Terms shall prevail. For purposes of these Single Share Linked Conditions and references to the "Issuer" shall be to the Issuer of the relevant Notes.

1. Final Redemption

Subject to any applicable automatic redemption and/or early redemption and/or put options and/or call options set forth in the Final Terms not having occurred prior to any applicable date specified therein, on the Maturity Date (subject to the provisions of Conditions 7(m) and 7(n) of the Single Share Linked Conditions) the Issuer shall (i) pay the Final Redemption Amount, which shall be an amount payable per Note in the Specified Currency determined by the Calculation Agent as set forth in the Final Terms and/or (if "Share Delivery" is specified as being applicable in the Final Terms, then in the circumstances described in the Final Terms) (ii) deliver the Share Amount(s) (subject to and in accordance with Condition 7(o) of the Single Share Linked Conditions), all as further specified in the Final Terms.

2. Definitions

For the purposes of the terms and conditions of the Notes, the following terms shall have the meanings set out below:

"Additional Disruption Event" means Change in Law, an Insolvency Filing, a Hedging Disruption or Increased Cost of Hedging.

"Averaging Dates" means each of the dates set forth in the Final Terms, if any, or if any such date is not a Scheduled Trading Day, the next following Scheduled Trading Day, in each case subject to Condition 7(m) of the Single Share Linked Conditions.

"Change in Law" means that on or after the Issue Date (or as otherwise set forth in the Final Terms) (A) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law) or (B) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Calculation Agent determines that (X) it has become illegal for the Issuer to hold, acquire or dispose of the Shares, or (Y) the Issuer will incur a materially increased cost in holding, acquiring or disposing of the Shares and/or performing its obligations under the Notes (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position) or it has become illegal to hold, acquire or dispose of shares relating to its hedge position in respect of such Notes.

“De-listing” means that the Exchange announces that pursuant to its rules the Shares have ceased (or will cease) to be listed, traded or publicly quoted on the Exchange for any reason (other than a Merger Event or Tender Offer) and such Shares are not immediately re-listed, re-traded or requoted on an exchange or quotation system located in the same country as the Exchange (or, where the Exchange is within the European Union, in any member state of the European Union) and such Shares are no longer listed on an Exchange acceptable to the Issuer.

“Delivery Day” means, if “Share Delivery” is specified as being applicable in the Final Terms, a day, if any, on which the Shares comprised in the Share Amount(s) may be delivered to the Noteholders in a manner which the Issuer determines to be appropriate.

“Disrupted Day” means any Scheduled Trading Day on which (i) the Exchange fails to open for trading during its regular trading session, (ii) any Related Exchange fails to open for trading during its regular trading session or (iii) on which a Market Disruption Event has occurred.

“Disruption Cash Settlement Price” means, if “Share Delivery” is specified as being applicable in the Final Terms, in respect of each Note, an amount in the Specified Currency equal to the fair economic value of the Share Amount, as determined by the Calculation Agent in its sole discretion.

“Early Closure” means the closure on any Exchange Business Day of the Exchange or any Related Exchange prior to its Scheduled Closing Time unless such earlier closing time is announced by the Exchange or such Related Exchange at least one hour prior to the earlier of (i) the actual closing time for the regular trading session on the Exchange or such Related Exchange on such Exchange Business Day and (ii) the submission deadline for orders to be entered into the Exchange or Related Exchange system for execution at the Valuation Time on such Exchange Business Day.

“Exchange” means the Exchange specified in the Final Terms or any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the Shares has temporarily been relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to such Shares on such successor or substitute exchange or quotation system as on the original Exchange).

“Exchange Business Day” means any Scheduled Trading Day on which the Exchange and each Related Exchange are open for trading during their respective regular trading sessions, notwithstanding the Exchange or any such Related Exchange closing prior to its Scheduled Closing Time.

“Exchange Disruption” means, in respect of the Shares, any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (i) to effect transactions in, or obtain market values for, the Shares on the Exchange or (ii) to effect transactions in, or obtain market values for, futures or options contracts relating to the Shares on any Related Exchange.

“Expiration Date” means the date (if any) specified as such in the Final Terms, or if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day, in each case subject to Condition 7(m) of the Single Share Linked Conditions.

“Extraordinary Dividend” means, in respect of the Shares, the characterization of a dividend or portion thereof as an extraordinary dividend by the Issuer.

“Final Share Price” means the price of one Share in the Share Currency quoted on the Exchange at the Valuation Time on the Expiration Date (or such other definition, if any, as may be specified in the Final Terms), as determined by the Calculation Agent.

"Fractional Amount" means, if "Share Delivery" is specified as being applicable in the Final Terms, any fractional interest in one Share to which a Noteholder would be entitled pursuant to Condition 7(o)(iii) of the Single Share Linked Conditions.

"Fractional Cash Amount" means, in respect of each Noteholder, the amount (rounded to the nearest smallest transferable unit of the Specified Currency, half such a unit being rounded downwards) calculated by the Calculation Agent in accordance with the following formula and translated into the Specified Currency by the Calculation Agent: Fractional Cash Amount = (Final Share Price x Fractional Amount).

"Hedging Disruption" means that the Issuer and/or any of its affiliates is unable, after using commercially reasonable efforts, to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the equity or other price risk of the Issuer issuing and performing its obligations with respect to the Notes, or (b) realise, recover or remit the proceeds of any such transaction(s) or asset(s).

"Increased Cost of Hedging" means that the Issuer and/or any of its affiliates would incur a materially increased (as compared with circumstances existing on the Issue Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (a) acquire, establish, reestablish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the equity or other price risk of the Issuer issuing and performing its obligations with respect to the Notes, or (b) realise, recover or remit the proceeds of any such transaction(s) or asset(s), provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer and/or any of its affiliates shall not be deemed an Increased Cost of Hedging.

"Initial Share Price" means the price of one Share in the Share Currency quoted on the Exchange at the Valuation Time on the Strike Date (or such other definition, if any, as may be specified in the Final Terms), as determined by the Calculation Agent.

"Insolvency" means, in respect of the Share Issuer, that by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceeding affecting the Share Issuer, (A) all the Shares of the Share Issuer are required to be transferred to a trustee, liquidator or other similar official or (B) holders of the Shares of the Share Issuer become legally prohibited from transferring them.

"Insolvency Filing" means that the Calculation Agent determines that the Share Issuer has instituted or has had instituted against it by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organization or the jurisdiction of its head or home office, or it consents to a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official or it consents to such a petition.

"Market Disruption Event" means the occurrence or existence on any Scheduled Trading Day of (i) a Trading Disruption or (ii) an Exchange Disruption, which in either case the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time or (iii) an Early Closure.

"Merger Date" means, in respect of a Merger Event, the closing date of such Merger Event or, where the Calculation Agent determines that a closing date cannot be determined under the local law applicable to such Merger Event, such other date as determined by the Calculation Agent.

"Merger Event" means, in respect of the Shares, any (i) reclassification or change of the Shares that results in a transfer of or an irrevocable commitment to transfer all of such Shares

outstanding to another entity or person, (ii) consolidation, amalgamation, merger or binding share exchange of the Share Issuer with or into another entity or person (other than a consolidation, amalgamation, merger or binding share exchange in which the Share Issuer is the continuing entity and which does not result in a reclassification or change of all of such Shares outstanding), (iii) takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100% of the outstanding Shares of the Share Issuer that results in a transfer of or an irrevocable commitment to transfer all such Shares (other than such Shares owned or controlled by the such other entity or person), or (iv) consolidation, amalgamation, merger or binding share exchange of the Share Issuer or its subsidiaries with or into another entity in which the Share Issuer is the continuing entity and which does not result in a reclassification or change of all such Shares outstanding but results in the outstanding Shares (other than Shares owned or controlled by such other entity) immediately prior to such event collectively representing less than 50% of the outstanding Shares immediately following such event (a "Reverse Merger"), in each case if the Merger Date is on or before the Expiration Date (or such other date as may be specified in the Final Terms).

"Nationalization" means that all the Shares of the Share Issuer or all or substantially all the assets of the Share Issuer are nationalized, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof.

"New Shares" means ordinary or common shares, whether of the entity or person (other than the Share Issuer) involved in the Merger Event or a third party, that are, or that as of the Merger Date are promptly scheduled to be, (i) publicly quoted, traded or listed on an exchange or quotation system located in the same country as the Exchange (or, where the Exchange is within the European Union, in any member of state of the European Union) or on another exchange acceptable to the Issuer and (ii) not subject to any currency exchange controls, trading restrictions or other trading limitations.

"Observation Date" means each date, if any, specified as such in the Final Terms, or if any such date is not a Scheduled Trading Day, the next following Scheduled Trading Day, in each case subject to Condition 7(m) of the Single Share Linked Conditions.

"Observation Period" has the meaning ascribed to it in the Final Terms.

"Other Consideration" means cash and/or any securities (other than New Shares) or assets (whether of the entity or person (other than the Share Issuer) involved in the Merger Event or a third party).

"Potential Adjustment Event" means any of the following:

- (i) a subdivision, consolidation or reclassification of the Shares (unless resulting in a Merger Event), or a free distribution or dividend of any Shares to existing holders by way of bonus, capitalisation or similar issue;
- (ii) a distribution, issue or dividend to existing holders of the Shares of (A) Shares, or (B) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the Share Issuer equally or proportionately with such payments to holders of the Shares, or (C) share capital or other securities of another issuing institution acquired or owned (directly or indirectly) by the Share Issuer as a result of a spin-off or other similar transaction, or (D) any other type of securities, rights or warrants or other assets, in any case for payment (cash or other consideration) at less than the prevailing market price as determined by the Calculation Agent;
- (iii) an Extraordinary Dividend;
- (iv) a call by the Share Issuer in respect of Shares that are not fully paid;

- (v) a repurchase by the Share Issuer or any of its subsidiaries of Shares whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise;
- (vi) with respect to the Share Issuer, an event that results in any shareholder rights pursuant to a shareholder rights plan or arrangement directed against hostile takeovers that provides upon the occurrence of certain events for a distribution of preferred stock, warrants, debt instruments or stock rights at a price below their market value (as determined by the Calculation Agent) being distributed or becoming separated from shares of common stock or other shares of the capital stock of the Share Issuer (provided that any adjustment effected as a result of such an event shall be readjusted upon any redemption of such rights); or
- (vii) any other event that may have a diluting or concentrative effect on the theoretical value of the Shares.

"Price" means, in respect of a Share, on any Exchange Business Day, the price of one such Share in the Share Currency quoted on the relevant Exchange (i) if **"Constant Monitoring"** is specified as being applicable in the Final Terms, at any given time on such Exchange Business Day or (ii) if **"Valuation Time Only"** is specified as being applicable in the Final Terms, at the Valuation Time on such Exchange Business Day, all as determined by the Calculation Agent.

"Related Exchange" means each exchange or quotation system where trading has a material effect (as determined by the Calculation Agent) on the overall market for futures or options contracts relating to the Shares, or such other options or futures exchange(s) as the Issuer may select, any transferee or successor to any such exchange or quotation system or any substitute exchange or quotation system to which trading in futures or options contracts relating to the Shares has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to the Shares on such temporary substitute exchange or quotation system as on the original Related Exchange).

"Scheduled Closing Time" means, in respect of the Exchange or a Related Exchange and a Scheduled Trading Day, the scheduled weekday closing time of the Exchange or Related Exchange on such Scheduled Trading Day, without regard to after hours or any other trading outside of the regular trading session hours.

"Scheduled Trading Day" means any day on which the Exchange and each Related Exchange is scheduled to be open for trading for its regular trading sessions.

"Settlement Disruption Event" means, if **"Share Delivery"** is specified as being applicable in the Final Terms, an event determined by the Calculation Agent to be beyond the control of the Issuer as a result of which the Issuer cannot transfer (or it would be contrary to applicable laws and regulations for the Issuer to transfer) the Shares comprised in the Share Amount(s) in accordance with the terms and conditions of the Notes.

"Share Amount" has the meaning ascribed to it in the Final Terms.

"Share Currency" has the meaning ascribed to it in the Final Terms.

"Share Delivery Date" has the meaning ascribed to it in the Final Terms.

"Share Issuer" has the meaning ascribed to it in the Final Terms.

"Shares" has the meaning ascribed to it in the Final Terms.

"Strike Date" means the date (if any) specified as such in the Final Terms, or if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day, in each case subject to Condition 7(m) of the Single Share Linked Conditions.

"Strike Price" means the price (if any) specified as such in the Final Terms.

“Tender Offer” means a takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person that results in such entity or person purchasing, or otherwise obtaining or having the right to obtain, by conversion or other means, greater than 10% and less than 100% of the outstanding voting shares of the Share Issuer, as determined by the Calculation Agent, based upon the making of filings with governmental or self-regulatory agencies or such other information as the Calculation Agent deems relevant.

“Tender Offer Date” means, in respect of a Tender Offer, the date on which voting shares in an amount determined by the Calculation Agent are actually purchased or otherwise obtained (as determined by the Calculation Agent).

“Trading Disruption” means any suspension of or limitation imposed on trading by the Exchange or a Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the Exchange or such Related Exchange or otherwise (i) relating to the Shares on the Exchange or (ii) in futures or options contracts relating to the Shares on a Related Exchange.

“Valuation Time” means the Scheduled Closing Time on the Exchange on the relevant date. If the Exchange closes prior to its Scheduled Closing Time, and the specified Valuation Time is after the actual closing time for its regular trading session, then (subject to Condition 7(m) of the Single Share Linked Conditions) the Valuation Time shall be such actual closing time.

3. Disrupted Days

For the purposes of the Notes, Condition 7 of the General Conditions shall be amended by the addition of a new Single Share Linked Condition 7(m) as follows:

“(m) Disrupted Days

If the Calculation Agent determines that the Strike Date, the Expiration Date, any Averaging Date or any Observation Date, as the case may be, in respect of the Shares is a Disrupted Day, then the Strike Date, the Expiration Date, such Averaging Date or such Observation Date, as the case may be, shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the eight Scheduled Trading Days immediately following the original date that, but for the determination by the Issuer of the occurrence of a Disrupted Day, would have been the Strike Date, the Expiration Date, such Averaging Date or such Observation Date, as the case may be, is a Disrupted Day. In that case:

- (a) that eighth Scheduled Trading Day shall be deemed to be the Strike Date, the Expiration Date, such Averaging Date or such Observation Date, as the case may be, in respect of the Shares, notwithstanding the fact that such day is a Disrupted Day; and
- (b) the Calculation Agent shall determine the price of one Share as its good faith estimate of the price of one Share that would have prevailed, but for the occurrence of a Disrupted Day, at the Valuation Time on that eighth Scheduled Trading Day.

Notwithstanding the provisions of any other Condition, if the Calculation Agent determines that a Disrupted Day has occurred on the Expiration Date and/or on any Observation Date or Averaging Date, payment of the Final Redemption Amount and/or any amount of interest (if the payment of interest is share-linked), as the case may be, shall be postponed to the later of (i) the Maturity Date and/or the relevant Interest Payment Date and (ii) the date that

is three Business Days (or such other period as specified in the Final Terms) following the postponed Expiration Date, Observation Date or Averaging Date, as the case may be. For the avoidance of doubt, no additional amounts shall be payable in respect of the postponement of any payment of the Final Redemption Amount and/or any amount of interest in accordance with this Condition 7(m) of the Single Share Linked Conditions.

The Issuer shall give notice to the holders of the Notes, in accordance with Condition 14 of the General Conditions, of the occurrence of a Disrupted Day if it results in the postponement of any payment in respect of the Notes.”

4. Adjustments

For the purposes of the Notes, Condition 7 of the General Conditions shall be amended by the addition of a new Condition 7(n) of the Single Share Linked Conditions as follows:

“(n) Adjustments, Consequences of Certain Events and Currency

(i) Adjustments

If the Calculation Agent determines that a Potential Adjustment Event has occurred or that there has been an adjustment to the settlement terms of listed contracts on the Shares traded on a Related Exchange, the Calculation Agent will determine whether such Potential Adjustment Event or adjustment has a diluting or concentrative effect on the theoretical value of the Shares and, if so, will (a) make the corresponding adjustment(s), if any, to any one or more of the Final Redemption Amount and/or the Strike Price and/or any of the terms and conditions of the Notes as the Calculation Agent determines appropriate to account for that diluting or concentrative effect (provided that no adjustments will be made to account solely for changes in volatility, expected dividend, stock loan rate or liquidity) and (b) determine the effective date(s) of the adjustment(s). The Calculation Agent may (but need not) determine the appropriate adjustment by reference to the adjustment in respect of such Potential Adjustment Event or adjustment to settlement terms made by an options exchange to options on the Shares traded on that options exchange.

(ii) Consequences of a Merger Event

If the Calculation Agent determines that a Merger Event has occurred, the Issuer may:

- (a) redeem each Note at its fair economic value (as determined by the Calculation Agent) as at the Merger Date, less the cost to the Issuer of unwinding or amending any related underlying hedging arrangements (unless provided for otherwise in the Final Terms), on such date as the Issuer may notify to Noteholders in accordance with Condition 14 of the General Conditions; and/or
- (b) make such adjustment to the exercise, settlement, payment or any other term or condition of the Notes as the Calculation Agent determines appropriate to account for the economic effect on the Notes of such Merger Event (provided that no adjustments will be made to solely account for changes in volatility, expected dividends, stock loan rate or liquidity relevant to the Shares or to the

Notes), which may, but need not, be determined by reference to the adjustment(s) made in respect of such Merger Event by an options exchange to options on the Shares traded on such options exchange and determine the effective date of that adjustment; and/or

- (c) save in respect of a Reverse Merger, on or after the relevant Merger Date, deem the New Shares and/or the amount of Other Consideration, if applicable (as subsequently modified in accordance with any relevant terms and including the proceeds of any redemption, if applicable), and their issuer (if any) to be the “Shares” and the “Share Issuer”, respectively, and if the Calculation Agent determines to be appropriate, the Issuer will adjust any relevant terms of the Notes as it may determine.

The Issuer shall give notice of such redemption, adjustment or deemed change to Noteholders in accordance with Condition 14 of the General Conditions.

(iii) Consequences of a Tender Offer

If the Calculation Agent determines that a Tender Offer has occurred, then on or after the relevant Tender Offer Date the Issuer may:

- (a) redeem each Note at its fair economic value (as determined by the Calculation Agent) as at the Tender Offer Date, less the cost to the Issuer of unwinding or amending any related underlying hedging arrangements (unless provided for otherwise in the Final Terms), on such date as the Issuer may notify to Noteholders in accordance with Condition 14 of the General Conditions; and/or
- (b) make such adjustment to the exercise, settlement, payment or any other term or condition of the Notes as the Calculation Agent determines appropriate to account for the economic effect on the Notes of such Tender Offer (provided that no adjustments will be made to account solely for changes in volatility or liquidity relevant to the Shares or to the Notes), which may, but need not, be determined by reference to the adjustment(s) made in respect of such Tender Offer by an options exchange to options on the Shares traded on such options exchange and determine the effective date of that adjustment.

The Issuer shall give notice of such redemption or adjustment to Noteholders in accordance with Condition 14 of the General Conditions.

(iv) Nationalisation, Insolvency or De-listing

If in respect of the Shares or the Share Issuer the Calculation Agent determines that there has been a Nationalisation, an Insolvency or a De-listing, the Issuer may (i) request the Calculation Agent to determine the appropriate adjustment, if any, to be made to any one or more of the Final Redemption Amount and/or the Strike Price and/or any of the other terms and conditions of the Notes to account for the Nationalisation, Insolvency or Delisting, as the case may be, and determine the effective date of that adjustment or (ii) redeem each Note at its fair economic value (as determined by the Calculation Agent) as at the date of redemption taking into account the Nationalisation, Insolvency or De-listing, less the cost to the Issuer of

unwinding or amending any related underlying hedging arrangements (unless provided for otherwise in the Final Terms). Notice of any redemption of the Notes or determination pursuant to this paragraph shall be given to Noteholders in accordance with Condition 14 of the General Conditions.

(v) Change of Exchange

If the or an Exchange is changed, the Issuer may make such consequential modifications to the Strike Price, Final Redemption Amount, Valuation Time and such other terms and conditions of the Notes as it may deem necessary.

(vi) Price Correction

In the event that any price or level published on the Exchange and which is utilised for any calculation or determination made under the Notes is subsequently corrected and the correction is published by the Exchange within three Business Days (or such other period specified in the Final Terms) after the original publication, the Calculation Agent will determine the amount (if any) that is payable following that correction, and, to the extent necessary, the Issuer will adjust the terms and conditions of the Notes to account for such correction.

(vii) Currency

If the Calculation Agent determines that any event occurs affecting the Specified Currency or the currency in which any of the Shares are quoted, listed and/or dealt in on the Exchange (whether relating to the convertibility of any such currency into other currencies or otherwise) which the Calculation Agent determines necessitates an adjustment or adjustments to the Final Redemption Amount, Strike Price (if applicable) and/or any other relevant term of the Notes (including the date on which any amount is payable by the Issuer), the Issuer may make such adjustment or adjustments to the Final Redemption Amount, Strike Price (if applicable) and/or any other relevant term of the Notes as it deems necessary. The Issuer shall give notice to the holders of the Notes of any such adjustment in accordance with Condition 14 of the General Conditions.

(viii) Additional Disruption Events

If the Calculation Agent determines that an Additional Disruption Event has occurred, the Issuer may redeem each Note at its fair economic value (as determined by the Calculation Agent) as at the date of redemption taking into account the Additional Disruption Event, less the cost to the Issuer of unwinding or amending any related underlying hedging arrangements (unless provided for otherwise in the Final Terms). Notice of any redemption of the Notes or determination pursuant to this paragraph shall be given to Noteholders in accordance with Condition 14 of the General Conditions.

(ix) Change in currency

If, at any time after the Issue Date, there is any change in the currency in which the Shares are quoted, listed and/or dealt on the Exchange, then the Issuer will adjust such of the terms and conditions of the Notes as the Calculation Agent determines

appropriate to preserve the economic terms of the Notes. The Calculation Agent will make any conversion necessary for purposes of any such adjustment as of the Valuation Time at an appropriate mid-market spot rate of exchange determined by the Calculation Agent prevailing as of the Valuation Time. No adjustments under this section will affect the currency denomination of any payment obligation arising out of the Notes.”

5. Delivery of Share Amount

For the purposes of the Notes, if “Share Delivery” is specified as being applicable in the Final Terms, Condition 7 of the General Conditions shall be amended by the addition of a new Single Share Linked Condition 7(o) as follows:

“(o) Delivery of Share Amounts:

(i) Delivery of Share Amounts

If the Notes are to be redeemed by the delivery of the Share Amounts, the Issuer shall, on the Share Delivery Date, deliver or procure the delivery of the Share Amount in respect of each Note to such account in such clearing system as may be specified by the relevant Noteholder, at the risk and expense of the relevant Noteholder. If a Noteholder does not provide the Issuer with sufficient instructions in a timely manner to enable the Issuer to effect any required delivery of Shares, the due date for such delivery shall be postponed accordingly. The Issuer shall determine whether any instructions received by it are sufficient and whether they have been received in time to enable delivery on any given date. As used herein, “delivery” in relation to any Share Amount means the carrying out of the steps required of the Issuer (or such person as it may procure to make the relevant delivery) in order to effect the transfer of the relevant Share Amount and “deliver” shall be construed accordingly. The Issuer shall not be responsible for any delay or failure in the transfer of such Share Amount once such steps have been carried out, whether resulting from settlement periods of clearing systems, acts or omissions of registrars or otherwise and shall have no responsibility for the lawfulness of the acquisition of the Shares comprising the Share Amount or any interest therein by any Noteholder or any other person.

In respect of each Share comprising the Share Amount, the Issuer shall not be under any obligation to register or procure the registration of the Noteholder or any other person as the registered shareholder in any register of members of the Share Issuer. Noteholders should note that the actual date on which they become holders of the Shares comprising their Share Amount will depend, among other factors, on the procedures of the relevant clearing systems and any share registrar and the effect of any Settlement Disruption Events.

The Issuer shall not at any time be obliged to account to a Noteholder for any amount or entitlement that it receives by way of a dividend or other distribution in respect of any of the Shares. Dividends and distributions in respect of the Shares which constitute a Potential Adjustment Event may however result in an adjustment being made pursuant to Condition 7(n) of the Single Share Linked Conditions.

Neither the Issuer nor any other person shall (a) be under any obligation to deliver (or procure any other person to deliver) to the Noteholders or any other person any letter, certificate, notice, circular or any other document received by that person in its capacity as the holder of the Shares, (b) be under any obligation to exercise or procure exercise of any or all rights (including voting rights) attaching to the Shares or (c) be under any liability to the Noteholders or any subsequent beneficial owners of the Shares in respect of any loss or damage which any Noteholder or subsequent beneficial owner may sustain or suffer as a result, whether directly or indirectly, of that person being registered at any time as the legal owner of the Shares.

(ii) Settlement Disruption

If the Issuer determines that delivery of any Share Amount in respect of any Note by the Issuer in accordance with the terms and conditions of the Notes is not practicable or permitted by reason of a Settlement Disruption Event subsisting, then the Share Delivery Date in respect of such Share Amount shall be postponed to the first following Delivery Day in respect of which no such Settlement Disruption Event is subsisting and notice thereof shall be given in accordance with Condition 14 of the General Conditions, provided that the Issuer may elect in its sole discretion to satisfy its obligations in respect of the relevant Note by delivering or procuring the delivery of such Share Amount using such other commercially reasonable manner as it may select and in such event the Share Delivery Date shall be such day as the Issuer deems appropriate in connection with delivery of such Share Amount in such other commercially reasonable manner. No Noteholder shall be entitled to any payment whether of interest or otherwise on such Note in the event of any delay in the delivery of the Share Amount pursuant to this paragraph and no liability in respect thereof shall attach to the Issuer.

Where a Settlement Disruption Event affects some but not all of the Shares comprising the Share Amount, the Share Delivery Date for the Shares comprising such Share Amount which are not affected by the Settlement Disruption Event will be the originally designated Share Delivery Date.

For so long as delivery of the Share Amount in respect of any Note is not practicable or permitted by reason of a Settlement Disruption Event, then in lieu of physical settlement and notwithstanding any other provision hereof, the Issuer may elect in its sole discretion to satisfy its obligations in respect of each Note by payment to the relevant Noteholder of the Disruption Cash Settlement Price on the third Business Day following the date that notice of such election is given to the Noteholders in accordance with Condition 14 of the General Conditions. Payment of the Disruption Cash Settlement Price will be made in such manner as shall be notified to the Noteholders in accordance with Condition 14 of the General Conditions.

The Issuer shall give notice as soon as practicable to the Noteholders in accordance with Condition 14 of the General Conditions if a Settlement Disruption Event has occurred.

(iii) Aggregate Share Amount

The aggregate Share Amount to which a Noteholder may be entitled will be determined on the basis of the separate (for the avoidance of doubt, not aggregate) number of Notes held by the relevant Noteholder. The Issuer shall not be obliged to

deliver fractions of a Share but shall be obliged to account for the Fractional Cash Amount of any such fractions to the relevant Noteholder on the Share Delivery Date and each such Share Amount to be delivered shall be rounded down to the next integral number of Shares.”

6. Prescription

For the avoidance of doubt, Condition 9 of the General Conditions shall apply to the Notes and claims for delivery of any Share Amount in respect of the Notes shall become void upon the expiry of five years from the Share Delivery Date.

PART 1(B): TERMS AND CONDITIONS OF NOTES LINKED TO A BASKET OF SHARES

The terms and conditions applicable to Notes linked to a basket of shares ("**Share Linked Notes**") shall comprise the Terms and Conditions of the Medium Term Notes set out in Chapter 2, Part 1 for SNS Bank or in Chapter 3, Part 1 for SNS REAAL (the "**General Conditions**") and the additional Terms and Conditions set out below the ("**Basket Share Linked Conditions**"), in each case subject to completion and/or amendment in the applicable Final Terms. In the event of any inconsistency between the General Conditions and the Basket Share Linked Conditions, the Basket Share Linked Conditions set out below shall prevail. In the event of any inconsistency between (i) the General Conditions and/or the Basket Share Linked Conditions and (ii) the Final Terms, the Final Terms shall prevail. For purposes of these Basket Share Linked Conditions and references to the "Issuer" shall be to the Issuer of the relevant Notes.

1. Final Redemption

Subject to any applicable automatic redemption and/or early redemption and/or put options and/or call options set forth in the Final Terms not having occurred prior to any applicable date specified therein, on the Maturity Date (subject to the provisions of Conditions 7(m) and 7(n) of the Basket Share Linked Conditions) the Issuer shall (i) pay the Final Redemption Amount, which shall be an amount payable per Note in the Specified Currency determined by the Calculation Agent as set forth in the Final Terms and/or (if "Share Delivery" is specified as being applicable in the Final Terms, then in the circumstances described in the Final Terms) (ii) deliver the Share Amount(s) (subject to and in accordance with Condition 7(o) of the Basket Share Linked Conditions), all as further specified in the Final Terms.

2. Definitions

For the purposes of the terms and conditions of the Notes, the following terms shall have the meanings set out below:

"Additional Disruption Event" means Change in Law, Insolvency Filing, a Hedging Disruption or Increased Cost of Hedging.

"Averaging Dates" means, in respect of a Share, each of the dates set forth in the Final Terms, if any, or if any such date is not a Scheduled Trading Day, the next following Scheduled Trading Day, in each case subject to Condition 7(m) of the Basket Share Linked Conditions.

"Basket" means a basket composed of Shares in the relative proportions and/or numbers of Shares of each Share Issuer specified in the Final Terms.

"Change in Law" means that, on or after the Issue Date (or as otherwise set forth in the Final Terms) (A) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law) or (B) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Calculation Agent determines that (X) it has become illegal for the Issuer to hold, acquire or dispose of any Shares, or (Y) the Issuer will incur a materially increased cost in holding, acquiring or disposing of any Shares and/or performing its obligations under the Notes (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position) or it has become illegal to hold, acquire or dispose of shares relating to its hedge position in respect of such Notes.

“De-listing” means that an Exchange announces that pursuant to its rules one or more of the Shares in the Basket has ceased (or will cease) to be listed, traded or publicly quoted on the relevant Exchange for any reason (other than a Merger Event or Tender Offer) and such Shares are not immediately re-listed, re-traded or re-quoted on an exchange or quotation system located in the same country as the relevant Exchange (or, where the relevant Exchange is within the European Union, in any member state of the European Union) and such Shares are no longer listed on an Exchange acceptable to the Issuer.

“Delivery Day” means, if “Share Delivery” is specified as being applicable in the Final Terms, a day, if any, on which Shares comprised in any Share Amount(s) may be delivered to the Noteholders in a manner which the Calculation Agent determines to be appropriate.

“Disrupted Day” means, in respect of a Share, any Scheduled Trading Day on which (i) the relevant Exchange fails to open for trading during its regular trading session, (ii) any Related Exchange fails to open for trading during its regular trading session or (iii) on which a Market Disruption Event has occurred.

“Disruption Cash Settlement Price” means, if “Share Delivery” is specified as being applicable in the Final Terms, in respect of each Note, an amount in the Specified Currency equal to the fair economic value of the relevant Share Amount, as determined by the Calculation Agent in its sole discretion.

“Early Closure” means, in respect of a Share, the closure on any Exchange Business Day of any relevant Exchange or any Related Exchange prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange or such Related Exchange at least one hour prior to the earlier of (i) the actual closing time for the regular trading session on such Exchange or such Related Exchange on such Exchange Business Day and (ii) the submission deadline for orders to be entered into such Exchange or such Related Exchange system for execution at the Valuation Time on such Exchange Business Day.

“Exchange” means, in respect of a Share, the Exchange specified for such Share in the Final Terms or otherwise the stock exchange on which such Share is, in the determination of the Issuer, traded or quoted or any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in such Share has temporarily been relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to such Share on such successor or substitute exchange or quotation system as on the original Exchange).

“Exchange Business Day” means, in respect of a Share, any Scheduled Trading Day on which the relevant Exchange and each Related Exchange are open for trading during their respective regular trading sessions, notwithstanding the relevant Exchange or any relevant Related Exchange closing prior to its Scheduled Closing Time.

“Exchange Disruption” means, in respect of a Share, any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (i) to effect transactions in, or obtain market values for, such Share on the relevant Exchange or (ii) to effect transactions in, or obtain market values for, futures or options contracts relating to such Share on any relevant Related Exchange.

“Expiration Date” means the date (if any) specified as such in the Final Terms, or if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day, in each case subject to Condition 7(m) of the Basket Share Linked Conditions.

“Extraordinary Dividend” means, in respect of a Share, the characterization of a dividend or portion thereof as an Extraordinary Dividend by the Issuer.

“Final Share Price” means, in respect of a Share, the price of one such Share in the Share Currency quoted on the relevant Exchange at the Valuation Time on the Expiration Date (or such

other definition, if any, as may be specified in the Final Terms), as determined by the Calculation Agent.

"Fractional Amount" means, if "Share Delivery" is specified as being applicable in the Final Terms, any fractional interest in one Share to which a Noteholder would be entitled pursuant to Condition 7(o)(iii) of the Basket Share Linked Conditions.

"Fractional Cash Amount" means, in respect of each Noteholder, the amount (rounded to the nearest smallest transferable unit of the Specified Currency, half such a unit being rounded downwards) calculated by the Calculation Agent in accordance with the following formula and translated into the Specified Currency by the Calculation Agent: Fractional Cash Amount = (Final Share Price x Fractional Amount).

"Hedging Disruption" means that the Issuer and/or any of its affiliates is unable, after using commercially reasonable efforts, to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the equity or other price risk of the Issuer issuing and performing its obligations with respect to the Notes, or (b) realise, recover or remit the proceeds of any such transaction(s) or asset(s).

"Increased Cost of Hedging" means that the Issuer and/or any of its affiliates would incur a materially increased (as compared with circumstances existing on the Issue Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (a) acquire, establish, reestablish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the equity or other price risk of the Issuer issuing and performing its obligations with respect to the Notes, or (b) realise, recover or remit the proceeds of any such transaction(s) or asset(s), provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer and/or any of its affiliates shall not be deemed an Increased Cost of Hedging.

"Initial Share Price" means, in respect of a Share, the price of one such Share in the Share Currency quoted on the relevant Exchange at the Valuation Time on the Strike Date (or such other definition, if any, as may be specified in the Final Terms), as determined by the Calculation Agent.

"Insolvency" means, in respect of a Share Issuer, that by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceeding affecting such Share Issuer, (A) all the Shares of such Share Issuer are required to be transferred to a trustee, liquidator or other similar official or (B) holders of the Shares of such Share Issuer become legally prohibited from transferring them.

"Insolvency Filing" means, in respect of a Share, that the Calculation Agent determines that the relevant Share Issuer has instituted or has had instituted against it by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organization or the jurisdiction of its head or home office, or it consents to a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official or it consents to such a petition.

"Market Disruption Event" means the occurrence or existence on any Scheduled Trading Day of (i) a Trading Disruption or (ii) an Exchange Disruption, which in either case the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time or (iii) an Early Closure.

"Merger Date" means, in respect of a Merger Event, the closing date of such Merger Event or, where the Calculation Agent determines that a closing date cannot be determined under the local law applicable to such Merger Event, such other date as determined by the Calculation Agent.

“Merger Event” means, in respect of one or more of the Shares in the Basket, any (i) reclassification or change of such Shares that results in a transfer of or an irrevocable commitment to transfer all of such Shares outstanding to another entity or person, (ii) consolidation, amalgamation, merger or binding share exchange of the relevant Share Issuer with or into another entity or person (other than a consolidation, amalgamation, merger or binding share exchange in which such Share Issuer is the continuing entity and which does not result in a reclassification or change of all of such Shares outstanding), (iii) takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100% of the outstanding Shares of the relevant Share Issuer that results in a transfer of or an irrevocable commitment to transfer all such Shares (other than such Shares owned or controlled by the such other entity or person), or (iv) consolidation, amalgamation, merger or binding share exchange of the relevant Share Issuer or its subsidiaries with or into another entity in which such Share Issuer is the continuing entity and which does not result in a reclassification or change of all such Shares outstanding but results in the outstanding Shares (other than Shares owned or controlled by such other entity) immediately prior to such event collectively representing less than 50% of the outstanding Shares immediately following such event (a “Reverse Merger”), in each case if the Merger Date is on or before the Expiration Date (or such other date as may be specified in the Final Terms).

“Nationalisation” means that all the Shares of a Share Issuer or all or substantially all the assets of such Share Issuer are nationalized, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof.

“New Shares” means ordinary or common shares, whether of the entity or person (other than the relevant Share Issuer) involved in the Merger Event or a third party, that are, or that as of the Merger Date are promptly scheduled to be, (i) publicly quoted, traded or listed on an exchange or quotation system located in the same country as the relevant Exchange (or, where the relevant Exchange is within the European Union, in any member of state of the European Union) or on another exchange acceptable to the Issuer and (ii) not subject to any currency exchange controls, trading restrictions or other trading limitations.

“Observation Date” means each date, if any, specified as such in the Final Terms, or if any such date is not a Scheduled Trading Day, the next following Scheduled Trading Day, in each case subject to Condition 7(m) of the Basket Share Linked Conditions.

“Observation Period” has the meaning ascribed to it in the Final Terms.

“Other Consideration” means cash and/or any securities (other than New Shares) or assets (whether of the entity or person (other than the relevant Share Issuer) involved in the Merger Event or a third party).

“Potential Adjustment Event” means any of the following:

- (i) a subdivision, consolidation or reclassification of one or more of the Shares in the Basket (unless resulting in a Merger Event), or a free distribution or dividend of any such Shares to existing holders by way of bonus, capitalization or similar issue;
- (ii) a distribution, issue or dividend to existing holders of one or more of the Shares in the Basket of (A) such Shares, or (B) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the relevant Share Issuer equally or proportionately with such payments to holders of such Shares, or (C) share capital or other securities of another issuing institution acquired or owned (directly or indirectly) by the relevant Share Issuer as a result of a spin-off or other similar transaction, or (D) any other type of securities, rights or warrants or other assets, in any case for payment (cash or other consideration) at less than the prevailing market price as determined by the Calculation Agent;

- (iii) an Extraordinary Dividend;
- (iv) a call by a Share Issuer in respect of relevant Shares that are not fully paid;
- (v) a repurchase by a Share Issuer or any of its subsidiaries of relevant Shares whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise;
- (vi) with respect to a Share Issuer, an event that results in any shareholder rights pursuant to a shareholder rights plan or arrangement directed against hostile takeovers that provides upon the occurrence of certain events for a distribution of preferred stock, warrants, debt instruments or stock rights at a price below their market value (as determined by the Calculation Agent) being distributed or becoming separated from shares of common stock or other shares of the capital stock of such Share Issuer (provided that any adjustment effected as a result of such an event shall be readjusted upon any redemption of such rights); or
- (vii) any other event that may have a diluting or concentrative effect on the theoretical value of one or more of the Shares in the Basket.

“Price” means, in respect of a Share, on any Exchange Business Day, the price of one such Share in the Share Currency quoted on the relevant Exchange (i) if **“Constant Monitoring”** is specified as being applicable in the Final Terms, at any given time on such Exchange Business Day or (ii) if **“Valuation Time Only”** is specified as being applicable in the Final Terms, at the Valuation Time on such Exchange Business Day, all as determined by the Calculation Agent.

“Related Exchange” means, in respect of a Share, each exchange or quotation system where trading has a material effect (as determined by the Calculation Agent) on the overall market for futures or options contracts relating to such Share or such other options or futures exchange(s) as the Issuer may select, any transferee exchange or quotation system or any successor to any such exchange or quotation system or any substitute exchange or quotation system to which trading in futures or options contracts relating to such Share has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to such Share on such temporary substitute exchange or quotation system as on the original Related Exchange).

“Scheduled Closing Time” means, in respect of an Exchange or a Related Exchange and a Scheduled Trading Day, the scheduled weekday closing time of such Exchange or Related Exchange on such Scheduled Trading Day, without regard to after hours or any other trading outside of the regular trading session hours.

“Scheduled Trading Day” means, in respect of a Share, any day on which the relevant Exchange and each relevant Related Exchange is scheduled to be open for trading for its regular trading sessions.

“Settlement Disruption Event” means, if **“Share Delivery”** is specified as being applicable in the Final Terms, in respect of a Share, an event determined by the Calculation Agent to be beyond the control of the Issuer as a result of which the Issuer cannot transfer (or it would be contrary to applicable laws and regulations for the Issuer to transfer) the Shares comprised in the Share Amount(s) in accordance with the terms and conditions of the Notes.

“Share Amount” has the meaning ascribed to it in the Final Terms.

“Share Currency” has the meaning ascribed to it in the Final Terms.

“Share Delivery Date” has the meaning ascribed to it in the Final Terms.

“Share Issuer” has the meaning ascribed to it in the Final Terms.

“Shares” has the meaning ascribed to it in the Final Terms.

“Strike Date” means the date (if any) specified as such in the Final Terms, or if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day, in each case subject to Condition 7(m) of the Basket Share Linked Conditions.

“Strike Price” means the price (if any) specified as such in the Final Terms.

“Tender Offer” means, in respect of any Shares, a takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person that results in such entity or person purchasing, or otherwise obtaining or having the right to obtain, by conversion or other means, greater than 10% and less than 100% of the outstanding voting shares of the relevant Share Issuer, as determined by the Calculation Agent, based upon the making of filings with governmental or self regulatory agencies or such other information as the Calculation Agent deems relevant.

“Tender Offer Date” means, in respect of a Tender Offer, the date on which voting shares in an amount determined by the Calculation Agent are actually purchased or otherwise obtained (as determined by the Calculation Agent).

“Trading Disruption” means, in respect of a Share, any suspension of or limitation imposed on trading by an Exchange or a Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or such Related Exchange or otherwise (i) relating to such Share on such Exchange or (ii) in futures or options contracts relating to such Share on a Related Exchange.

“Valuation Time” means the Scheduled Closing Time on the relevant Exchange on the relevant date in relation to that Share. If the relevant Exchange closes prior to its Scheduled Closing Time, and the specified Valuation Time is after the actual closing time for its regular trading session, then (subject to Condition 7(m) of the Basket Share Linked Conditions) the Valuation Time shall be such actual closing time.

3. Disrupted Days

For the purposes of the Notes, Condition 7 of the General Conditions shall be amended by the addition of a new Basket Share Linked Condition 7(m) as follows:

“(m) Disrupted Days

If the Calculation Agent determines that the Strike Date, the Expiration Date, any Averaging Date or any Observation Date, as the case may be, is a Disrupted Day in respect of a Share, then the Strike Date, the Expiration Date, such Averaging Date or such Observation Date, as the case may be, in respect of that Share shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day in respect of that Share, unless each of the eight Scheduled Trading Days immediately following the original date that, but for the determination by the Issuer of the occurrence of a Disrupted Day, would have been the Strike Date, the Expiration Date, such Averaging Date or such Observation Date for such Share, as the case may be, is a Disrupted Day. In that case:

- (a) that eighth Scheduled Trading Day shall be deemed to be the Strike Date, the Expiration Date, such Averaging Date or such Observation Date, as the case may be, for such Share notwithstanding the fact that such day is a Disrupted Day; and
- (b) the Calculation Agent shall determine the price of one such Share as its good faith estimate of the price of one such Share that would have prevailed, but for the occurrence of a Disrupted Day, at the Valuation Time on that eighth Scheduled Trading Day.

Notwithstanding the provisions of any other Condition, if the Calculation Agent determines that a Disrupted Day has occurred on the Expiration Date and/or on any Observation Date or Averaging Date, payment of the Final Redemption Amount and/or any amount of interest (if the payment of interest is share-linked), as the case may be, shall be postponed to the later of (i) the Maturity Date and/or the relevant Interest Payment Date and (ii) the date that is three Business Days (or such other period as specified in the Final Terms) following the postponed Expiration Date, Observation Date or Averaging Date, as the case may be. For the avoidance of doubt, no additional amounts shall be payable in respect of the postponement of any payment of the Final Redemption Amount and/or any amount of interest in accordance with this Condition 7(m) of the Basket Share Linked Conditions.

The Issuer shall give notice to the holders of the Notes, in accordance with Condition 14 of the General Conditions, of the occurrence of a Disrupted Day if it results in the postponement of any payment in respect of the Notes.”.

4. Adjustments

For the purposes of the Notes, Condition 7 of the General Conditions shall be amended by the addition of a new Basket Share Linked Condition 7(n) as follows:

“(n) Adjustments, Consequences of Certain Events and Currency

(i) Adjustments

If the Calculation Agent determines that a Potential Adjustment Event has occurred in respect of one or more of the Shares in the Basket or that there has been an adjustment to the settlement terms of listed contracts on one or more of the Shares in the Basket traded on a Related Exchange, the Calculation Agent will determine whether such Potential Adjustment Event or adjustment has a diluting or concentrative effect on the theoretical value of the relevant Shares and, if so, will (a) make the corresponding adjustment(s), if any, to any one or more of the Final Redemption Amount and/or the Strike Price and/or any of the terms and conditions of the Notes as the Calculation Agent determines appropriate to account for that diluting or concentrative effect (provided that no adjustments will be made to account solely for changes in volatility, expected dividend, stock loan rate or liquidity) and (b) determine the effective date(s) of the adjustment(s). The Calculation Agent may (but need not) determine the appropriate adjustment by reference to the adjustment in respect of such Potential Adjustment Event or adjustment to settlement terms made by an options exchange to options on the relevant Shares traded on that options exchange.

(ii) Consequences of a Merger Event

If the Calculation Agent determines that a Merger Event has occurred in respect of one or more of the Shares in the Basket, the Issuer may:

- (a) redeem each Note at its fair economic value (as determined by the Calculation Agent) as at the Merger Date, less the cost to the Issuer of unwinding or amending any related underlying hedging arrangements (unless provided for otherwise in the Final Terms), on such date as the Issuer may notify to

Noteholders in accordance with Condition 14 of the General Conditions;
and/or

- (b) make such adjustment to the exercise, settlement, payment or any other term or condition of the Notes as the Calculation Agent determines appropriate to account for the economic effect on the Notes of such Merger Event (provided that no adjustments will be made to solely account for changes in volatility, expected dividends, stock loan rate or liquidity relevant to the relevant Shares or to the Notes), which may, but need not, be determined by reference to the adjustment(s) made in respect of such Merger Event by an options exchange to options on the relevant Shares traded on such options exchange and determine the effective date of that adjustment; and/or
- (c) save in respect of a Reverse Merger, on or after the relevant Merger Date, deem the New Shares and/or the amount of Other Consideration, if applicable (as subsequently modified in accordance with any relevant terms and including the proceeds of any redemption, if applicable), and their issuer (if any) to be the relevant "Shares" and the relevant "Share Issuer", respectively, and if the Calculation Agent determines to be appropriate, the Issuer will adjust any relevant terms of the Notes as it may determine.

The Issuer shall give notice of such redemption, adjustment or deemed change to Noteholders in accordance with Condition 14 of the General Conditions.

(iii) Consequences of a Tender Offer

If the Calculation Agent determines that a Tender Offer has occurred in respect of one or more of the Shares in the Basket, then on or after the relevant Tender Offer Date the Issuer may:

- (a) redeem each Note at its fair economic value (as determined by the Calculation Agent) as at the Tender Offer Date, less the cost to the Issuer of unwinding or amending any related underlying hedging arrangements (unless provided for otherwise in the Final Terms), on such date as the Issuer may notify to Noteholders in accordance with Condition 14 of the General Conditions; and/or
- (b) make such adjustment to the exercise, settlement, payment or any other term or condition of the Notes as the Calculation Agent determines appropriate to account for the economic effect on the Notes of such Tender Offer (provided that no adjustments will be made to account solely for changes in volatility or liquidity relevant to the Shares or to the Notes), which may, but need not, be determined by reference to the adjustment(s) made in respect of such Tender Offer by an options exchange to options on the relevant Shares traded on such options exchange and determine the effective date of that adjustment.

The Issuer shall give notice of such redemption or adjustment to Noteholders in accordance with Condition 14 of the General Conditions.

(iv) Nationalisation, Insolvency or De-listing

If in respect of one or more of the Shares in the Basket or a Share Issuer the Calculation Agent determines that there has been a Nationalisation, an Insolvency or a De-listing, the Issuer may (i) request the Calculation Agent to determine the appropriate adjustment, if any, to be made to any one or more of the Final Redemption Amount and/or the Strike Price and/or any of the other terms and conditions of the Notes to account for the Nationalisation, Insolvency or De-listing, as the case may be, and determine the effective date of that adjustment or (ii) redeem each Note at its fair economic value (as determined by the Calculation Agent) as at the date of redemption taking into account the Nationalisation, Insolvency or De-listing, less the costs to the Issuer of unwinding or amending any related underlying hedging arrangements (unless provided for otherwise in the Final Terms). Notice of any redemption of the Notes or determination pursuant to this paragraph shall be given to Noteholders in accordance with Condition 14 of the General Conditions.

(v) Change of Exchange

If an Exchange is changed, the Issuer may make such consequential modifications to the Strike Price, Final Redemption Amount, Valuation Time and such other terms and conditions of the Notes as it may deem necessary.

(vi) Price Correction

In the event that any price or level published on an Exchange and which is utilised for any calculation or determination made under the Notes is subsequently corrected and the correction is published by the relevant Exchange within three Business Days (or such other period as may be specified in the Final Terms) after the original publication, the Calculation Agent will determine the amount (if any) that is payable following that correction, and, to the extent necessary, the Issuer will adjust the terms and conditions of the Notes to account for such correction.

(vii) Currency

If the Calculation Agent determines that any event occurs affecting the Specified Currency or the currency in which any of the Shares are quoted, listed and/or dealt in on the Exchange (whether relating to the convertibility of any such currency into other currencies or otherwise) which the Calculation Agent determines necessitates an adjustment or adjustments to the Final Redemption Amount, Strike Price (if applicable) and/or any other relevant term of the Notes (including the date on which any amount is payable by the Issuer), the Issuer may make such adjustment or adjustments to the Final Redemption Amount, Strike Price (if applicable) and/or any other relevant term of the Notes as it deems necessary. The Issuer shall give notice to the holders of the Notes of any such adjustment in accordance with Condition 14 of the General Conditions.

(viii) Additional Disruption Events

If the Calculation Agent determines that an Additional Disruption Event has occurred in respect of one or more of the Shares in the Basket, the Issuer may redeem each Note at its fair economic value (as determined by the Calculation Agent) as at the date of redemption taking into account the Additional Disruption Event, less the cost to the Issuer of unwinding or amending any related underlying hedging arrangements

(unless provided for otherwise in the Final Terms). Notice of any redemption of the Notes or determination pursuant to this paragraph shall be given to Noteholders in accordance with Condition 14 of the General Conditions.

(ix) Change in currencies

If, at any time after the Issue Date, there is any change in the currency in which the Shares are quoted, listed and/or dealt on the Exchange, then the Issuer will adjust such of the terms and conditions of the Notes as the Calculation Agent determines appropriate to preserve the economic terms of the Notes. The Calculation Agent will make any conversion necessary for purposes of any such adjustment as of the Valuation Time at an appropriate mid-market spot rate of exchange determined by the Calculation Agent prevailing as of the Valuation Time. No adjustments under this section will affect the currency denomination of any payment obligation arising out of the Notes.

5. Delivery of Share Amount

For the purposes of the Notes, if “Share Delivery” is specified as being applicable in the Final Terms, Condition 7 of the General Conditions shall be amended by the addition of a new Basket Share Linked Condition 7(o) as follows:

“(o) Delivery of Share Amounts:

(i) Delivery of Share Amounts

If the Notes are to be redeemed by the delivery of the Share Amounts, the Issuer shall, on the Share Delivery Date, deliver or procure the delivery of the Share Amount in respect of each Note to such account in such clearing system as may be specified by the relevant Noteholder, at the risk and expense of the relevant Noteholder. If a Noteholder does not provide the Issuer with sufficient instructions in a timely manner to enable the Issuer to effect any required delivery of Shares, the due date for such delivery shall be postponed accordingly. The Issuer shall determine whether any instructions received by it are sufficient and whether they have been received in time to enable delivery on any given date. As used herein, “delivery” in relation to any Share Amount means the carrying out of the steps required of the Issuer (or such person as it may procure to make the relevant delivery) in order to effect the transfer of the relevant Share Amount and “deliver” shall be construed accordingly. The Issuer shall not be responsible for any delay or failure in the transfer of such Share Amount once such steps have been carried out, whether resulting from settlement periods of clearing systems, acts or omissions of registrars or otherwise and shall have no responsibility for the lawfulness of the acquisition of the Shares comprising the Share Amount or any interest therein by any Noteholder or any other person.

In respect of each Share comprising the Share Amount, the Issuer shall not be under any obligation to register or procure the registration of the Noteholder or any other person as the registered shareholder in any register of members of the relevant Share Issuer.

Noteholders should note that the actual date on which they become holders of the Shares comprising their Share Amount will depend, among other factors, on the procedures of the relevant clearing systems and any share registrar and the effect of any Settlement Disruption Events.

The Issuer shall not at any time be obliged to account to a Noteholder for any amount or entitlement that it receives by way of a dividend or other distribution in respect of any of the Shares. Dividends and distributions in respect of the Shares which constitute a Potential Adjustment Event may however result in an adjustment being made pursuant to Condition 7(n) of the Basket Share Linked Conditions.

Neither the Issuer nor any other person shall (a) be under any obligation to deliver (or procure any other person to deliver) to the Noteholders or any other person any letter, certificate, notice, circular or any other document received by that person in its capacity as the holder of the Shares, (b) be under any obligation to exercise or procure exercise of any or all rights (including voting rights) attaching to the Shares or (c) be under any liability to the Noteholders or any subsequent beneficial owners of the Shares in respect of any loss or damage which any Noteholder or subsequent beneficial owner may sustain or suffer as a result, whether directly or indirectly, of that person being registered at any time as the legal owner of the Shares.

(ii) Settlement Disruption

If the Issuer determines that delivery of any Share Amount (or part thereof) in respect of any Note by the Issuer in accordance with the terms and conditions of the Notes is not practicable or permitted by reason of a Settlement Disruption Event subsisting, then the Share Delivery Date in respect of such Share Amount (or part thereof) shall be postponed to the first following Delivery Day in respect of which no such Settlement Disruption Event is subsisting and notice thereof shall be given in accordance with Condition 14 of the General Conditions, provided that the Issuer may elect in its sole discretion to satisfy its obligations in respect of the relevant Note by delivering or procuring the delivery of such Share Amount (or part thereof) using such other commercially reasonable manner as it may select and in such event the Share Delivery Date shall be such day as the Issuer deems appropriate in connection with delivery of such Share Amount (or part thereof) in such other commercially reasonable manner. No Noteholder shall be entitled to any payment whether of interest or otherwise on such Note in the event of any delay in the delivery of the Share Amount pursuant to this paragraph and no liability in respect thereof shall attach to the Issuer.

Where a Settlement Disruption Event affects some but not all of the Shares comprising the Share Amount, the Share Delivery Date for the Shares comprising such Share Amount which are not affected by the Settlement Disruption Event will be the originally designated Share Delivery Date.

For so long as delivery of the Share Amount (or part thereof) in respect of any Note is not practicable or permitted by reason of a Settlement Disruption Event, then in lieu of physical settlement and notwithstanding any other provision hereof, the Issuer may elect in its sole discretion to satisfy its obligations in respect of each Note by payment to the relevant Noteholder of the Disruption Cash Settlement Price on the third Business Day following the date that notice of such election is given to the

Noteholders in accordance with Condition 14 of the General Conditions. Payment of the Disruption Cash Settlement Price will be made in such manner as shall be notified to the Noteholders in accordance with Condition 14 of the General Conditions.

The Issuer shall give notice as soon as practicable to the Noteholders in accordance with Condition 14 of the General Conditions if a Settlement Disruption Event has occurred.

(iii) **Aggregate Share Amount**

The aggregate Share Amount to which a Noteholder may be entitled will be determined on the basis of the separate (for the avoidance of doubt, not aggregate) number of Notes held by the relevant Noteholder. The Issuer shall not be obliged to deliver fractions of a Share but shall be obliged to account for the Fractional Cash Amount of any such fractions to the relevant Noteholder on the Share Delivery Date and each such Share Amount to be delivered shall be rounded down to the next integral number of Shares.”

6. Prescription

For the avoidance of doubt, Condition 9 of the General Conditions shall apply to the Notes and claims for delivery of any Share Amount in respect of the Notes shall become void upon the expiry of five years from the Share Delivery Date.

PART 2: FORM OF FINAL TERMS FOR SHARE LINKED NOTES

Copies of the Final Terms will be provided by the Issuer upon request. [In addition, in case of Notes listed on Euronext Amsterdam by NYSE Euronext, the Final Terms will be displayed on the website of Euronext Amsterdam (_____) and in case of Notes listed on the Luxembourg Stock Exchange, on the website of the Luxembourg Stock Exchange (_____)].

Set out below is the form of Final Terms which will be completed for each Tranche of Share Linked Notes issued under the Programme.

Final Terms

[SNS Bank N.V. / SNS REAAL N.V.] (the "**Issuer**")

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

Issue of [up to] [Aggregate Nominal Amount of Tranche] [Title of Notes] (the "**Notes**")
issued under the Debt Issuance Programme of SNS Bank N.V. and SNS REAAL N.V.

dated [•]

This document constitutes the Final Terms of the issue of Notes under the Debt Issuance Programme (the "**Programme**") of SNS Bank N.V. and SNS REAAL N.V., described herein for the purposes of article 5.4 of Directive 2003/71/EC (the "**Prospectus Directive**"). This document must be read in conjunction with the base prospectus pertaining to the Programme, dated 8 June 2009 (the "**Prospectus**") and any amendments or supplements thereto, which together constitute a base prospectus for the purposes of the Prospectus Directive. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Prospectus and any amendments or supplements thereto. The Prospectus (and any amendments thereto) is available for viewing at www.snsreaal.com as well as at the Amsterdam office of the Issuer at Nieuwezijds Voorburgwal 162, 1012 SJ, Amsterdam, The Netherlands, where copies may also be obtained (free of charge). Any supplements to the Prospectus will in any case be available at this office and copies thereof may be obtained (free of charge) there.

These Final Terms are to be read in conjunction with the Terms and Conditions (the "**Terms and Conditions**") set forth in [[Chapter 2, Part 1][include if SNS Bank is Issuer][Chapter 3, Part 1][include if SNS REAAL is Issuer]] and Chapter 6, Part 1 of the Prospectus. The Terms and Conditions as supplemented, amended and/or disappplied by these Final Terms constitute the conditions (the "**Conditions**") of the Notes. Capitalised terms not defined herein have the same meaning as in the Terms and Conditions. Certain capitalised terms in the Terms and Conditions which are not defined therein have the meaning set forth in these Final Terms. All references to numbered Conditions and sections are to Conditions and sections of the Terms and Conditions set forth in [[Chapter 2, Part 1][include if SNS Bank is Issuer][Chapter 3, Part 1][include if SNS REAAL is Issuer]] and Chapter 6, Part 1 of the Prospectus.

[The following language applies if the first tranche of an issue which is being increased was issued under a Prospectus with an earlier date: This document constitutes the Final Terms of the issue of Notes under the Debt Issuance Programme (the "**Programme**") of SNS Bank N.V. and SNS REAAL N.V., described herein for the purposes of article 5.4 of Directive 2003/71/EC (the

"Prospectus Directive"). This document must be read in conjunction with the base prospectus pertaining to the Programme, dated 8 June 2009 (the **"Prospectus"**) and any amendments or supplements thereto, which together constitute a base prospectus for the purposes of the Prospectus Directive, save in respect of the Conditions (as defined below) which are extracted from the prospectus of SNS Bank N.V. dated [18 April 2008] [19 April 2007] [SNS REAAL dated [16 July 2008] [25 June 2007]] and are incorporated by reference and form part of the Prospectus. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Prospectus and any amendments or supplements thereto. The Prospectus (and any amendments thereto) is available for viewing at www.snsreaal.com as well as at the Amsterdam office of the Issuer at Nieuwezijds Voorburgwal 162, 1012 SJ, Amsterdam, The Netherlands, where copies may also be obtained (free of charge). Any supplements to the Prospectus will in any case be available at this office and copies thereof may be obtained (free of charge) there.

These Final Terms are to be read in conjunction with the Terms and Conditions (the **"Terms and Conditions"**) set forth in the prospectus of [SNS Bank N.V. dated [18 April 2008] [19 April 2007] [SNS REAAL dated [16 July 2008] [25 June 2007]] which are incorporated by reference in the Prospectus. The Terms and Conditions as supplemented, amended and/or disappplied by these Final Terms constitute the conditions (the **"Conditions"**) of the Notes. Capitalised terms not defined herein have the same meaning as in the Terms and Conditions. Certain capitalised terms in the Terms and Conditions which are not defined therein have the meaning set forth in these Final Terms. All references to numbered Conditions and sections are to Conditions and sections of the Terms and Conditions set forth in the 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. Italics denote directions for completing the Final Terms.]

[When adding any other final terms or information at, for example, items 9, 10, 15, 16, 17, 18 or 35 or in relation to disclosure relating to the interests of natural and legal persons involved in the issue/offer consideration should be given as to whether such terms or information constitute "significant new factors" and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive, the publication of which would in turn trigger the investors' right to withdraw their acceptances within a period of 2 business days.]

1. Issuer: [SNS Bank N.V. / SNS REAAL 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 [of Notes admitted to trading]:
- (i) Tranche: [Up to]
- (ii) Series: [Up to]

5. Issue Price of Tranche: [] per cent. of the Aggregate Nominal Amount
[plus accrued interest from [insert date] (in the case of fungible issues only, if applicable)]
6. (i) Specified Denominations: []
- [Note – where multiple denominations above [€50,000] or equivalent are being used the following sample wording should be followed:
“[€50,000] and integral multiples of [€1,000] in excess thereof up to and including [€99,000].
No Notes in definitive form will be issued with a denomination above [€99,000].”]*
- (ii) Calculation Amount []
- (If only one Specified Denomination, insert the Specified Denomination. If more than one Specified Denomination, insert the highest common factor. Note: There must be a common factor the case of two or more Specified Denominations.)*
- (iii) 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 or nearest to [specify month and year]]
9. Interest Basis: [[] per cent. Fixed Rate]
[[LIBOR/EURIBOR/other] +/- [] per cent. Floating Rate]
[Dual Currency Interest]
[Zero Coupon]
[Index Linked Interest]
[Inflation Linked Interest]
[Share Linked Interest]
[Fund Linked Interest]
[Non Interest Bearing]
[specify other]
(further particulars specified below)
10. Redemption/Payment Basis: [Redemption at par]
[Share Linked Redemption]
[Dual Currency Redemption]
[Instalment]

[Partly Paid]
[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/Tier1 Subordinated/Tier 2
Subordinated/Tier 3 Subordinated]
14. Method of distribution: [Syndicated/Non-syndicated/Not applicable]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15. Fixed Rate Note Provisions [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-
paragraphs of this paragraph)
- (i) Rate(s) of Interest: [] per cent. per annum [payable
[annually/semi-annually/quarterly] in arrear]
- (ii) Interest Payment Date(s): [] in each year
(NB: This will need to be amended in the case of
long or short coupons)
- (iii) Interest Period [Please specify in case of step-up note/Not
Applicable]
- (iv) Fixed Coupon Amount(s): [] per Calculation Amount
- (v) Broken Amount(s): [] per Calculation Amount, payable on the Interest
Payment Date falling [in/on] []
- (vi) Business Day Convention
- Business Day Convention [Following Business Day
Convention/Modified Following Business Day
Convention/No adjustment/Preceding Business
Day Convention/[specify other]]
- Adjustment or Unadjustment
for Interest Period [Adjusted] or [Unadjusted]
- (vii) Fixed Day Count Fraction: [30/360 or Actual/Actual (ICMA)
or specify other]

- (viii) Other terms relating to the method of calculating interest for Fixed Rate Notes: [None/give details]
16. Floating Rate Note Provisions [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Specified Period(s): [] [only applicable if no Specified Interest Payment Dates are set out]
- (ii) Specified Interest Payment Dates: []
- (iii) Business Day Convention:
 - Business Day Convention [Floating Rate Convention/ Following Business Day Convention/ Modified Following Business Day Convention/ No adjustment/ Preceding Business Day Convention/ [specify other]]
- Adjustment or Unadjustment for Interest Period [Adjusted] or [Unadjusted]
- (iv) Additional Business Centre(s): []
- (v) Manner in which the Rate of Interest and Interest Amount is to be determined: [Screen Rate Determination/ISDA Determination/specify other]
- (vi) Party responsible for calculating the Rate of Interest and interest Amount (if not the Agent): []
- (vii) Screen Rate Determination: [Yes/No] (if not applicable, delete the remaining sub-paragraphs of this paragraph)
- Reference Rate: []
(Either LIBOR, EURIBOR or other, although additional information is required if other –including fallback 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, euro LIBOR or any other inter-bank offered rate prevailing in a country in which the TARGET System does not apply)

- Relevant Screen Page: ☐ ☐
(In the case of EURIBOR, if not Reuters EURIBOR 01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)
- Relevant Time: ☐ ☐
(For example, 11.00 a.m. London time/Brussels time)
- (viii) ISDA Determination: ☐ [Yes/No]
 - Floating Rate Option: ☐ ☐
 - Designated Maturity: ☐ ☐
 - Reset Date: ☐ ☐
- (ix) Margin(s): ☐ [+/-] ☐ ☐ per cent. per annum
- (x) Minimum Rate of Interest: ☐ ☐ per cent. per annum
- (xi) Maximum Rate of Interest: ☐ ☐ per cent. per annum
- (xii) Floating Day Count Fraction: ☐ [Actual/Actual (ISDA)
Actual/365 (Fixed)
Actual/360
30/360 or 360/360 or Bond Basis
30E/360 or Eurobond Basis
30E/360 (ISDA)
Other]
[(See Condition 5 for alternatives)]
- (xiii) 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: ☐ ☐
- (xiv) Description of any market disruption or settlement disruption events that affect the underlying: ☐ ☐
- 17. Zero Coupon Note Provisions ☐ [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
 - (i) Accrual Yield: ☐ ☐ per cent. per annum
 - (ii) Reference Price: ☐ ☐
 - (iii) Any other formula/basis of determining amount payable: ☐ ☐

18. 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, name index and description and manner of determining coupon]
- (ii) Calculation Agent responsible for calculating the principal and/or interest due: [please insert name + address + contact]
- (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:
- Business Day Convention [Floating Rate Convention/ Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention/ No adjustment/ specify other]
 - Adjustment or Unadjustment for Interest Period [Adjusted] or [Unadjusted]
- (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: [Actual/Actual (ISDA)
Actual/365 (Fixed)
Actual/360
30/360 or 360/360 or Bond Basis
30E/360 or Eurobond Basis
30E/360 (ISDA)
Other]
[(See Condition 5 for alternatives)]
- (x) Description of any market disruption or settlement disruption events that affect the underlying: []

19. Inflation Linked Interest Note Provisions [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) Inflation/Formula: [Give or annex details, name inflation and description and manner of determining coupon]
- (ii) Calculation Agent responsible for calculating the principal and/or interest due: [please insert name + address + contact]
- (iii) Provisions for determining coupon where calculation by reference to inflation and/or formula is impossible or impracticable: []
- (iv) Specified Period(s)/Specified Interest Payment Dates: []
- (v) Business Day Convention:
- Business Day Convention [Floating Rate Convention/ Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention/ No adjustment/ specify other]
- Adjustment or Unadjustment for Interest Period [Adjusted] or [Unadjusted]
- (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: [Actual/Actual (ISDA)
Actual/365 (Fixed)
Actual/360
30/360 or 360/360 or Bond Basis
30E/360 or Eurobond Basis
30E/360 (ISDA)
Other]
[(See Condition 5 for alternatives)]
- (x) Description of any market disruption or settlement disruption events that affect the underlying: []

20. Share Linked Interest Note Provisions [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) Share/Formula: [Give or annex details, name share and description and manner of determining coupon]
- (ii) Calculation Agent responsible for calculating the principal and/or interest due: [please insert name + address + contact]
- (iii) Provisions for determining coupon where calculation by reference to share and/or formula is impossible or impracticable: []
- (iv) Specified Period(s)/Specified Interest Payment Dates: []
- (v) Business Day Convention:
 - Business Day Convention [Floating Rate Convention/ Following Business Day Convention/Modified Following Business Day Convention/No adjustment/ Preceding Business Day Convention/ specify other]
 - Adjustment or Unadjustment for Interest Period [Adjusted] or [Unadjusted]
- (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: [Actual/Actual (ISDA)
Actual/365 (Fixed)
Actual/360
30/360 or 360/360 or Bond Basis
30E/360 or Eurobond Basis
30E/360 (ISDA)
Other]
[(See Condition 5 for alternatives)]
- (x) Description of any market disruption or settlement disruption events that affect the underlying: []

21. Fund Linked Interest Note Provisions [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) Fund/Formula: [Give or annex details, name fund and description and manner of determining coupon]
- (ii) Calculation Agent responsible for calculating the principal and/or interest due: [please insert name + address + contact]
- (iii) Provisions for determining coupon where calculation by reference to fund and/or formula is impossible or impracticable: []
- (iv) Specified Period(s)/Specified Interest Payment Dates: []
- (v) Business Day Convention:
 - Business Day Convention [Floating Rate Convention/ Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention/ No adjustment/ specify other]
 - Adjustment or Unadjustment for Interest Period [Adjusted] or [Unadjusted]
- (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: [Actual/Actual (ISDA)
Actual/365 (Fixed)
Actual/360
30/360 or 360/360 or Bond Basis
30E/360 or Eurobond Basis
30E/360 (ISDA)
Other]
[(See Condition 5 for alternatives)]
- (x) Description of any market disruption or settlement disruption events that affect the underlying: []

22. 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: [please insert name + address + contact]
 - (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

23. Issuer Call: [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Optional Redemption Date(s): []
 - (ii) Optional Redemption Amount(s) and method, if any, of calculation of such amount(s): [] per Calculation Amount
 - (iii) If redeemable in part:
 - (a) Minimum Redemption Amount: [] per Calculation Amount
 - (b) Higher Redemption Amount: [] per Calculation Amount
 - (iv) Notice period (if other than as set out in the Conditions): []
 -(N.B. If setting notice periods which are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent)
24. Investor Put: [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Optional Redemption Date(s): []
 - (ii) Optional Redemption Amount(s)

and method, if any, of calculation
of such amount(s): [] per Calculation Amount

- (iii) Notice period (if other than as set out in the Conditions): []
(N.B. If setting notice periods which are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent)

25. Final Redemption Amount [[]per Calculation Amount /specify other/see Appendix]

26. Early Redemption Amount(s) per Calculation Amount 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)): []

27. Additional provisions applicable in case of redemption of Dual Currency
Notes: [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)

- (i) Provisions in case business day final redemption differs from Interest Payment Date final coupon []

GENERAL PROVISIONS APPLICABLE TO THE NOTES

28. 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]

29. New Global Note form: [Applicable/Not Applicable]
[Please refer to item 52(v), if applicable]
30. Additional Financial Centre(s) or other special provisions relating to payment Dates: [Not Applicable/give details]
Note that this item relates to the date and place of payment and not Interest Period end dates to which items 15(ii), 16(ii), 18(iv), 19(iv), 20(iv) and 21 (iv) relate
31. 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]
32. Details relating to Instalment Notes; amount of each instalment, date on which each payment is to be made: [Not Applicable/give details]
33. Redenomination: [Redenomination [not] applicable
(if Redenomination is applicable, include
(i) either the applicable Fixed Day Count Fraction or any provisions necessary to deal with floating rate interest, inflation linked interest, share linked interest, fund linked interest or index linked interest calculation (including alternative reference rates) and
(ii) the New Currency]
34. Whether Condition 8 first paragraph under (a) of the Notes applies (in which case Condition 7(b) of the Notes will not apply) or whether Condition 8 first paragraph under (b) of the Notes applies (in which case Condition 7(b) of the Notes will apply): [Condition 8 first paragraph under (a) applies and Condition 7(b) does not apply] [Condition 8 first paragraph under (b) applies and Condition 7(b) applies]
35. Other terms or special conditions: [Not Applicable/give details]

(when adding any other final terms consideration should be given as to whether such terms constitute "significant new factors" and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive)

DISTRIBUTION

36. (i) If syndicated, names of Managers and underwriting commitments [Not Applicable/give names/ give legal names, [addresses] ** and underwriting commitments]
[Please note that the process for notification to potential investors of the amount allotted and an indication whether dealing may begin before notification is made will be provided for by the Manager(s) and notified by the Manager(s) to potential investors]
- (ii) Date of Syndication Agreement: []**
- (iii) Stabilising Manager (if any): [Not Applicable/give legal name]
37. If non-syndicated, name and address of relevant Dealer: [specify name [and address]** of Dealer/Not applicable. The Notes are not being underwritten by any Dealer(s).]
38. Total commission and concession**: [] per cent. of the Aggregate Nominal Amount**

SHARE LINKED PROVISIONS

39. [The following apply to Notes linked to a single share only:
- | | |
|----------------------|---|
| Averaging Dates: | [specify dates or delete if N/A] |
| Barrier Level: | [specify as [[●] per. cent of Initial Share Price] or delete if N/A] |
| Business Day: | [specify as [a day on which (i) commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in [●] [and (ii) which is a TARGET Business Day]. |
| Constant Monitoring | [specify as applicable and delete "Valuation Time Only" below or delete if N/A] |
| Exchange: | [specify] |
| Expiration Date: | [specify date or delete if N/A] |
| Final Share Price: | [specify if fallback provisions in Chapter 5, Part 1(A), not to apply or state if N/A] |
| Initial Share Price: | [specify if fallback provisions in Chapter 5, Part 1(A), not to apply or state if N/A] |

Observation Date(s):	[specify or delete if N/A]
Observation Period:	[specify as [the period from and including the Issue Date, Strike Date or [●] to and including the Expiration Date or [●]] or delete if N/A]
Share Amount:	[specify formula or delete if N/A]
Share Currency	[specify]
Share Delivery:	[specify as applicable or delete if N/A; if applicable, specify in which circumstances share delivery may occur (at the option of the Issuer; if share price reaches certain level, etc.)]
Share Delivery Date:	[specify or delete if N/A], subject to Condition 7(n)(ii) and, if such day is not a Delivery Day, the first succeeding Delivery Day.
Share Issuer:	[specify]
Shares:	[name and short description of type of shares] issued by the Share Issuer (ISIN: [●]).
Strike Date:	[specify or delete if N/A]
Strike Price:	[specify or delete if N/A]
Valuation Time Only:	[specify as applicable and delete “ Constant Monitoring ” above or delete if N/A] [Insert any other relevant terms]]

[The following apply to Notes linked to a Basket of Shares only:

Where:

Averaging Dates:	[specify dates or delete if N/A]
Barrier Level:	[specify as [[●] per. cent of Initial Share Price] or delete if N/A]

“**Basket**” means a basket composed of Shares in the relative [proportions/numbers of Shares] of each Share Issuer specified below:

[Insert details of:

* Share Issuer

* [Proportion/number of Shares]

* ISIN Code

* Exchange]

Business Day: [specify as [a day on which (i) commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in [●] [and (ii) which is a TARGET Business Day].

Constant Monitoring [specify as applicable and delete "Valuation Time Only" below or delete if N/A]

Expiration Date: [specify date or delete if N/A]

Final Share Price: [specify if fallback provisions in Chapter 5, Part 1(B) not to apply or state if N/A]

Initial Share Price: [specify if fallback provisions in Chapter 5, Part 1(B) not to apply or state if N/A]

Observation Date(s): [specify or delete if N/A]

Observation Period: [specify as [the period from and including the Issue Date, Strike Date or [●] to and including the Expiration Date or [●]] or delete if N/A]

Share Amount: [specify formula or delete if N/A]

Share Currency [specify]

Share Delivery: [specify as applicable or delete if N/A; if applicable, specify in which circumstances share delivery may occur (at the option of the Issuer; if share price reaches certain level, etc.)]

Share Delivery Date: [specify or delete if N/A], subject to Condition 7(n)(ii) and, if such day is not a Delivery Day, the first succeeding Delivery Day.

Share Issuer: [specify]

Shares: [name and short description of type of shares] issued by the Share Issuer (ISIN: [●]).

Strike Date: [specify or delete if N/A]

Strike Price: [specify or delete if N/A]

Valuation Time Only

[specify as applicable and delete "**Constant Monitoring**" above or delete if N/A]
[Insert any other relevant terms]]

OTHER PROVISIONS

40. Whether TEFRA D or TEFRA C rules applicable [TEFRA D/TEFRA C]
41. Additional selling restrictions: [Not Applicable/give details]
42. Listing
- (i) Listing [Euronext Amsterdam by NYSE Euronext /other (specify)/ None]
- (ii) Admission to trading: [Application has been made for the Notes to be admitted to trading on Euronext Amsterdam by NYSE Euronext with effect from []], [Not Applicable].
(Where documenting a fungible issue need to indicate that original securities are already admitted to trading.)** []*
43. Ratings: The Notes to be issued have [not] been rated:
[S & P: []]
[Moody's: []]
[Fitch: []]
[[Other]: []]
[Include here a brief explanation of the meaning of the ratings if this deviates from the explanations given in "General Information" published by the rating provider.]**
44. Notification
[The Netherlands Authority for the Financial Markets (*Autoriteit Financiële Markten*, "**AFM**") [has been requested to provide/has provided – include first alternative for an issue which is contemporaneous with the update of the Programme and the second alternative for subsequent issues] the [names of competent authorities of host Member States] with a notification that the Prospectus has been drawn up in accordance with the Prospectus Directive. / Not Applicable]
45. Interests of Natural and Legal Persons Involved in the Issue
[Save for any fees payable to the Dealers, so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. – Amend as appropriate if there are other interests]
46. Reasons for the Offer (if different from making a profit and/or hedging certain risks): []
47. Estimated net proceeds and total expenses
- (i) Estimated net proceeds []
(Also see "Use of Proceeds" wording in Prospectus – if reasons for offer different from making profit and/or hedging certain risks will need to include those reasons here. If proceeds are intended for more than one use will need to split out and

present in order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding.)

(ii) Estimated total expenses: []. [Include breakdown of expenses]

48. Yield (Fixed Rate Notes only)

Indication of yield: []

The yield is calculated at the Issue [Calculated as [include details of method of
Date on the basis of the Issue Price. calculation in summary form] on the Issue Date.]**
It is not an indication of future yield.

49. Historic Interest Rates (Floating Rate Notes only)**

Details of historic [LIBOR/EURIBOR/other] rates can be obtained from [Reuters system or
Reuters EURIBOR 01]

50. Performance of index/formula, inflation/formula, share/formula or fund/formula, explanation of effect on value of investment and associated risks (Index Linked Interest Notes, Inflation Linked Interest Notes, Share Linked Interest Notes and Fund Linked Interest Notes only)**

[Name of index/inflation/share/fund] []

[Description of index/inflation/share/fund

if composed by Issuer:] []

[Information on index/inflation/share/fund

if not composed by Issuer:] []

[Need to include details of where information on the past and future performance and volatility of the index/formula, inflation/formula, share/formula or fund/formula can be obtained and a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.]

The underlying is a security: [Name of the issuer of the security]
[ISIN Code or other identification code]

The underlying is a basket of
underlyings: [disclosure of relevant weightings of each
underlying in the basket]

51. Performance of rate[s] of exchange and explanation of effect on value of investment (Dual Currency Notes only)

[Need to include details of where information on the past and future performance and volatility of the relevant rates can be obtained and a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.]

52. Operational Information

(i) ISIN Code: []

(ii) Common Code: []

(iii) WKN Code: [] [Not Applicable]

(iv) Other relevant code: []

[Not Applicable/give name(s) and numbers(s)]

(v) New Global Note intended to be
held in a manner which would
allow Eurosystem eligibility: [Not Applicable/Yes/No]

- [Note that the designation "Yes" simply means that the Notes are intended upon issue to be deposited with Euroclear or Clearstream, Luxembourg as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.] *[Include this text if "Yes" selected in which case the Notes must be issued in NGN form]*
- (vi) Offer Period: [The offer of the Notes is expected to open at [] hours ([] time) on [] and close at [] hours ([] time) on [] or such earlier or later date or time as the Issuer may determine, following consultation with the relevant Dealer where practical,] (and announce)] [Not Applicable]
- (vii) Delivery: Delivery [against/free of] payment
- (viii) Payment: Method and time limits of paying up the Notes – *to be included if any agreement in this respect is entered into between Issuer and Manager(s)*
- (ix) Settlement Procedure: [Method of settlement procedure]
- (x) Clearing System: [Euroclear/Clearstream Luxembourg/Euroclear Nederland/other alternative clearing system]
53. Additional paying agent (if any) [Name:]/[Address:] / Not Applicable]
54. Additional information
[The following information should be consulted in connection with the offer of the Notes:
- insert other relevant information which does not necessitate a Supplement to the Prospectus / Not Applicable].
55. Listing Application
These Final Terms comprise the final terms required to list and have admitted to trading the issue of Notes described herein pursuant to the Programme / Not Applicable]

Responsibility

The Issuer declares that, having taken all reasonable care to ensure that such is the case, the information contained herein is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import. The Issuer accepts responsibility for the information contained in these Final Terms. [[] has been extracted from []. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of the Issuer:

By: By:

Duly authorised

Duly authorised

Notes:

* Not required if the minimum denomination is less than € 50,000

** Not required if the minimum denomination is equal or higher than € 50,000

CHAPTER 7: FUND LINKED NOTES

PART 1: TERMS AND CONDITIONS OF FUND LINKED NOTES

The terms and conditions applicable to Notes linked to a fund ("**Fund Linked Notes**") shall comprise the Terms and Conditions of the Medium Term Notes set out in Chapter 2, Part 1 (in case SNS Bank N.V. is the Issuer) or in Chapter 3, Part 1 (in case SNS REAAL N.V. is the Issuer) (the "**General Conditions**"), and the additional Terms and Conditions set out below (the "**Fund Linked Conditions**"), in each case subject to completion and/or amendment in the applicable Final Terms. In the event of any inconsistency between the General Conditions and the Fund Linked Conditions, the Fund Linked Conditions set out below shall prevail. In the event of any inconsistency between (i) the General Conditions and/or the Fund Linked Conditions; and (ii) the Final Terms, the Final Terms shall prevail. For purposes of these Fund Linked Conditions and references to the "Issuer" shall be to the Issuer of the relevant Notes.

1. Final Redemption

Notwithstanding Condition 7(a) of the General Conditions, unless previously redeemed or purchased and cancelled, each Note will be redeemed by the Issuer (subject to the provisions of Conditions 7(m) and 7(n) of the Fund Linked Conditions, and this section 1 of these Fund Linked Conditions) as its Final Redemption Amount on the Maturity Date.

If the Final Redemption Receipt Date falls on or after the Latest Permissible Receipt Date, then the Issuer may, notwithstanding Condition 7(m) of the Fund Linked Conditions, postpone the payment of the Final Redemption Amount to the date that is that number of Business Days equal to the Settlement Period following the Final Redemption Receipt Date. For the avoidance of doubt, no additional amounts shall be payable in respect of the postponement of any payment.

For the purposes of this section 1 of these Fund Linked Conditions:

"Averaging Dates" means, in respect of the Calculation Determination Date, each of the dates specified as such in the applicable Final Terms, in each case subject to adjustment in accordance with the Fund Business Day Convention and Condition 7(m) of the Fund Linked Conditions.

"Final Redemption Amount" means an amount in the Specified Currency determined by the Calculation Agent as specified in the applicable Final Terms.

"Final Price" means: (a) if Single Price is specified as the Final Price in the applicable Final Terms, the Price on the Observation Date; or (b) if Average Price is specified as the Final Price in the applicable Final Terms, the arithmetic mean of the Prices for each Averaging Date.

"Final Redemption Receipt Date" means the date on which a holder of a Fund Interest would have received the proceeds of a redemption of such Fund Interest deemed to have been submitted for redemption on or as soon as reasonably practicable after the Observation Date or final Averaging Date, as the case may be, all as determined by the Calculation Agent.

"Fund" means the entity, collective investment scheme, fund, trust, partnership or similar arrangement or undertaking specified as such in the applicable Final Terms, or any Replacement Fund.

"Fund Interest" means a unit, share, partnership interest, or other similar direct interests in a Fund that entitles the holder of such interest to a share in the net assets of that Fund, as specified as such in the applicable Final Terms, or such relevant interests in any Replacement

Fund as determined by the Calculation Agent in accordance with section 6 of these Fund Linked Conditions below.

“Initial Price” means: (a) if a particular amount is specified as the Initial Price in the applicable Final Terms, the amount specified as such; or (b) if “Strike Price” is specified as the Initial Price in the applicable Final Terms, the Price on the Strike Date as determined by the Calculation Agent.

“Latest Permissible Receipt Date” means, in respect of any payment, the date that falls the Settlement Period before the Maturity Date.

“Observation Date” means the date specified as such in the relevant Final Terms, subject to adjustment in accordance with the Fund Business Day Convention and Condition 7(m) of the Fund Linked Conditions.

“Price” means, on any Fund Business Day, the price of one Fund Interest in the Specified Currency as at that Fund Business Day (subject to the provisions of Condition 7(m) of the Fund Linked Conditions), which shall be equal to the available official net asset value of a Fund per Fund Interest for that Fund Business Day, as either notified to the Calculation Agent by the relevant Fund Manager or published by or on behalf of such Fund, less any applicable costs, expenses or taxes that would be incurred by a holder of a Fund Interest in redeeming such Fund Interest, determined by the Calculation Agent; provided that if an Investing Entity either makes an investment in, or redeems, Fund Interests as of such Fund Business Day at a price per Fund Interest that is different from the one so notified or published, the net price per Fund Interest at which such investment or redemption is effected shall be treated as the Price.

“Settlement Period” means seven Business Days (or such other number of Business Days as specified in the applicable Final Terms).

“Strike Date” means the date specified as such in the applicable Final Terms, subject to adjustment in accordance with the Fund Business Day Convention and Condition 7(m) of the Fund Linked Conditions.

All other terms shall have the meanings given to them in section 2 of these Fund Linked Conditions below.

2. Early Redemption Provisions

Notwithstanding Conditions 7(e) and 10 of the General Conditions, if (a) the Calculation Agent determines that an Early Redemption Event has occurred or is continuing, the Calculation Agent shall forthwith give notice as soon as reasonably practicable to the Noteholders in accordance with Condition 14 of the General Conditions, and each Note shall fall due for redemption on the Early Redemption Date at its Early Redemption Amount, or (b) for the purposes of Condition 10 of the General Conditions, an Event of Default occurs and is continuing and a Note held by a Noteholder is declared to be due and payable, the same shall become due and payable on the Early Redemption Date at its Early Redemption Amount.

Any notice to Noteholders in respect of such a payment shall specify the expected date of that payment, which date shall be confirmed by the Issuer in a later separate notice to Noteholders.

For the purposes of this section 2 of these Fund Linked Conditions:

“Associated Costs” means an amount per Note equal to the pro rata share (on the basis of the principal amount of the Note and the aggregate principal amount of all Notes which have not been redeemed or cancelled as at the date for early redemption) of the total amount of any and all

costs associated or incurred by the Issuer in connection with such early redemption including, without limitation, any costs associated with unwinding any hedge positions relating to the Notes and any costs associated with any market disruption, all as determined by the Calculation Agent.

“Early Redemption Amount” means, in respect of each Note, an amount in euro equal to the fair economic value of such Note less the Associated Costs, with such fair economic value being determined on the Receipt Date (taking into account the occurrence of the Early Redemption Event or Event of Default, as the case may be), as determined by the Calculation Agent by reference to such factor(s) as it may deem appropriate.

“Early Redemption Date” means the Business Day falling that number of Business Days equal to the Settlement Period following the Early Redemption Receipt Date.

“Early Redemption Event” means: (a) an event as described in Condition 7(b) of the General Conditions; and (b) a determination by the Issuer pursuant to section 6 of these Fund Linked Conditions below.

“Early Redemption Receipt Date” means the date on which a holder of a Fund Interest would have received the proceeds of a redemption of such Fund Interest deemed to have been made on or as soon as reasonably practicable after the date, either (a) in the case of an Early Redemption Event, notice of redemption of the Notes given to the Noteholders or, if no such date is specified, on which such notice is given or (b) in the case of an Event of Default, on which the Notes are declared due and payable, all as determined by the Calculation Agent.

3. Definitions

For the purposes of the General Conditions and the Fund Linked Conditions, the following terms shall have the meanings set out below:

“Affiliate” means, in relation to any person, any entity controlled, directly or indirectly, by the person, any entity that controls, directly or indirectly, the person or any entity directly or indirectly under common control with the person. For this purpose “control” of any entity or person means ownership of a majority of the voting power of the entity or person.

“Applicable Fund Centres” has the meaning set out in the applicable Final Terms.

“Calculation Determination Date” means the Business Day (or such number of Business Days as specified in the applicable Final Terms) following the date on which the Price for the Observation Date or final Averaging Date, as the case may be, is either notified, published or (if the proviso to the definition of Price applies) the Final Redemption Receipt Date.

“Disrupted Day” means any Fund Business Day on which a Market Disruption Event has occurred.

“Fund Business Day” means 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 the Applicable Fund Centres.

“Fund Business Day Convention” means as specified in the applicable Final Terms, where:

- (a) **“Following”** means if the relevant day is not a Fund Business Day such day shall be postponed to the next day which is a Fund Business Day;
- (b) **“Modified Following”** means if the relevant day is not a Fund Business Day such day shall be postponed to the next day which is a Fund Business Day unless it would thereby fall into the next calendar month, in which event such day shall be brought forward to the immediately preceding Fund Business Day; and

- (c) **“Preceding”** means if the relevant day is not a Fund Business Day such day shall be brought forward to the immediately preceding Fund Business Day.

“Fund Manager” means (a) the person specified as such in the applicable Final Terms, (b) any other person responsible from time to time for notifying the holders of Fund Interests of the relevant net asset value of the Fund or Fund Interests, or (c) the relevant manager or person as described in (b) above in respect of any Replacement Fund as determined by the Calculation Agent in accordance with section 6 of these Fund Linked Conditions below.

“Fund Rules” means, with respect to a Fund, the terms of the bye-laws and other associated documentation relating to such Fund and any other rules or regulations relating to such Fund and the relevant Fund Interests (including any prospectus in respect of such) existing on the Issue Date of the Notes, including its investment guidelines and restrictions.

“Hedge Counterparty” means any party to a contract with the Issuer or any of its Affiliates under which the Issuer obtains a derivative exposure to Fund Interests and includes hedge counterparties of such hedge counterparties.

“Investing Entity” means the Issuer, any Affiliate of the Issuer or any Hedge Counterparty that holds, redeems or subscribes Fund Interests.

“Market Disruption Event” means, in respect of a Fund Business Day, the occurrence or continuation, as determined by the Calculation Agent, of: (a) a failure or postponement that is, in the determination of the Calculation Agent, material by a Fund Manager to publish the official net asset value of a Fund per Fund Interest in respect of that Fund Business Day (provided that such Fund Business Day is a day for which such official net asset value is scheduled to be published); or (b) the inability of a holder of Fund Interests to subscribe for, or redeem, Fund Interests for value on that Fund Business Day (provided that such Fund Business Day is a day for which subscriptions or redemptions are scheduled to be permissible (in accordance with the Fund Rules)); or (c) a postponement or failure of a Fund to make any payment in respect of the redemption of Fund Interests on any day for which such payment is scheduled to be made (in accordance with the Fund Rules).

“Valid Date” means a Fund Business Day which the Calculation Agent determines is not a Disrupted Day and on which another Averaging Date does not or is not deemed to occur.

4. Disrupted Days

For the purposes of the Notes, Condition 7 of the General Conditions shall be amended by the addition of a new Fund Linked Condition 7(m) as follows:

“(m) Disrupted Days

If the Calculation Agent determines that the Strike Date, Observation Date or (subject as provided below) any Averaging Date, as the case may be, in respect of the Fund Interests is a Disrupted Day, then the Strike Date, Observation Date or such Averaging Date, as the case may be, shall be the first succeeding Fund Business Day that is not a Disrupted Day, unless each of the Fund Business Days falling in the Disrupted Period is a Disrupted Day. In that case:

- (a) that final Fund Business Day of the Disrupted Period shall be deemed to be the Strike Date, the Observation Date or such Averaging Date, as the case may be, in respect of the Fund Interests, notwithstanding the fact that such day is a Disrupted Day; and
- (b) the Calculation Agent shall determine the price of one Fund Interest as its good faith estimate of the price of one Fund Interest that would have prevailed, but for the

occurrence of a Disrupted Day, on that final Fund Business Day of the Disrupted Period.

If the Calculation Agent determines that any Averaging Date is a Disrupted Day, then if under Averaging Date Disruption in the Final Terms the consequence specified is:

- (i) **“Omission”**, then such Averaging Date shall be deemed not to be an Averaging Date for the purposes of determining the Final Price. If through the operation of this provision no Averaging Date would occur, then the provisions above will apply for the purposes of determining the relevant Price for the final Averaging Date as if such final Averaging Date were a Disrupted Day;
- (ii) **“Postponement”**, then the provisions above will apply for the purposes of determining the relevant Price for that Averaging Date as if such Averaging Date were a Disrupted Day irrespective of whether, pursuant to such determination, that deferred Averaging Date would fall on a date that already is or is deemed to be an Averaging Date; or
- (iii) **“Modified Postponement”**, then the relevant Averaging Date shall be the first succeeding Valid Date. If the first succeeding Valid Date has not occurred as of the final Fund Business Day of the Cut-off Period for that original date that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date then (A) that final Fund Business Day of the Cut-off Period shall be deemed to be the relevant Averaging Date (irrespective of whether such day is already an Averaging Date), and (B) the Calculation Agent shall determine the relevant Price for that Averaging Date with its good faith estimate of the Price that would have prevailed, but for the occurrence of a Disrupted Day, on that deemed Averaging Date.

Notwithstanding the provisions of Condition 7 of the General Conditions, if the Calculation Agent determines that the Calculation Determination Date for any payment falls after the Latest Permissible Determination Date, such payment shall be postponed to the date that is the number of Business Days equal to the Settlement Period, following the Calculation Determination Date. For the avoidance of doubt, no additional amounts shall be payable in respect of the postponement of any payment.

The Issuer shall give notice to the holders of the Notes, in accordance with Condition 14 of the General Conditions, of any delay that results in the postponement of any payment in respect of the Notes.”

For the purpose of this Condition 7(m) of the Fund Linked Conditions:

“Cut-off Period” means the Disrupted Period or such different number of Fund Business Days as specified in the applicable Final Terms.

“Disrupted Period” means the period comprising the number of Fund Business Days specified as such in the applicable Final Terms, commencing on (and including) the day immediately following the original date that, but for the determination by the Issuer of the occurrence of a Disrupted Day, would have been the Strike Date, the Observation Date or such Averaging Date, as the case may be.

"Latest Permissible Determination Date" means, in respect of any payment, the date that falls the number of Business Days equal to the Settlement Period before the relevant payment falls due.

5. Adjustments

For the purposes of the Notes, Condition 7 of the General Conditions shall be amended by the addition of a new Fund Linked Condition 7(n) as follows:

"(n) Adjustments

If the Calculation Agent determines that, in respect of a Fund, a Corporate Event has occurred or is continuing, the Calculation Agent will (a) make the corresponding adjustment(s), if any, to any one or more of the Redemption Amount, the Early Redemption Amount (if any) and/or any of the terms and conditions of the Notes as the Calculation Agent determines appropriate to account for the dilutive or concentrative effect on the value of Fund Interests and (b) determine the effective date(s) of the adjustment(s). The Issuer shall give notice of such adjustment to Noteholders in accordance with Condition 14 of the General Conditions."

6. Inclusion Conditions and Substitution

Events If at any time the Calculation Agent determines that an applicable Substitution Event has occurred or is continuing with respect to a Fund, the Calculation Agent may either (a) as soon as is practicable after such determination, replace such Fund for the purposes of the Notes with an appropriate alternative fund (a **"Replacement Fund"**), as determined by the Calculation Agent and following any such replacement, the Calculation Agent may make any adjustments to the terms and conditions of the Notes as it deems appropriate to reflect such replacement or (b) determines that the Notes shall become due for redemption in accordance with section 2 of these Fund Linked Conditions above.

A Substitution Event is applicable in respect of the Notes if it is so specified in the Final Terms, where such term so specified shall have the following meaning. If no Substitution Event is specified, then no Substitution Event will be deemed to have been specified. If one or more Substitution Events are specified, only the Substitution Events specified will apply:

"Audit Event" means the making of any reservation in an audit report of a Fund by the auditor of that Fund that is, in the determination of the Calculation Agent, material;

"Charging Change" means the increase of, or introduction by a Fund of (a) a bid/offer spread or (b) charges for subscription or redemption orders made by an Investing Entity, for Fund Interests in addition to any such spread or charge specified in the Fund Rules as applicable on the Issue Date;

"Corporate Event" means a declaration by or on behalf of a Fund of: (i) a subdivision, consolidation, reclassification or distribution of the relevant Fund Interests which has a diluting or concentrative effect on the theoretical value of such Fund Interests; (ii) a (1) dividend (including cash, and whether ordinary or extraordinary), (2) distribution or (3) issue of the relevant Fund Interests, capital, securities, rights or other assets or interests to existing holders of the relevant Fund Interests that has or is likely to have an effect on the value of such Fund Interest; or (iii) a call by a Fund in respect of the relevant Fund Interests that are not fully paid;

“Cross-contamination” means any cross-contamination or other failure by a Fund to effectively segregate assets between the different classes of Fund Interests and different classes, series or compartments of that Fund;

“Currency Change” means the currency in which (a) Fund Interests are denominated or (b) the net asset value of a Fund is calculated, is no longer the currency specified in the Fund Rules;

“Distribution In-kind” means a redemption of Fund Interests in the form of a distribution of non-cash assets;

“Fund Constitution Breach” means any failure to observe any of the objects, constitution, conditions, nature, or Fund Rules of a Fund that is, in the determination of the Calculation Agent, material;

“Fund Constitution Change” means any modification of the objects, constitution, conditions, nature, or Fund Rules of a Fund that is, in the determination of the Calculation Agent, material;

“Fund Rules Breach” means any failure of the Fund Manager of a Fund to comply with any terms set out in the Fund Rules of that Fund;

“Fund Strategy Breach” means any failure to observe any of the investment objectives, policies or strategy of a Fund that is, in the determination of the Calculation Agent, material;

“Fund Strategy Change” means any modification of the investment objectives, policies or strategy of a Fund that is, in the determination of the Calculation Agent, material;

“Fund Tax Event” means any changes in the regulatory, tax, accounting and/or any other treatment applicable to a Fund and/or its Fund Manager and/or any Investing Entity which might reasonably be expected to have an economic, legal or regulatory impact for the Issuer;

“Hedging Event” means the Issuer is unable, or would incur an increased cost (compared with that on the Issue Date), to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of, in such size and upon such timing as it determines appropriate, any transaction(s) or asset(s) it deems necessary to hedge the risk of entering into and performing its obligations with respect to the Notes, or (b) realise, recover or remit the proceeds of any such transaction(s) or asset(s) upon such timing and in such form as it determines appropriate, whether or not in accordance with the Fund Rules;

“Investor Tax Event” means any changes in the regulatory, tax, accounting and/or any other treatment applicable to the holder of Fund Interests, which could have an economic or legal or regulatory impact for such holder;

“Litigation Event” means the commencement or continuation of litigation involving a Fund, Fund Manager or other service provider of that Fund that is, in the determination of the Calculation Agent, material;

“Management Change” means the occurrence of any event or the making of any changes affecting the structure of a Fund, its management, its material service providers, its reputation or solvency and/or the structure of, or rights attaching to, any shares in the capital of a Fund, which, in the reasonable opinion of the Calculation Agent is likely to have a significant impact on the value of the Fund Interests of such Fund, whether immediately or later;

“Mandatory Disposal” means any event or circumstance (whether or not imposed by the Fund, or in accordance with the Fund Rules) that obliges the holder of Fund Interests to sell or otherwise dispose of such Fund Interests;

“Market Event” means any crisis in the major financial markets such that the holding, trading or managing of an investment in a Fund is impracticable, inadvisable or materially altered.

“NAV Suspension” means suspension of the calculation or publication of the net asset value of a Fund, or failure by its Fund Manager, its administrator or any relevant entity duly appointed in that respect to deliver when due any relevant report detailing the net asset value of that Fund;

“Performance Failure” means any failure of the Fund Manager, administrator and/or the custodian (and/or other relevant service provider, as determined by the Calculation Agent) of a Fund to perform any of its material obligations under the Fund Rules or the liquidation, termination of appointment or resignation of the Fund Manager, administrator, custodian and/or a relevant service provider of such Fund;

“Potential Regulatory Event” means an investigation into the activities of a Fund, its Fund Manager, its custodian and/or its administrator being launched, or such activities being placed under review, in each case by their respective regulatory authorities or other competent body, for reason of alleged wrong-doing, alleged breach of any rule or regulation, or other similar reason;

“Redemption Failure” means a holder of Fund Interests would be unable to receive redemption payments in respect of such Fund Interests;

“Regulatory Event” means the winding-up, the closure or the termination of a Fund or the cancellation of the approval or registration of a Fund or its Fund Manager (or any successor thereto) by any relevant regulatory authority;

“Subscription/Redemption Alteration” means any subscription or redemption orders with respect to Fund Interests are not executed as described in the Fund Rules for that Fund;

“Subscription/Redemption Restriction” means any suspension of, or any restriction on, the acceptance of subscriptions or redemptions for Fund Interests or any limitation imposed on such subscription or redemptions (whether or not in accordance with the Fund Rules); or

“Transfer Restriction” means suspension of, or any restriction on, the ability of a holder of Fund Interests to transfer any such Fund Interests, other than in accordance with the Fund Rules.

PART 2: FORM OF FINAL TERMS FOR FUND LINKED NOTES

Copies of the Final Terms will be provided by the Issuer upon request. [In addition, in case of Notes listed on Euronext Amsterdam by NYSE Euronext, the Final Terms will be displayed on the website of Euronext Amsterdam (_____) and in case of Notes listed on the Luxembourg Stock Exchange, on the website of the Luxembourg Stock Exchange (_____)].

Set out below is the form of Final Terms which will be completed for each Tranche of Fund Linked Notes issued under the Programme.

Final Terms

[SNS Bank N.V. / SNS REAAL N.V.] (the "**Issuer**")

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

Issue of [up to] [Aggregate Nominal Amount of Tranche] [Title of Notes] (the "**Notes**")

issued under the Debt Issuance Programme of SNS Bank N.V. and SNS REAAL N.V.

dated [•]

This document constitutes the Final Terms of the issue of Notes under the Debt Issuance Programme (the "**Programme**") of SNS Bank N.V. and SNS REAAL N.V., described herein for the purposes of article 5.4 of Directive 2003/71/EC (the "**Prospectus Directive**"). This document must be read in conjunction with the base prospectus pertaining to the Programme, dated 8 June 2009 (the "**Prospectus**") and any amendments or supplements thereto, which together constitute a base prospectus for the purposes of the Prospectus Directive. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Prospectus and any amendments or supplements thereto. The Prospectus (and any amendments thereto) is available for viewing at www.snsreaal.com as well as at the Amsterdam office of the Issuer at Nieuwezijds Voorburgwal 162, 1012 SJ, Amsterdam, The Netherlands, where copies may also be obtained (free of charge). Any supplements to the Prospectus will in any case be available at this office and copies thereof may be obtained (free of charge) there.

These Final Terms are to be read in conjunction with the Terms and Conditions (the "**Terms and Conditions**") set forth in [[Chapter 2, Part 1]][include if SNS Bank is Issuer][Chapter 3, Part 1] [include if SNS REAAL is Issuer]] and Chapter 7, Part 1 of the Prospectus. The Terms and Conditions as supplemented, amended and/or disappplied by these Final Terms constitute the conditions (the "**Conditions**") of the Notes. Capitalised terms not defined herein have the same meaning as in the Terms and Conditions. Certain capitalised terms in the Terms and Conditions which are not defined therein have the meaning set forth in these Final Terms. All references to numbered Conditions and sections are to Conditions and sections of the Terms and Conditions set forth in [[Chapter 2, Part 1]][include if SNS Bank is Issuer][Chapter 3, Part 1] [include if SNS REAAL is Issuer]] and Chapter 7, Part 1 of the Prospectus.

[The following language applies if the first tranche of an issue which is being increased was issued under a Prospectus with an earlier date: This document constitutes the Final Terms of the issue of Notes under the Debt Issuance Programme (the "**Programme**") of SNS Bank N.V. and SNS REAAL N.V., described herein for the purposes of article 5.4 of Directive 2003/71/EC (the "**Prospectus Directive**"). This document must be read in conjunction with the base prospectus

pertaining to the Programme, dated 8 June 2009 (the "**Prospectus**") and any amendments or supplements thereto, which together constitute a base prospectus for the purposes of the Prospectus Directive, save in respect of the Conditions (as defined below) which are extracted from the prospectus of [SNS Bank N.V. dated [18 April 2008] [19 April 2007]] [SNS REAAL dated [16 July 2008] [25 June 2007]] and are incorporated by reference and form part of the Prospectus. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Prospectus and any amendments or supplements thereto. The Prospectus (and any amendments thereto) is available for viewing at www.snsreal.com as well as at the Amsterdam office of the Issuer at Nieuwezijds Voorburgwal 162, 1012 SJ, Amsterdam, The Netherlands, where copies may also be obtained (free of charge). Any supplements to the Prospectus will in any case be available at this office and copies thereof may be obtained (free of charge) there.

These Final Terms are to be read in conjunction with the Terms and Conditions (the "**Terms and Conditions**") set forth in the prospectus of SNS Bank N.V. dated [18 April 2008] [19 April 2007]] [SNS REAAL dated [16 July 2008] [25 June 2007]] which are incorporated by reference in the Prospectus. The Terms and Conditions as supplemented, amended and/or disappplied by these Final Terms constitute the conditions (the "**Conditions**") of the Notes. Capitalised terms not defined herein have the same meaning as in the Terms and Conditions. Certain capitalised terms in the Terms and Conditions which are not defined therein have the meaning set forth in these Final Terms. All references to numbered Conditions and sections are to Conditions and sections of the Terms and Conditions set forth in the 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. Italics denote directions for completing the Final Terms.]

[When adding any other final terms or information at, for example, items 9, 10, 15, 16, 17, 18 or 35 or in relation to disclosure relating to the interests of natural and legal persons involved in the issue/offer consideration should be given as to whether such terms or information constitute "significant new factors" and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive, the publication of which would in turn trigger the investors' right to withdraw their acceptances within a period of 2 business days.]

- | | | |
|----|-----------------------------------|--|
| 1. | Issuer: | [SNS Bank N.V. / SNS REAAL 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 | [of Notes admitted to trading]: |
| | (i) Tranche: | [Up to] |
| | (ii) Series: | [Up to] |

5. Issue Price of Tranche: [] per cent. of the Aggregate Nominal Amount
[plus accrued interest from [insert date] (in the case of fungible issues only, if applicable)]
6. (i) Specified Denominations: []
- [Note – where multiple denominations above [€50,000] or equivalent are being used the following sample wording should be followed:
“[€50,000] and integral multiples of [€1,000] in excess thereof up to and including [€99,000].
No Notes in definitive form will be issued with a denomination above [€99,000].”]*
- (ii) Calculation Amount []
- (If only one Specified Denomination, insert the Specified Denomination. If more than one Specified Denomination, insert the highest common factor. Note: There must be a common factor in the case of two or more Specified Denominations.)*
- (iii) 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 or nearest to [specify month and year]]
9. Interest Basis: [[] per cent. Fixed Rate]
[[LIBOR/EURIBOR/other] +/- [] per cent. Floating Rate]
[Dual Currency Interest]
[Zero Coupon]
[Index Linked Interest]
[Inflation Linked Interest]
[Share Linked Interest]
[Fund Linked Interest]
[Non Interest Bearing]
[specify other]
(further particulars specified below)
10. Redemption/Payment Basis: [Redemption at par]
[Fund Linked Redemption]
[Dual Currency Redemption]
[Instalment]
[Partly Paid]

[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/Tier1 Subordinated/Tier 2
Subordinated/Tier 3 Subordinated]
14. Method of distribution: [Syndicated/Non-syndicated/Not applicable]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15. Fixed Rate Note Provisions [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-
paragraphs of this paragraph)
- (i) Rate(s) of Interest: [] per cent. per annum [payable
[annually/semi-annually/quarterly] in arrear]
- (ii) Interest Payment Date(s): [] in each year
(NB: This will need to be amended in the case of
long or short coupons)
- (iii) Interest Period [Please specify in case of step-up note/Not
Applicable]
- (iv) Fixed Coupon Amount(s): [] per Calculation Amount
- (v) Broken Amount(s): [] per Calculation Amount, payable on the Interest
Payment Date falling [in/on] []
- (vi) Business Day Convention
- Business Day Convention [Following Business Day
Convention/Modified Following Business Day
Convention/No adjustment/Preceding Business
Day Convention/[specify other]]
- Adjustment or Unadjustment
for Interest Period [Adjusted] or [Unadjusted]
- (vii) Fixed Day Count Fraction: [30/360 or Actual/Actual (ICMA)
or specify other]

- (viii) Other terms relating to the method of calculating interest for Fixed Rate Notes: [None/give details]
16. Floating Rate Note Provisions [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Specified Period(s): [] [only applicable if no Specified Interest Payment Dates are set out]
- (ii) Specified Interest Payment Dates: []
- (iii) Business Day Convention:
 - Business Day Convention [Floating Rate Convention/ Following Business Day Convention/ Modified Following Business Day Convention/ No adjustment/ Preceding Business Day Convention/ [specify other]]
- Adjustment or Unadjustment for Interest Period [Adjusted] or [Unadjusted]
- (iv) Additional Business Centre(s): []
- (v) Manner in which the Rate of Interest and Interest Amount is to be determined: [Screen Rate Determination/ISDA Determination/specify other]
- (vi) Party responsible for calculating the Rate of Interest and interest Amount (if not the Agent): []
- (vii) Screen Rate Determination: [Yes/No] (if not applicable, delete the remaining sub-paragraphs of this paragraph)
- Reference Rate: []
(Either LIBOR, EURIBOR or other, although additional information is required if other –including fallback 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, euro LIBOR or any other inter-bank offered rate prevailing in a country in which the TARGET System does not apply)

- Relevant Screen Page: ☐ ☐
(In the case of EURIBOR, if not Reuters EURIBOR 01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)

- Relevant Time: ☐ ☐
(For example, 11.00 a.m. London time/Brussels time)

- (viii) ISDA Determination: ☐ [Yes/No]
 - Floating Rate Option: ☐ ☐
 - Designated Maturity: ☐ ☐
 - Reset Date: ☐ ☐

- (ix) Margin(s): ☐ [+/-] ☐ ☐ per cent. per annum

- (x) Minimum Rate of Interest: ☐ ☐ per cent. per annum

- (xi) Maximum Rate of Interest: ☐ ☐ per cent. per annum

- (xii) Floating Day Count Fraction: ☐ [Actual/Actual (ISDA)
Actual/365 (Fixed)
Actual/360
30/360 or 360/360 or Bond Basis
30E/360 or Eurobond Basis
30E/360 (ISDA)
Other]
[(See Condition 5 for alternatives)]

- (xiii) 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: ☐ ☐

- (xiv) Description of any market disruption or settlement disruption events that affect the underlying: ☐ ☐

- 17. Zero Coupon Note Provisions ☐ [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
 - (i) Accrual Yield: ☐ ☐ per cent. per annum
 - (ii) Reference Price: ☐ ☐
 - (iii) Any other formula/basis of determining amount payable: ☐ ☐

18. 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, name index and description and manner of determining coupon]
- (ii) Calculation Agent responsible for calculating the principal and/or interest due: [please insert name + address + contact]
- (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:
- Business Day Convention [Floating Rate Convention/ Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention/ No adjustment/ specify other]
 - Adjustment or Unadjustment for Interest Period [Adjusted] or [Unadjusted]
- (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: [Actual/Actual (ISDA)
Actual/365 (Fixed)
Actual/360
30/360 or 360/360 or Bond Basis
30E/360 or Eurobond Basis
30E/360 (ISDA)
Other]
[(See Condition 5 for alternatives)]
- (x) Description of any market disruption or settlement disruption events that affect the underlying: []

19. Inflation Linked Interest Note Provisions [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) Inflation/Formula: [Give or annex details, name inflation and description and manner of determining coupon]
- (ii) Calculation Agent responsible for calculating the principal and/or interest due: [please insert name + address + contact]
- (iii) Provisions for determining coupon where calculation by reference to inflation and/or formula is impossible or impracticable: []
- (iv) Specified Period(s)/Specified Interest Payment Dates: []
- (v) Business Day Convention:
- Business Day Convention [Floating Rate Convention/ Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention/ No adjustment/ specify other]
- Adjustment or Unadjustment for Interest Period [Adjusted] or [Unadjusted]
- (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: [Actual/Actual (ISDA)
Actual/365 (Fixed)
Actual/360
30/360 or 360/360 or Bond Basis
30E/360 or Eurobond Basis
30E/360 (ISDA)
Other]
[(See Condition 5 for alternatives)]
- (x) Description of any market disruption or settlement disruption events that affect the underlying: []

20. Share Linked Interest Note Provisions [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) Share/Formula: [Give or annex details, name share and description and manner of determining coupon]
- (ii) Calculation Agent responsible for calculating the principal and/or interest due: [please insert name + address + contact]
- (iii) Provisions for determining coupon where calculation by reference to share and/or formula is impossible or impracticable: []
- (iv) Specified Period(s)/Specified Interest Payment Dates: []
- (v) Business Day Convention:
 - Business Day Convention [Floating Rate Convention/ Following Business Day Convention/Modified Following Business Day Convention/No adjustment/ Preceding Business Day Convention/ specify other]
 - Adjustment or Unadjustment for Interest Period [Adjusted] or [Unadjusted]
- (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: [Actual/Actual (ISDA)
Actual/365 (Fixed)
Actual/360
30/360 or 360/360 or Bond Basis
30E/360 or Eurobond Basis
30E/360 (ISDA)
Other]
[(See Condition 5 for alternatives)]
- (x) Description of any market disruption or settlement disruption events that affect the underlying: []

21. Fund Linked Interest Note Provisions [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) Fund/Formula: [Give or annex details, name fund and description and manner of determining coupon]
- (ii) Calculation Agent responsible for calculating the principal and/or interest due: [please insert name + address + contact]
- (iii) Provisions for determining coupon where calculation by reference to fund and/or formula is impossible or impracticable: []
- (iv) Specified Period(s)/Specified Interest Payment Dates: []
- (v) Business Day Convention:
 - Business Day Convention [Floating Rate Convention/ Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention/ No adjustment / specify other]
 - Adjustment or Unadjustment for Interest Period [Adjusted] or [Unadjusted]
- (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: [Actual/Actual (ISDA)
Actual/365 (Fixed)
Actual/360
30/360 or 360/360 or Bond Basis
30E/360 or Eurobond Basis
30E/360 (ISDA)
Other]
[(See Condition 5 for alternatives)]
- (x) Description of any market disruption or settlement disruption events that affect the underlying: []

22. 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: [please insert name + address + contact]
 - (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

23. Issuer Call: [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Optional Redemption Date(s): []
 - (ii) Optional Redemption Amount(s) and method, if any, of calculation of such amount(s): [] per Calculation Amount
 - (iii) If redeemable in part:
 - (a) Minimum Redemption Amount: [] per Calculation Amount
 - (b) Higher Redemption Amount: [] per Calculation Amount
 - (iv) Notice period (if other than as set out in the Conditions): []
 -(N.B. If setting notice periods which are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent)
24. Investor Put: [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Optional Redemption Date(s): []
 - (ii) Optional Redemption Amount(s)

and method, if any, of calculation
of such amount(s): [] per Calculation Amount

- (iii) Notice period (if other than as set out in the Conditions): []
(N.B. If setting notice periods which are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent)

25. Final Redemption Amount [[] per Calculation Amount /specify other/see Appendix]

26. Early Redemption Amount(s) per Calculation Amount 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)): []

27. Additional provisions applicable in case of redemption of Dual Currency
Notes: [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)

- (i) Provisions in case business day final redemption differs from Interest Payment Date final coupon: []

GENERAL PROVISIONS APPLICABLE TO THE NOTES

28. 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]

29. New Global Note form; [Applicable/Not Applicable]
[Please refer to item 52(v), if applicable]
30. Additional Financial Centre(s) or other special provisions relating to payment Dates: [Not Applicable/give details]
Note that this item relates to the date and place of payment and not Interest Period end dates to which items 15(ii), 16(ii), 18(iv), 19(iv), 20(iv) and 21 (iv) relate
31. 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]
32. Details relating to Instalment Notes; amount of each instalment, date on which each payment is to be made: [Not Applicable/give details]
33. Redenomination: [Redenomination [not] applicable
(if Redenomination is applicable, include (i) either the applicable Fixed Day Count Fraction or any provisions necessary to deal with floating rate interest, inflation linked interest, share linked interest, fund linked interest or index linked interest calculation (including alternative reference rates) and (ii) the New Currency]
34. Whether Condition 8 first paragraph under (a) of the Notes applies (in which case Condition 7(b) of the Notes will not apply) or whether Condition 8 first paragraph under (b) of the Notes applies (in which case Condition 7(b) of the Notes will apply): [Condition 8 first paragraph under (a) applies and Condition 7(b) does not apply] [Condition 8 first paragraph under (b) applies and Condition 7(b) applies]
35. Other terms or special conditions: [Not Applicable/give details]

(when adding any other final terms consideration should be given as to whether such terms constitute "significant new factors" and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive)

DISTRIBUTION

36. (i) If syndicated, names of Managers and underwriting commitments [Not Applicable/give names/ give legal names, addresses and underwriting commitments]

[Please note that the process for notification to potential investors of the amount allotted and an indication whether dealing may begin before notification is made will be provided for by the Manager(s) and notified by the Manager(s) to potential investors]

[(ii) Date of Syndication Agreement: []]**

(iii) Stabilising Manager (if any): [Not Applicable/give legal name]

37. If non-syndicated, name and address of relevant Dealer: [specify name [and address]** of Dealer/Not applicable. The Notes are not being underwritten by any Dealer(s).]

38. Total commission and concession**: [] per cent. of the Aggregate Nominal Amount**

FUND LINKED PROVISIONS

39. Fund: [Specify]

Fund Interest(s): [Specify]

Fund Manager: [Specify]

Applicable Fund Centre: [Specify places for determining Fund Business Days]

Fund Business Day Convention: [Following/Modified Following/Preceding]

Market Disruption

Disrupted Period: [●] Fund Business Days
[Specify number of Fund Business Days before Issuer may estimate values owing to Market Disruption Events]

Final Disrupted Period: [●] Fund Business Days
[Specify number of Business Days that Maturity Date is postponed owing to Market Disruption Events]

Minimum Payment Interval: [[●] Business Days] [Not Applicable]
(two Business Days unless otherwise specified)

Averaging Date Disruption: [Omission]

	[Postponement] [Modified Postponement]
Cut-off Period:	[●] [Not Applicable] <i>(If Averaging Date Disruption is determined by Modified Postponement and the period is different to the Disrupted Period)</i>
Substitution	
Substitution Event (select all that apply):	[Strategy Change Currency Change Audit Event Charging Change Corporate Event Cross-contamination Currency Change Distribution In-kind Fund Constitution Breach Fund Constitution Change Fund Rules Breach Fund Strategy Breach Fund Strategy Change Fund Tax Event Hedging Event Investor Tax Event Litigation Event Management Change Mandatory Disposal Market Event NAV Suspension Performance Failure Potential Regulatory Event Redemption Failure Regulatory Event Strategy Breach Strategy Change Subscription/Redemption Alteration Subscription/Redemption Restriction Transfer Restriction]
Publishing Failure Period:	[Specifying number of Fund Business Days before a Publishing Failure can be called by the Issuer] Fund Business Days
Final Redemption	
Minimum Redemption Amount:	[Specify/Not Applicable]
Participation:	[Specify] per cent./[Not Applicable]
Initial Price:	[Strike Price] [Specify other]

Strike Date: [•]

Final Price: [Single Price/Average Price]

Observation Date: [•]
(specify if Averaging Dates do not apply) [Not Applicable]

Averaging Dates: [Specify/Not Applicable]
(specify if Observation Date does not apply)
[Not Applicable]

Calculation Determination Date: [Not Applicable]
(one Business Day unless specified otherwise)
[Business Days]

Settlement Period: [Not Applicable]
(seven Business Days unless otherwise specified) [[•] Business Days (number of Business Days following the Final Redemption Receipt Date)]

Early Redemption

Early Redemption Date: [Not Applicable]
(seven Business Days unless otherwise specified) [Business Days]
(number of Business Days following Receipt Date)

[Insert any other relevant terms]

OTHER PROVISIONS

40. Whether TEFRA D or TEFRA C rules applicable [TEFRA D/TEFRA C]
41. Additional selling restrictions: [Not Applicable/give details]
42. Listing
- (i) Listing [Euronext Amsterdam by NYSE Euronext/ other (specify) / None]
- (ii) Admission to trading: [Application has been made for the Notes to be admitted to trading on Euronext Amsterdam by NYSE Euronext with effect from []], [Not Applicable].
(Where documenting a fungible issue need to indicate that original securities are already admitted to trading.)** []*
43. Ratings: The Notes to be issued have [not] been rated:
[S & P: []]

[Moody's: []]
[Fitch: []]
[[Other]: []]

[Include here a brief explanation of the meaning of the ratings if this deviates from the explanations given in "General Information" published by the rating provider.]**

44. Notification

The Netherlands Authority for the Financial Markets (*Autoriteit Financiële Markten*, "**AFM**") [has been requested to provide/has provided – include first alternative for an issue which is contemporaneous with the update of the Programme and the second alternative for subsequent issues] the [names of competent authorities of host Member States] with a notification that the Prospectus has been drawn up in accordance with the Prospectus Directive./ Not Applicable]

45. Interests of Natural and Legal Persons Involved in the Issue

[Save for any fees payable to the Dealers, so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. – Amend as appropriate if there are other interests]

46. Reasons for the Offer (if different from making a profit and/or hedging certain risks): []

47. Estimated net proceeds and total expenses

(i) Estimated net proceeds []

(Also see "Use of Proceeds" wording in Prospectus – if reasons for offer different from making profit and/or hedging certain risks will need to include those reasons here. If proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding.)

(ii) Estimated total expenses: []. [Include breakdown of expenses]

48. Yield (Fixed Rate Notes only)

Indication of yield: []

The yield is calculated at the Issue Date on the basis of the Issue Price. [Calculated as [include details of method of calculation in summary form] on the Issue Date.]**
It is not an indication of future yield.

49. Historic Interest Rates (Floating Rate Notes only)**

Details of historic [LIBOR/EURIBOR/other] rates can be obtained from [Reuters system or Reuters EURIBOR 01]

50. Performance of index/formula, inflation/formula, share/formula or fund/formula, explanation of effect on value of investment and associated risks (Index Linked Interest Notes, Inflation Linked Interest Notes, Share Linked Interest Notes and Fund Linked Interest Notes only)**

[Name of index/inflation/share/fund] []

[Description of index/inflation/share/fund

if composed by Issuer:] []

[Information on index/inflation/share/fund

if not composed by Issuer:] []

[Need to include details of where information on the past and future performance and volatility of the index/formula, inflation/formula, share/formula or fund/formula can be

obtained and a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.]

The underlying is a security: [Name of the issuer of the security]
[ISIN Code or other identification code]

The underlying is a basket of
underlyings: [disclosure of relevant weightings of each
underlying in the basket]

51. Performance of rate[s] of exchange and explanation of effect on value of investment (Dual Currency Notes only)

[Need to include details of where information on the past and future performance and volatility of the relevant rates can be obtained and a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.]

52. Operational Information

- (i) ISIN Code: []
(ii) Common Code: []
(iii) WKN Code: [] [Not Applicable]
(iv) Other relevant code: []
[Not Applicable/give name(s) and numbers(s)]
(v) New Global Note intended to be
held in a manner which would
allow Eurosystem eligibility: [Not Applicable/Yes/No]

[Note that the designation "Yes" simply means that the Notes are intended upon issue to be deposited with Euroclear or Clearstream, Luxembourg as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.] *[Include this text if "Yes" selected in which case the Notes must be issued in NGN form]*

- (vi) Offer Period: [The offer of the Notes is expected to open at [] hours ([] time) on [] and close at [] hours ([] time) on [] or such earlier or later date or time as the Issuer may determine, following consultation with the relevant Dealer where practical,] (and announce))] [Not Applicable]
(vii) Delivery: Delivery [against/free of] payment
(viii) Payment: Method and time limits of paying up the Notes – to be included if any agreement in this respect is entered into between Issuer and Manager(s)]
(ix) Settlement Procedure: [Method of settlement procedure]

(x) Clearing System: [Euroclear/Clearstream Luxembourg/Euroclear
Nederland/other alternative clearing system]

53. Additional paying agent (if any): [Name:][Address:]/ Not Applicable]

54. Additional information

[The following information should be consulted in connection with the offer of the Notes:

- insert other relevant information which does not necessitate a Supplement to the Prospectus / Not Applicable].

55. Listing Application

[These Final Terms comprise the final terms required to list and have admitted to trading the issue of Notes described herein pursuant to the Programme / Not Applicable]

Responsibility

The Issuer declares that, having taken all reasonable care to ensure that such is the case, the information contained herein is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import. The Issuer accepts responsibility for the information contained in these Final Terms. [[] has been extracted from []. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of the Issuer:

By: By:

Duly authorised

Duly authorised

Notes:* Not required if the minimum denomination is less than € 50,000

** Not required if the minimum denomination is equal of higher than € 50,000

CHAPTER 8: CAPITAL SECURITIES ISSUED BY SNS REAAL

PART 1: TERMS AND CONDITIONS OF THE CAPITAL SECURITIES

The following are the Terms and Conditions of the Capital Securities which will be applicable to each Series of Capital Securities, provided that the relevant Final Terms in relation to any Capital Securities may specify other Terms and Conditions which shall, to the extent so specified or to the extent inconsistent with these Terms and Conditions, replace the following Terms and Conditions for the purposes of such Capital Securities:

The Capital Securities are issued in accordance with the Agency Agreement made between, inter alia, SNS REAAL N.V. (for purposes of this Chapter 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). Copies of the Agency Agreement are available for inspection at the specified office of each of the Paying Agents. All persons from time to time entitled to the benefit of obligations under any Capital Securities shall be deemed to have notice of, and shall be bound by, all of the provisions of the Agency Agreement and the Final Terms (as defined below) insofar as they relate to the relevant Capital Securities.

The Capital Securities are issued in series (each, a Series), and each Series may comprise one or more tranches (Tranches and each, a Tranche) of Capital Securities. Each Tranche will be the subject of the Final Terms (each, the Final Terms), a copy of which will, in the case of a Tranche in relation to which application has been made for admission to Euronext Amsterdam N.V. by Euronext (Euronext Amsterdam by NYSE Euronext) be lodged with Euronext Amsterdam N.V. (Euronext Amsterdam) and will be available for inspection at the specified office of the Paying Agents.

The Holders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Agency Agreement and the Final Terms applicable to them.

References in these Terms and Conditions to Securities are to Capital Securities of the relevant Series.

1. FORM, DENOMINATION AND TITLE

1.1 Form and Denomination

The Securities are in bearer form and shall be in denominations as indicated in the applicable Final Terms. The Securities will be represented by a Temporary Global Security which is exchangeable for a Permanent Global Security (each a **Global Security**) without interest coupons. Unless specified otherwise in the Final Terms, each Global Security will be deposited with Euroclear Nederland and thereby become subject to the Dutch Securities Giro Transfer Act (*Wet Giraal Effectenverkeer*, **WGE**). Unless specified otherwise in the Final Terms, the Global Security will not be exchangeable for definitive bearer Securities.

1.2 Transfer and Title

Unless specified otherwise in the Final Terms, interests in a Global Security will be transferable only in accordance with the provisions of the WGE and the rules and procedures for the time being of Euroclear Nederland and its participants (*aangesloten instellingen*) and all transactions in (including transfer of) Securities, in the open market or otherwise must be effected through participants of Euroclear Nederland. The bearer of a Global Security will be the only person entitled to receive payments in respect of such Global Security. Each person who is for the time being shown in the records of Euroclear Nederland or any of its participants as the holder of a particular nominal amount of such Securities (in which regard any certificate or other document issued by Euroclear Netherlands or such participant as to the nominal amounts of Securities 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 the Paying Agent as the holder of such nominal amount of such Securities for all purposes other than with respect to the payment of principal or interest on the Securities, for which purpose the bearer of a Global Security shall be treated by the Issuer and the Paying Agent as the holder of such Securities in accordance with and subject to the terms of the Global Security.

2. STATUS

(a) Status and Subordination of the Securities

The Securities constitute direct, unsecured, subordinated securities of the Issuer and rank *pari passu* without any preference among themselves. The rights and claims of the Holders under the Securities are subordinated to the claims of Senior Creditors of the Issuer, present and future.

(b) Condition of Payment by the Issuer

Payments in respect of the Securities (and using the proceeds of the issue of Ordinary Shares in accordance with Condition 6) are conditional upon the Required Deferral Condition not having been met at the time of payment (or at the time of using the proceeds of issue of such Ordinary Shares) and no principal or Payments shall be due and payable in respect of the Securities (including using the proceeds of the issue of Ordinary Shares in accordance with Condition 6) except to the extent that the Required Deferral Condition has not been met and the Issuer could make such payment (or using the proceeds of such issue of Ordinary Shares) without meeting the Required Deferral Condition.

For the purposes of this Condition 2(b) any reference to a payment by the Issuer in respect of a Security shall be deemed to include a redemption or purchase of such Security by the Issuer.

(c) Winding-Up Claims of the Issuer

Amounts in respect of principal or Payments in respect of which the conditions referred to in Condition 2(b) are not satisfied on the date upon which the same would otherwise be due and payable and have since not been paid (**'Winding-Up Claims'**) will be payable by the Issuer in a winding-up (*faillissement of vereffening na ontbinding*) of the Issuer as provided in Condition 3 or

on any redemption pursuant to Condition 7(b), 7(c) or 7(d). A Winding-Up Claim shall not bear interest.

(d) Set-off

Subject to applicable law, no Holder may exercise or claim any right of set-off in respect of any amount owed to it by the Issuer arising under or in connection with the Securities and each Holder shall, by virtue of being the holder of any Security, be deemed to have waived all such rights of set-off.

3. WINDING-UP

If at any time an order is made, or an effective resolution is passed, for the winding-up (*faillissement of vereffening na ontbinding*) of the Issuer (except in any such case a solvent winding-up solely for the purpose of a reconstruction or amalgamation or the substitution in place of the Issuer of a successor in business of the Issuer, the terms of which reconstruction, amalgamation or substitution have previously been approved by an Extraordinary Resolution (as defined in the Agency Agreement)), there shall be payable by the Issuer in respect of each Security (in lieu of any other payment by the Issuer) a winding-up amount. The Securities will rank on a winding-up (*faillissement of vereffening na ontbinding*) of the Issuer in priority to distributions on all classes of share capital of the Issuer and will rank *pari passu* with each other and among themselves, but will be subordinated in right of payment to the claims of Senior Creditors of the Issuer, present and future.

In a winding-up (*faillissement of vereffening na ontbinding*) of the Issuer, the Holders will have (a) only a claim for payment in full or part of principal and Deferred Coupon Payments, if any, to the extent that distributable assets of the Issuer are sufficient to pay in full or part such amount of principal and such Deferred Coupon Payments and (b) if the Final Terms indicate that the Ordinary Shares Threshold is applicable, no claim in respect of any amount of a Deferred Coupon Payment which has not yet been settled by means of the Alternative Coupon Satisfaction Mechanism in accordance with Condition 6 as a result of the Issuer having reached the Ordinary Shares Threshold during an ACSM Cap Period preceding wind up.

4. DEFERRALS

The Issuer must make each Coupon Payment on the relevant Coupon Payment Date subject to and in accordance with these Terms and Conditions. Without prejudice to the generality of Condition 2 and subject to Condition 4(c) as specified below, the Issuer must or may defer a Coupon Payment and any other Payment in the following circumstances:

(a) Required Deferral of Payment

- (i) If the Required Deferral Condition is met on the 20th Business Day prior to the date on which any Payment (such term does not include principal) would be otherwise due and payable, the Issuer must (subject to Condition 6) defer

such Payment or such part thereof, as the case may be, by giving a notice (also a “**Deferral Notice**”) to the Holders, the Agent and the Calculation Agent not less than 16 Business Days prior to such date.

If, following the deferral of a Payment by the Issuer under this Condition 4(a)(i), the Required Deferral Condition is no longer met on the 20th Business Day preceding a Coupon Payment Date, then the Issuer shall satisfy such Payment on the relevant Deferred Coupon Satisfaction Date having given, not less than 16 Business Days prior to the Deferred Coupon Satisfaction Date, notice to the Holders and the Calculation Agent that it will satisfy such Payment on such date.

(ii) The Issuer shall not satisfy such Payment on the relevant Deferred Coupon Satisfaction Date referred to in Condition 4(a)(i) above, if:

(1) it has previously elected to satisfy such Payment earlier (provided that, at the time of satisfying such payment, the Required Deferral Condition fails to be met) by delivering a notice to the Holders, the Agent and the Calculation Agent not less than 16 Business Days prior to the relevant Deferred Coupon Satisfaction Date that it will satisfy such Payment on such date; or

(2) it validly elects to defer under Condition 4(b) the Payment which would otherwise have been satisfied under Condition 4(a)(i).

(iii) If any Payment is deferred pursuant to Condition 4(a)(i) then no amount will be payable by way of interest on any such deferred Payment, save as provided in Condition 6(e). Any such deferred Payment shall be satisfied from the proceeds of the issue of Ordinary Shares in accordance with, and subject to the limitations contained in, Condition 6.

(b) Optional Deferral of Payments

(i) Subject to Condition 4(c), the Issuer may in respect of any Payment which would, in the absence of deferral in accordance with this Condition 4, be due and payable, defer all or part of such Payment by giving a notice (also a ‘**Deferral Notice**’) to the Agent, the Calculation Agent and the Holders not less than 16 Business Days prior to the relevant due date. Subject to Condition 4(c), the Issuer may then satisfy any such Payment at any time by means of an issue of Ordinary Shares in accordance with, and subject to the limitations contained in, Condition 6 upon delivery of a notice to the Agent and the Calculation Agent not less than 16 Business Days prior to the relevant Deferred Coupon Satisfaction Date informing them of its election to so satisfy such Payment and specifying the relevant Deferred Coupon Satisfaction Date.

(ii) If any Payment is deferred pursuant to this Condition 4(b) then such deferred Payment shall bear interest at the Applicable Coupon Rate from (and including) the date on which (but for such optional deferral) the Deferred Coupon Payment would otherwise have been due to be made to (but excluding) the relevant Deferred Coupon Satisfaction Date.

(iii) Subject to Condition 4(b)(iv), the Issuer may give a Deferral Notice under this Condition 4(b) in its sole discretion and for any reason, except that a Deferral Notice as to a Payment required to be paid pursuant to (i), (ii) or (iii) under (c) below shall have no force or effect.

(iv) Notwithstanding the foregoing, if the Final Terms indicate that a Capital Disqualification Event is applicable to the Securities, then on any Coupon Payment Date with respect to which (A) a Capital Disqualification Event has occurred and is continuing and (B) the Issuer is in compliance with the applicable Capital Adequacy Regulations, the Issuer shall be obliged to make the Coupon Payment on such Coupon Payment Date and may not exercise its discretion to defer a Coupon Payment.

(c) Dividend Pusher; Mandatory Payments and Mandatory Partial Payments

The Issuer will be required to make payments on the Securities in the following circumstances:

(i) If a Mandatory Payment Event or a Mandatory Partial Payment Event occurs then all Deferred Coupon Payments will become mandatorily due and payable in full on or within 60 days following the date of the Mandatory Payment Event or Mandatory Partial Payment Event in accordance with, and subject to the limitations contained in, Condition 6. The Issuer may satisfy its obligations to pay such Deferred Coupon Payment only in accordance with the Alternative Coupon Satisfaction Mechanism. For the avoidance of doubt, the Issuer will not be required to utilise the Alternative Coupon Satisfaction Mechanism in order to satisfy its obligation to pay any Mandatory Partial Payment payable on a Mandatory Partial Payment Date that coincides with the date on which such Deferred Coupon Payment has become mandatory due and payable in full.

(ii) If in six months prior to a Coupon Payment Date a Mandatory Payment Event occurs (such an event being referred to as a '**Junior Coupon Pusher Event**'), then the Coupon Payments payable on the next number of Coupon Payment Dates as specified in the Final Terms will be mandatorily due and payable in full on the relevant consecutive Coupon Payment Dates following such Junior Coupon Pusher Event, subject to the occurrence or existence of any Required Deferral Condition at the time such payment would otherwise have to be made. The Issuer is permitted, but shall not be required, to satisfy its obligation to make the Coupon Payment payable on such Coupon Payment Date in accordance with the Alternative Coupon Satisfaction Mechanism.

(iii) If, in six months prior to a Coupon Payment Date, a Mandatory Partial Payment Event occurs (such an event being referred to as a '**Parity Coupon Pusher Event**'), then Mandatory Partial Payments will be mandatorily due and payable in respect of each Security on the next number of consecutive Coupon Payment Dates following such Parity Coupon Pusher Event as specified in the Final Terms, subject to the occurrence or existence of the Required Deferral Condition at the time such payment would otherwise have to be made and provided that such Mandatory Partial Payment Event was not itself compulsorily required to be paid solely as a result of a dividend or other payment having been made on a Parity Security or a Parity Guarantee, as applicable. The Issuer is permitted, but shall not be required, to satisfy its obligation to pay any Mandatory Partial Payments in accordance with the Alternative Coupon Satisfaction Mechanism.

(d) Dividend Stopper

The Issuer agrees that, beginning on the day the Issuer gives a Deferral Notice until all Deferred Coupon Payments are paid or satisfied in full, the Issuer will not recommend to its shareholders, and to the fullest extent permitted by applicable law will otherwise act to prevent, any action which would constitute a Mandatory Payment Event or a Mandatory Partial Payment Event.

5. COUPON PAYMENTS

(a) Coupon Payment Dates

The Securities bear interest from (and including) the Issue Date. Such interest will (subject to Conditions 2(b), 4(a), 4(b), 6(d) and 6(e)) be payable in arrear on each Coupon Payment Date as indicated in the Final Terms. Each Security will cease to bear interest from the due date for redemption unless, upon due presentation, payment of principal is improperly withheld or refused. In such event, it shall continue to bear interest at the prevailing rate in accordance with this Condition (both before and after judgment).

If any Coupon Payment Date would otherwise fall on a day which is not a Business Day it shall, unless specified otherwise in the Final Terms, be postponed to the next Business Day unless it would then fall into the next calendar month in which event the Coupon Payment Date shall be brought forward to the preceding Business Day and after the foregoing each subsequent Coupon Payment Date is the last Business Day of the month which falls three months after such Coupon Payment Date. The amount of the relevant Coupon Payment shall not be adjusted as a result.

If interest is required to be calculated for a period starting or ending other than on a Coupon Payment Date, such interest shall be calculated by applying the Fixed Coupon Rate or the Floating or Variable Coupon Rate, as applicable, to each Calculation Amount, multiplying such sum by the applicable 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 and multiplying such rounded up figure by a fraction equal to the Specified Denomination of such Coupon divided by the Calculation Amount.

(b) Fixed Coupon Rate

Securities in relation to which this Condition 5(b) is specified in the relevant Final Terms as being applicable, shall bear a fixed rate interest at the Coupon Rate per annum as specified in the Final Terms.

Calculation of interest amount: The amount of interest payable in respect of each Coupon for any period for which a Fixed Coupon Amount is not specified shall be calculated by applying the Fixed Coupon Rate to the Calculation Amount, multiplying the product by the relevant Fixed Day Count Fraction, rounding the resultant figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded up figure by a fraction equal to the Specified Denomination of such Coupon divided by the Calculation Amount.

(c) Floating or Variable Coupon Rate

Securities in relation to which this Condition 5(c) is specified in the relevant Final Terms as being applicable, shall bear a floating or variable interest at the Coupon Rate per Coupon Period as specified in the relevant Final Terms and determined in accordance with Condition 5(d).

Calculation of interest amount: The amount of interest payable in respect of each Coupon for any period for which a Fixed Coupon Amount is not specified shall be calculated by applying the Floating or Variable Coupon Rate to the Calculation Amount, multiplying the product by the relevant Floating Day Count Fraction, rounding the resultant figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded up figure by a fraction equal to the Specified Denomination of such Coupon divided by the Calculation Amount.

(d) Determination of Coupon Rate and Coupon Amounts

The Calculation Agent will, upon the determination of each Coupon Rate pursuant to Condition 5(c), calculate the Coupon Amount and cause the Coupon Rate and each Coupon Amount payable in respect of a Coupon Period to be notified to the Issuer, the Agent, Euronext Amsterdam and the Holders as soon as possible after their determination but in no event later than the fourth Business Day thereafter.

Unless specified otherwise in the relevant Final Terms, the amount of interest payable for any period will be computed on the basis of a 360-day year of twelve 30-day months.

(e) No Determination or Calculation by Calculation Agent

If the Calculation Agent does not at any time for any reason (i) determine the Coupon Rate in accordance with Conditions 5(c) or (ii) calculate a Coupon Amount in accordance with Condition 5(d), the Issuer shall appoint an agent to do so and such determination or calculation shall be deemed to have been made by the Calculation Agent. In doing so, the Issuer or such agent shall apply the foregoing provisions of this Condition, with any necessary consequential amendments, to the extent that, in its opinion, it or such agent can do so, and in all other respects it or such agent shall do so in such manner as it shall deem fair and reasonable in all the circumstances. All determinations or calculations made or obtained for the purposes of the provisions of this Condition 5(e) by such agent, shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Calculation Agent, the Paying Agents and all Holders,

6. ALTERNATIVE COUPON SATISFACTION MECHANISM

(a) Alternative Coupon Satisfaction Mechanism

If any Deferred Coupon Payment (with any interest accrued on such Deferred Coupon Payment, as applicable) is to be made, it will be satisfied using the Alternative Coupon Satisfaction Mechanism.

In addition, the Issuer may elect at any time to satisfy its obligation to make any Payment (other than Deferred Coupon Payments and a payment of principal) to Holders by using the Alternative Coupon Satisfaction Mechanism. "Alternative Coupon Satisfaction Mechanism" means that the relevant payment is satisfied from the proceeds of the issue of such amount of Ordinary Shares for cash as required to provide enough cash for the Issuer to make full payments on the Securities in respect of the relevant Payment, in accordance with and subject to the following provisions of this Condition 6.

Investors will always receive payments made in respect of Securities in cash.

If the Issuer uses the Alternative Coupon Satisfaction Mechanism, the Issuer shall notify the Holders and the Agent not less than 16 Business Days prior to the relevant Coupon Payment Date. In the absence of or save to the extent of such issue, subject to Condition 4(a) (Required Deferral of Payment) and Condition 4(b) (Optional Deferral of Payments), Payments must be satisfied in accordance with Condition 9(a).

Any relevant Deferred Coupon Payment will only be made by operation of the Alternative Coupon Satisfaction Mechanism to the extent that the proceeds raised from the issuance or sale of Ordinary Shares is received no more than six months before the relevant Deferred Coupon Satisfaction Date (or such other period as may be specified in the Final Terms) and, if the Final Terms indicate that the Ordinary Shares Threshold is applicable, to the extent that the number of Ordinary Shares does not exceed the Ordinary Shares Threshold during the relevant ACSM Cap Period. To the extent the Issuer is unable to satisfy a Deferred Coupon Payment in full as a result of it reaching the Ordinary Shares Threshold, if applicable, (A) the Issuer shall satisfy such Deferred Coupon Payment in part with proceeds raised from the issuance or sale of Ordinary Shares up to the Ordinary

Shares Threshold and (B) any unsettled Deferred Coupon Payment amount shall remain outstanding and, to the extent the Issuer is not wound up, be satisfied during the next ACSM Cap Period or ACSM Cap Periods, in each case subject to the Ordinary Shares Threshold applicable to the respective ACSM Cap Period and, in all cases, the limitation contained in the immediately following paragraph, with proceeds raised from the issuance or sale of Ordinary Shares received no more than six months before the relevant Deferred Coupon Satisfaction Date.

If the Final Terms indicate that the Ordinary Shares Threshold is applicable, the Issuer shall use its best efforts to satisfy any Deferred Coupon Payment by way of the foregoing Alternative Coupon Settlement Mechanism during the period of time specified under the subparagraph titled “ACSM Settlement Period” in the Final Terms (the ‘**ACSM Settlement Period**’). If at the end of the relevant ACSM Settlement Period in respect of any Deferred Coupon Payment the Issuer has been unable to make full payment of such Deferred Coupon Payment in accordance with the ACSM, the obligations of the Issuer to satisfy any Coupon Payment that was deferred during such ACSM Settlement Period shall, to the extent not already settled under the ACSM, be cancelled, and Holders will have no claim in respect thereof.

(b) Issue of shares

If any Payment (for the purposes of this Condition 6, a **Due Amount**) is to be satisfied on a particular date (the **Due Date**) in accordance with the Alternative Coupon Satisfaction Mechanism then, subject to Conditions 6(d), 6(e) and 6(f):

- (i) on or prior to the eleventh Business Day prior to the Due Date the Issuer shall calculate the number of its Ordinary Shares that have an aggregate market value of not less than the Due Amount and shall notify the Holders accordingly;
- (ii) on or prior to the eleventh Business Day prior to the Due Date the Issuer shall calculate the number of Ordinary Shares (the **Associated Cost Ordinary Shares**) required to be issued by the Issuer as, on sale, produce a net amount of not less than the Associated Costs and shall notify the Holders accordingly;
- (iii) on or prior to the seventh Business Day preceding the Due Date, the Issuer shall duly authorise the issue of the relevant number of Ordinary Shares and the Associated Costs Ordinary Shares and on the Business Day prior to the relevant payment date, shall validly issue, free from lien or any other encumbrance such Ordinary Shares and Associated Cost Ordinary Shares to market investors;
- (iv) following the sale of the Ordinary Shares and the Associated Cost Ordinary Shares, the Issuer shall apply the proceeds of the issuance of the Ordinary Shares and the Associated Cost Ordinary Shares in or towards satisfaction of the Associated Costs and the Due Amount with such proceeds of the issuance in respect of the Due Amount being paid by the Issuer to the Agent in the manner

provided in the Agency Agreement in order that it can be paid to the Holders in accordance with such Agreement;

- (v) if the proceeds of the issuance of the Ordinary Shares and the Associated Cost Ordinary Shares will not, in the opinion of the Issuer despite the arrangements contained herein, result in each case in a sum at least equal to the Due Amount and Associated Costs being available to satisfy the relevant Payment and the Associated Costs in full on the Due Date, the Issuer shall promptly notify the Holders and shall then take such steps as are reasonably necessary to ensure, so far as practicable, that through issuing additional Ordinary Shares in accordance with this Condition 6 in each case a sum at least equal to respectively the relevant Payment and the Associated Costs will be available to make the relevant Payment and pay the Associated Costs in full on the Due Date, provided that for such purpose this Condition 6 (b) shall be modified as follows:

- (A) references therein to **Payment** shall be deemed to be references to the amount by which the aggregate sum then paid to the Agent in respect of the relevant Payment pursuant to this Condition 6(b) is less than the Due Amount (the **Payment Shortfall**);
- (B) references therein to **Associated Costs** shall be deemed to be references to the aggregate of (A) the amount by which the sum received by or on behalf of the Issuer in respect of Associated Costs is less than the Associated Costs and (B) the Associated Costs determined under Condition 6(b)(ii) above but by reference to the numbers of additional Ordinary Shares required to be issued in order to satisfy the shortfall (such aggregate being the **Costs Shortfall**); and
- (C) all matters required to be done by a stated time shall be done as soon as practicable,

and further provided for the avoidance of doubt that the parties' obligations under this Condition 6(b)(v) shall only apply to the extent that it is practicable to raise funds by the Due Date by following the procedures contained in Condition 6(b)(i) to 6(b)(iv), as modified by subclauses (A) to (C) above.

- (c) Receipt of cash proceeds in respect of Issue of Ordinary Shares satisfies Payment

Where the Issuer either elects or is required to make a Payment hereunder by using the proceeds of an issue of Ordinary Shares and issues such shares, the Issuer will sell such shares in the market. Receipt of the cash proceeds by the Issuer on the sale of the Ordinary Shares in the market by the Issuer shall, subject to Condition 6(b) and 6(e), be used to satisfy the relevant Payment or, as the case may be, in the circumstances referred to in Condition 6(d) below, the relevant part of such Payment. The proceeds of sale of

Ordinary Shares in accordance with this Condition 6 shall be paid by the Agent to the Holders in respect of the relevant Payment.

(d) Reservation and Insufficiency of Ordinary Shares

- (i) The Issuer is required to keep available for issue enough Ordinary Shares as it reasonably considers would be required to satisfy from time to time the number of scheduled Coupon Payments falling within an annual period and any Deferred Coupon Payments. No damages will be payable for breach of this covenant but, in the event of breach by the Issuer of this paragraph (d)(i), any Holder may require that the Issuer holds as soon as practicable an extraordinary general meeting of the shareholders of the Issuer at which a resolution is passed to remedy the breach.
- (ii) If the Issuer is to satisfy a Payment in accordance with this Condition 6 and does not, on the date when the number of Ordinary Shares required to be issued is determined in accordance with this Condition 6, have sufficient number of Ordinary Shares available for issue, then the Issuer shall notify the Agent and the Holders that all or part, as the case may be, of the relevant Payment cannot be so satisfied due to the events described in this paragraph. In this case the Payment or part thereof shall be satisfied following the date of the next annual general meeting or extraordinary general meeting of shareholders of the Issuer at which a resolution is passed making a sufficient number of Ordinary Shares available to satisfy all or such part of the relevant Payment provided that if the number of Ordinary Shares authorised to be issued at any such meeting is insufficient to satisfy all or such part of the relevant Payment then those Ordinary Shares so issued shall be applied by the Issuer in part satisfaction of all or such part of the relevant Payment. Following the passage of any such resolution, the Issuer shall notify the Paying Agents and the Holders of the date upon which the relevant Payment or, as the case may be, the part thereof is to be made in accordance herewith on not less than 16 Business Days' notice. The relevant Payment or, as the case may be, the part thereof which is not so satisfied shall, unless it is a required Deferred Coupon Payment which had been deferred under Condition 4(a) and has not been subsequently either satisfied or deferred in accordance with Condition 4(b), continue to accrue interest at the rate specified in Condition 4(b)(ii) from (and including) the date on which Payment would otherwise have been due to (but excluding) the date on which such Payment or part thereof is satisfied or, in the event of a Market Disruption Event, the date on which such Payment or part thereof would, but for the occurrence of such Market Disruption Event, have been satisfied (from which date interest (if any) will accrue on such Payment as provided in Condition 6(e)).
- (iii) If, in the case of an insufficiency of Ordinary Shares, the Issuer does not hold an annual general meeting within 6 months of giving the above first-mentioned notice, at which a resolution to make a sufficient number of Ordinary Shares so

available is proposed, any Holder may by notice require the Issuer to convene an extraordinary general meeting at which such a resolution shall be proposed on a date falling within 10 weeks of such notice from the relevant Holder.

- (iv) In the event that any such resolution proposed at any such annual general meeting or extraordinary general meeting of the Issuer is rejected, such resolution will be proposed at each annual general meeting or any extraordinary general meeting of the Issuer thereafter until such time as such resolution has been passed by the shareholders of the Issuer.

(e) Market Disruption

Notwithstanding the provisions of Condition 6(b), if there exists, in the opinion of the Issuer a Market Disruption Event on or after the 15th Business Day preceding any date upon which a Payment or, in the case of an insufficiency as provided in paragraph (d) above, part thereof is due to be made or satisfied in accordance with this Condition 6, then the Issuer may give a notice to the Agent and the Holders as soon as possible after the Market Disruption Event has arisen or occurred, whereupon the relevant Payment shall be deferred until such time as (in the opinion of the Issuer) the Market Disruption Event no longer exists.

Any such deferred Payment or part thereof will be satisfied as soon as practicable following such time as the Market Disruption Event no longer exists. Interest shall not accrue on such deferred Payment or part thereof unless, as a consequence of the existence of a Market Disruption Event, the Issuer does not make the relevant Payment or part thereof for a period of 14 days or more after the due date therefore, in which case interest shall accrue on such deferred Payment or part thereof from (and including) the date on which the relevant Payment or part thereof was due to be made to (but excluding) the date on which such Payment or part thereof is made. Any such interest shall accrue at the rate provided for in Condition 5 and shall be satisfied only in accordance with this Condition 6 and as soon as reasonably practicable after the relevant deferred Payment is made.

(f) Shortfall at Due Date

- (a) If, despite the operation of Condition 6(b), there is a Payment Shortfall and/or Costs Shortfall as at the Due Date the Issuer will, upon being notified of such shortfall, either:
 - (i) save where Condition 6(f)(ii) applies, pay to the Agent as soon as practicable an amount equal to the Payment Shortfall; or
 - (ii) where the Issuer was originally obliged to satisfy such Payment pursuant to this Condition 6 or if in its discretion it so determines, give notice to the Agent that the Payment Shortfall and Costs Shortfall will be satisfied by using the proceeds of the issue of Ordinary Shares subject to Conditions

6(d) and 6(e), and in accordance with the procedures contained in Condition 6(b).

- (b) If following the operation of Condition 6(f)(ii) above there is for any reason still a Payment Shortfall and/or Costs Shortfall, then the provisions of Condition 6(f)(ii) above shall be applied (as often as necessary) in respect of this shortfall until the Agent shall have received funds equal to the full amount of the Payment Shortfall and the Cost Shortfall has been satisfied provided that the Issuer shall not be obliged to effect the issue of any amount of Ordinary Shares in accordance with Condition 6(b) or this Condition 6(f) where in the opinion of the Issuer the proceeds of issuance of such amount of Ordinary Shares would not amount to at least the Associated Costs of such issuance.

- (g) Issuer certification to Agent

The Issuer will certify to the Agent that the proceeds used to make any Deferred Coupon Payment have been funded through the issue of Ordinary Shares which will provide the cash amount due in respect of the Deferred Coupon Payment.

7. REDEMPTION AND PURCHASES

- (a) No Fixed Redemption Date

The Securities are perpetual securities in respect of which there is no fixed redemption date and the Issuer shall (subject to the provisions of Conditions 2 and 3 and without prejudice to the provisions of Condition 12) only have the right to repay them in accordance with the following provisions of this Condition 7. The Issuer may from time to time, in connection with an issue of Securities, enter into a replacement capital covenant for the benefit of one or more series of the Issuer's debt securities by specifying that a replacement capital covenant is applicable in the Final Terms (thereby indicating the Issuer's intention to enter into a replacement capital covenant in connection with such issue of Securities). A replacement capital covenant will generally provide that the Issuer will not redeem or repurchase any Securities, and will not permit any subsidiary to purchase any Securities, unless and to the extent the aggregate redemption, repurchase or purchase price is equal to or less than the net proceeds (or in certain circumstances a percentage of such net proceeds specified in the Final Terms) received by the Issuer or its subsidiaries, during the six months prior to such redemption, repurchase or purchase date (or such other period as may be specified in the terms of the replacement capital covenant and the Final Terms), from one or more new issues of qualifying securities as specified in the terms of the replacement capital covenant, unless the replacement capital covenant is terminated prior to redemption, repurchase or purchase in accordance with its terms. If not terminated sooner, the replacement capital covenant will terminate on the redemption, repurchase or purchase of the Securities. If applicable, the replacement capital covenant will continue to be effective following any substitution or variation of the Securities in accordance with these Terms and Conditions.

(b) Issuer's Call Option

Subject to Condition 2(b) and prior consent of the Dutch Central Bank, the Issuer may, by giving not less than 30 nor more than 60 days' notice to the Holders in accordance with Condition 15 and to the Agent, which notice shall be irrevocable, elect to redeem all, but not some only, of the Securities on the Coupon Payment Date falling on the date specified as such in the Final Terms and any Coupon Payment Date thereafter at the Optional Redemption Amount specified in the Final Terms together with any Outstanding Payments.

(c) Redemption or Conversion due to Taxation

If the Issuer satisfies the Holders immediately prior to the giving of the notice referred to below that, on the next due date for a Coupon Payment:

- (i) the Issuer would, for reasons outside its control, be unable to make such payment without being required to pay additional amounts as provided or referred to in Condition 11; or
- (ii) payments of amounts in respect of interest on the Securities including, for the avoidance of doubt, from the proceeds of the issue of Ordinary Shares pursuant to Condition 6, may be treated as 'distributions' within the meaning of Section II of the Dividend Withholding Tax Act 1965 (*Wet op de dividendbelasting 1965*) (or such other Section and/or Act as may from time to time supersede or replace Section II of the Dividend Withholding Tax Act 1965 for the purposes of such definition) and such requirement or circumstance cannot be avoided by the Issuer taking such measures as it (acting in good faith) deems appropriate; or
- (iii) as a result of any change in or proposed change in, or amendment to or proposed amendment to, the laws of The Netherlands or any political subdivision or authority thereof having power to tax, or any change in or proposed change in the application of official or generally published interpretation of such laws, or any interpretation or pronouncement by any relevant tax authority that provides for a position with respect to such law or regulations that differs from the previously generally accepted position in relation to similar transactions or which differs from any specific written confirmation given by a tax authority in respect of the Securities, which change or amendment becomes, or would become, effective, or in the case of a change or proposed change in law if such change is enacted (or, in the case of a proposed change, is expected to be enacted) by Act of Parliament or made by Statutory Instrument on or after the Issue Date of the relevant Securities (a '**Tax Law Change**') or (B) if no such Tax Law Change has occurred, the Issuer reasonably determines, based on an opinion of competent legal counsel, that, in either case, there is more than an insubstantial risk that the Issuer will not obtain full or substantially full relief for the purposes of Dutch corporation tax for any payment of interest including, for the avoidance of doubt,

where the payment of interest is to be satisfied from the proceeds of the issue of Ordinary Shares, then

(x) the Issuer may (and subject to Condition 2(b) and prior consent of the Dutch Central Bank), having given not less than 30 nor more than 60 days' notice to the Agent and, in accordance with Condition 15, the Holders (which notice shall be irrevocable), redeem, in accordance with these Terms and Conditions, at any time all, but not some only, of the Securities at the Early Redemption Amount specified in the Final Terms or

(y) subject to compliance with applicable regulatory requirements and prior consent of the Dutch Central Bank, the Issuer may convert or exchange the Securities in whole (but not in part) to another series of capital securities of the Issuer having materially the same terms as the Securities and which are no less favourable to an investor than the current terms of the Securities. Any conversion of the Securities into another series of capital securities under this paragraph (c)(y) shall be made on not less than 30 nor more than 60 days' notice to the Holders. The Issuer is permitted to satisfy its obligation to pay any Deferred Coupon Payment due upon conversion only in accordance with the Alternative Coupon Satisfaction Mechanism.

(d) Redemption or Conversion for Regulatory Purposes

If securities of the nature of the Securities cease to qualify as own funds and core capital (tier 1 capital or equivalent), for the purposes of determination of its solvency margin, capital adequacy ratios or comparable margins or ratios under such Capital Adequacy Regulations, then

- (i) the Issuer may (subject to Condition 2(b) and prior consent of the Dutch Central Bank), having given not less than 30 nor more than 60 days' notice to the Agent and, in accordance with Condition 15, the Holders (which notice shall be irrevocable) redeem, in accordance with these Terms and Conditions, at any time all, but not some only, of the Securities at the Early Redemption Amount specified in the Final Terms; or
- (ii) subject to compliance with applicable regulatory requirements and prior consent of the Dutch Central Bank, the Issuer may at any time convert or exchange the Securities in whole (but not in part) to another series of capital securities of the Issuer having materially the same terms as the Securities and which are no less favourable to an investor than the current terms of the Securities. Any conversion of the Securities into another series of capital securities under this paragraph (d)(ii) shall be made on not less than 30 nor more than 60 days' notice to the Holders. The Issuer is permitted to satisfy its obligation to pay any Deferred Coupon Payment due upon conversion only in accordance with the Alternative Coupon Satisfaction Mechanism.

(e) Purchases

The Issuer may (subject to Condition 2(b) and prior consent of the Dutch Central Bank) at any time purchase Securities in any manner and at any price.

(f) Cancellation

Cancellation of any Securities will be effected by reduction in the principal amount of the Global Security and such cancelled Securities may not be reissued or resold. Securities purchased by the Issuer may be held, reissued, resold or, at the option of the Issuer, be cancelled by decreasing the number of Securities represented by the Global Security by an equal number. The obligations of the Issuer in respect of any such Securities shall be discharged.

8. ALTERATION OF TERMS

Upon the occurrence of a Regulatory Event, (i) Condition 4(b)(iv) will no longer apply to the Securities and (ii) Condition 4(c) will no longer apply to the Securities to the extent such Condition refers to Mandatory Partial Payments and Mandatory Partial Payment Events. The Securities thus altered will be referred to as the "**Altered Capital Securities**" so to reflect that for International Financial Reporting Standards ('IFRS') purposes they are classified as equity applying the current IFRS standards. After the Alteration Date the Issuer will be allowed to defer Coupon Payments on the Altered Capital Securities, subject to the suspension of payments on the Issuer's ordinary shares and/or other instruments which are classified as equity for IFRS purposes. Subject to the above, following a Regulatory Event the Altered Capital Securities will remain outstanding on the Conditions applicable to the Securities as of the Alteration Date.

9. PAYMENTS

(a) Method of Payment

- (i) Payments of principal and Coupon Amounts and all other payments on or in respect of the Securities will be in the applicable currency and will be calculated by the Calculation Agent and effected through the Paying Agents. Payments of redemption amounts and interest in respect of the Securities will, subject as set out below, be made against presentation for endorsement and, if no further payment falls to be made in respect of the Securities, surrender of the Global Security to the order of the Paying Agent. A record of each payment will be endorsed on the appropriate part of the schedule to the Global Security by or on behalf of the Paying Agent, which endorsement shall be prima facie evidence that such payment has been made in respect of the Securities.
- (ii) The names of the initial Paying Agents and their initial specified offices are set out below. The Issuer reserves the right at any time to vary or terminate the appointment of any Paying Agent and to appoint additional or other Paying Agents provided that it will at all times maintain (aa) a Paying Agent having a specified office in The Netherlands (bb) for so long as the Securities are listed on Euronext Amsterdam by NYSE Euronext, or any other stock exchange or

regulated securities market and the rules of such exchange or securities market so require, a Paying Agent having a specified office in such location as the rules of such exchange or securities market may require and (cc) a Paying Agent in a Member State of the European Union that will not be obliged to withhold or deduct tax pursuant to the European Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to, such Directive. Notice of any such termination or appointment and of any change in the specified offices of the Paying Agents will be given to the Holders in accordance with Condition 15.

(b) Payments subject to fiscal laws

All payments made in accordance with these Terms and Conditions 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 11.

(c) Payments on Business Days

A Global Security may only be presented for payment on a Business Day , unless specified otherwise in the Final Terms.

No further interest or other payment will be made as a consequence of the day on which a Global Security may be presented for payment under this paragraph falling after the due date.

10. NON-PAYMENT WHEN DUE

Notwithstanding any of the provisions below in this Condition 10, the right to institute winding-up proceedings is limited to circumstances where payment has become due. Pursuant to Condition 2(b) and subject as provided in the next sentence no principal or Payment will be due by the Issuer if the Issuer is not Solvent or would not be Solvent if payment of such principal or Payment was made. Also, in the case of any Payment, such Payment will not be due if the Issuer has elected to defer that Payment pursuant to Condition 4(a) or 4(b) or if the circumstances referred to in any of Conditions 6(d) or 6(e) then apply.

- (a) If the Issuer shall not make a payment in respect of the Securities for a period of 14 days or more after the date on which such payment is due, the Issuer shall be deemed to be in default under the Securities, and any Holder may, notwithstanding the provisions of paragraph (b) of this Condition 10, institute proceedings in The Netherlands (but not elsewhere) for the winding-up (*faillissementsprocedure*) of the Issuer.
- (b) Subject as provided in this Condition 10, any Holder may at its discretion and without further notice institute such proceedings against the Issuer as it may think fit to enforce any term or condition binding on the Issuer under the Agency Agreement or the Securities provided that the Issuer shall not by virtue of the institution of any such proceedings be

obliged to pay any sum or sums, in cash or otherwise, sooner than the same would otherwise have been payable by it.

11. TAXATION

- (a) All payments by the Issuer of principal, Coupon Amounts, Deferred Coupon Payments, Mandatory Partial Payments, Accrued Coupon Payments and Winding-Up Claims in respect of the Securities will be made without withholding of or deduction for, or on any account of, any present or future taxes, duties, assessments or governmental charges of whatsoever nature imposed or levied by or on behalf of The Netherlands or any political subdivision thereof or by any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law. In that event the Issuer will pay such additional amounts as may be necessary in order that the net amounts receivable by Holders after such withholding or deduction shall equal the respective amounts of principal and interest which would have been receivable in respect of the Securities in the absence of such withholding or deduction, except that no such additional amounts shall be payable in relation to any payment with respect to any Security:
- (i) to or to a third party on behalf of a Holder who is liable to such taxes, duties, assessments or governmental charges in respect of such Security by reason of such Holder or, as the case may be, having some connection with The Netherlands other than the mere holding of such Security; or
 - (ii) to, or to a third party on behalf of, a Holder if such withholding or deduction may be avoided by complying with any statutory requirement or by making a declaration of non-residence or other similar claim for exemption to the relevant tax authority; or
 - (iii) to, or to a third party on behalf of, a Holder, that is a partnership, or a Holder, that is not the sole beneficial owner of the Security or which holds the Security in a fiduciary capacity, to the extent that any of the members of the partnership, the beneficial owner or the settlor or beneficiary with respect to the fiduciary would not have been entitled to the payment of an additional amount had each of the members of the partnership, the beneficial owner, settlor or beneficiary (as the case may be) received directly his beneficial or distributive share of the payment; or
 - (iv) presented for payment more than 30 days after the Relevant Date except to the extent that the Holder would have been entitled to such additional amounts on presenting the same for payment on the last day of such period of 30 days; or
 - (v) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to, such Directive.

References in these Terms and Conditions to principal, Coupon Amounts, Deferred Coupon Payments, Mandatory Partial Payments and/or Accrued Coupon Payments shall be deemed to include any additional amounts which may become payable pursuant to the foregoing provisions.

In the event that any payment is satisfied by using the proceeds of an issue of Ordinary Shares pursuant to Condition 6, then any additional amounts which are payable shall also be satisfied through the issue of Ordinary Shares.

12. PRESCRIPTION

Claims for payment in relation to Securities will become void unless exercised within a period of 5 years from the due date for payment thereof.

13. MEETINGS OF HOLDERS, MODIFICATION, WAIVER

The Agency Agreement contains provisions for convening meetings of the Holders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution (as defined in the Agency Agreement) of a modification of the Securities or certain provisions of the Agency Agreement. Such meetings may be convened by the Issuer or Holders holding not less than 5% in a nominal amount of the Securities 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% in nominal amount of the Securities for the time being outstanding, or at any adjourned meeting one or more persons being or representing Holders whatever the nominal amount of the Securities so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Securities (including modifying any date for payment of interest thereof, reducing or cancelling the amount of principal or the rate of interest payable in respect of the Securities or altering the currency of payment of the Securities), 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 Securities for the time being outstanding. An Extraordinary Resolution passed at any meeting of the Holders shall be binding on all the Holders, whether or not they are present at the meeting.

The Agent and the Issuer may agree, without the consent of the Holders to:

- (i) any modification (except as mentioned above) of the Securities or the Agency Agreement which is not materially prejudicial to the interests of the Holders; or
- (ii) any modification of the Securities 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 Holders and any such modification shall be notified to the Holders in accordance with Condition 15 as soon as practicable thereafter.

14. REPLACEMENT OF THE SECURITIES

Should the Global Security, be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Agent (or such other place of which notice shall have been given in accordance with Condition 15) upon payment by the claimant of the expenses incurred in connection therewith and on such terms as to evidence and indemnity and/or as the Issuer may reasonably require. The mutilated or defaced Global Security must be surrendered before any replacement Global Security will be issued.

15. NOTICES

Notices to Holders may be given by the delivery of the relevant notice to Euroclear Nederland except for so long as the Securities are listed on Euronext Amsterdam by NYSE Euronext and the rules of Euronext Amsterdam so require, notices shall also be published in the Euronext Amsterdam Daily Official List (*Officiële Prijscourant*) and in a newspaper having general circulation in The Netherlands. Any such notice shall be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers. Any Notice delivered to Euroclear Nederland shall be deemed to have been given to the Holders on the day on which such notice is so delivered.

16. FURTHER ISSUES

The Issuer is at liberty from time to time without the consent of the Holders to create and issue further Securities ranking *pari passu* in all respects (or in all respects save for the date from which interest thereon accrues and the amount of the first payment of interest on such further Securities) and so that the same shall be consolidated and form a single series with the outstanding Securities.

17. SUBSTITUTION OF THE ISSUER

- (a) The Issuer may, with the consent of the Holders which will be deemed to have been given in respect of each issue of Securities on which no payment of principal of or interest on any of the Securities is in default and after written approval of the Dutch Central Bank 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 Securities 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 Holder to be bound by the Terms and Conditions of the Securities and the provisions of the Agency Agreement as fully as if the Substituted Debtor had been named in the Securities and the Agency Agreement as the principal debtor in respect of the Securities 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 Holder (including any additional amounts payable pursuant to Condition 11) payable in respect of the Securities;

- (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 Holder has the benefit of a covenant in terms corresponding to the provisions of Condition 11 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 Holder 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 Holder by any political sub-division or taxing authority of any country in which such Holder 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 Holder;
- (iv) each stock exchange which has Securities listed thereon shall have confirmed that following the proposed substitution of the Substituted Debtor such Securities 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 Securities 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 Holders 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 Holders 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 Holders 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 Holders 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 Holders, except as provided in Condition 17(a)(ii), shall be entitled to claim from the Issuer or any Substituted Debtor under the Securities any indemnification or payment in respect of any tax or other consequences arising from such substitution.
- (c) Furthermore, the Documents shall provide for such further amendment of the Terms and Conditions as shall be necessary to ensure that the Securities 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 Securities of such Series under the Terms and Conditions.
- (d) The Issuer shall be entitled, after written approval of Dutch Central Bank by notice to the Holders given in accordance with Condition 15, 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 Holders 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 Securities as the

principal debtor in place of the Issuer and the Securities 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 Securities save that any claims under the Securities prior to release shall endure for the benefit of Holders.

- (f) The Documents shall be deposited with and held by the Agent for so long as any Securities remain outstanding and for so long as any claim made against the Substituted Debtor by any Holder in relation to the Securities 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 Holder to the production of the Documents for the enforcement of any of the Securities 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 Holders in accordance with Condition 15.

18. AGENTS

The Issuer will procure that there shall at all times be a Calculation Agent and an Agent so long as any Security is outstanding. If either the Calculation Agent or the Agent is unable or unwilling to act as such or if it fails to make a determination or calculation or otherwise fails to perform its duties under these Terms and Conditions or the Agency Agreement, as appropriate, the Issuer shall appoint an independent investment bank to act as such in its place. Neither the termination of the appointment of a Calculation Agent or the Agent nor the resignation of either will be effective without a successor having been appointed.

All calculations and determinations made by the Calculation Agent or the Agent in relation to the Securities shall (save in the case of manifest error) be final and binding on the Issuer, the Paying Agents and the Holders.

The Issuer nor any of the Paying Agents shall have any responsibility to any person for any errors or omissions in any calculation by the Calculation Agent.

19. GOVERNING LAW AND JURISDICTION

- (a) The Agency Agreement and the Securities, are governed by, and shall be construed in accordance with, the laws of The Netherlands.
- (b) The Issuer submits for the exclusive benefit of the Holders 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 or the Securities may be brought in any other court of competent jurisdiction.

20. DEFINITIONS

In these Terms and Conditions:

'Accrued Coupon Payment' means, as at any time, where these Terms and Conditions provide that interest shall continue to accrue after a Coupon Payment Date in respect of a Security the amount of interest accrued thereon in accordance with Conditions 4(b), 5, 6(d) and 6(e);

'ACSM Cap Period' means an Initial ACSM Cap Period or any Subsequent ACSM Period, as applicable;

'Agency Agreement' means the Agency Agreement dated on or about 8 June 2009 between the Issuer, SNS Bank and the Paying Agents relating to the Securities under which each Paying Agent agrees to perform the duties required of it under these Terms and Conditions;

'Agent' means the Agent appointed pursuant to the Agency Agreement;

'Agents' means the agents appointed pursuant to the Agency Agreement and such term shall unless the context otherwise requires, include the Agent.

'Alternative Coupon Satisfaction Mechanism' has the meaning ascribed to it in Condition 6(a);

'Applicable Coupon Rate' means in relation to any Payment deferred pursuant to Condition 4(b) or Condition 6(e), the Coupon Rate payable on the Securities as determined by the Calculation Agent in accordance with Condition 5(b) or 5(c) for the Coupon Periods during which such Payment is deferred;

'Assets' means the non-consolidated gross assets of the Issuer as shown by the then latest published audited balance sheet of the Issuer but adjusted for contingencies and for subsequent events and to such extent as the directors or, as the case may be, the liquidator may determine to be appropriate;

'Associated Cost' means (1) any duty and/or tax that would be payable by the Issuer in respect of the Issue and sale of the Ordinary Shares and the Associated Cost Ordinary Shares and (2) other costs (including any brokerage fees) that would be payable, in respect of the issue and sale of the Ordinary Shares and the Associated Cost Ordinary Shares.

'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 Final Terms and, if applicable, the relevant place of presentation of a Global Security; and

- (B) either (1) in relation to any sum payable in a Specified Currency (as specified in the applicable Final Terms) 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 (a) Australian dollars, shall be Sydney, (b) New Zealand dollars, shall be Wellington, (c) Hong Kong dollars, shall be Hong Kong and (d) Japanese yen, shall be Tokyo or (2) in relation to any sum payable in euro, a TARGET Settlement Date;

'Calculation Agent' means the calculation agent in relation to the Securities, or its successor or successors for the time being appointed under the Agency Agreement;

"Calculation Amount" has the meaning ascribed to it in the relevant Final Terms;

'Capital Adequacy Regulations' means at any time the regulations, requirements, guidelines, policies, decrees imposing obligations on the Issuer with respect to the maintenance of minimum levels of solvency margins and/or capital adequacy ratios and /or comparable margins or ratios, as well as regarding the supervision thereof by any existing or future regulator having primary supervisory authority with respect to the Issuer (currently the Dutch Central Bank);

'Capital Disqualification Event' means a change in any applicable law or regulation or in the official interpretation or application thereof, as a result of which, for the purposes of the Capital Adequacy Regulations, the Securities no longer qualify as regulatory capital resources of the Issuer on a consolidated basis (except where such non-qualification is only as a result of any applicable limitation on the amount of such capital);

'Coupon Amount' means (i) in respect of a Coupon Payment, the amount of interest payable on a Security for the relevant Coupon Period in accordance with Condition 5 and (ii) for the purposes of Conditions 7(c) and 7(d), any interest accrued from (and including) the preceding Coupon Payment Date (or, if none, the Issue Date) to (but excluding) the due date for redemption if not a Coupon Payment Date as provided for in Condition 5(a);

'Coupon Payment' means, in respect of a Coupon Payment Date, the aggregate Coupon Amounts for the Coupon Period ending on such Coupon Payment Date;

'Coupon Payment Date' means the date(s) specified as such in the Final Terms;

'Coupon Period' means the period commencing on (and including) the Issue Date and ending on (but excluding) the first Coupon Payment Date and each successive period commencing on (and including) a Coupon Payment Date and ending on (but excluding) the next succeeding Coupon Payment Date;

'Coupon Rate' has the meaning ascribed to that term in Condition 5(b) (Fixed Coupon Rate) and 5(c) (Floating or Variable Coupon Rate);

'Deferred Coupon Payment' means any Payment, or part thereof, which has been deferred in accordance with Condition 4(a) or 4(b) and has not subsequently been satisfied;

'Deferred Coupon Satisfaction Date' means:

- (i) with respect to a deferral under Condition 4(a)(i), the Coupon Payment Date following the 19th Business Day after the Required Deferral Condition fails to be met or, if earlier, the date on which the Issuer has resolved to satisfy a Deferred Coupon Payment, as notified by the Issuer to the Holders, the Agent and the Calculation Agent in accordance with Condition 4(a)(ii); or
- (ii) the date on which the Issuer has resolved to satisfy a Deferred Coupon Payment, as notified by the Issuer to the Holders, the Agent and the Calculation Agent in accordance with Condition 6; or
- (iii) the date on which the Issuer is required to satisfy all Deferred Coupon Payments pursuant to Condition 4(c);

'Dutch Central Bank' means De Nederlandsche Bank N.V.;

'Holder' means the bearer of any Security;

'Initial ACSM Cap Period' means the period of time as specified under the paragraph titled "Initial ACSM Cap Period" in the Final Terms;

'Interest' shall, where appropriate, include Coupon Amounts, Deferred Coupon Payments and Accrued Coupon Payments;

'Issue Date' means the date of initial issue of the Securities as specified in the Final Terms;

'Issuer' means SNS REAAL N.V.;

'Junior Guarantee' means any guarantee, indemnity or other contractual support arrangement entered into by the Issuer in respect of securities (regardless of name or designation) issued by a Subsidiary or Undertaking and ranking on a winding-up (*faillissement of vereffening na ontbinding*) of the Issuer or in respect of distributions or payment of dividends or any other payment thereon, after the Securities;

'Junior Securities' means the Ordinary Shares, any preference shares of the Issuer or any other securities of the Issuer which rank as regards distributions on a return of assets on a winding-up (*faillissement of vereffening na ontbinding*) of the Issuer or in respect of distributions or payment of dividends or any other payments thereon, after the Securities;

'Liabilities' means the non-consolidated gross liabilities of the Issuer as shown by the then latest published audited balance sheet of the Issuer, but adjusted for contingencies and for subsequent events and to such extent as the directors, the auditors or, as the case may be, the liquidator may determine;

'Mandatory Partial Payment' payable on any Coupon Payment Date means a payment in respect of each Security in an amount that results in payment of a proportion of a full Coupon Payment on the Security on such Coupon Payment Date equal to the proportion of a full dividend on the relevant Parity Securities and/or payment on the relevant Parity Guarantee paid on the dividend or payment date in respect of the relevant Parity Securities and/or Parity Guarantee immediately preceding;

A **'Mandatory Partial Payment Event'** shall occur if any of the following occurs:

- (i) the Issuer declares, pays or distributes a dividend or makes a payment on any of its Parity Securities or makes any payment on a Parity Guarantee (except where it concerns a payment, purchase or redemption which the Issuer is obliged to make pursuant to its articles of association as they read prior to the relevant deferral or equity swap, forward, repo or equity derivative transactions concluded by the Issuer prior to the relevant deferral); or
- (ii) any Subsidiary or Undertaking declares, pays or distributes a dividend on any security issued by it benefiting from a Parity Guarantee or makes a payment on any security issued by it benefiting from a Parity Guarantee;

A **'Mandatory Payment Event'** shall occur if any of the following occurs:

- (i) the Issuer declares, pays or distributes a dividend or makes a payment (other than a dividend in the form of Ordinary Shares) on any of its Junior Securities or makes any payment on a Junior Guarantee;
- (ii) any Subsidiary or Undertaking declares, pays or distributes a dividend on any security issued by it benefiting from a Junior Guarantee or makes a payment (other than a dividend in the form of Ordinary Shares) on any security issued by it benefiting from a Junior Guarantee; or
- (iii) the Issuer or any Subsidiary or Undertaking redeems, purchases or otherwise acquires any of the Issuer's Junior Securities, any Parity Securities or any securities issued by any Subsidiary or Undertaking benefiting from a Junior Guarantee or Parity Guarantee (other than (1) by conversion into or in exchange for Ordinary Shares, (2) in connection with transactions effected by or for the account of customers of the Issuer or any Subsidiary or in connection with the distribution, trading or market making in respect of those securities, (3) in connection with the satisfaction by the Issuer or any Subsidiary of its obligations under any employee benefit plans or similar arrangements with or for the benefit of employees, officers, directors or consultants, (4) as a result of a reclassification

of the Issuer or any Subsidiary or the exchange or conversion of one class or series of capital stock for another class or series of capital stock, or (5) the purchase of fractional interests in shares of the capital stock of the Issuer or any Subsidiary pursuant to the conversion or exchange provisions of that capital stock or the security being converted or exchanged) for any consideration, or any moneys are paid to or made available for a sinking fund or for redemption of any of any Junior Securities, Parity Securities or any securities issued by any Subsidiary or Undertaking benefiting from a Junior Guarantee or Parity Guarantee; in all such cases, except where it concerns a payment, purchase or redemption which the Issuer is obliged to make pursuant to its articles of association as they read prior to the relevant deferral or equity swap, forward, repo or equity derivative transactions concluded by the Issuer prior to the relevant deferral;

'Market Disruption Event' means (i) the occurrence or existence of any suspension of or limitation imposed on trading (by reason of movements in price exceeding limits permitted by Euronext Amsterdam or on settlement procedures for transactions in the Ordinary Shares on Euronext Amsterdam by NYSE Euronext). if, in any such case, that suspension or limitation is, in the determination of the Issuer, material in the context of the sale of the Ordinary Shares, or (ii) in the opinion of the Issuer, there has been a substantial deterioration in the price and/or value of the Ordinary Shares or circumstances are such as to prevent or to a material extent restrict the issue or delivery of the Payment Ordinary Shares, or (iii) where, pursuant to these Terms and Conditions, moneys are required to be converted from one currency into another currency in respect of any Payment, the occurrence of any event that makes it impracticable to effect such conversion;

'Ordinary Shares' means ordinary shares of the Issuer;

'Ordinary Shares Threshold' means, in connection with any Deferred Coupon Payment if specified as being applicable in the Final Terms, the aggregate number of Ordinary Shares issued and/or sold by the Issuer in any ACSM Cap Period shall not exceed 2 per cent. of the aggregate number of the Ordinary Shares in issue (including those held in issue and held in treasury), or such other amount as may be specified in the Final Terms;

'Outstanding Payment' means:

- (i) in relation to any Coupon Payment, Deferred Coupon Payment or Coupon Amount not falling within the definition of Coupon Payment, that such payment or amount (a) has either become due and payable or would have become due and payable except for the non-satisfaction on the relevant date of the conditions referred to in Condition 2(b) or the deferral, postponement or suspension of such payment in accordance with any of Conditions 4(a), 4(b), 6(d) or 6(e) and (b) in any such case has not been satisfied; and
- (ii) in relation to any Accrued Coupon Payment, any amount thereof which has not been satisfied whether or not payment has become due;

'Parity Guarantee' means any guarantee, indemnity or other contractual support arrangement entered into by the Issuer in respect of securities (regardless of name or designation) issued by a Subsidiary or an Undertaking or other securities (regardless of name or designation) of the Issuer or such Subsidiary or Undertaking which rank on a winding-up (*faillissement of vereffening na ontbinding*) of the Issuer or in respect of distributions or payments thereon *pari passu* with the Securities;

'Parity Securities' means, in respect of the Issuer, any securities which rank *pari passu* with the Securities as regards distributions on a return of assets on a winding-up (*faillissement of vereffening na ontbinding*) of the Issuer or in respect of distribution or payment of any amounts thereunder by the Issuer;

'Paying Agents' means the paying agents appointed pursuant to the Agency Agreement and such term shall, unless the context otherwise requires, include the Agent;

'Payment' means any Coupon Payment, Deferred Coupon Payment, Accrued Coupon Payment or Coupon Amount not falling within the definition of Coupon Payment;

'Payment Ordinary Shares' has the meaning ascribed to it in Condition 6(b);

'Regulatory Event' means that the minimum capital adequacy required by the regulation on prudential supervision of financial groups (*Besluit prudentieel toezicht financiële groepen Wft*) or such other capital adequacy ratios or other comparable margins or ratios under the Capital Adequacy Regulations, if any, are or as a result of a Payment would become less than the relevant minimum requirements as applied and enforced by the Dutch Central Bank or such other applicable regulator;

'Relevant Date' means (i) in respect of any payment other than a Winding-Up Claim, the date on which such payment first becomes due and payable but, if the full amount of the moneys payable on such date has not been received by the Agent on or prior to such date, the 'Relevant Date' means the date on which such moneys shall have been so received and notice to that effect shall have been given to the Holders in accordance with Condition 15, and (ii) in respect of a Winding-Up Claim, the date which is one day prior to the commencement of the winding-up (*faillissement of vereffening na ontbinding*);

the **'Required Deferral Condition'** means any of the following:

- (a) the Issuer determines that it is not or, on the relevant date on which a Payment would be made after taking into account amounts payable on that date on the Securities, will not be Solvent;
- (b) a Regulatory Event has occurred and continues to exist; or
- (c) the Dutch Central Bank has requested or required the Issuer not to make any Payments on the Securities;

'Securities' means the Capital Securities specified in the relevant Final Terms and, unless the context otherwise requires, any further Securities issued pursuant to Condition 16 and forming a single series with the Securities;

'Senior Creditors' means present and future creditors of the Issuer (a) who are unsubordinated creditors of the Issuer, or (b) whose claims are, or are expressed to be, subordinated (whether only in the event of the winding-up (*faillissement of vereffening na ontbinding*) of the Issuer or otherwise) to the claims of unsubordinated creditors of the Issuer, but not further or otherwise, or (c) who are subordinated creditors of the Issuer other than those whose claims are, or are expressed to rank, *pari passu* with, or junior to, the claims of the Holders;

'Solvent' means that the Issuer is (a) able to pay its debts to Senior Creditors as they fall due and (b) its Assets exceed its Liabilities (other than its liabilities to persons who are not Senior Creditors);

'Specified Currency' means the currency as specified in the Final Terms;

"Specified Denomination" means the denomination as specified in the Final Terms;

'Subsequent ACSM Cap Period' means the period of time as specified under the paragraph titled "Subsequent ACSM Cap Period" in the Final Terms;

'Subsidiary' means a subsidiary of the Issuer within the meaning of Section 2:24a of the Dutch Civil Code;

"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 the euro, means one cent.

'successor in business' means, in relation to the Issuer:

(a) a company or other entity to whom the Issuer validly and effectually, in accordance with all enactments, orders and regulations in force for the time being and from time to time, transfers the whole or a substantial part of its business, or assets for the purpose of assuming and conducting the business of the Issuer in its place; or

(b) any other entity which acquires in any other manner all or substantially all the property and/or assets of the Issuer or carries on as a successor to the Issuer the whole or substantially the whole of the business carried on by the Issuer prior thereto,

where in each of the cases in paragraphs (a) and (b) above the terms of the proposed transaction have previously been approved by an Extraordinary Resolution of the Holders.

'TARGET Settlement Day' means a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET) system is open;

'Undertaking' means a body corporate, partnership, limited partnership, cooperative or an incorporated association carrying on a trade or business with or without a view to profit in which the Issuer has a direct or indirect financial, commercial or contractual majority interest; and

'Winding-Up Claim' has the meaning ascribed to it in Condition 2(c).

PART 2: FORM OF FINAL TERMS FOR THE CAPITAL SECURITIES

Set out below is the form of Final Terms which will be completed for each Tranche of Capital Securities issued under the Programme.

Final Terms

SNS REAAL N.V. (the "**Issuer**")

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

Issue of [up to] [Aggregate Nominal Amount of Tranche] [Title of Capital Securities]

issued under the Debt Issuance Programme of SNS Bank N.V. and SNS REAAL N.V.

dated [•]

This document constitutes the Final Terms of the issue of Capital Securities under the Debt Issuance Programmes (the "**Programme**") of SNS Bank N.V. and SNS REAAL N.V., described herein for the purposes of article 5.4 of Directive 2003/71/EC (the "**Prospectus Directive**"). It must be read in conjunction with the base prospectus pertaining to the Programme, dated 8 June 2009 (the "**Prospectus**") and any amendments or supplements thereto, which together constitute a base prospectus for the purposes of the Prospectus Directive. Full information on the Issuer and the offer of the Capital Securities is only available on the basis of the combination of these Final Terms and the Prospectus and any amendments or supplements thereto. The Prospectus (and any amendments thereto) is available for viewing at www.snsreaal.com as well as at the Amsterdam office of the Issuer at Nieuwezijds Voorburgwal 162, 1012 SJ, Amsterdam, The Netherlands, where copies may also be obtained. Any supplements to the Prospectus will in any case be available at this office and copies thereof may be obtained there.

These Final Terms are to be read in conjunction with the Terms and Conditions of the Capital Securities (the "**Terms and Conditions**") set forth in Chapter 8, Part 1 of the Prospectus. The Terms and Conditions as supplemented, amended and/or disapplied by these Final Terms constitute the conditions (the "**Conditions**") of the Capital Securities. Capitalised terms not defined herein have the same meaning as in the Terms and Conditions. Certain capitalised terms in the Terms and Conditions which are not defined therein have the meaning set forth in these Final Terms. All references to numbered Conditions and sections are to Conditions and sections of the Terms and Conditions set forth in the 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 subparagraphs. Italics denote directions for completing the Final Terms.]

[When adding any other final terms or information consideration should be given as to whether such terms or information constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive, the publication of which would in turn trigger the investors' right to withdraw their acceptances within a period of 2 business days.]

1. Issuer: SNS REAAL N.V.
2. (a) Series Number: []
(b) Tranche Number: []
(If fungible with an existing Series, details of that Series, including the date on which the Capital Securities become fungible)
3. Specified Currency or Currencies: []
4. Aggregate Nominal Amount:
(a) Series: []
(b) Tranche: []
5. Issue Price: [] per cent. of the Aggregate Nominal Amount
[plus accrued interest from *[insert date]* (if applicable)]
6. (i) Specified Denominations: []

[Note - where multiple denominations above [€50,000] or equivalent are being used the following sample wording should be followed: "[€50,000] and integral multiples of [€1,000] in excess thereof up to and including [€99,000]. No Coupons in definitive form will be issued with a denomination above [€99,000]].

[]

(If only one Specified Denomination, insert the Specified Denomination. If more than one Specified Denomination, insert the highest common factor. Note: There must be one common factor in the case of two or more Specified Denominations.)
7. (a) Issue Date: []
(b) Interest Commencement Date: []
8. Interest Basis: [[] per cent. Fixed Rate per annum]
[[LIBOR/EURIBOR] +/- [] per cent. Floating Rate]
[Zero Coupon]

[Dual Currency Interest]
[specify other]
(further particulars specified below)

9. Redemption/Payment Basis: [Redemption at par]
[Dual Currency Redemption]

[specify other]

(N.B. If the Final Redemption Amount is less than 100% of the nominal value the Capital Securities will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply.)
10. Change of Interest Basis or Redemption/Payment Basis: [Specify details of any provision for change of Capital Securities into another Interest Basis or Redemption/Payment Basis]
11. Call Option: [Issuer Call]
[(further particulars specified below)]
12. [Date [Board] approval for issuance of Capital Securities obtained: [] [and [], respectively]]
(N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Capital Securities)
13. Method of distribution: [Syndicated/Non-syndicated]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14. Fixed Rate Capital Security Provisions [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (a) Rate(s) of Interest: [] per cent. per annum [payable annually/semi-annually/quarterly] in arrear]
- (b) Coupon Payment Date(s): [[] in each year up to and including the redemption date]/[specify other]
(N.B. This will need to be amended in the case of long or short coupons)
- (c) Fixed Coupon Amount(s): [] per Calculation Amount
- (d) Broken Amount(s): [] per Calculation Amount, payable on the Coupon Payment Date falling [in/on] []
- (e) Day Count Fraction: [30/360 or Actual/Actual (ICMA) or [specify other]]

- (f) Determination Date(s): [] in each year
*[Insert regular Coupon Payment Dates, ignoring issue date or maturity date in the case of a long or short first or last coupon
N.B. This will need to be amended in the case of regular Coupon Payment Dates which are not of equal duration
N.B. Only relevant where Day Count Fraction is Actual/Actual (ICMA)]*
- (g) Other terms relating to the method of calculating interest for Fixed Rate Capital Securities: [None/Give details]
- (h) Number of required Coupon Payments Dates following a Junior Coupon Pusher Event and/or a Parity Coupon Pusher Event pursuant to Condition 4(c): []
- (i) Ordinary Shares Threshold: []
- (j) Initial ACSM Cap Period []
- (k) Subsequent ACSM Cap Period *[delete if not applicable]*
- (l) ACSM Settlement Period []
- (m) Ordinary Shares Threshold amount (if different from 2 per cent.): *[delete if not applicable]*
- (n) Other provisions relating to ACSM:
- (o) Capital Disqualification Event [Applicable/Not Applicable]
15. Floating or Variable Rate Capital Security Provisions [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (a) Specified Period(s)/Specified Coupon Payment Dates: []
- (b) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention/*[specify other]*]
- (c) Additional Business Centre(s): []
- (d) Manner in which the Rate of Interest and Interest Amount is to be determined: [Screen Rate Determination/ISDA Determination/Variable Rate/*specify other*]

- (e) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Agent): [please insert name + address + contact]
- (f) Screen Rate Determination:
- Reference Rate: [].
(Either LIBOR, EURIBOR or other, although additional information is required if other - including fallback 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 Reuters EURIBOR 01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)
- (g) ISDA Determination:
- Floating Rate Option: []
 - Designated Maturity: []
 - Reset Date: []
- (h) Margin(s): [+/-] [] per cent. per annum
- (i) Minimum Rate of Interest: [] per cent. per annum
- (j) Maximum Rate of Interest: [] per cent. per annum
- (k) Day Count Fraction: [Actual/365
Actual/365 (Fixed)
Actual/365 (Sterling)
Actual/360
30/360
30E/360
Other]

- (l) Fallback provisions, rounding provisions and any other terms relating to the method of calculating interest on Floating Rate Capital Securities, if different from those set out in the Conditions: []
- (m) Number of required Coupon Payments Dates following a Junior Coupon Pusher Event and/or a Parity Coupon Pusher Event pursuant to Condition 4(c): []
[Applicable/Not Applicable]
- (n) Ordinary Shares Threshold: []
- (o) Initial ACSM Cap Period: []
[delete if not applicable]
- (p) Subsequent ACSM Cap Period: []
- (q) ACSM Settlement Period:
- (r) Ordinary Shares Threshold amount (if different from 2 percent): []
[delete if not applicable]
- (s) Other provisions relating to ACSM: [Applicable/Not Applicable]
- (t) Capital Disqualification Event

PROVISIONS RELATING TO REDEMPTION

16. Issuer Call: [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (a) Optional Redemption Date(s): []
- (b) Optional Redemption Amount of each Capital Security and method, if any, of calculation of such amount(s): [] per Calculation Amount
[details of any make whole premium]
- (c) If redeemable in part:
(a) Minimum Redemption Amount: [] per Calculation Amount
(b) Higher Redemption Amount: [] per Calculation Amount
- (d) Notice period (if other than as set out in the Conditions): []

17. Early Redemption Amount of each Capital Security payable on redemption for taxation or regulatory reasons and/or the method of calculating the same [details of any make whole premium]
18. Replacement Capital Covenant: [Applicable/Not Applicable]
(If not applicable, delete subparagraph 19 of this paragraph)
19. Other provisions relating to the Replacement Capital Covenant: [delete if not applicable]

GENERAL PROVISIONS APPLICABLE TO THE CAPITAL SECURITIES

20. Form of Capital Securities: [Temporary Global Capital Security exchangeable for a Permanent Global Capital Security]

[other]
21. Additional Financial Centre(s) or other special provisions relating to Payment Days: [Not Applicable/give details]
(Note that this paragraph relates to the place of payment and not Interest Period end dates to which subparagraph 15(c) relates)
22. Other final terms: [Not Applicable/give details]

[Number of Coupon Payments specified in Condition 4(c)(ii) and 4(c)(iii).]

(When adding any other final terms consideration should be given as to whether such terms constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.)

DISTRIBUTION

23. (a) If syndicated, names [and addresses]** of Managers [and underwriting commitments]**: [Not Applicable/give names [and addresses and underwriting commitments]**]
- (Include names and addresses of entities agreeing to underwrite the issue on a firm commitment basis and names and addresses of the entities agreeing to place the issue without a firm commitment or on a "best efforts" basis if such entities are not the same as the Managers.) ***
- [Please note that the process for notification to potential investors of the amount allotted and an indication whether the dealing may begin before notification is made will be provided for by the Manager(s) to potential investors]*
- (b) Date of Syndication Agreement:** []**
- (c) Stabilising Manager (if any): [Not Applicable/give name]
24. If non-syndicated, name [and address]** of relevant Dealer: [Name [and address]**]
25. Total commission and concession:** [] per cent. of the Aggregate Nominal Amount**

OTHER PROVISIONS

26. Whether TEFRA D or TEFRA C rules applicable or TEFRA rules not applicable: [TEFRA D/TEFRA C/TEFRA not applicable]
27. Additional selling restrictions: [Not Applicable/give details]
28. (i) Listing: [Amsterdam/other (*specify*)/None]
- (ii) Admission to trading: [Application has been made for the Capital Securities to be admitted to trading on [] with effect from [].] [Not Applicable.]
- (iii) Estimate of total expenses related to admission to trading:* []*

29. Ratings: The Capital Securities to be issued have been rated:

[S & P: []]
[Moody's: []]
[Fitch: []]
[[Other]: []]

*[Include here a brief explanation of the meaning of the ratings if this deviates from the explanations given in "General Information" published by the rating provider]***

30. [Notification]

The Netherlands Authority for the Financial Markets (*Autoriteit Financiële Markten*, "**AFM**") [has been requested to provide/has provided - *include first alternative for an issue which is contemporaneous with the update of the Programme and the second alternative for subsequent issues*] the [names of competent authorities of host Member States] with a certificate of approval attesting that the Prospectus has been drawn up in accordance with the Prospectus Directive.

31. Interests of Natural and Legal Persons involved in the Issue

[Save for any fees payable to the Dealers, so far as the Issuer is aware, no person involved in the issue of the Capital Securities has an interest material to the offer. - *Amend as appropriate if there are other interests*]

32. Reasons for the Offer (if different from making a profit and/or hedging certain risks): []

33. Estimated net proceeds and total expenses

(iii) Estimated net proceeds []

[(Also see "Use of Proceeds" wording in Prospectus – if reasons for offer different from making profit and/or hedging certain risks will need to include those reasons here. If proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding.)]

(ii) Estimated total expenses: []. [Include breakdown of expenses]

34. Yield (Fixed Rate Capital Securities only)

Indication of yield: []

The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

35. Performance of Rate[s] of Exchange and Explanation of Effect on Value of Investment (Dual Currency Capital Securities only)

[Need to include details of where past and future performance and volatility of the relevant rates can be obtained.]

36. Operational Information

- (i) ISIN Code: []
- (ii) Common Code: []
- (iii) Any clearing system(s) other than Euroclear Bank S.A./N.V., Clearstream Banking, société anonyme and Euroclear Nederland and the relevant identification number(s): [Not Applicable/*give name(s) and number(s)*]
- (iv) Delivery: Delivery [against/free of] payment
- (v) Names and addresses of additional Paying Agent(s) (if any): []
- (vi) Offer Period: [[The offer of the Capital Securities is expected to open at [●] hours([●] time) on [●] and close at [●] hours ([●] time) on [●] or such earlier or later date or time as the Issuer may determine and will be announced in [●].]
- [The Issuer reserves the right to withdraw the offer of the Capital Securities until [●] at the latest. Such withdrawal will be announced in the forementioned publications.]
- [The aggregate principal amount of the Capital Securities to be issued and allotted will be announced by the Issuer at [●] hours ([●] time) on [●] or such earlier or later date or time as the Issuer may determine and will be announced in the aforementioned publications.]
- [The Issuer reserves the right to increase the aggregate principal amount of the Capital Securities to be issued. Such increase will be announced in the aforementioned publications]
- [[No]/[D/d]ealing in the Capital Securities will be possible before the aggregate principal amount of the Capital Securities is announced as set out above.]
- [Not Applicable]

(vii) Reduction of subscriptions: [[Subscriptions in excess. If the Issuer determines to increase the aggregate principal amount of the Capital Securities to be issued this will be announced by the Issuer at [•] hours ([•] time) on [•] or such earlier or later date or time as the Issuer may determine and will be announced in the aforementioned publications.]

[in [] Not Applicable]

(viii) Maximum and minimum subscription amount: [[•] and [•].

37. [Additional information]

[The following information should be consulted in connection with the offer of the Capital Securities:

[- insert relevant information which does not necessitate a Supplement to the Prospectus].

38. [Other]

[insert any other relevant information]

39. [Listing and Admission to Trading Application]

These Final Terms comprise the final terms required to list and have admitted to trading the issue of Capital Securities described herein pursuant to the Programme for the issuance of Notes of SNS REAAL N.V.]

Responsibility

The Issuer declares that, having taken all reasonable care to ensure that such is the case, the information contained herein is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import. The Issuer accepts responsibility for the information contained in these Final Terms. [[] has been extracted from []. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of the Issuer:

By:

Duly authorised

By:

Duly authorised

Notes:

* **Delete if the minimum denomination is less than €50,000**

** **Delete if the minimum denomination is equal to or higher than €50,000**

REGISTERED OFFICE OF THE ISSUERS

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

AGENT

Dexia Banque Internationale à Luxembourg

69 Route d'Esch
L-2953 Luxembourg
Luxembourg

LEGAL ADVISERS

To the Issuers
(as to Netherlands law except tax law)

NautaDutilh N.V.
Strawinskylaan 1999
1077 XV Amsterdam
The Netherlands

To the Dealers
Clifford Chance LLP
Droogbak 1A
1013 GE Amsterdam
The Netherlands

AUDITORS TO THE ISSUERS

KPMG ACCOUNTANTS N.V.
Burgemeester Rijnderslaan 10-20
1185 ML Amstelveen
The Netherlands

AMSTERDAM LISTING AGENT

Rabobank International
Croeselaan 18
3521 CB Utrecht
The Netherlands

LUXEMBOURG LISTING AGENT

Dexia Banque Internationale à Luxembourg

69 Route d'Esch
L-2953 Luxembourg
Luxembourg

ARRANGER

Rabobank International

Croeselaan 18
3521 CB Utrecht
The Netherlands

DEALERS

Rabobank International	SNS Bank N.V.
Croeselaan 18	Croeselaan 1
3521 CB Utrecht	3521 BJ Utrecht
The Netherlands	The Netherlands