

IMPORTANT NOTICE

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION TO ANY U.S. PERSON (AS DEFINED BELOW) OR IN OR INTO OR TO ANY PERSON LOCATED OR RESIDENT IN OR AT ANY ADDRESS IN THE UNITED STATES, ITS TERRITORIES AND POSSESSIONS OR TO ANY PERSON LOCATED OR RESIDENT IN ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DISTRIBUTE THIS DOCUMENT.

IMPORTANT: You must read the following disclaimer before continuing. The following disclaimer applies to the attached Exchange Offer Memorandum (the **Exchange Offer Memorandum**), whether received by e-mail or otherwise received as a result of electronic communication and you are therefore required to read these disclaimer pages carefully before reading, accessing or making any other use of the Exchange Offer Memorandum. In accessing or reading the Exchange Offer Memorandum, you agree to be bound by the following terms and conditions, including any modifications to them from time to time, each time you receive any information from UBS Limited (the **Lead Dealer Manager**), SNS Securities N.V. (the **Co Dealer Manager**, and together with the Lead Dealer Manager, the **Dealer Managers** and each a **Dealer Manager**), Lucid Issuer Services Limited (the **Exchange Agent**) or SNS Bank N.V. (the **Company**) as a result of such access. Capitalised terms used but not otherwise defined in this disclaimer shall have the meaning given to them in the Exchange Offer Memorandum.

Confirmation of your representation: In order to be eligible to view the Exchange Offer Memorandum or make an investment decision with respect to the Exchange Offer (as defined below), you must be outside the United States and otherwise able to participate lawfully in the invitations by the Company to holders of the Existing Securities (as defined below) to offer to exchange any and all of their Existing Securities (the **Exchange Offer**) for New Exchange Securities (as defined below), on the terms and subject to the conditions set out in the Exchange Offer Memorandum including the offer and distribution restrictions set out on pages 6 to 8 therein (the **Offer and Distribution Restrictions**). The Exchange Offer Memorandum was sent at your request and by accessing the Exchange Offer Memorandum you shall be deemed to have represented to the Company, the Dealer Managers and the Exchange Agent that:

- (i) you are a holder or a beneficial owner of either or both of the €500,000,000 6.25 per cent. Subordinated Notes due 2020 (ISIN: XS0552743048) (the **Existing 2020 Securities**) and the €200,000,000 Subordinated Fixed Rate Notes due 2018 (ISIN: XS0363514893) (the **Existing 2018 Securities** and, together with the Existing 2020 Securities, the **Existing Securities**);
- (ii) you are not a U.S. person (as defined below) or a person located in the United States;
- (iii) you are otherwise a person to whom it is lawful to send the Exchange Offer Memorandum or to make an invitation pursuant to the Exchange Offer under applicable laws and regulations, including the Offer and Distribution Restrictions; and
- (iv) you consent to delivery of the Exchange Offer Memorandum by electronic transmission.

The Exchange Offer Memorandum has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of transmission and consequently none of the Company, the Dealer Managers, the Exchange Agent, or any person who controls, or any director, officer, employee, agent or affiliate of, any such person accepts any liability or responsibility whatsoever in respect of any difference between the Exchange Offer Memorandum distributed to you in electronic format and the hard copy version available to you on request from the Dealer Managers or the Exchange Agent, the contact details for each of which appear on the last page of the Exchange Offer Memorandum.

If you have sold or otherwise transferred all of your Existing Securities, please forward the Exchange Offer Memorandum to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee, provided (a) the Exchange Offer Memorandum may be lawfully delivered to such person in accordance with the

laws of the jurisdiction where such person is located or resident, and (b) such person confirms the representations given in (i) to (v) inclusive above.

THE EXCHANGE OFFER MEMORANDUM SHOULD NOT BE REPRODUCED IN ANY MANNER WHATSOEVER AND SAVE AS REFERRED TO IN THE PREVIOUS PARAGRAPH, SHOULD NOT BE FORWARDED OR DISTRIBUTED TO ANY PERSON OTHER THAN THE RECIPIENT. ANY SUCH FORWARDING OR DISTRIBUTION OR ANY REPRODUCTION OF THE EXCHANGE OFFER MEMORANDUM IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS RESTRICTION MAY RESULT IN A VIOLATION OF THE APPLICABLE LAWS OF CERTAIN JURISDICTIONS.

You are otherwise reminded that the Exchange Offer Memorandum has been sent to you on the basis that you are a person into whose possession the Exchange Offer Memorandum may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located or resident and, except as specified above, you may not, nor are you authorised to, deliver the Exchange Offer Memorandum, electronically or otherwise, to any other person.

The communication of the Exchange Offer Memorandum and any other documents or materials relating to the Exchange Offer is not being made, and such documents and/or materials have not been approved, by an authorised person for the purposes of Section 21 of the Financial Services and Markets Act 2000 (FSMA). Accordingly, such documents and/or materials are not being distributed to, and must not be passed on to, persons within the United Kingdom save in circumstances where section 21(1) of the FSMA does not apply. The communication of the Exchange Offer Memorandum is only being made to those persons in the United Kingdom falling within the definition of investment professionals (as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the **Order**)) or within Article 43 of the Order, or to other persons to whom it may otherwise lawfully be communicated by virtue of an exemption to section 21(1) of the FSMA or otherwise in circumstances where it does not apply (such persons together being **Relevant Persons**). **The Exchange Offer Memorandum is only available to Relevant Persons and the transactions contemplated herein will be available only to, or engaged in only with, Relevant Persons, and must not be relied or acted upon by persons other than Relevant Persons.**

Any materials relating to the Exchange Offer do not constitute, and may not be used in connection with, any form of offer or solicitation in any place where such offers or solicitations are not permitted by law. If a jurisdiction requires that the Exchange Offer be made by a licensed broker or dealer and either of the Dealer Managers or any of its respective affiliates is such a licensed broker or dealer in that jurisdiction, the Exchange Offer shall be deemed to be made by such Dealer Manager or such affiliate on behalf of the Company in such jurisdiction.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN INVITATION TO PARTICIPATE IN THE EXCHANGE OFFER OR AN OFFER OF SECURITIES FOR SALE IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE NEW EXCHANGE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE *SECURITIES ACT*), OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES, AND THE NEW EXCHANGE SECURITIES MAY NOT BE OFFERED, SOLD OR DELIVERED, DIRECTLY OR INDIRECTLY, WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATIONS S UNDER THE SECURITIES ACT).

The distribution of the Exchange Offer Memorandum in certain jurisdictions may be restricted by law. The Exchange Offer Memorandum may only be distributed outside the United States and to persons who are not U.S. persons. Persons into whose possession the Exchange Offer Memorandum comes are required by the Company, the Dealer Managers and the Exchange Agent to inform themselves about, and to observe, any such restrictions. No action has been or will be taken in any jurisdiction in relation to the Exchange Offer that would permit a public offering of securities.

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION TO ANY U.S. PERSON (AS DEFINED IN REGULATION S UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED) OR IN OR INTO OR TO ANY PERSON LOCATED OR RESIDENT IN OR AT ANY ADDRESS IN THE UNITED STATES OR TO ANY PERSON LOCATED OR RESIDENT IN ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DISTRIBUTE THIS EXCHANGE OFFER MEMORANDUM

This Exchange Offer Memorandum does not constitute an offer to buy or a solicitation of an offer to sell Existing Securities (as defined below) in any jurisdiction in which, or to or from any person to or from whom, it is unlawful to make such offer or solicitation under applicable securities laws or otherwise. The distribution of this document in certain jurisdictions (in particular, the United States, Italy, the United Kingdom, Belgium and France) may be restricted by law. See “*Offer and Distribution Restrictions*” on page 6 below. Persons into whose possession this document comes are required by each of the Dealer Managers, the Company and the Exchange Agent (each as defined below) to inform themselves about, and to observe, any such restrictions. No action that would permit a public offer has been or will be taken in any jurisdiction by the Company, the Dealer Managers or the Exchange Agent.

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

EXCHANGE OFFER MEMORANDUM dated 17 November 2011



Invitation by

SNS Bank N.V. (the Company)

(Incorporated as a public company with limited liability (naamloze vennootschap) in the Netherlands)
to the holders of its outstanding

€500,000,000 6.25 per cent. Subordinated Notes due 2020 (ISIN: XS0552743048) (the Existing 2020 Securities)
and

€200,000,000 Subordinated Fixed Rate Notes due 2018 (ISIN: XS0363514893) (the Existing 2018 Securities and, together with the Existing 2020 Securities, the Existing Securities);

to

offer to exchange any and all of such Existing Securities for

Euro denominated Fixed Rate Senior Notes due 2016 (the New Exchange Securities) to be issued by the Company under its €25,000,000,000 Debt Issuance Programme (the Programme)

The Company is making invitations to all holders of the Existing Securities (subject to the offer restrictions referred to in “*Offer and Distribution Restrictions*”) to offer to exchange any and all of their Existing Securities (the Exchange Offer) for New Exchange Securities, all as more fully described herein.

The Exchange Offer is being made upon the terms and subject to the conditions contained in this Exchange Offer Memorandum. The amount of the New Exchange Securities delivered in exchange for each €1,000 in outstanding principal amount of the Existing Securities tendered and accepted for exchange, subject to the Minimum Offer Amount, will be determined based on the Exchange Ratio (as defined in this Exchange Offer Memorandum).

In respect of the Exchange Offer, an amount equal to accrued and unpaid interest on the Existing Securities up to (but excluding) the Settlement Date as well as any Cash Rounding Amount, will be paid in cash on the Settlement Date, all as more fully described herein.

EXISTING SECURITIES

ISIN	Type	Coupon	Maturity Date	Aggregate amount outstanding	Exchange Price (%)	Rating
XS0552743048	Lower Tier 2	6.25%	26 October 2020	€500,000,000	73	BBB+ by Standard & Poor's Ratings Services and Baa2 by Moody's Investors Service
XS0363514893	Lower Tier 2	6.625%	14 May 2018	€195,800,000	80	BBB+ by Standard & Poor's Ratings Services and Baa2 by Moody's Investors Service

NEW EXCHANGE SECURITIES

Type	New Issue Yield	Maturity Date	Rating
Senior	450 bps over the Euro 5 Year Mid-Swap Rate	Expected to be 30 November 2016	The New Exchange Securities are expected to be rated A- by Standard & Poor's Ratings Services and Baa1 by Moody's Investors Service.

The Company will announce its decision whether to accept valid offers of Existing Securities tendered for exchange pursuant to the Exchange Offer together with the final aggregate nominal amount(s) of the Existing Securities accepted for

exchange (if any) and the aggregate principal amount of the New Exchange Securities to be issued as soon as reasonably practicable after the Pricing Time (as defined below), expected to be on 28 November 2011.

The Exchange Offer begins on 17 November 2011 and will expire at 5.00 p.m. (CET) on 25 November 2011 (such date or time, as the same may be amended, the **Expiration Deadline**), **unless extended, re-opened or terminated as provided in this Exchange Offer Memorandum.**

The Settlement Date for the Exchange Offer is expected to be 30 November 2011.

Holders (as defined below) wishing to participate in the Exchange Offer should do so in accordance with the procedures described herein under the heading "*Procedures for Participating in the Exchange Offer*" on page 24 herein. In order to participate in, and be eligible to receive New Exchange Securities in respect of Existing Securities, Holders must validly offer their Existing Securities for exchange by delivering, or arranging to have delivered on their behalf, a valid Instruction that is received by the Exchange Agent by (and not validly revoked prior to) the Expiration Deadline.

Subject to applicable law and as provided in this Exchange Offer Memorandum, the Company may, at its sole discretion, extend, re-open, amend, waive any condition of or terminate the Exchange Offer at any time. Details of any such extension, re-opening, amendment, waiver or termination will be announced as provided in this Exchange Offer Memorandum as soon as reasonably practicable after the relevant decision is made.

The Issuer may issue Additional New Securities (as defined below) on the Settlement Date in its sole discretion. It is expected that any such Additional New Securities will be fungible with the New Exchange Securities. The decision whether to issue Additional New Securities and their aggregate nominal amount will be announced following the Expiration Deadline.

Instructions submitted pursuant to the Exchange Offer and received by the Exchange Agent will be irrevocable except in the limited circumstances described in this Exchange Offer Memorandum under the heading "*Procedures for Participating in the Exchange Offer – Revocation of Instructions*".

This Exchange Offer Memorandum does not comprise a prospectus for the purposes of EU Directive 2003/71/EC, including the amending EU Directive 2010/73/EU (the **Prospectus Directive**). The definitive terms of the New Exchange Securities will be described in the New Exchange Securities Final Terms which should be read in conjunction with the Base Prospectus (as defined below).

Lead Dealer Manager

UBS INVESTMENT BANK

Co Dealer Manager

SNS SECURITIES N.V.

GENERAL

The Company accepts responsibility for the information contained in this Exchange Offer Memorandum. To the best of the knowledge of the Company (having taken all reasonable care to ensure that such is the case), the information contained in this Exchange Offer Memorandum is in accordance with the facts and does not omit anything likely to affect the import of such information.

This Exchange Offer Memorandum and the Documents Incorporated by Reference (as defined herein) contain important information which should be read carefully before any decision is made with respect to the Exchange Offer. If any Holder is in any doubt as to the action it should take, it is recommended to seek its own financial advice, including as to any tax consequences, from its stockbroker, bank manager, solicitor, accountant or other independent financial adviser. Prior to making a decision as to whether to offer to exchange Existing Securities pursuant to the Exchange Offer, Holders of Existing Securities should carefully consider all of the information in this Exchange Offer Memorandum and, in particular, the risk factors described in “*Risk Factors and Other Considerations*” on page 9 herein and in the Base Prospectus (as defined herein).

Any individual or company whose Existing Securities are held on its behalf by a broker, dealer, bank, custodian, trust company or other nominee must contact such entity if it wishes to tender such Existing Securities in the Exchange Offer.

The Exchange Offer does not constitute an offer to buy or the solicitation of an offer to sell the Existing Securities and/or New Exchange Securities in any circumstances or jurisdiction in which such offer or solicitation is unlawful. The Exchange Offer is not being made, and any instructions relating to the Exchange Offer will not be accepted from, or on behalf of, Holders in any jurisdiction in which the making of the Exchange Offer would not be in compliance with the laws or regulations of such jurisdictions. See “*Offer and Distribution Restrictions*”.

None of UBS Limited (the **Lead Dealer Manager**), SNS Securities N.V. (the **Co Dealer Manager**, and together with the Lead Dealer Manager, the **Dealer Managers** and each a **Dealer Manager**), Lucid Issuer Services Limited (the **Exchange Agent**) or the Company (or their respective directors, employees or affiliates) makes any recommendation whether Holders should tender Existing Securities and accept the New Exchange Securities in the Exchange Offer.

Each Holder is solely responsible for making its own independent appraisal of all matters as such Holder deems appropriate (including those relating to the Exchange Offer, the Exchange Offer Memorandum, the Company and the New Exchange Securities) and each Holder must make its own decision as to whether to participate in the Exchange Offer. Accordingly, each person receiving this Exchange Offer Memorandum acknowledges that such person has not relied upon the Company, the Dealer Managers or the Exchange Agent in connection with its decision as to whether to participate in the Exchange Offer. Each such person must make its own analysis and investigations regarding the Exchange Offer, with particular reference to its own investment objectives and experience, and any other factors which may be relevant to it. If such person is in any doubt about any aspect of the Exchange Offer and/or the action it should take, including in respect of any tax consequences it should consult its professional advisers.

None of the Dealer Managers, the Exchange Agent or their respective directors, employees or affiliates assumes any responsibility for the accuracy or completeness of the information concerning the Exchange Offer or the Company contained in this Exchange Offer Memorandum or for any failure by the Company to disclose events that may have occurred and may affect the significance or accuracy of the information in this Exchange Offer Memorandum.

Neither the delivery of this Exchange Offer Memorandum nor any exchange of Existing Securities pursuant to the Exchange Offer shall, under any circumstances, create any implication that the information contained in this Exchange Offer Memorandum is current as of any time subsequent to the date of such information or that there has been no change in the information set out in it or in the affairs of the Company since the date of this Exchange Offer Memorandum.

No person has been authorised in connection with the Exchange Offer to give any information or to make any representation about the Company or the Exchange Offer or otherwise other than as is consistent with this Exchange Offer Memorandum and, if given or made, any such information or representation must not be relied upon as having been authorised by the Company, the Dealer Managers, the Exchange Agent, or any of their affiliates or respective agents.

If any Holder has sold or otherwise transferred all of its Existing Securities it should forward this document (subject to the offer and distribution restrictions set out in “*Offer and Distribution Restrictions*”) to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee.

Holder who do not participate in the Exchange Offer, who are not eligible to participate in the Exchange Offer (whether due to the offer restrictions referred to in “*Offer and Distribution Restrictions*” or otherwise) or whose Existing Securities are not accepted for exchange by the Company, will continue to hold their Existing Securities subject to their terms and conditions.

Questions and requests for assistance in connection with: (i) the Exchange Offer, may be directed to either of the Dealer Managers; and (ii) the delivery of Instructions, may be directed to the Exchange Agent, the contact details for all of which are on the last page of this Exchange Offer Memorandum.

Unless the context otherwise requires, references in this Exchange Offer Memorandum to **Holders** or **holders of Existing Securities** include:

- (i) each person who is shown in the records of Euroclear Bank S.A./N.V. (**Euroclear**) or Clearstream Banking, *société anonyme* (**Clearstream, Luxembourg** and, together with Euroclear, the **Clearing Systems** and each a **Clearing System**) as a holder of the Existing Securities (each a **Direct Participant**); and
- (ii) each beneficial owner of the Existing Securities holding such Existing Securities, directly or indirectly, in an account in the name of a Direct Participant acting on the beneficial owner’s behalf,

except that for the purposes of the exchange of any Existing Securities for New Exchange Securities pursuant to the Exchange Offer and the payment of any applicable Accrued Interest Amount and Cash Rounding Amount to the extent the beneficial owner of the relevant Existing Securities is not a Direct Participant, the relevant New Exchange Securities will only be delivered and such payments will only be made to the relevant Direct Participant and the delivery of such New Exchange Securities and making of such payment of the Accrued Interest Amount and Cash Rounding Amount to the relevant Clearing System and by the relevant Clearing System to such Direct Participant will satisfy any obligations of the Company and the relevant Clearing System in respect of such Existing Securities.

Unless otherwise defined herein or the context otherwise requires, capitalised expressions used in this Exchange Offer Memorandum shall have the meanings set out under “*Certain Definitions*” on page 13 herein. References in this Exchange Offer Memorandum to **EUR**, **euro** and **€** refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended.

Copies of this Exchange Offer Memorandum and the Documents Incorporated by Reference are available to eligible Holders on request, subject to applicable laws and the restrictions set out in “*Offer and Distribution Restrictions*”, from the Exchange Agent and the Dealer Managers, the contact details for each of which appear on the last page of this Exchange Offer Memorandum (see “*Documents Incorporated by Reference*” on page 16 herein for further information).

For the avoidance of doubt, the invitation by the Company to Holders to participate in the Exchange Offer is an invitation to treat by the Company, and any references to any offer or invitation being made by the Company under or in respect of the Exchange Offer shall be construed accordingly.

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OFFER AND DISTRIBUTION RESTRICTIONS

General

The distribution of this Exchange Offer Memorandum in certain jurisdictions may be restricted by law. Persons into whose possession this Exchange Offer Memorandum comes are required by the Company, the Dealer Managers and the Exchange Agent to inform themselves about and to observe any such restrictions.

The Dealer Managers and the Exchange Agent (and their respective directors, employees or affiliates) make no representations or recommendations whatsoever regarding this Exchange Offer Memorandum or the Exchange Offer. The Exchange Agent is the agent of the Company and owes no duty to any Holder. None of the Company, the Dealer Managers or the Exchange Agent makes any recommendation as to whether or not Holders should participate in the Exchange Offer or refrain from taking any action in the Exchange Offer with respect to any of such Holder's Existing Securities, and none of them has authorised any person to make any such recommendation.

This Exchange Offer Memorandum does not constitute an invitation to participate in the Exchange Offer in any jurisdiction in which, or to any person to whom, it is unlawful to make such invitation or for there to be such participation under applicable laws. In those jurisdictions where the securities, blue sky or other laws require the Exchange Offer to be made by a licensed broker or dealer and either of the Dealer Managers or any of its affiliates is such a licensed broker or dealer in such jurisdictions, the Exchange Offer shall be deemed to be made on behalf of the Company by such Dealer Manager or such affiliate, as the case may be, and the Exchange Offer is not made in any such jurisdiction where any of the Dealer Managers or its affiliates is not so licensed.

No action has been or will be taken in any jurisdiction by the Company, the Dealer Managers or the Exchange Agent that would permit a public offering of the New Exchange Securities.

In addition to the representations referred to below in respect of the United States, each Holder participating in the Exchange Offer will also be deemed to give certain other representations as set out in "*Procedures for Participating in the Exchange Offer*". Any offer of Existing Securities for exchange pursuant to the Exchange Offer from a Holder that is unable to make these representations will not be accepted. Each of the Company, the Dealer Managers and the Exchange Agent reserve the right, in their absolute discretion, to investigate, in relation to any offer by a Holder of Existing Securities for exchange pursuant to the Exchange Offer, whether any such representation given by a Holder is correct and, if such investigation is undertaken and as a result the Company determines (for any reason and in its absolute discretion) that such representation is not correct, such offer shall not be accepted.

United States

The Exchange Offer is not being made, and will not be made, directly or indirectly, in or into, or by use of the mail of, or by any means or instrumentality of interstate or foreign commerce of or of any facilities of a national securities exchange of, the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act). This includes, but is not limited to, facsimile transmission, electronic mail, telex, telephone and the internet. Accordingly, copies of this Exchange Offer Memorandum and any other documents or materials relating to the Exchange Offer is not being, and must not be, directly or indirectly, mailed or otherwise transmitted, distributed or forwarded (including without limitation, by custodians, nominees or trustees) in or into the United States or to persons located or resident in the United States or to U.S. persons and the Existing Securities cannot be Offered for Exchange by any such use, means, instruments or facilities or from within the United States or by U.S. persons. Any purported Offer to Exchange Existing Securities resulting directly or indirectly from a violation of these restrictions will be invalid, and any purported

Offer to Exchange made by a U.S. person, a person located or resident in the United States or from within the United States or from any agent, fiduciary or other intermediary acting on a non-discretionary basis for a principal giving instructions from within the United States or for a U.S. person will be invalid and will not be accepted.

This Exchange Offer Memorandum is not an offer of securities for sale in the United States or to U.S. persons. None of the Existing Securities and the New Exchange Securities have been, or will be, registered under the Securities Act or the securities laws of any state or jurisdiction of the United States, and may not be offered, sold or delivered, directly or indirectly, in the United States or to, or for the account or benefit of U.S. persons. The purpose of this Exchange Offer Memorandum is limited to the Exchange Offer, and this Exchange Offer Memorandum may not be sent or given to any person other than in an offshore transaction in accordance with Regulation S under the Securities Act.

Each Holder of Existing Securities participating in the Exchange Offer will represent that it is participating in the Exchange Offer in accordance with Regulation S under the Securities Act and that it is not participating in the Exchange Offer from within the United States nor is it a U.S. person or an agent, fiduciary or other intermediary acting on a non-discretionary basis for a principal giving instructions from within the United States or for a U.S. person.

European Economic Area

The Exchange Offer is only being made, and the New Exchange Securities are only being offered, to Holders in any Member State of the European Economic Area that individually are offering to exchange such nominal amount of Existing Securities as will, when multiplied by the applicable Exchange Price, be equal to or greater than €50,000 (or, in any Member State of the European Economic Area which has implemented the amendment referred to in Article 3(a)(i)(2)(c) of the Prospectus Directive Amending Directive (2010/73/EU), €100,000).

Italy

None of the Exchange Offer, this Exchange Offer Memorandum or any other documents or materials relating to the Exchange Offer have been or will be submitted to the clearance procedure of the *Commissione Nazionale per le Società e la Borsa (CONSOB)*.

Accordingly, the Exchange Offer may only be carried out in Italy pursuant to an exemption under article 101-bis, paragraph 3-bis of the Legislative Decree No. 58 of 24 February 1998, as amended (the **Financial Services Act**) and article 35-bis, paragraph 4, letter b) of CONSOB Regulation No. 11971 of 14 May 1999, as amended.

Holdings or beneficial owners of the Existing Securities can exchange the Existing Securities through authorised persons (such as investment firms, banks or financial intermediaries permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, CONSOB Regulation No. 16190 of 29 October 2007, as amended from time to time, and Legislative Decree No. 385 of November 1, 1993, as amended) and in compliance with applicable laws and regulations or with requirements imposed by CONSOB or any other Italian authority.

United Kingdom

The communication of this Exchange Offer Memorandum and any other documents or materials relating to the Exchange Offer is not being made and such documents and/or materials have not been approved by an authorised person for the purposes of section 21 of the Financial Services and Markets Act 2000 (**FSMA**). Accordingly, such documents and/or materials are not being distributed to, and must not be passed on to, persons in the United Kingdom save in circumstances where section 21(1) of the FSMA does not apply. The communication of this Exchange Offer Memorandum is only being made to those persons in the United Kingdom falling within the definition of investment professionals (as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion)

Order 2005 (the **Order**) or within Article 43 of the Order, or to other persons to whom it may otherwise lawfully be communicated by virtue of an exemption to section 21(1) of the FSMA or otherwise in circumstances where it does not apply.

Grand Duchy of Luxembourg

Under no circumstances shall the Exchange Offer constitute an offer to sell, or issue or the solicitation of an offer to buy or subscribe for New Exchange Securities in the Grand Duchy of Luxembourg.

Switzerland

The New Exchange Securities may not be publicly offered, sold or advertised, directly or indirectly, in or from Switzerland. Neither this Exchange Offer Memorandum nor any other offering or marketing material relating to the Company or the New Exchange Securities constitutes a prospectus as that term is understood pursuant to article 652a or 1156 of the Swiss Federal Code of Obligations, and neither this Exchange Offer Memorandum nor any other offering material relating to the Company or the Exchange Securities may be publicly distributed or otherwise made publicly available in Switzerland. No application has been made, and no application will be made, for a listing of the New Exchange Securities on the SIX Swiss Exchange, and consequently, the information presented in this Exchange Offer Memorandum does not necessarily comply with the information standards set out in the relevant listing rules of the SIX Swiss Exchange. The Exchange Securities have not been registered, nor are they going to be registered, with the Swiss Federal Market Supervisory Authority (**FINMA**) as foreign investment funds, and the investor protection afforded to acquirers of investment fund certificates does not extend to acquirers of the New Exchange Securities.

France

The Exchange Offer is not being made, directly or indirectly, to the public in the Republic of France (**France**) and only qualified investors (*Investisseurs Qualifiés*) other than individuals, as defined in and in accordance with Articles L.411-1, L.411-2 and D.411-1 to D.411-3 of the French *Code Monétaire et Financier* are eligible to participate in the Exchange Offer. This Exchange Offer Memorandum and any other offering material relating to the Exchange Offer have not been and shall not be distributed to the public in France. Neither this Exchange Offer Memorandum nor any other offering material relating to the Exchange Offer has been submitted to the clearance of the *Autorité des Marchés Financiers*.

RISK FACTORS AND OTHER CONSIDERATIONS

Before making a decision whether to offer Existing Securities for exchange pursuant to the Exchange Offer, Holders should carefully consider all of the information in this Exchange Offer Memorandum and, in particular, the following factors and the factors in the section headed “Risk Factors” in the Base Prospectus.

Uncertainty as to the trading market for Existing Securities not exchanged

To the extent any Existing Securities are offered by Holders, and accepted by the Company, for exchange pursuant to the Exchange Offer, the trading markets for Existing Securities that remain outstanding may be significantly more limited. Such remaining Existing Securities may command a lower market price than would a comparable issue of debt securities with greater market liquidity. A reduced market value and liquidity may also make the trading price of such Existing Securities more volatile. As a result, the market price for any Existing Securities that remain outstanding after completion of the Exchange Offer may be adversely affected as a result of the Exchange Offer. None of the Company, the Dealer Managers or the Exchange Agent has any duty to make a market in the Existing Securities that remain outstanding.

Uncertainty as to the trading market for the New Exchange Securities

The Company does not intend to make any application for admission to trading of the New Exchange Securities on any market other than Euronext Amsterdam. The New Exchange Securities are securities for which there is currently no trading market and for which there can be no assurance of future liquidity.

Responsibility for complying with the procedures of the Exchange Offer

Holders are responsible for complying with all of the procedures for submitting Instructions and exchanging Existing Securities pursuant to the terms of this Exchange Offer Memorandum. None of the Company, the Dealer Managers or the Exchange Agent assumes any responsibility for informing any Holder of irregularities with respect to any Instruction.

No assurance the Exchange Offer will be completed

Until the announcement by the Company as to whether it accepts offers of Existing Securities for exchange in the Exchange Offer, which it expects to do on 28 November 2011, no assurance can be given that the Exchange Offer will be completed.

Extension, re-opening, amendment, waiver or termination of the Exchange Offer

Subject to applicable law and as provided in this Exchange Offer Memorandum, the Company may, at its sole discretion, extend, re-open, amend, waive any condition of or terminate the Exchange Offer at any time. Details of any such extension, re-opening, amendment, waiver or termination will be announced as provided in this Exchange Offer Memorandum as soon as reasonably practicable after the relevant decision is made.

No obligation to Accept Offers to Exchange

The Company is under no obligation to accept, and shall have no liability to any person for any non-acceptance of, Offers to Exchange. Offers to Exchange may be rejected in the sole discretion of the Company for any reason and the Company is under no obligation to furnish any reason or justification for refusing to accept an Offer to Exchange. For example, Existing Securities offered for exchange pursuant to the Exchange Offer may be rejected if the Exchange Offer is terminated, if an Offer to Exchange does not comply with the relevant requirements of a particular jurisdiction or for any other reason.

Irrevocability of Instructions

Under the Exchange Offer, Instructions will be irrevocable except in the limited circumstances described in “*Procedures for Participating in the Exchange Offer - Revocation of Instructions*”.

Compliance with offer and distribution restrictions

Holder are referred to the offer and distribution restrictions as set out in “*Offer and Distribution Restrictions*” and the agreements, acknowledgements, representations, warranties and undertakings as set out in “*Procedures for participating in the Exchange Offer - Holders’ representations, warranties and undertakings*” which Holders will be deemed to make on submission of an Instruction. Non-compliance with these could result in, among other things, the unwinding of trades and/or heavy penalties.

Differences between the Existing Securities and the New Exchange Securities

There are a significant number of differences between the terms and conditions of the Existing Securities and the New Exchange Securities Conditions, including those specified in “*Comparison Between Certain Provisions of the Existing Securities and the New Exchange Securities*” on page 21 herein. Most notably, the Existing Securities are subordinated securities which qualify as lower tier 2 capital of the Company, whereas the New Exchange Securities are senior and unsubordinated obligations of the Company. The New Exchange Securities Conditions are set out in Chapter 2, part 1 of the Base Prospectus (which is available on request from any of the Exchange Agent or the Dealer Managers and is incorporated by reference into this Exchange Offer Memorandum) and the New Exchange Securities Final Terms. Holders should review this Exchange Offer Memorandum, the Base Prospectus and the New Exchange Securities Conditions in their entirety before making a decision whether to offer Existing Securities for exchange. In particular, attention is also drawn to the section headed “*Risk Factors*” in the Base Prospectus.

Restrictions on transfer of Existing Securities

When considering whether to participate in the Exchange Offer, Holders should take into account that restrictions on the transfer of Existing Securities by Holders will apply from the time of submission of the Instructions. A Holder will, on submitting an Instruction, agree that its Existing Securities will be blocked in the relevant account in the relevant Clearing System, as the case may be from the date the relevant Instruction is submitted until the earlier of (i) the time of settlement on the Settlement Date and (ii) the date of any termination of the Exchange Offer or on which the Instruction is revoked, in the limited circumstances in which such revocation is permitted.

Minimum denominations of the Existing 2020 Securities

A Holder whose Existing 2020 Securities are accepted for purchase pursuant to the Exchange Offer and who, following exchange of the Existing 2020 Securities on the Settlement Date, continues to hold in its account with the relevant Clearing System further Existing 2020 Securities in a nominal amount outstanding of less than €50,000 (being the minimum denomination of the Existing 2020 Securities), would need to purchase a nominal amount of Existing 2020 Securities such that its holding amounts to at least €50,000 before the Existing 2020 Securities it continues to hold may be traded in the Clearing Systems.

Other repurchases or redemption of Existing Securities

Whether or not the Exchange Offer is completed, the Company and its affiliates may, to the extent permitted by applicable law, continue to acquire, from time to time after the Exchange Offer, Existing Securities other than pursuant to the Exchange Offer, including through open market repurchases, privately negotiated transactions, tender offers, exchange offers or otherwise, upon such terms and at such prices as they may determine, which may be more or less than the prices to be paid pursuant to

the Exchange Offer and could be for cash or other consideration or otherwise on terms more or less favourable than those contemplated in the Exchange Offer.

Responsibility to consult advisers

None of the Company, the Dealer Managers or the Exchange Agent makes any recommendation whether Holders should Offer for Exchange their Existing Securities or refrain from taking any action in the Exchange Offer with respect to any of such Holder's Existing Securities and none of them has authorised any person to make any such recommendation.

Holders should consult their own tax, accounting, financial and legal advisers regarding the suitability to themselves of the tax, accounting, legal, financial or other consequences of participating in the Exchange Offer.

Holders are advised to check with the bank, securities broker, each Clearing System or other intermediary through which they hold their Existing Securities whether such intermediary applies different deadlines for any of the events specified in this Exchange Offer Memorandum, and then to allow for such deadlines which will be prior to the deadlines set out in this Exchange Offer Memorandum.

INDICATIVE TIMETABLE OF THE EXCHANGE OFFER

The following table sets out the expected dates and times of the key events relating to the Exchange Offer. This is an indicative timetable and is subject to change. Any publication or notification will be made as soon as practicable after the relevant event hereunder.

Event	Date and time (all times are CET)
<i>Announcement of the Exchange Offer</i> Exchange Offer announced and Exchange Offer Memorandum available to eligible Holders from the Exchange Agent and published on a Notifying News Service. Exchange Offer Memorandum circulated by the Exchange Agent to eligible recipients upon request.	17 November 2011
<i>Expiration Deadline</i> Deadline for receipt by the Exchange Agent of all Instructions.	25 November 2011 at 5.00 p.m.
<i>Pricing Time</i> Determination of (i) the Euro 5 Year Swap Rates and calculation of the Euro 5 Year Mid-Swap Rate, the New Issue Yield, the New Issue Interest Rate and the New Issue Price and (ii) the Exchange Ratios.	28 November 2011 at or around 3.00 p.m.
<i>Announcement of Exchange Offer Results and New Issue Pricing</i> Announcement by the Company in relation to the Exchange Offer setting out: (i) details of Euro 5 Year Mid-Swap Rate, the New Issue Yield, the New Issue Interest Rate and the New Issue Price and the Exchange Ratios, (ii) the aggregate nominal amount of Existing Securities accepted for exchange by the Company; (iii) the aggregate nominal amount of any New Exchange Securities to be issued and (iv) the aggregate nominal amount of any Additional New Securities.	As soon as reasonably practicable after the Pricing Time
<i>Settlement</i> Settlement Date for the Exchange Offer, including (i) delivery of the New Exchange Securities, in exchange for the Existing Securities validly Offered for Exchange and accepted for exchange pursuant to the Exchange Offer, (ii) delivery of any Additional New Securities and (iii) payment of any Accrued Interest Amount and Cash Rounding Amounts.	On or about 30 November 2011

The above dates and times are subject, where applicable, to the right of the Company to extend, re-open, amend, and/or terminate the Exchange Offer. Holders are advised to check with any bank, securities broker or other intermediary through which they hold Existing Securities whether such intermediary would require to receive instructions to participate in the Exchange Offer before the deadlines specified above. The deadlines set by each Clearing System for the submission of Instructions will also be earlier than the relevant deadlines above. See "Procedures for Participating in the Exchange Offer".

Unless stated otherwise, announcements in relation to the Exchange Offer will be made by publication on the Luxembourg Stock Exchange's website at www.bourse.lu. Such announcements may also be found on the relevant Reuters International Insider Screen and be made by (i) the issue of a press release to a Notifying News Service and (ii) the delivery of notices to the Clearing Systems for communication to Direct Participants. Copies of all announcements, notices and press releases can also be obtained from the Exchange Agent, the contact details for which are on the last page of this Exchange Offer Memorandum.

CERTAIN DEFINITIONS

Accrued Interest	An amount equal to interest accrued and unpaid on the Existing Securities, from (and including) the immediately preceding interest payment date in respect of such Existing Securities, to (but excluding) the Settlement Date, calculated in accordance with the terms and conditions of the Existing Securities.
Accrued Interest Amount	An amount in euro (rounded to the nearest €0.01, with half a cent being rounded upwards) paid or procured to be paid, by the Company in relation to the Exchange Offer on the Settlement Date to the Clearing Systems for onward payment to each relevant Holder, such amount being equal to the Accrued Interest on each of the Existing Securities validly offered for exchange pursuant to the Exchange Offer and accepted by the Company pursuant to the Exchange Offer.
Additional New Securities	Any further securities issued by the Company for subscription for cash on the same terms as, and expected to be fungible with, the New Exchange Securities, as described under " <i>The Exchange Offer– Additional New Securities</i> ".
Announcement of Exchange Offer Results and New Issue Pricing	Announcement which the Company intends to release on 28 November setting out: (i) details of Euro 5 Year Mid-Swap Rate, the New Issue Yield, the New Issue Interest Rate and the New Issue Price and the Exchange Ratios, (ii) the aggregate nominal amount of Existing Securities accepted for exchange by the Company; (iii) the aggregate nominal amount of any New Exchange Securities to be issued on the Settlement Date and (iv) the aggregate nominal amount of any Additional New Securities to be issued on the Settlement Date.
Base Prospectus	The Base Prospectus for the Programme dated 11 July 2011 as supplemented, together with any supplementary prospectuses published after the date of this Exchange Offer Memorandum but prior to the Settlement Date, in each case relating to the Programme.
Bloomberg Screen ICAE1 Page	The display page on the Bloomberg Professional Service designated as the "ICAIE1" page (or such other page as may replace it on that information service), or on such other equivalent information service as determined by the Dealer Managers, for the purpose of displaying the bid and offered swap rates for the relevant euro swap transactions.
Business Day	A day other than a Saturday or a Sunday or a public holiday on which commercial banks and foreign exchange markets are open for business in Amsterdam.
Cash Rounding Amount	The amount in cash (rounded to the nearest €0.01, with half a cent rounded upwards) to be paid or procured to be paid, by the Company to each relevant Holder on the Settlement Date for any fractional portion of New Exchange Securities such Holder would otherwise be entitled to receive as a result of the application of the Exchange Ratio that is not an integral multiple of €1,000, as the case may be, as determined in the manner described in " <i>The Exchange Offer– Cash Rounding Amount</i> ".
CET	Central European Time.

Clearing Systems	Euroclear and Clearstream, Luxembourg.
Clearing System Notice	The notice to be sent to Direct Participants by the Clearing Systems on or about the date of this Exchange Offer Memorandum informing Direct Participants of the procedures to be followed in order to participate in the Exchange Offer.
Clearstream, Luxembourg Company	Clearstream Banking, <i>société anonyme</i> . SNS Bank N.V. (incorporated as a public company with limited liability (<i>naamloze vennootschap</i>) in the Netherlands).
Co Dealer Manager	SNS Securities N.V.
Dealer Managers	The Lead Dealer Manager and the Co Dealer Manager.
Direct Participant	Each person shown in the records of the Clearing Systems as a holder of Existing Securities.
Euro 5 Year Mid Swap Rate	The mid-market arithmetic mean (expressed as a percentage and rounded up to the nearest 0.001 per cent. of the Euro 5 Year Swap Rates, as calculated by the Dealer Managers at the Pricing Time.
Euro 5 Year Swap Rates	The bid and offered swap rates for euro swap transactions with a maturity of 5 years, which appear on the Bloomberg Screen ICAE1 Page.
Euroclear	Euroclear Bank S.A./N.V.
Euronext Amsterdam	NYSE Euronext in Amsterdam.
Exchange Agent	Lucid Issuer Services Limited
Exchange Offer	The invitations by the Company to all Holders of Existing Securities (subject to the offer restrictions set out in “ <i>Offer and Distribution Restrictions</i> ”) to offer to exchange any and all of their Existing Securities for New Exchange Securities.
Exchange Price	The exchange price of (i) 73 per cent. for the Existing 2020 Securities and (ii) 80 per cent. for the Existing 2018 Securities that will in each case be used in the calculation of the relevant Exchange Ratio.
Exchange Ratio	The ratio (rounded down to the nearest 0.000001) that will determine the aggregate nominal amount of the relevant New Exchange Securities that each Holder whose Existing Securities are accepted for exchange pursuant to the Exchange Offer will receive on the Settlement Date, calculated by dividing the Exchange Price of the relevant series of Existing Securities by the New Issue Price.
Existing Securities	€500,000,000 6.25 per cent. Subordinated Notes due 2020 (ISIN: XS0552743048) (the Existing 2020 Securities) and the €200,000,000 Subordinated Fixed Rate Notes due 2018 (ISIN: XS0363514893) (the Existing 2018 Securities).
Expiration Date	25 November 2011 (subject to the right of the Company, at its sole discretion, to extend such date in relation to the Exchange Offer).
Expiration Deadline	5.00 p.m. CET on the Expiration Date (subject to the right of the Company (at its sole discretion) to extend, re-open, amend and/or terminate the Exchange Offer).
 Holders	Holders of Existing Securities, and each a Holder .
Instructions	The electronic exchange and blocking instruction in the form

	specified in the applicable Clearing System Notice for submission by Direct Participants to the Exchange Agent via the relevant Clearing System and in accordance with the requirements of such Clearing System by the relevant deadlines in order for Holders to be able to participate in the Exchange Offer.
Lead Dealer Manager	UBS Limited.
Margin	450 bps
Minimum Offer Amount	The nominal amount of the Existing Securities that must be validly offered for exchange in order to participate in the Exchange Offer being an aggregate amount such that after the application of the Exchange Ratio a Holder is eligible to receive a nominal amount of New Exchange Securities of at least €50,000.
New Exchange Securities	The euro denominated Fixed Rate Senior Notes due 2016 to be issued by the Company under the Programme, for which Existing Securities validly offered for exchange and accepted for exchange pursuant to the Exchange Offer will be exchanged. The form of New Exchange Securities Final Terms are set out in “ <i>Annex – Form of New Exchange Securities Final Terms</i> ”.
New Exchange Securities Conditions	The terms and conditions of the New Exchange Securities set out in Chapter 2, part 1 on pages 87 to 115 (inclusive) of the Base Prospectus, and as completed by the New Exchange Securities Final Terms.
New Exchange Securities Final Terms	The final terms relating to and completing the New Exchange Securities Conditions, which are set out in “ <i>Annex – New Exchange Securities Final Terms</i> ” (which should be read in conjunction with the Results Announcement).
New Issue Interest Rate	The interest rate applicable to the New Exchange Securities and the Additional New Securities, to be determined in the manner described in “ <i>The Exchange Offer – Pricing of the New Exchange Securities</i> ”.
New Issue Price	The issue price of the New Exchange Securities and the Additional New Securities, expressed as a percentage and rounded to the nearest 0.001 per cent., to be determined in the manner described in “ <i>The Exchange Offer – Pricing of the New Exchange Securities</i> ”.
New Issue Yield	The sum of the Margin and the Euro 5 Year Mid-Swap Rate.
Notifying News Service	A recognised financial news service or services (e.g. Reuters/Bloomberg) as selected by the Company.
Offer to Exchange	The making of an offer by a Holder to the Company to exchange its Existing Securities for New Exchange Securities, in each case made pursuant to the Exchange Offer, and Offers to Exchange, Offered for Exchange and Offering to Exchange shall be construed accordingly.
Pricing Time	At or around 3:00 p.m. (CET) on 28 November 2011, when the Euro 5 Year Swap Rates are to be determined and the Euro 5 Year Mid-Swap Rate, the New Issue Yield, the relevant Exchange Ratios, the New Issue Interest Rate and the New Issue Price are to be calculated.
Programme	The EUR 25,000,000,000 Debt Issuance Programme of the Company.

Securities Act
Settlement Date

The United States Securities Act of 1933, as amended.

30 November 2011 (subject to the right of the Company (at its sole discretion) to extend, re-open, amend and/or terminate the Exchange Offer).

DOCUMENTS INCORPORATED BY REFERENCE

The Base Prospectus (including the documents incorporated by reference therein) (the **Documents Incorporated by Reference**) shall be deemed to be incorporated in and to form part of this Exchange Offer Memorandum and is available on request from the Exchange Agent or the Dealer Managers and is available on the website of the Company at www.snsreaal.com. Contact details for each such entity are set out at the back of this Exchange Offer Memorandum. Eligible Holders should assess each such document before deciding whether to accept the Exchange Offer. Eligible Holders should note that they will be deemed to have represented that they have reviewed and understood such documents in order to accept validly the Exchange Offer.

THE EXCHANGE OFFER

Rationale for the Exchange Offer

With the Exchange Offer, the Company is able to improve and strengthen the quality of its capital through the creation of Core Tier 1 capital and enhance the efficiency of its capital base in light of CRD IV as part of a long term plan to manage its liabilities and capital structure. The Exchange Offer will also optimise the Company's liquidity profile being refinanced with senior unsecured funding. The Exchange Offer also provides investors with an opportunity to manage their investment portfolios and exchange Existing Securities for New Exchange Securities issued by the Company.

Exchange Offer

The Company invites Holders of Existing Securities (subject to offer restrictions – see “*Offer and Distribution Restrictions*”, and upon the terms and subject to the conditions contained in this Exchange Offer Memorandum), to Offer to Exchange any and all of their Existing Securities for the New Exchange Securities pursuant to the Exchange Offer.

The Exchange Offer begins on 17 November 2011 and will expire at the Expiration Deadline, unless the period for the Exchange Offer is extended, reopened or terminated, in each case, as provided in this Exchange Offer Memorandum.

Eligible Holders who have validly Offered to Exchange their Existing Securities by the Expiration Deadline will, if their Offers to Exchange are accepted for exchange pursuant to the Exchange Offer, receive New Exchange Securities in a principal amount equal to (i) the product of the aggregate principal amount of such Existing Securities and (ii) the Exchange Ratio for such Existing Securities. Such Holders will also receive any applicable Accrued Interest Amount and Cash Rounding Amount.

Exchange Offer – Exchange Ratio

Holders of Existing Securities accepted by the Company for exchange pursuant to the Exchange Offer will receive, on the Settlement Date, an aggregate nominal amount of the New Exchange Securities which will be calculated by reference to:

- (a) the Exchange Price for the relevant Existing Securities of (i) 73 per cent. for the Existing 2020 Securities; and (ii) 80 per cent. for the Existing 2018 Securities;
- (b) the New Issue Price; and
- (c) the resulting Exchange Ratio (rounded down to the nearest 0.000001) calculated by dividing the relevant Exchange Price above for the relevant Existing Securities by the New Issue Price.

Accrued interest

On the Settlement Date, the Company will pay or procure the payment to all Holders who have validly Offered to Exchange their Existing Securities pursuant to the Exchange Offer and which Existing Securities are accepted for exchange, an amount in cash equal to interest accrued and unpaid on such Existing Securities from (and including) the immediately preceding interest payment date in respect of the Existing Securities up to (but excluding) the Settlement Date (which will form the Accrued Interest Amount).

Provided that the New Exchange Securities and the relevant funds have been deposited with the Clearing Systems on or before the Settlement Date, no additional interest or other amount will be payable for the period of any delay in respect of the receipt by the Holder of the New Exchange Securities or the Accrued Interest Amount.

Cash Rounding Amount

If, as a result of the application of the Exchange Ratio, a Holder would be entitled to receive New Exchange Securities with an aggregate nominal amount that is not an integral multiple of €1,000, the Company will pay or procure to be paid to such Holder on the Settlement Date an amount in cash (the **Cash Rounding Amount**) equal to (i) the fractional portion of such aggregate nominal amount that is not such an integral multiple, multiplied by (ii) the New Issue Price (rounded to the nearest €0.01, with half a cent rounded upwards).

Minimum Offer Amount

To participate in the Exchange Offer, Holders must validly offer for exchange such nominal amount of the Existing Securities in denominations of €50,000 and integral multiples of €1,000 thereof (in the case of the Existing 2020 Securities) and in denominations of €50,000 (in the case of the 2018 Securities) that after the application of the relevant Exchange Ratio a Holder is eligible to receive a nominal amount of New Exchange Securities of at least €50,000. In order to be able to participate in the Exchange Offer, a Holder that does not meet this condition must first acquire such further Existing Securities as is necessary for that Holder to be able to offer for exchange the Minimum Offer Amount.

Pricing of the New Exchange Securities

At or around 3:00 p.m. (CET) on the Business Day following the Expiration Deadline (the time of such determination, the **Pricing Time**), the Dealer Managers will determine the Euro 5 Year Swap Rates and then calculate the Euro 5 Year Mid-Swap Rate, the New Issue Yield, the New Issue Interest Rate and the New Issue Price for the New Exchange Securities and the Additional New Securities and the relevant Exchange Ratios for the Existing Securities.

The Margin of 450 bps will be used to calculate the New Issue Price and the New Issue Interest Rate.

The determination of the New Issue Price and the New Issue Interest Rate will first involve the determination of the Euro 5 Year Mid-Swap Rate, using the mid-market arithmetic mean of the bid and offered rates for euro swap transactions with a maturity of 5 years.

The Margin will be added to such Euro 5 Year Mid-Swap Rate to determine the New Issue Yield, which is intended to reflect the yield to maturity of the New Exchange Securities and the Additional New Securities on the Settlement Date, from which the New Issue Price and the New Issue Interest Rate will be calculated in accordance with market convention.

The New Issue Price shall be as close as possible to 100 per cent. of the nominal amount of the New Exchange Securities and the Additional New Securities, adjusted to allow for rounding down of the New Issue Interest Rate to the nearest 0.125 per cent. in accordance with market convention.

Additional New Securities

The Company may issue Additional New Securities under the Programme on the Settlement Date in its sole discretion. It is expected that any such Additional New Securities will be fungible with the New Exchange Securities. The decision whether to issue Additional New Securities and their aggregate nominal amount will be announced after the Expiration Deadline.

Differences between the Existing Securities and the New Exchange Securities

There are a significant number of differences between the terms and conditions of the Existing Securities and the New Exchange Securities Conditions, including those specified in “*Comparison Between Certain Provisions of the Existing Securities and the New Exchange Securities*”. Most notably, the Existing Securities are subordinated securities which qualify as lower tier 2 capital of the Company, whereas the New Exchange Securities are senior and unsubordinated obligations of the

Company. The New Exchange Securities Conditions are set out in Chapter 2, part 1 of the Base Prospectus (which is available on request from any of the Exchange Agent or the Dealer Managers) and the New Exchange Securities Final Terms. Holders should review this Exchange Offer Memorandum, the Base Prospectus and the New Exchange Securities Conditions in their entirety before making a decision whether to offer Existing Securities for exchange. In particular, attention is also drawn to the section headed “*Risk Factors*” in the Base Prospectus.

Acceptance of Offers to Exchange

The Company intends to announce in the Announcement of Exchange Offer Results and New Issue Pricing (i) the aggregate nominal amount of Existing Securities accepted for exchange by the Company; and (ii) the aggregate nominal amount of New Exchange Securities to be issued pursuant to the Exchange Offer.

Holders whose Existing Securities Offered for Exchange are not accepted, or who do not participate in the Exchange Offer, will not be eligible to receive New Exchange Securities in exchange for such Existing Securities and shall continue to hold such Existing Securities subject to their terms and conditions.

The Company will have the discretion at any time to accept for exchange any Existing Securities Offered for Exchange, in respect of which the Offers to Exchange would otherwise be invalid or, in the sole opinion of the Company may otherwise be invalid.

The Company may reject any Offer to Exchange it considers at its sole discretion not to have been validly made and the Company is under no obligation to any relevant Holder to furnish any reason or justification for refusing to accept any such Offer to Exchange. For example, Offers to Exchange or Instructions may be rejected and not accepted and may be treated as not having been validly tendered in the Exchange Offer if any such tender does not comply with the requirements of a particular jurisdiction or applicable laws, or if the Exchange Offer is terminated, or for any other reason.

Settlement

On the Settlement Date, subject to the satisfaction or waiver of the conditions to the Exchange Offer, the Company will procure that New Exchange Securities will be delivered to Holders in respect of the Existing Securities of such Holders validly Offered for Exchange and accepted for exchange pursuant to the Exchange Offer. In addition, on the Settlement Date, the Company will pay, or procure the payment of, any applicable Accrued Interest Amount and Cash Rounding Amount to Holders in respect of the Existing Securities of such Holders validly Offered for Exchange and accepted for exchange pursuant to the Exchange Offer.

The New Exchange Securities will be delivered and payment of the Accrued Interest Amount and Cash Rounding Amount will be made to the relevant Clearing System. The delivery of such New Exchange Securities and payment of the relevant Accrued Interest Amount and Cash Rounding Amount to the relevant Clearing System will discharge the obligation of the Company to all such Holders in respect of the delivery of New Exchange Securities and payment of any applicable Accrued Interest Amount and Cash Rounding Amounts.

New Exchange Securities

The New Exchange Securities will be issued under the Programme in denominations of €1,000, and can only be acquired for an equivalent value of at least € 50,000 per Holder or investor. The New Exchange Securities will be listed on Euronext Amsterdam.

General conditions of the Exchange Offer

The Company expressly reserves the right, in its sole discretion, to delay acceptance of the Offers to Exchange in the Exchange Offer in order to comply with applicable laws. In all cases, Offers to Exchange pursuant to the Exchange Offer will only be made after the submission of a valid Instruction in accordance with the procedures described in “*Procedures for Participating in the Exchange Offer*” including the blocking of the Existing Securities tendered in the relevant account in the Clearing System from the date of the relevant Instruction until the earlier of (i) the time of settlement on the Settlement Date and (ii) the date of any termination of the Exchange Offer (including where such Existing Securities are not accepted for exchange pursuant to the Exchange Offer) or on which the relevant Instruction is validly revoked, in the limited circumstances described in and only in accordance with the procedures set out in “*Procedures for Participating in the Exchange Offer – Revocation of Instructions*”.

The failure of any person to receive a copy of this Exchange Offer Memorandum or any announcement made or notice issued by the Company in connection with the Exchange Offer shall not invalidate any aspect of the Exchange Offer. No acknowledgement of receipt of any Instructions and/or other documents will be given by the Company or the Exchange Agent.

Announcements

All announcements in relation to the Exchange Offer will be made by publication on the Luxembourg Stock Exchange's website at www.bourse.lu. Such announcements may be found on the relevant Reuters International Insider Screen and be made by (i) the issue of a press release to a Notifying News Service and (ii) the delivery of notices to the Clearing Systems for communication to Direct Participants. Significant delays may be experienced in respect of notices delivered to the Clearing Systems and Holders are urged to contact the Dealer Managers or the Exchange Agent, the contact details for which are on the last page of this Exchange Offer Memorandum, for the relevant announcements during the course of the Exchange Offer.

Governing law

The Exchange Offer, any Instructions, any exchange of Existing Securities, any issuance of New Exchange Securities pursuant to the Exchange Offer and any non-contractual obligation arising out of or in connection with them shall be governed by and construed in accordance with Dutch law. By submitting, or arranging for submission of an Instruction, the relevant Holder will irrevocably and unconditionally agree for the benefit of the Company, the Dealer Managers and the Exchange Agent that the courts of the Netherlands are to have jurisdiction to settle any disputes that may arise out of or in connection with the Exchange Offer, any Instructions, any exchange of Existing Securities pursuant to the Exchange Offer or the transactions contemplated thereby, and that, accordingly, any suit, action or proceedings arising out of or in connection with the foregoing may be brought in such courts. The Holder irrevocably waives, to the fullest extent permitted by law, any objection which it may now or hereafter have to the laying of the venue of any such proceeding brought in such a court and any claim that any such proceeding brought in such a court has been brought in an inconvenient forum.

COMPARISON BETWEEN CERTAIN PROVISIONS OF THE EXISTING SECURITIES AND THE NEW EXCHANGE SECURITIES

There are a significant number of differences between the Existing Securities and the New Exchange Securities. Holders should review the Base Prospectus, the New Exchange Securities Conditions and the New Exchange Securities Final Terms in their entirety before making a decision whether to offer Existing Securities for exchange and consider carefully all such differences. The New Exchange Securities Conditions are set out in Chapter 2, part 1 of the Base Prospectus and the New Exchange Securities Final Terms.

For Holders' convenience, certain key differences between the Existing Securities and the New Exchange Securities are set out in the table below. The information contained in this table is a summary only and should not be considered as a complete description of the particular provision summarised. The summaries below are qualified by reference to (i) the terms and conditions of the Existing Securities, (ii) the New Exchange Securities Conditions and (iii) the Base Prospectus.

	Existing 2020 Securities	Existing 2018 Securities	New Exchange Securities
Status	Unsecured and <i>subordinated</i> obligations of the Company ranking <i>pari passu</i> without any preference among themselves.	Unsecured and <i>subordinated</i> obligations of the Company ranking <i>pari passu</i> without any preference among themselves.	Unsecured and <i>unsubordinated</i> obligations of the Company ranking <i>pari passu</i> without any preference among themselves and with all other present and future unsecured and unsubordinated obligations of the Company save for those preferred by mandatory provisions of law.
Coupon	A fixed rate of 6.25 per cent per annum, payable annually in arrear.	A fixed rate of 6.625 per cent per annum, payable annually in arrear.	A fixed interest rate applicable to the New Exchange Securities and the Additional New Securities, to be determined at the Pricing Time in the manner described in " <i>The Exchange Offer – Pricing of the New Exchange Securities</i> ".
Maturity Date	26 October 2020	14 May 2018	The date falling five years from the Settlement Date, which is expected to be 30 November 2016.
Denomination	€50,000 plus integral multiples of €1,000.	€50,000.	€1,000, and can only be acquired for an equivalent value of at least € 50,000 per Holder or investor.
Rating	The Notes have been rated BBB+ by	The Notes have been rated BBB+ by Standard	The New Exchange Securities are expected to be

Standard & Poor's Ratings Services and Baa2 by Moody's Investors Service. & Poor's Ratings Services and Baa2 by Moody's Investors Service. rated A- by Standard & Poor's Ratings Service and Baa1 by Moody's Investors Service.

Listing

Euronext Amsterdam and Luxembourg Stock Exchange. Luxembourg Stock Exchange. Euronext Amsterdam.

TAX CONSEQUENCES

In view of the number of different jurisdictions where tax laws may apply to a Holder, this Exchange Offer Memorandum does not discuss the tax consequences for Holders arising from the exchange of Existing Securities for the New Exchange Securities in the Exchange Offer, or in relation to the New Exchange Securities. Each Holder is urged to consult its own professional advisers regarding these possible tax consequences under the laws of the jurisdictions that apply to it or to the exchange of its Existing Securities and the receipt of New Exchange Securities and any Accrued Interest Amount and Cash Rounding Amount pursuant to the Exchange Offer. Each Holder is liable for its own taxes and has no recourse to the Company, the Dealer Managers, or the Exchange Agent with respect to taxes arising in connection with the Exchange Offer.

PROCEDURES FOR PARTICIPATING IN THE EXCHANGE OFFER

Holders who need assistance with respect to the procedures for participating in the Exchange Offer should contact the Exchange Agent, the contact details for which are on the last page of this Exchange Offer Memorandum.

Summary of action to be taken

Offers to Exchange will only be accepted pursuant to the Exchange Offer by way of the submission of valid Instructions in accordance with the procedures set out in this section “*Procedures for Participating in the Exchange Offer*”.

To participate in the Exchange Offer, a Holder should deliver, or arrange to have delivered on its behalf, and in accordance with the requirements of the relevant Clearing System, a valid Instruction that is received by the Exchange Agent by the Expiration Deadline.

*Holders are advised to check with any bank, securities broker or other intermediary through which they hold Existing Securities whether such intermediary would require to receive instructions to participate in, or (in the limited circumstances in which revocation is permitted) revoke their instruction to participate in, the Exchange Offer before the deadlines specified in this Exchange Offer Memorandum. **The deadlines set by each Clearing System for the submission and revocation of Instructions will also be earlier than the relevant deadlines specified in this Exchange Offer Memorandum.***

Procedures for participating in the Exchange Offer

General

It is the responsibility of Holders wishing to participate in the Exchange Offer to validly submit Instructions in respect of their Existing Securities. Only the Company only has the right to waive any defects of such instructions submitted by Holders. However, the Company is not required to waive such defects and is not required to notify a Holder of defects in its Instructions.

An Instruction may only be validly revoked by a Holder, or the relevant Direct Participant on its behalf, in the limited circumstances described under “*Revocation of Instructions*” below.

Any questions with respect to Offering to Exchange Existing Securities should be directed to the Exchange Agent whose contact details are listed on the last page of this Exchange Offer Memorandum.

Procedures for Offering to Exchange Existing Securities held through Euroclear or Clearstream, Luxembourg

The Offer to Exchange Existing Securities in the Exchange Offer will be deemed to have occurred upon receipt by the Exchange Agent from the relevant Clearing System of a valid Instruction submitted in accordance with the requirements of such Clearing System. The receipt of such Instruction by the relevant Clearing System will be acknowledged in accordance with the standard practices of such Clearing System and will result in the blocking of the relevant Existing Securities in the Holder's account with the relevant Clearing System so that no transfers may be effected in relation to such Existing Securities.

Holders must take the appropriate steps through the relevant Clearing System so that no transfers may be effected in relation to such blocked Existing Securities at any time after the date of submission of such Instruction, in accordance with the requirements of the relevant Clearing System and the deadlines required by such Clearing System. By blocking such Existing Securities in the relevant Clearing System, each Direct Participant will be deemed to consent to have the relevant Clearing System provide details concerning such Direct Participant's identity to the Exchange Agent (and for

the Exchange Agent to provide such details to the Company, the Dealer Managers and their respective legal advisers).

Only Direct Participants may submit Instructions. Each Holder that is not a Direct Participant must arrange for the Direct Participant through which such Holder holds its Existing Securities to submit a valid Instruction on its behalf to the relevant Clearing System before the deadlines specified by the relevant Clearing System.

It is a term of the Exchange Offer that Instructions are irrevocable except in the limited circumstances described in "*Revocation of Instructions*" below. In such circumstances, Instructions may be revoked by a Holder, or the relevant Direct Participant on its behalf, by submitting a valid electronic withdrawal instruction to the relevant Clearing System. To be valid, such instruction must specify the Existing Securities to which the original Instruction related, the securities account to which such Existing Securities are credited and any other information required by the relevant Clearing System.

Responsibility for delivery of Instructions

None of the Company, the Dealer Managers or the Exchange Agent will be responsible for the communication of participations in the Exchange Offer and corresponding Instructions, as the case may be, by:

- (i) beneficial owners to the Direct Participant through which they hold Existing Securities; or
- (ii) the Direct Participant to the Exchange Agent or the relevant Clearing System or the relevant Clearing System to the Exchange Agent.

If a Holder holds Existing Securities through a Direct Participant, it should contact that Direct Participant to discuss the manner in which participations in the Exchange Offer and transmission of the corresponding Instruction and Transfer Instructions should be made on its behalf.

In the event that the Direct Participant through which a Holder holds its Existing Securities is unable to submit an Instruction on its behalf, it should immediately contact the Exchange Agent for assistance.

If a Holder holds Existing Securities through a Direct Participant it should consult with that Direct Participant as to whether the Direct Participant will charge any fees in connection with the Exchange Offer for Exchange.

Determination of validity

All questions as to the validity, form, eligibility (including time of receipt) and acceptance for exchange of any Instructions pursuant to any of the procedures described above, or revocation or revision thereof or delivery of Existing Securities, and the form and validity (including time of receipt of notices of withdrawal) of all documents in relation to the Exchange Offer, will be determined by the Company at its sole discretion, which determination will be final and binding.

The Company reserves the absolute right to:

- (a) reject any and all Instructions or revocation instructions not in proper form or in respect of which, in its opinion, the acceptance may be unlawful;
- (b) waive any defects, irregularities or delay in the submission of any and all Instructions or revocation instructions; and/or

- (c) waive any such defects, irregularity or delay in Instructions in respect of particular Existing Securities whether or not the Company elects to waive similar defects, irregularities or delay in Instructions in respect of other Existing Securities.

None of the Company, the Dealer Managers or the Exchange Agent shall be under any duty to give notice to a Holder of any defects, irregularities or delays in any Instructions or revocation instructions nor shall any of them incur any liability for failure to give such notice. Holders must send all materials relating to their tenders to the Exchange Agent and not to Company or the Dealer Managers.

Revocation of Instructions

The submission of a valid Instruction in accordance with the procedures set out in this Exchange Offer Memorandum will be irrevocable except in the limited circumstances described in this section and only in accordance with the revocation procedures set out below.

Revocation Rights

If the Company amends the Exchange Offer in any way (including by way of publication of any supplement to the Base Prospectus) which, in the Company's opinion (in consultation with the Dealer Managers), is materially prejudicial to the Holders of Existing Securities who have already submitted Instructions in respect of their Existing Securities pursuant to the Exchange Offer before the announcement of such amendment (which announcement shall include a statement whether in the Company's opinion such amendment is materially prejudicial to such Holders), then the Company will provide notice to Holders and such Instructions in respect of the Existing Securities may be revoked at any time from the date and time of such announcement until 5.00 p.m. CET on the second Business Day following such announcement (subject to the earlier deadlines required by the each Clearing System or Direct Participant or any other intermediary (the **Revocation Deadline**)). For the avoidance of doubt, and without prejudice to the generality of the foregoing, any decision by the Company to amend the Expiration Deadline, the Settlement Date, to increase the Exchange Price, or not to accept any or all Offers to Exchange in respect of the Existing Securities received by the Exchange Agent prior to the Expiration Deadline, shall not entitle Holders to revoke any Instructions. In addition, any Instruction submitted before the amendment to the Exchange Offer is made will be valid and binding in respect of the amended Exchange Offer provided that the terms of the amended Exchange Offer are in the Company's opinion (in consultation with the Dealer Managers) not materially prejudicial to the Holders of Existing Securities.

Holders wishing to exercise any right of revocation should do so in accordance with the procedures set out below. Beneficial owners of Existing Securities that are held through an intermediary are advised to check with such entity when it would require to receive instructions to revoke an Instruction submitted pursuant to the Exchange Offer in order to meet the Revocation Deadline. For the avoidance of doubt, any Holder who does not exercise any such right of revocation in the circumstances and in the manner specified above and as set out in "*Revocation Procedures*" below, shall be deemed to have waived such right of revocation and its original Instruction will remain effective.

Revocation Procedures

The following procedures should only be used to revoke Instructions in the limited circumstances described above.

Holders wishing to exercise any right of revocation as set out above should do so in accordance with the procedures set out in "*Procedures for Participating in the Exchange Offer*".

If a Holder has validly revoked an Instruction submitted to the Exchange Agent in accordance with the procedures set out in this section, it will have the right to make another Instruction in respect of the Existing Securities to which such original Instruction relates prior to the Expiration Deadline in

accordance with the procedures described in this Exchange Offer Memorandum for Offering to Exchange.

Holder's representations, warranties and undertakings

By submitting, or arranging for the submission of, a valid Instruction to the Exchange Agent in accordance with the procedures of the relevant Clearing System, holders of the relevant Existing Securities and any Direct Participant submitting such Instructions on such holder's behalf shall be deemed to agree with, and acknowledge, represent, warrant and undertake to the Company, the Dealer Managers and the Exchange Agent on each of the Expiration Date and the Settlement Date (and if the holder of such Existing Securities or the Direct Participant is unable to give these acknowledgements, agreements, representations, warranties and undertakings, such holder or Direct Participant should contact the Exchange Agent immediately):

- (a) it has received, reviewed and accepts the terms and conditions of the Exchange Offer and the offer and distribution restrictions, all as described in this Exchange Offer Memorandum (and has had access to, reviewed and understood the Documents Incorporated by Reference) and has undertaken an appropriate analysis of the implications of the Exchange Offer without reliance on the Company, the Dealer Managers or the Exchange Agent;
- (b) upon the terms and subject to the conditions of the Exchange Offer and subject to the Minimum Offer Amount, it Offers to Exchange the nominal amount of Existing Securities specified in the Exchange Instructions blocked in the relevant Clearing System and, subject to and effective on the acceptance for exchange by the Company in respect of such Existing Securities pursuant to the Exchange Offer, it renounces all right, title and interest in and to all such Existing Securities accepted for exchange pursuant to the Exchange Offer and waives and releases any rights or claims it may have against the Company with respect to any such Existing Securities or the Exchange Offer;
- (c) it has full power and authority to Offer to Exchange the Existing Securities the subject of the relevant Instructions which it has, or has arranged to be, submitted pursuant to the Exchange Offer and, if such Existing Securities are accepted for exchange pursuant to the Exchange Offer, such Existing Securities will be transferred to, or for the account of, the Company with full title free from all liens, charges and encumbrances, not subject to any adverse claim and together with all rights attached thereto, and it will, upon request, execute and deliver any additional documents and/or do such other things deemed by the Company, to be necessary or desirable to complete the transfer and/or cancellation of such Existing Securities or to evidence such power and authority;
- (d) all authority conferred or agreed to be conferred pursuant to its Instructions, its acknowledgements, agreements, representations, warranties and undertakings, and all of its obligations shall be binding upon its successors, assigns, heirs, executors, trustees in bankruptcy and legal representatives, and shall not be affected by, and shall survive, its death or incapacity;
- (e) it understands that acceptance for exchange of Existing Securities validly Offered for Exchange pursuant to the Exchange Offer will constitute a binding agreement between it and the Company, in accordance with and subject to the terms and conditions of the Exchange Offer;
- (f) it understands that the Company may, at its sole discretion, extend, re-open, amend, waive any condition of or terminate the Exchange Offer at any time, and that in the event of a termination of the Exchange Offer, the relevant Instructions with respect to the relevant Existing Securities will be released (and the relevant Existing Securities returned to the Holder);
- (g) none of the Company, the Dealer Managers or the Exchange Agent, or any of their respective directors or employees, has given it any information with respect to the Exchange Offer save as expressly set out in this Exchange Offer Memorandum, the Base Prospectus incorporated by reference into this Exchange Offer Memorandum and the New Exchange Securities Final Terms

nor has any of them made any recommendation to it as to whether it should offer Existing Securities for exchange in the Exchange Offer and it has made its own decision with regard to offering Existing Securities for exchange in the Exchange Offer based on any legal, tax or financial advice it has deemed necessary to seek;

- (h) it will, upon request, execute and deliver any additional documents deemed by the Exchange Agent or the Company to be necessary or desirable to complete the assignment and transfer of the Existing Securities tendered for exchange pursuant to the Exchange Offer;
- (i) no information has been provided to it by the Company, the Dealer Managers or the Exchange Agent, or any of their respective directors or employees, with regard to the tax consequences for holders of Existing Securities arising from any Existing Securities Offered for Exchange pursuant to the Exchange Offer and the receipt of the New Exchange Securities and the Accrued Interest Amount and Cash Rounding Amount and it acknowledges that it is solely liable for any taxes and similar or related payments imposed on it under the laws of any applicable jurisdiction as a result of its participation in the Exchange Offer or in relation to the New Exchange Securities and agrees that it will not and does not have any right of recourse (whether by way of reimbursement, indemnity or otherwise) against the Company, the Dealer Managers or the Exchange Agent, or any of their respective directors or employees, or any other person in respect of such taxes and payments;
- (j) it acknowledges that there are no guaranteed delivery procedures provided by the Company and that, should its Existing Securities be accepted for exchange to the Exchange Offer: (i) any Accrued Interest Amount and Cash Rounding Amount will be paid in euro subject to and in accordance with the terms of the Exchange Offer; (ii) any Accrued Interest Amount and Cash Rounding Amount in respect of the Existing Securities so accepted will be deposited by or on behalf of the Company, with the relevant Clearing System on the Settlement Date; (iii) the relevant Clearing System thereafter will make or transmit payments to the relevant accounts in the relevant Clearing System of the relevant Direct Participants; and (iv) the New Exchange Securities will be delivered and payments of any Accrued Interest Amount and Cash Rounding Amount will be made via the relevant Clearing System and the delivery of such New Exchange Securities and payment of such amount to the relevant Clearing System will discharge the obligation of the Company to all such Holders in respect of the delivery of the New Exchange Securities and payment of such amount(s);
- (k) it holds and will hold, until the time of settlement on the Settlement Date, the Existing Securities blocked in the relevant Clearing System and, in accordance with the requirements of, and by the deadline required by, such Clearing System, it has submitted, or has caused to be submitted, an Instruction to such Clearing System to authorise the blocking of the Existing Securities Offered for Exchange with effect on and from the date of such submission so that, at any time pending the transfer of such Existing Securities on the Settlement Date to the Company, or to its agent on its behalf, no transfers of such Existing Securities may be effected;
- (l) it is not a person to whom it is unlawful to make an invitation pursuant to the Exchange Offer under applicable securities laws, it has not distributed or forwarded this Exchange Offer Memorandum or any other documents or materials relating to the Exchange Offer to any such person and it has (before submitting, or arranging for the submission on its behalf, as the case may be, of the relevant Instruction in respect of the Existing Securities it is offering for exchange) complied with all laws and regulations applicable to it for the purposes of its participation in the Exchange Offer;
- (m) if it is located in the European Economic Area, it is offering to exchange such nominal amount of Existing Securities as will, when multiplied by the applicable Exchange Price, be equal to or greater than €50,000 (or, in any Member State of the European Economic Area which has implemented the amendment referred to in Article 3(a)(i)(2)(c) of the Prospectus Directive Amending Directive (2010/73/EU), €100,000);

- (n) it is not located or resident in the United Kingdom or, if it is located or resident in the United Kingdom, it is a person falling within the definition of investment professionals (as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the **Order**) or within Article 43 of the Order, or to whom this Exchange Offer Memorandum may lawfully be communicated in accordance with the Order;
- (o) the New Exchange Securities have not been and will not be registered under the Securities Act or any other applicable U.S. State securities laws and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (terms used in this and the following paragraph that are defined in Regulation S under the Securities Act are used as defined in Regulation S);
- (p) either (a) (i) it is the beneficial owner of the Existing Securities being offered for exchange and (ii) it is resident and located outside the United States and is participating in the Exchange Offer from outside the United States and it is not a U.S. person or (b) (i) it is acting on behalf of the beneficial owner of the Existing Securities being offered for exchange on a non-discretionary basis and has been duly authorised to so act and (ii) such beneficial owner has confirmed to it that it is resident and located outside the United States and is participating in the Exchange Offer from outside the United States and it is not a U.S. person;
- (q) it is not located or resident in Italy or, if it is located or resident in Italy, it is a “qualified investor” (*investitore qualificato*) as defined in article 34-ter, paragraph 1, letter b) of CONSOB Regulation No. 11971 of 14 May 1999, as amended, and the relevant Instruction is being submitted by or on behalf of the beneficial owners of the Existing Securities through an authorised person (such as an investment firms, banks or financial intermediaries permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, CONSOB Regulation No. 16190 of 29 October 2007, as amended from time to time, and Legislative Decree No. 385 of November 1, 1993, as amended) and in compliance with applicable laws and regulations or with requirements imposed by CONSOB or any other Italian authority;
- (r) it is outside the Republic of France or, if it is located in the Republic of France, it is a qualified investor (*Investisseur Qualifié*) other than an individual, (as defined in and in accordance with article L. 411-1, L.411-2, D.411-1 to D.411-3 of the French *Code Monétaire et Financier*);
- (s) it is not located or resident in Belgium or, if it is located or resident in Belgium, it is a qualified investor referred to in paragraph 3 of Article 6 of the Law on Public Acquisition Offers and in Article 10 of the Belgian Public Offer Law, acting on its own account;
- (t) it shall indemnify, on an after tax basis, the Company, the Dealer Managers and the Exchange Agent against all and any losses, costs, claims, liabilities, expenses, charges, actions or demands which any of them may incur or which may be made against any of them as a result of any breach of any of the terms of the Exchange Offer by any such Holder, or if any of the acknowledgements, representations and/or warranties given pursuant to the Exchange Offer by any such Holder are untrue, incorrect, or misleading in any respect;
- (u) it acknowledges that the Company, the Dealer Managers and the Exchange Agent will rely upon the truth and accuracy of the foregoing acknowledgments, agreements, representations, warranties and undertakings;
- (v) it acknowledges that none of the Company, the Dealer Managers or the Exchange Agent or any of their respective affiliates, directors or employees has made any recommendation as to whether to participate in the Exchange Offer and it represents that it has made its own decision with regard to participating in the Exchange Offer, based on any legal, tax, accounting or financial advice that it has deemed necessary to seek; and

(w) if it is Offering for Exchange Existing Securities held through Euroclear or Clearstream, Luxembourg:

- (i) it will ensure that such Existing Securities are, and will continue to be until the time of settlement on the Settlement Date, held by it in Euroclear or Clearstream, Luxembourg (as applicable);
- (ii) it has delivered, or arranged to be delivered, Instructions with respect to those Existing Securities to Euroclear or Clearstream, Luxembourg (as applicable), by the Expiration Deadline;
- (iii) it has (subject to any revocation rights it may have as detailed in the Exchange Offer Memorandum) irrevocably authorised Euroclear or Clearstream, Luxembourg (as applicable), in accordance with their procedures and deadlines, to:
 - (A) block any attempt to transfer such Existing Securities with effect on and from the date of the delivery of the relevant Instructions so that, at any time pending the transfer of such Existing Securities on the Settlement Date to the Company or its agent on its behalf, no transfer of such Existing Securities may be effected; and
 - (B) disclose the name of the direct accountholder and information about the foregoing with respect to such Existing Securities; and
- (iv) it understands that the deadline for the receipt of any Instructions by the Exchange Agent is the Expiration Deadline and that any Instructions must be submitted in time for them to be received by the Exchange Agent by the Expiration Deadline.

The receipt of an Instruction by the Exchange Agent will constitute instructions to debit the securities account of the relevant Direct Participant on the Settlement Date in respect of all of the Existing Securities the relevant Holder has validly Offered for Exchange in the Exchange Offer, where such Existing Securities are accepted for exchange pursuant to the Exchange Offer, upon receipt by the relevant Clearing System of an instruction from the Exchange Agent to receive such Existing Securities for the account of the Company and against credit of the New Exchange Securities and payment by, or on behalf of, the Company of any applicable Accrued Interest Amount and Cash Rounding Amount, subject to the automatic revocation of those instructions on the date of any termination of the Exchange Offer (including where such Existing Securities are not accepted for exchange pursuant to the Exchange Offer) or the valid revocation of such Instructions in the limited circumstances described in “*Revocation of Instructions*” above.

AMENDMENT AND TERMINATION OF THE EXCHANGE OFFER

Notwithstanding any other provision of any Offer, the Company, may, subject to applicable laws but at its option and discretion, at any time before the Company announces whether Offers to Exchange are accepted pursuant to the Exchange Offer:

- (a) extend the Expiration Deadline (in which case all references in this Exchange Offer Memorandum to “Expiration Deadline” shall, unless the context requires otherwise, be to the latest time and date to which the Expiration Deadline has been so extended);
- (b) extend, re-open or amend the Exchange Offer in any respect (including, but not limited to, any extension, re-opening or amendment, as applicable, in relation to the Expiration Deadline and/or the Settlement Date or any amendment of the Exchange Price);
- (c) delay acceptance of, subject to applicable law, valid Instructions submitted pursuant to the Exchange Offer until satisfaction or waiver of the conditions to the Exchange Offer, even if the Exchange Offer has expired; or
- (d) terminate the Exchange Offer, including with respect to Instructions submitted before the time of such termination.

The Company also reserves the right at any time to waive any or all of the conditions of the Exchange Offer as set out in this Exchange Offer Memorandum. The Company will ensure Holders are notified of any such extension, re-opening or amendment as soon as is reasonably practicable after the relevant decision is made. Such announcements will be made (i) by publication on the Luxembourg Stock Exchange's website at www.bourse.lu, (ii) by the issue of a press release to a Notifying News Service and (iii) by the delivery of notices to the Clearing Systems for communication to Direct Participants. Announcements may also be found on the relevant Reuters International Insider Screen.

At any time before Offers to Exchange are accepted pursuant to the Exchange Offer, the Company may, at its sole discretion, terminate the Exchange Offer, including with respect to Instructions submitted before the time of such termination, by giving notice of such termination (i) by publication on the Luxembourg Stock Exchange's website at www.bourse.lu, (ii) by the issue of a press release to a Notifying News Service and (iii) a notice delivered to the Clearing Systems for communication to Direct Participants.

DEALER MANAGERS AND EXCHANGE AGENT

The Company has retained UBS Limited to act as Lead Dealer Manager and SNS Securities N.V. as Co Dealer Manager (together the Dealer Managers) for the Exchange Offer, and Lucid Issuer Services Limited to act as Exchange Agent. The Dealer Managers and their affiliates may contact Holders regarding the Exchange Offer and may request brokerage houses, custodians, nominees, fiduciaries and others to forward this Exchange Offer Memorandum and related materials to Holders. The Company has entered into a Dealer Manager Agreement with the Dealer Managers, which contains certain provisions regarding payment for fees, expense reimbursement and indemnity arrangements. The Dealer Managers and/or their affiliates have provided and continue to provide certain investment banking services to the Company for which they have received and will receive compensation that is customary for services of such nature.

None of the Dealer Managers, the Exchange Agent and their respective directors, employees or affiliates assumes any responsibility for the accuracy or completeness of the information concerning the Exchange Offer or the Company or any of its affiliates contained in this Exchange Offer Memorandum or for any failure by the Company to disclose events that may have occurred and may affect the significance or accuracy of the information in this Exchange Offer Memorandum.

The Dealer Managers may (i) submit Instructions for its account and (ii) submit Instructions (subject to the offer restrictions set out in “*Offer and Distribution Restrictions*”) on behalf of other Holders.

None of the Dealer Managers, the Exchange Agent and their respective directors, employees or affiliates makes any representation or recommendation whatsoever regarding the Exchange Offer, or any recommendation as to whether Holders should tender Existing Securities in the Exchange Offer.

The Exchange Agent is the agent of the Company and owes no duty to any holder of Existing Securities.

The Dealer Managers are acting exclusively for the Company and no one else in connection with the arrangements described in this Exchange Offer Memorandum and will not be responsible to anyone other than the Company for providing the protections afforded to customers of the Dealer Managers, or for advising any other person in connection with the arrangements described in this Exchange Offer Memorandum.

Annex – Form of New Exchange Securities Final Terms

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 [●] Senior Notes due 2016 (the "**Notes**") issued under the Debt Issuance Programme of SNS Bank N.V. and SNS REAAL N.V.

dated [•] 2011

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**" which term includes amendments thereto, including Directive 2010/73/EU (the "**2010 PD Amending Directive**") to the extent implemented in a relevant host Member State of the European Economic Area to which is referred or in the Netherlands. It must be read in conjunction with the base prospectus pertaining to the Programme, dated 11 July 2011 (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 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 of the Prospectus.

- | | | |
|-----|-----------------------------------|-------------------------------------|
| (1) | Issuer: | SNS Bank N.V. |
| (2) | (i) Series Number: | 915 |
| | (ii) Tranche Number: | 1 |
| (3) | Specified Currency or Currencies: | Euro (" EUR ") |
| (4) | Aggregate Nominal Amount | |
| | (i) Tranche: | [●] |
| | (ii) Series: | [●] |
| (5) | Issue Price of Tranche: | [●] of the Aggregate Nominal Amount |
| (6) | (i) Specified Denominations: | EUR 1,000 |
| | (ii) Calculation Amount | EUR 1,000 |
| | Form of Definitive Notes | Standard Euromarket |
| (7) | (i) Issue Date: | [●] November 2011 |

(ii)	Interest Commencement Date (if different from the Issue Date):	Issue Date
(8)	Maturity Date:	[●] November 2016
(9)	Interest Basis:	[●] per cent. Fixed Rate per annum
(10)	Redemption/Payment Basis:	Redemption at par
(11)	Change of interest Basis or Redemption/ Payment Basis:	Not Applicable
(12)	Put/Call Options:	Not Applicable
(13)	Status of the Notes:	Senior
(14)	Method of distribution:	Syndicated

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

(15)	Fixed Rate Note Provisions	Applicable
(i)	Rate(s) of Interest:	[●] per cent. per annum payable annually in arrear
(ii)	Interest Payment Date(s):	[●] November in each year
(iii)	Interest Period	Not Applicable
(iv)	Fixed Coupon Amount(s):	EUR [●] per Calculation Amount
(v)	Broken Amount(s):	Not Applicable
(vi)	Business Day Convention	
	- Business Day Convention	Following Business Day Convention
	- Adjustment or Unadjustment for Interest Period	Unadjusted
(vii)	Fixed Day Count Fraction:	Actual/Actual (ICMA)
(viii)	Other terms relating to the method of calculating interest for Fixed Rate Notes:	None
(16)	Floating Rate Note Provisions	Not Applicable
(17)	Zero Coupon Note Provisions	Not Applicable
(18)	Index Linked Interest Note Provisions	Not Applicable
(19)	Inflation Linked Interest Note	Not Applicable

Provisions

- | | | |
|------|---------------------------------------|----------------|
| (20) | Share Linked Interest Note Provisions | Not Applicable |
| (21) | Fund Linked Interest Note Provisions | Not Applicable |
| (22) | Dual Currency Note Provisions | Not Applicable |

PROVISIONS RELATING TO REDEMPTION

- | | | |
|------|--|----------------------------------|
| (23) | Issuer Call: | Not Applicable |
| (24) | Investor Put: | Not Applicable |
| (25) | Final Redemption Amount | EUR 1,000 per Calculation Amount |
| (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)): | Condition 7(e) applies |
| (27) | Additional provisions applicable in case of redemption of Dual Currency Notes: | Not Applicable |

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. |
| (29) | New Global Note form: | Applicable |
| (30) | Additional Financial Centre(s) or other special provisions relating to payment Dates: | Not Applicable |
| (31) | Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): | No |
| (32) | Details relating to Instalment Notes; amount of each instalment, date on which each payment is to be made: | Not Applicable |
| (33) | Redenomination: | Redenomination not applicable |
| (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 | Condition 8 first paragraph under (b) applies and Condition 7(b) applies |

apply):

(35) Other terms or special conditions: Not Applicable

DISTRIBUTION

(36) (i) If syndicated, names of Managers and underwriting commitments

UBS Limited
1 Finsbury Avenue
London EC2M 2PP
United Kingdom

SNS Securities N.V.
Nieuwezijds Voorburgwal 162
1012 SJ Amsterdam
The Netherlands

(ii) Date of Syndication Agreement: Not Applicable

(iii) Stabilising Manager (if any): Not Applicable

(37) If non-syndicated, name and address of relevant Dealer: Not Applicable

(38) Total commission and concession*: Not Applicable

OTHER PROVISIONS

(39) Whether TEFRA D or TEFRA C rules applicable TEFRA D

(40) Additional selling restrictions: Not Applicable

(41) Listing

(i) Listing

NYSE Euronext in Amsterdam

(ii) Admission to trading:

Application has been made for the Notes to be admitted to trading on NYSE Euronext in Amsterdam with effect from [●] November 2011

(42) Ratings:

S & P:
Moody's:

The Notes to be issued are expected to be rated:

A-
Baa1

(43) Notification

The Netherlands Authority for the Financial Markets (*Autoriteit Financiële Markten*) ("**AFM**") has provided the Luxembourg Authority CSSF (*Commission de Surveillance du Secteur Financier*) and the Italian authority CONSOB (*Commissione Nazionale per le Società e la Borsa*) with notification that the prospectus has been drawn up in accordance with the Prospective Directive.

(44) Interests of Natural and Legal Persons Involved in the Issue

Save for any fees payable to UBS Limited (the **Dealer Manager**) in connection with the Exchange Offer, so far as the Issuer is aware, no person involved in the Issue of the Notes

(45) Reasons for the Offer (if different

The Notes are being issued in exchange for the EUR

	from making a profit and/or hedging certain risks)	500,000,000 6.25 per cent Subordinated Notes due 2020 and the EUR 200,000,000 Subordinated Fixed Rate Notes due 2018
(46)	Estimated net proceeds and total expenses	
	(i) Estimated net proceeds	There will be no net proceeds from the issue of the Notes
	(ii) Estimated total expenses:	[●]
(47)	Yield (Fixed Rate Notes only) Indication of yield:	[●] per cent. per annum. The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.
(48)	Historic Interest Rates (Floating Rate Notes only)*	Not Applicable
(49)	Performance of index/formula, inflation/ formula, share/formula or fund/formula, explanation of effect on value of investment and associated risks (Index Linked Notes, Inflation Linked Notes, Share Linked Notes and Fund Linked Notes only)*	Not Applicable
(50)	Performance of rate[s] of exchange and explanation of effect on value of investment (Dual Currency Notes only)	Not Applicable
(51)	Operational Information	
	(i) ISIN Code:	[●]
	(ii) Common Code:	[●]
	(iii) WKN Code:	Not Applicable
	(iv) Other relevant code:	Not Applicable
	(v) New Global Note intended to be held in a manner which would allow Eurosystem eligibility:	Yes 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.
	(vi) Offer Period:	Not Applicable
	(vii) Delivery:	Delivery free of payment
	(viii) Payment:	The Notes will be Issued on the Issue Date
	(ix) Settlement Procedure:	Not Applicable

(x)	Clearing System:	Euroclear/Clearstream Luxembourg
(52)	Additional paying agent (if any)	Not Applicable
(53)	Additional information	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.

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.

Signed on behalf of the Issuer:

By:

Duly authorised

By:

Duly authorised

THE COMPANY

SNS Bank N.V.

Croeselaan 1
3521 BJ Utrecht
The Netherlands

Requests for information in relation to the Exchange Offer should be directed to:

LEAD DEALER MANAGER

UBS Limited

1 Finsbury Avenue
London EC2M 2PP
United Kingdom

For information by telephone:

+44 (0)20 7567 0525

Attention: Liability Management Group

Email: ol-liability-management@ubs.com

CO DEALER MANAGER

SNS Securities N.V.

Nieuwezijds Voorburgwal 162
1012 SJ Amsterdam
The Netherlands

For information by telephone:

+31 20 5508436

Attention: Bert Kok

Email: bert.kok@snsnsecurities.nl

Requests for information in relation to the procedures for tendering Existing Securities in, and for any documents or materials relating to, the Exchange Offer should be directed to:

THE EXCHANGE AGENT

Lucid Issuer Services Limited

Leroy House
436 Essex Road
London N1 3QP
United Kingdom

For information by telephone:

+44 (0)20 7704 0880

Attention: Thomas Choquet/ Yves Theis

Email: sns@lucid-is.com

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