

**SUPPLEMENT TO THE BASE PROSPECTUS DATED 8 JUNE 2009 RELATING TO THE  
DEBT ISSUANCE PROGRAMME OF SNS BANK N.V. AND SNS REAAL N.V.**

**DATED 11 NOVEMBER 2009**



**SNS BANK N.V.**

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



**SNS REAAL N.V.**

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

## **Debt Issuance Programme**

Under their Debt Issuance Programme (the "**Programme**") described in the prospectus dated 8 June 2009 (the "**Prospectus**") SNS Bank N.V. (an "**Issuer**" or "**SNS Bank**") and SNS REAAL N.V. (an "**Issuer**" or "**SNS REAAL**" and together with SNS Bank the "**Issuers**") may from time to time issue notes (the "**Notes**") denominated in any currency agreed between the Issuer and the relevant Dealer (as defined in the Prospectus), if any. Notes may be distributed by way of a public offer or private placement and, in each case, on a syndicated or non-syndicated basis. The method of distribution and the specific terms and conditions of each relevant series of Notes (a "**Series**") (or tranche thereof (a "**Tranche**")) will be stated in the relevant final terms (the "**Final Terms**").

This supplement (the "**Supplement**") is prepared to provide for the possibility under the Programme for SNS Bank to issue tier 1 notes (the "**Tier 1 Notes**").

This Supplement is supplemental to, forms part of and should be read in conjunction with, the Prospectus and any other supplement to the Prospectus issued by the Issuers including the most recent supplement to the Prospectus dated 24 August 2009. Terms defined in the Prospectus shall have the same meaning in this Supplement, unless specified otherwise.

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

The Prospectus, the supplement to the prospectus dated 24 August 2009 and this Supplement are available on the website of the Issuers at [www.snsreaal.com](http://www.snsreaal.com) as of 11 November 2009 and are available for viewing at the specified office of the Agent (69 Route d'Esch, L-2953 Luxembourg, Luxembourg) and the other Paying Agent (Croeselaan 18, 3521 CB Utrecht, The Netherlands), the Amsterdam office of the Issuers at Nieuwezijds Voorburgwal 162, 1012 SJ Amsterdam, The Netherlands, where copies of the Prospectus, the supplement to the Prospectus dated 24 August 2009, this Supplement and any documents incorporated by reference therein may also be obtained free of charge.

Subscribers for any Notes to be issued have the right to withdraw such subscription within 2 business days following the publication of this Supplement.

## **AMENDMENTS TO THE PROSPECTUS**

The information contained in the Prospectus will be amended and supplemented as further described below.

To the extent that there is any inconsistency between any statement in this Supplement and any other statement in or incorporated by reference in the Prospectus, the statements in this Supplement will prevail.

### **Current definition of Tier 1 Notes in Prospectus**

The new notes that can be issued by SNS Bank in accordance with the Supplement are defined as "Tier 1 Notes". On page 11 of the Prospectus there is also a definition of "Tier 1 Notes", which refers to any Subordinated Notes (as defined in the Prospectus) issued by SNS Bank, which may qualify as tier 1 capital in accordance with the Decree on Prudential Rules (Wft) (as defined in the Prospectus) (the "**Current Definition**"). The Current Definition is used on pages 11, 30, 31, 81, 92, 98 and 99 of the Prospectus.

The Current Definition shall not be amended and any references thereto on the aforementioned pages shall be construed in accordance with the definition thereof provided on page 11 of the Prospectus.

### **Tier 1 Notes issued by SNS Bank**

Tier 1 Notes, including the terms and conditions thereof (part 1) and the form of final terms therefor (part 2), issued by SNS Bank as set out in Annex 1 to this Supplement shall be inserted into the Prospectus on page 345 as a new chapter 9 of the Prospectus immediately after chapter 8 and shall be headed "Chapter 9: Tier 1 Notes issued by SNS Bank".

### **As a result, the Prospectus shall be amended as follows:**

#### **Cover Page**

- on page 2, the following text shall be added after the second sentence ("The full terms and conditions of Capital Securities (....) Chapter 8, Part 1") of the first paragraph, being a new third sentence:

"The full terms and conditions of Tier 1 Notes (as defined in Chapter 9, Part 1) issued by SNS Bank are constituted by the terms and conditions as set out in full in this Prospectus in Chapter 9, Part 1."

- on page 2, the fourth paragraph shall be amended and restated so that it will read as follows:

"Notes to be issued by SNS Bank under the Programme are expected to be rated A (negative outlook) for long term Senior Notes, A- for long term Subordinated Notes (Tier 2), F1 for short term Senior Notes and BB for Tier 1 Notes by Fitch Ratings Ltd. ("**Fitch**"), A2 (negative outlook) for Senior Notes, Prime-1 for short term Senior Notes, A3 for Subordinated Notes and Baa1 for Tier 1 Notes by Moody's Investors Service Limited ("**Moody's**") and A -1 for short-term issuer credit rating, A (negative outlook) for long-term issuer credit rating, A- for non-perpetual Subordinated Notes and BBB- for Tier 1 Notes by Standard & Poor's Ratings Services ("**Standard & Poor's**")."

#### **Table of Contents**

- A new chapter 9 shall be inserted by inserting the following text underneath chapter 8:

"CHAPTER 9: TIER 1 NOTES ISSUED BY SNS BANK  
PART 1: TERMS AND CONDITIONS OF THE TIER 1 NOTES  
PART 2: FORM OF FINAL TERMS FOR THE TIER 1 NOTES"

## Chapter 1: Information Relating To The Debt Issuance Programme

### Summary

- on page 12, the following description shall be inserted between the description of "Status and Characteristics relating to Capital Securities" and "Ratings":

"Status and Characteristics  
relating to Tier 1 Notes:

The Tier 1 Notes issued by SNS Bank constitute direct, unsecured, subordinated securities of SNS Bank and rank *pari passu* without any preference among themselves and with all other present and future unsecured and identically subordinated obligations of SNS Bank, save for those preferred by mandatory provisions of law. The Tier 1 Notes are subordinated to Subordinated Notes. The Tier 1 Notes are perpetual securities with no fixed redemption date. However, the Tier 1 Notes can be redeemed in accordance with the applicable terms and conditions and subject to the approval of the Dutch Central Bank. Unless the Tier 1 Notes have previously been redeemed or purchased and cancelled, the Issuer undertakes to exercise its option to redeem the Tier 1 Notes on the Conditional Call Exercise Date in accordance with the terms and conditions of the Tier 1 Notes."

- on page 12, the first paragraph of the description of Ratings (starting with "Notes to be issued by SNS Bank") shall be amended and restated so that it will read as follows:

"Notes to be issued by SNS Bank under the Programme are expected to be rated A (negative outlook) for long term Senior Notes, A- for long term Subordinated Notes (Tier 2), F1 for short term Senior Notes and BB for Tier 1 Notes by Fitch, A2 (negative outlook) for Senior Notes, Prime-1 for short term Senior Notes, A3 for Subordinated Notes and Baa1 for Tier 1 Notes by Moody's and A -1 for short-term issuer credit rating, A (negative outlook) for long-term issuer credit rating, A- for non-perpetual Subordinated Notes and BBB- for Tier 1 Notes by Standard & Poor's."

### Risk Factors Regarding The Notes

- on page 35 Annex 2 to this Supplement shall be incorporated as a new chapter with risk factors headed "Risks related to the Tier 1 Notes issued by SNS Bank" shall be inserted after the first sentence of that page ("(..) each Holder shall, by virtue of being the holder of any Capital Security, be deemed to have waived all such rights of set-off").
- On page 38, the risk factors entitled "Credit ratings may not reflect all risks" shall be replaced with:

"Credit ratings may not reflect all risks and the methodologies of determining credit ratings may be changed from time to time leading to potential downgrades

One or more independent credit rating agencies may assign credit ratings to the Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time. There is no assurance that a rating will remain for any given period of time or that a rating will not be lowered or withdrawn by the relevant rating agency if, in its judgement, circumstances in the future so warrant.

Such change may, among other factors, be due to a change in the methodology applied by a rating agency to rating securities with similar structures to the Notes, as opposed to any revaluation of the Issuer's financial strength or other factors such as conditions affecting the financial services industry generally. On 16 June 2009, Moody's published a request for comment entitled "Moody's Proposed Changes to Bank Subordinated Capital Ratings" (the "**Request for Comment**"). The Request for Comment asked market participants for feedback on potential changes to its global rating methodology for bank subordinated capital, including hybrid instruments. In particular, the Request for Comment noted that Moody's is considering, among other things, wider notching based on the riskiness of the hybrid instrument's particular features. On 19 October 2009, Moody's announced that it would release its finalised methodology by the end of November 2009 and that any ratings potentially affected by the changes in methodology would be placed on review shortly thereafter. Prospective investors should be aware that such a change in Moody's methodology could result in certain series of Notes being downgraded, potentially to non-investment grade (if the relevant Notes are issued before the new methodology is applied by Moody's to such Notes) or receiving a lower rating than that currently expected from Moody's (if the relevant Notes are issued after the new methodology is applied by Moody's to such Notes). It is also possible that certain series of Notes and other hybrid core capital issued by the Issuer may be awarded different ratings by Moody's upon application of its new methodology for rating bank subordinated capital and that, in such a case, such Notes might be rated lower than such other hybrid core capital.

In the event that a rating assigned to the Notes or the relevant Issuer is subsequently lowered for any reason, the market value of the Notes is likely to be adversely affected, but no person or entity is obliged to provide any additional support or credit enhancement with respect to the Notes."

#### **Certain Notices to Investors**

- on page 39, the words "and Chapter 9" shall be inserted in the last part of the first sentence of the second paragraph under the item headed "Responsibility Statement", which shall be changed as follows:

"and the information contained in Chapter 2 and Chapter 9 of this Prospectus."

## **General information**

- on page 75 under the item headed "Ratings" the following text shall be inserted:
  - a. at the end of the first paragraph ("Rating definitions Fitch") the following shall be added:

"BB: Speculative. 'BB' ratings indicate an elevated vulnerability to default risk, particularly in the event of adverse changes in business or economic conditions over time; however, business or financial flexibility exists which supports the servicing of financial commitments."
  - b. at the end of the second paragraph ("Rating definitions Moody's") the following text shall be added:

"Baa1: Obligations rated Baa1 are considered medium grade."
- on page 76 under the item headed "Ratings" the following text shall be inserted at the end of the first paragraph ("Rating definitions Standard & Poor's"):

"BBB: An obligation rated 'BBB' exhibits adequate protection parameters. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the obligor to meet its financial commitment on the obligation."

## **Chapter 9**

- A new chapter 9 of the Prospectus shall be inserted immediately after chapter 8 on page 345 and shall be headed "Chapter 9: Tier 1 Notes issued by SNS Bank".

Annex 1 to this Supplement shall be incorporated on page 345 and further.

## **Final pages**

The current final two pages of the Prospectus shall be renumbered following the introduction of the new chapter 9.

## **Disclosure**

### *Equity issue SNS REAAL*

By way of a press release dated 24 September 2009 SNS REAAL announced the completion of a € 135 million equity issue via an accelerated bookbuild offering. In total, the issue comprised 26,147,259 new ordinary shares at a price of € 5.15 per share. Application was made to list the new shares on Euronext Amsterdam. The issue settled on 29 September 2009, at which date the new shares were admitted to trading on Euronext Amsterdam.

SNS REAAL intends to use the proceeds of this equity issue to partly finance the repurchase of € 185 million of the total of € 750 million of core tier 1 securities obtained by the Dutch State and € 65 million of the total of € 500 million of core tier 1 securities obtained by Stichting Beheer SNS REAAL. By repurchasing a total of € 250 million of core tier 1 securities by 10 December 2009, SNS REAAL would achieve a maximum saving of approximately € 125 million compared to repayment at a later date.

The decision to repurchase by 10 December 2009 is conditional on SNS REAAL's capital position remaining strong and on the outlook for the economy and financial markets. The repurchase also requires the consent of the Dutch Central Bank. If these conditions are not met, the proceeds of the equity issue will be retained to further strengthen SNS REAAL's capital position.

### *Resignation managing director SNS Bank*

Mr Marius Menkveld has resigned as managing director of SNS Bank as of 1 October 2009.

## RESPONSIBILITY STATEMENT

Only the Issuers accept responsibility for the information contained in this Supplement. The Issuers declare that, having taken all reasonable care to ensure that such is the case, the information contained in this Supplement is, to the best of their knowledge, in accordance with the facts and contains no omission likely to affect its import.

## NOTICE

This Supplement should be read and understood in accordance with any amendment and with any other documents incorporated therein by reference. Full information on the Issuers and any Series or Tranche of Notes is only available on the basis of the combination of the Prospectus, this Supplement, the supplement to the Prospectus dated 24 August 2009 and the relevant Final Terms.

No person has been authorised to give any information or to make any representation not contained in or not consistent with this Supplement, any amendment, any document incorporated by reference herein, or the applicable Final Terms, or any other information supplied in connection with the Programme or the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuers, the Arranger or any Dealer.

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

Neither this Supplement nor any other information supplied in connection with the Programme should be considered as a recommendation by the Issuers, the Arranger or any Dealer that any recipient of this Supplement or any other information supplied in connection with the Programme should purchase any Notes. Accordingly, no representation, warranty or undertaking, express or implied, is made by the Arranger or any Dealer in their capacity as such. Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes (including an evaluation of the financial condition, creditworthiness and affairs of the Issuers) and the information contained or incorporated by reference in this Supplement, the relevant Final Terms and any supplements;



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

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

This Supplement does not constitute an offer or an invitation to subscribe for or purchase the Notes.

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

## **ANNEX 1 –TIER 1 NOTES: TERMS AND CONDITIONS AND FORM OF FINAL TERMS**

### **CHAPTER 9: TIER 1 NOTES ISSUED BY SNS BANK**

#### **PART 1: TERMS AND CONDITIONS OF THE TIER 1 NOTES**

*The following are the Terms and Conditions of the Tier 1 Notes which will be applicable to each Series of Tier 1 Notes, provided that the relevant Final Terms in relation to any Tier 1 Notes may specify other Terms and Conditions which shall, to the extent so specified or to the extent inconsistent with these Terms and Conditions, replace, supplement and prevail over the following Terms and Conditions for the purposes of such Tier 1 Notes:*

The Tier 1 Notes are issued in accordance with the Agency Agreement made between, *inter alios*, SNS Bank N.V. (for purposes of this Chapter the "**Issuer**"), Dexia Banque Internationale à Luxembourg, Société Anonyme as issuing and principal paying agent and agent bank (the "**Agent**", which expression shall include any successor agent) and the other paying agents named therein (together with the Agent, the "**Paying Agents**", which expression shall include any additional or successor paying agents) (the "**Tier 1 Notes**"). Copies of the Agency Agreement are available for inspection at the specified office of the Paying Agents. All persons from time to time entitled to the benefit of obligations under any Tier 1 Notes shall be deemed to have notice of, and shall be bound by, all of the provisions of the Agency Agreement and the Final Terms (as defined below) insofar as they relate to the relevant Tier 1 Notes.

The Tier 1 Notes are issued in series (each, a "**Series**"), and each Series may comprise one or more tranches ("**Tranches**" and each, a "**Tranche**") of Tier 1 Notes. Each Tranche will be the subject of Final Terms (each, the "**Final Terms**"), a copy of which will, in the case of (i) a Tranche in relation to which application has been made for admission to the Luxembourg Stock Exchange be lodged with the Luxembourg Stock Exchange, (ii) a Tranche in relation to which application has been made for admission to Euronext Amsterdam N.V. by Euronext ("**Euronext Amsterdam by NYSE Euronext**") be lodged with Euronext Amsterdam N.V. ("**Euronext Amsterdam**") and (iii) a Tranche in relation to which application has been made for admission to another stock exchange than under (i) and (ii) to be lodged with the entity as specified in the Final Terms and will be available for inspection at the specified office of the Paying Agents.

The Holders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Agency Agreement and the Final Terms applicable to them.

References in these Terms and Conditions to Tier 1 Notes are to Tier 1 Notes of the relevant Series.

#### **1 FORM, DENOMINATION AND TITLE**

##### **1.1 Form and Denomination**

The Tier 1 Notes are in bearer form and shall be in the Specified Denomination as indicated in the applicable Final Terms. The Tier 1 Notes will be represented by a Temporary Global Note

which is exchangeable for a Permanent Global Note (each a "**Global Note**") without interest coupons. Unless specified otherwise in the Final Terms, each Global Note will be deposited with the *Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V.* ("**Euroclear Nederland**") and thereby become subject to the Dutch Securities Giro Transfer Act, as amended and replaced by successor legislation (*Wet Giraal Effectenverkeer*, "**WGE**"). Unless specified otherwise in the Final Terms, the Global Note will not be exchangeable for definitive bearer Tier 1 Notes.

## **1.2 Transfer and Title**

Unless specified otherwise in the Final Terms, interests in a Global Note will be transferable only in accordance with the provisions of the WGE and the rules and procedures for the time being of Euroclear Nederland and its participants (*aangesloten instellingen*) and all transactions in (including transfer of) Tier 1 Notes, in the open market or otherwise must be effected through participants of Euroclear Nederland. The bearer of a Global Note will be the only person entitled to receive payments in respect of such Global Note. Each person who is for the time being shown in the records of Euroclear Nederland or any of its participants as the holder of a particular nominal amount of such Tier 1 Notes (in which regard any certificate or other document issued by Euroclear Nederland or such participant as to the nominal amounts of Tier 1 Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer and the Paying Agents as the holder of such nominal amount of such Tier 1 Notes for all purposes other than with respect to the payment of principal or interest on the Tier 1 Notes, for which purpose the bearer of a Global Note shall be treated by the Issuer and the Paying Agents as the holder of such Tier 1 Notes in accordance with and subject to the terms of the Global Note.

## **2 STATUS**

### **(a) Status and Subordination of the Tier 1 Notes**

The Tier 1 Notes constitute direct, unsecured, subordinated obligations of the Issuer and rank *pari passu* without any preference among themselves. The rights and claims of the Holders under the Tier 1 Notes are subordinated to the claims of Senior Creditors of the Issuer, present and future.

### **(b) Condition of Payment by the Issuer**

Payments in respect of the Tier 1 Notes are conditional upon the Required Deferral Condition not having been met at the time of payment and are subject to no Deferral Notice having been sent in accordance with Condition 4(b)(i).

For the purposes of this Condition 2(b) any reference to a payment by the Issuer in respect of a Tier 1 Note shall be deemed to include a redemption or purchase of such Tier 1 Note by the Issuer.

### **(c) Winding-Up Claims in respect of the Issuer**

Amounts in respect of principal or a Payment not satisfied on the date upon which the same is due and payable and have since not been paid ("**Winding-Up Claims**") will, subject to Condition 4(a) and (b), be payable by the Issuer in a bankruptcy or winding-up (*faillissement of vereffening na ontbinding*) (a "**Winding-Up**") of the Issuer as provided in Condition 3 or on any redemption pursuant to Condition 7(b), 7(c) or 7(d). A Winding-Up Claim shall not bear interest.

(d) Set-off

Subject to applicable law, no Holder may exercise or claim any right of set-off in respect of any amount owed to it by the Issuer arising under or in connection with the Tier 1 Notes and each Holder shall, by virtue of being the holder of any Tier 1 Note, be deemed to have waived all such rights of set-off.

### **3 WINDING-UP**

If at any time an order is made, or an effective resolution is passed, for a Winding-Up of the Issuer (except in any such case of a Winding-Up (*vereffening na ontbinding*) where the Issuer is solvent solely for the purpose of a reconstruction or amalgamation or the substitution in place of the Issuer of a successor in business of the Issuer, the terms of which reconstruction, amalgamation or substitution have previously been approved by an Extraordinary Resolution (as defined in Schedule 6 to the Agency Agreement)), there shall be payable by the Issuer in respect of each Tier 1 Note (in lieu of any other payment by the Issuer) a Winding-Up Claim. The Tier 1 Notes will rank on a Winding-Up of the Issuer in priority to distributions on all classes of share capital of the Issuer and will rank *pari passu* with each other and among themselves, but will be subordinated in right of payment to the claims of Senior Creditors of the Issuer, present and future.

### **4 DEFERRALS**

The Issuer must make each Coupon Payment on the relevant Coupon Payment Date subject to and in accordance with these Terms and Conditions. Without prejudice to the generality of Condition 2, the Issuer must or may defer a Coupon Payment and any other Payment in the following circumstances:

- (a) Required Deferral of Payment
  - (i) If the Required Deferral Condition is met on the 20th Business Day prior to the date on which any Payment (such term does not include principal) would be otherwise due and payable, the Issuer must defer such Payment or such part thereof, as the case may be, by giving a notice to the Holders, the Agent and the Calculation Agent not less than 16 Business Days prior to such date.
  - (ii) If any Payment is deferred pursuant to Condition 4(a)(i), such Payment shall not accumulate or be payable at any time thereafter, and the Holders shall have no right thereto whether in a Winding-Up of the Issuer, or otherwise.
- (b) Optional Deferral of Payments

- (i) Subject to Condition 4(c), the Issuer may in respect of any Payment which would, in the absence of deferral in accordance with this Condition 4, be due and payable, defer all or part of such Payment by giving a notice (also a "**Deferral Notice**") to the Agent, the Calculation Agent and the Holders not less than 16 Business Days prior to the relevant due date.
- (ii) If any Payment is deferred pursuant to this Condition 4(b) such Payment shall not accumulate or be payable at any time thereafter, and the Holders shall have no right thereto whether in a Winding-Up of the Issuer, or otherwise.
- (iii) Subject to Condition 4(b)(iv), the Issuer may give a Deferral Notice under this Condition 4(b) in its sole discretion and for any reason, except that a Deferral Notice as to a Payment required to be paid pursuant to (i) or (ii) under (c) below shall have no force or effect.
- (iv) Notwithstanding the foregoing, if the Final Terms indicate that a Capital Disqualification Event is applicable to the Tier 1 Notes, then on any Coupon Payment Date with respect to which (A) a Capital Disqualification Event has occurred and is continuing and (B) the Issuer is in compliance with the applicable Capital Adequacy Regulations, the Issuer shall be obliged to make the Coupon Payment on such Coupon Payment Date and may not exercise its discretion to defer a Coupon Payment.

(c) Dividend Pusher; Mandatory Payments and Mandatory Partial Payments

The Issuer will, subject to clause 4(a), be required to make payments on the Tier 1 Notes in the following circumstances:

- (i) If in the six months prior to a Coupon Payment Date a Mandatory Payment Event occurs (such an event being referred to as a "**Junior Coupon Pusher Event**"), then the Coupon Payments payable on the next number of Coupon Payment Dates as specified in the Final Terms will be mandatorily due and payable in full on the relevant consecutive Coupon Payment Dates following such Junior Coupon Pusher Event, subject to the occurrence or existence of any Required Deferral Condition at the time such payment would otherwise have to be made.
- (ii) If, in the six months prior to a Coupon Payment Date, a Mandatory Partial Payment Event occurs (such an event being referred to as a "**Parity Coupon Pusher Event**"), then Mandatory Partial Payments will be mandatorily due and payable in respect of each Tier 1 Note on the next number of consecutive Coupon Payment Dates following such Parity Coupon Pusher Event as specified in the Final Terms, subject to the occurrence or existence of the Required Deferral Condition at the time such payment would otherwise have to be made and provided that

payment pursuant to such Mandatory Partial Payment Event was not itself compulsorily required to be paid solely as a result of a dividend or other payment having been made on a Parity Security or a Parity Guarantee, as applicable.

(d) Dividend Stopper

The Issuer agrees that, beginning on the day the Issuer gives a Deferral Notice until the end of the period after such Deferral Notice as specified in the Final Terms, Holding and the Issuer will not recommend to their respective shareholders, and to the fullest extent permitted by applicable law will otherwise act to prevent, any action which would constitute a Mandatory Payment Event or a Mandatory Partial Payment Event.

## 5 COUPON PAYMENTS

(a) Coupon Payment Dates

The Tier 1 Notes bear interest from (and including) the Issue Date. Such interest will (subject to Conditions 2(b), 4(a) and 4(b)) be payable in arrear on each Coupon Payment Date as indicated in the Final Terms. Each Tier 1 Note will cease to bear interest from the due date for redemption unless, upon due presentation, payment of principal is improperly withheld or refused. In such event, it shall continue to bear interest at the prevailing rate in accordance with this Condition (both before and after judgment).

If any Coupon Payment Date would otherwise fall on a day which is not a Business Day it shall, unless specified otherwise in the Final Terms, be postponed to the next Business Day unless it would then fall into the next calendar month in which event the Coupon Payment Date shall be brought forward to the preceding Business Day and after the foregoing each subsequent Coupon Payment Date is the last Business Day of the month which falls three months after such Coupon Payment Date, unless specified otherwise in the Final Terms. The amount of the relevant Coupon Payment shall not be adjusted as a result.

If interest is required to be calculated for a period starting or ending other than on a Coupon Payment Date, such interest shall be calculated by applying the Rate of Interest (specified in the Final Terms relating to the relevant Fixed Rate Tier 1 Note Provisions) ("**Fixed Coupon Rate**") or the Reference Rate (specified in the Final Terms relating to the Floating or Variable Rate Tier 1 Note Provisions) ("**Floating or Variable Coupon Rate**"), as applicable, to each Calculation Amount, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention and multiplying such rounded up figure by a fraction equal to the Specified Denomination of the Tier 1 Note divided by the Calculation Amount.

(b) Fixed Coupon Rate

Tier 1 Notes in relation to which this Condition 5(b) is specified in the relevant Final Terms as being applicable, shall bear a fixed rate of interest at the Coupon Rate per annum as specified in the Final Terms.

Calculation of interest amount: The amount of interest payable in respect of each Tier 1 Note in relation to which this Condition 5(b) is specified shall be calculated by applying the Fixed Coupon Rate to the Calculation Amount, multiplying the product by the specified Fixed Day Count Fraction, rounding the resultant figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded up figure by a fraction equal to the Specified Denomination of the Tier 1 Note divided by the Calculation Amount.

If interest is required to be calculated for a period starting or ending other than on a Coupon Payment Date (the "**Calculation Period**"), such interest shall be calculated by applying the Fixed Coupon Rate to each Calculation Amount, multiplying such sum by the applicable Fixed Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention and multiplying such rounded up figure by a fraction equal to the Specified Denomination of such Tier 1 Note divided by the Calculation Amount.

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

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

where:

"**Determination Period**" means the period from and including a Coupon Payment Date in any year to, but excluding, the next Coupon Payment Date; and

- (ii) if "**30/360**" is specified in the applicable Final Terms, the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months) (unless (i) the last day of the Calculation Period is the 31st day of a month but the first day of the Calculation Period is a day other than the 30th or the 31st day of a month, in which case the month that includes that last day

shall not be considered to be shortened to a 30- day month or (ii) the last day of the Calculation Period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month).

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

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

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

- (1) the Following Business Day Convention, such Coupon Payment Date (or other date) shall be postponed to the next day which is a Business Day; or
- (2) the Modified Following Business Day Convention, such Coupon Payment Date (or other date) shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Coupon Payment Date (or other date) shall be brought forward to the immediately preceding Business Day; or
- (3) the Preceding Business Day Convention, such Coupon Payment Date (or other date) shall be brought forward to the immediately preceding Business Day; or
- (4) No Adjustment, such Coupon Payment Date (or other date) shall not be adjusted in accordance with any Business Day Convention.

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

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

- (c) Floating or Variable Coupon Rate

Tier 1 Notes in relation to which this Condition 5(c) is specified in the relevant Final Terms as being applicable, shall bear a floating or variable rate of interest at the Coupon Rate per Coupon Period as specified in the relevant Final Terms and determined in accordance with Condition 5(d).

Calculation of interest amount: The amount of interest payable in respect of each Tier 1 Note in relation to which this Condition 5(c) is specified shall be calculated by applying the Floating or Variable Coupon Rate to the Calculation Amount, multiplying the product by the relevant Floating Day Count Fraction, rounding the resultant figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded up figure by a



fraction equal to the Specified Denomination of the Tier 1 Note divided by the Calculation Amount.

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

- (i) if **"Actual/365 (Fixed)"** is specified in the applicable Final Terms, the actual number of days in the Coupon Period divided by 365;
- (ii) if **"Actual/360"** is specified in the applicable Final Terms, the actual number of days in the Coupon Period divided by 360;
- (iii) if **"30/360"** is specified in the applicable Final Terms, the number of days in the Coupon Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y2 - Y1)] + [30 \times (M2 - M1)] + (D2 - D1)}{360}$$

where:

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

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

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

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

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

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

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

$$\text{Day Count Fraction} = \frac{[360 \times (Y2 - Y1)] + [30 \times (M2 - M1)] + (D2 - D1)}{360}$$

where:

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

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

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

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

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

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

- (v) if "**Actual/365 (Fixed)**" is specified in the applicable Final Terms, the actual number of days in the Coupon Period divided by 365.

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

- (1) the Following Business Day Convention, such Coupon Payment Date (or other date) shall be postponed to the next day which is a Business Day; or
- (2) the Modified Following Business Day Convention, such Coupon Payment Date (or other date) shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Coupon Payment Date (or other date) shall be brought forward to the immediately preceding Business Day; or
- (3) the Preceding Business Day Convention, such Coupon Payment Date (or other date) shall be brought forward to the immediately preceding Business Day; or
- (4) the Floating Rate Convention, such Coupon Payment Date (i) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (B) below shall apply *mutatis mutandis* or (ii) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (A) such Coupon Payment Date shall be brought forward to the immediately preceding Business Day and (B) each subsequent Coupon Payment Date shall be the last Business Day in the month which falls the Specified Period (as specified in the Relevant Final Terms) after the preceding applicable Coupon Payment Date occurred; or

- (5) No Adjustment, such Coupon Payment Date (or other date) shall not be adjusted in accordance with any Business Day Convention.

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

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

- (d) Determination of Coupon Rate and Coupon Amounts

The Calculation Agent will, upon the determination of each Coupon Rate pursuant to Condition 5(c), calculate the Coupon Amount and cause the Coupon Rate and each Coupon Amount payable in respect of a Coupon Period to be notified to the Issuer, the Agent, Euronext Amsterdam (if applicable) and the Holders as soon as possible after their determination but in no event later than the fourth Business Day thereafter.

Unless specified otherwise in the relevant Final Terms, the amount of interest payable for any period will be computed on the basis of a 360-day year of twelve 30-day months.

- (e) No Determination or Calculation by Calculation Agent

If the Calculation Agent does not at any time for any reason (i) determine the Coupon Rate in accordance with Conditions 5(c) or (ii) calculate a Coupon Amount in accordance with Condition 5(d), the Issuer shall appoint an agent to do so and such determination or calculation shall be deemed to have been made by the Calculation Agent. In doing so, the Issuer or such agent shall apply the foregoing provisions of this Condition, with any necessary consequential amendments, to the extent that, in its opinion, it or such agent can do so, and in all other respects it or such agent shall do so in such manner as it shall deem fair and reasonable in all the circumstances. All determinations or calculations made or obtained for the purposes of the provisions of this Condition 5(e) by such agent, shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Calculation Agent, the Paying Agents and all Holders.

## **6 [Intentionally left blank]**

## **7 REDEMPTION AND PURCHASES**

- (a) No Fixed Redemption Date

The Tier 1 Notes are perpetual securities in respect of which there is no fixed redemption date and the Issuer shall (subject to the provisions of Conditions 2 and 3 and without prejudice to the provisions of Condition 10) only have the right to repay them in accordance with the following provisions of this Condition 7.

- (b) Issuer's Call Option

Subject to Condition 2(b) and prior consent of the Dutch Central Bank, the Issuer may, by giving not less than 30 nor more than 60 days' notice to the Holders in accordance with Condition 15 and to the Agent, which notice shall be irrevocable, elect to redeem all, but not some only, of the Tier 1 Notes on the Coupon Payment Date falling on the date specified as such in the Final Terms and any Coupon Payment Date thereafter at the Optional Redemption Amount specified in the Final Terms together with any Outstanding Payments.

Unless the Tier 1 Notes have previously been redeemed or purchased in accordance with this Condition 7, the Issuer undertakes to exercise its option to redeem the Tier 1 Notes on the Conditional Call Exercise Date (being the date specified as such in the Final Terms or any Coupon Payment Date thereafter) on which (i) all interest is Required Interest and (ii) the Issuer has previously raised (or caused to be raised by a Subsidiary) the amount of net proceeds, between zero and the aggregate Optional Redemption Amount specified in the Final Terms together with any Outstanding Payments of the Tier 1 Notes (both inclusive), which the Issuer determines (at any time prior to such date in its sole discretion but in consultation with the Dutch Central Bank, as necessary) is the minimum amount required by the Issuer and the Subsidiaries to be raised through the issuance of Qualifying Securities to replace the Tier 1 Notes (on or prior to their redemption) in accordance with the remaining provisions of this Condition 7(b).

If, by reference to the facts pertaining on a Conditional Call Exercise Date:

- (i) any part of the Interest on the Coupon Payment Date related thereto is not Required Interest, the Conditional Call Exercise Requirements shall be deemed not to be satisfied as of such Coupon Payment Date; or
- (ii) all interest on the Coupon Payment Date related thereto is Required Interest and:
  - (A) the Replacement Capital Amount is zero, the Conditional Call Exercise Requirements shall be deemed to be satisfied as of such Coupon Payment Date and the Issuer shall give not less than 30 calendar days' notice to the Paying Agents and the Holders in accordance with Condition 15, which notice shall be irrevocable, that the Tier 1 Notes will be redeemed on such Coupon Payment Date at their Optional Redemption Amount specified in the Final Terms together with any Outstanding Payments; or
  - (B) the Replacement Capital Amount is greater than zero, the Issuer shall use its commercially reasonable efforts (except while a Market Disruption Event persists) to raise (or cause to be raised by a Subsidiary), at a minimum, the Replacement Capital Amount so as to satisfy the Conditional Call Exercise Requirements of, and to permit payment of the Optional Redemption Amount as specified in the Final Terms together with any Outstanding Payments in full on such Coupon Payment Date.

If the Replacement Capital Amount is greater than zero and is raised in full on or before the date falling 35 calendar days prior to such Coupon Payment Date and Interest on such Coupon Payment Date continues, by reference to the facts pertaining at such time, to be Required Interest, the Conditional Call Exercise Requirements shall be deemed to be satisfied as of such Coupon Payment Date and the Issuer shall give not less than 30 calendar days' notice to the Paying Agents and the Holders in accordance with Condition 15, which notice shall be irrevocable, that the Tier 1 Notes will be redeemed on such Coupon Payment Date at their Optional Redemption Amount as specified in the Final Terms together with any Outstanding Payments.

If the Replacement Capital Amount is greater than zero and is not raised in full on or before the date falling 35 calendar days prior to such Coupon Payment Date, the Conditional Call Exercise Requirements shall be deemed not to be satisfied as of such Coupon Payment Date and the Issuer shall give not less than 30 calendar days' notice thereof to the Paying Agents and the Holders in accordance with Condition 15 and shall continue to use its commercially reasonable efforts (subject as aforesaid) to raise (or cause to be raised by a Subsidiary) the Replacement Capital Amount so as to satisfy the Conditional Call Exercise Requirements as of, and to permit redemption of the Tier 1 Notes in full on, the next Coupon Payment Date.

The Issuer shall continue the above procedure until the Tier 1 Notes have been redeemed in full.

Interest on the Tier 1 Notes shall, subject to the limitations thereon set out in Condition 4 continue to accrue at the relevant Coupon Rate until the Tier 1 Notes have been redeemed in full.

Subject to Condition 7(a), nothing in this Condition 7(b) shall prevent the Issuer from exercising its option to redeem the Tier 1 Notes on the Coupon Payment Date as referred to in the first paragraph of this Condition 7(b) in its sole discretion in accordance with the first paragraph of this Condition 7(b) without regard to the Conditional Call Exercise Requirements.

(c) Variation, Redemption or Conversion due to Taxation

If the Issuer satisfies the Holders immediately prior to the giving of the notice referred to below that, on the next due date for a Coupon Payment:

- (i) the Issuer would, for reasons outside its control, be unable to make such payment without being required to pay additional amounts as provided or referred to in Condition 11; or
- (ii) payments of amounts in respect of interest on the Tier 1 Notes may be treated as "distributions" within the meaning of Section II of the Dividend Withholding Tax Act 1965 (*Wet op de dividendbelasting 1965*) (or such other Section and/or Act as may from time to time supersede or replace Section II of the Dividend Withholding Tax Act 1965 for the purposes of such definition) and such

requirement or circumstance cannot be avoided by the Issuer taking such measures as it (acting in good faith) deems appropriate; or

- (iii) as a result of any change in or proposed change in, or amendment to or proposed amendment to, the laws of The Netherlands or any political subdivision or authority thereof having power to tax, or any change in or proposed change in the application of official or generally published interpretation of such laws, or any interpretation or pronouncement by any relevant tax authority that provides for a position with respect to such law or regulations that differs from the previously generally accepted position in relation to similar transactions or which differs from any specific written confirmation given by a tax authority in respect of the Tier 1 Notes, which change or amendment becomes, or would become, effective, or in the case of a change or proposed change in law if such change is enacted (or, in the case of a proposed change, is expected to be enacted) by Act of Parliament or made by Statutory Instrument on or after the Issue Date of the relevant Tier 1 Notes (a "**Tax Law Change**") or (B) if no such Tax Law Change has occurred, the Issuer reasonably determines, based on an opinion of competent legal counsel, that, in either case, there is more than an insubstantial risk that the Issuer will not obtain full or substantially full relief for the purposes of Dutch corporation tax for any payment of interest,
- (x) the Issuer may (and subject to Condition 2(b) and prior consent of the Dutch Central Bank), having given not less than 30 nor more than 60 days' notice to the Agent and, in accordance with Condition 15, the Holders (which notice shall be irrevocable), redeem, in accordance with these Terms and Conditions, at any time all, but not some only, of the Tier 1 Notes at the Early Redemption Amount specified in the Final Terms together with any Outstanding Payments; or
- (y) subject to compliance with applicable regulatory requirements and prior consent of the Dutch Central Bank, the Issuer may convert or exchange the Tier 1 Notes in whole (but not in part) to another series of securities of the Issuer, or alter the terms and conditions of the existing Tier 1 Notes to the effect that the Tier 1 Notes so altered will be securities, which, in each case, have, as determined in the Issuer's sole discretion, materially the same terms as the Tier 1 Notes and which are, in the Issuer's sole discretion, no less favourable in respect of an investor's existing rights than the current terms of the Tier 1 Notes but that comply with the then requirements of the Dutch Central Bank in relation to tier 1 capital or equivalent. Any conversion or exchange of the Tier 1 Notes into another series of securities under this paragraph (c)(y), or any such alteration shall be made on not less than 30 nor more than 60 days' notice to the Agent and Holders in accordance with Condition 15.

(d) Variation, Redemption or Conversion for Regulatory Purposes

If securities of the nature of the Tier 1 Notes cease to qualify as own funds and core capital (tier 1 capital or equivalent in accordance with the requirements of the Dutch Central Bank from time to

time), for the purposes of determination of its solvency margin, capital adequacy ratios or comparable margins or ratios under such Capital Adequacy Regulations, then:

- (i) the Issuer may (subject to Condition 2(b) and prior consent of the Dutch Central Bank), having given not less than 30 nor more than 60 days' notice to the Agent and, in accordance with Condition 15, the Holders (which notice shall be irrevocable) redeem, in accordance with these Terms and Conditions, at any time all, but not some only, of the Tier 1 Notes at the Early Redemption Amount specified in the Final Terms together with any Outstanding Payments; or
- (ii) subject to compliance with applicable regulatory requirements and prior consent of the Dutch Central Bank, the Issuer may at any time convert or exchange the Tier 1 Notes in whole (but not in part) to another series of securities of the Issuer, or alter the terms and conditions of the Tier 1 Notes to the effect that the Tier 1 Notes so altered will be securities, which, in each case, have, as determined in the Issuer's sole discretion, materially the same terms as the Tier 1 Notes and which are, in the Issuer's sole discretion, no less favourable in respect of an investor's existing rights than the current terms of the Tier 1 Notes but that comply with the then requirements of the Dutch Central Bank in relation to tier 1 capital or equivalent. Any conversion or exchange of the Tier 1 Notes into another series of securities under this paragraph (d)(ii), or any such alteration shall be made on not less than 30 nor more than 60 days' notice to the Agent and Holders in accordance with Condition 15.

(e) Purchases

The Issuer, Holding or any Subsidiary or any subsidiary of Holding may (subject to Condition 2(b) and prior consent of the Dutch Central Bank) at any time purchase Tier 1 Notes in any manner and at any price.

(f) Cancellation

Cancellation of any Tier 1 Notes will be effected by reduction in the principal amount of the Global Note and such cancelled Tier 1 Notes may not be reissued or resold. Tier 1 Notes purchased by the Issuer or Holding or any Subsidiary of the Issuer or any subsidiary of Holding may be held, reissued (in the case of the Issuer), resold or, at the option of the Issuer (upon acquisition by the Issuer), be cancelled by decreasing the number of Tier 1 Notes represented by the Global Note by an equal number. The obligations of the Issuer in respect of any such Tier 1 Notes shall be discharged.

## 8 ALTERATION OF TERMS

Upon the occurrence of a Regulatory Event, (i) Condition 4(b)(iv) will no longer apply to the Tier 1 Notes and (ii) Condition 4(c) will no longer apply to the Tier 1 Notes to the extent such Condition refers to Mandatory Partial Payments and Mandatory Partial Payment Events. The Tier 1 Notes thus altered will be referred to as the "**Altered Tier 1 Notes**" so as to reflect that for International Financial Reporting Standards ("**IFRS**") purposes they are classified as equity applying the current IFRS standards. After the occurrence of a Regulatory Event the Issuer will be allowed to

defer Coupon Payments on the Altered Tier 1 Notes, subject to the suspension of payments on instruments which are classified as equity for IFRS purposes. Subject to the above, following a Regulatory Event the Altered Tier 1 Notes will remain outstanding on the Conditions applicable thereto as of the occurrence of a Regulatory Event.

## **9 PAYMENTS**

### **(a) Method of Payment**

- (i) Payments of principal and Coupon Amounts and all other payments on or in respect of the Tier 1 Notes will be in the Specified Currency and will be calculated by the Calculation Agent and effected through the Paying Agents. Payments of redemption amounts and interest in respect of the Tier 1 Notes will, subject as set out below, be made against presentation for endorsement and, if no further payment is to be made in respect of the Tier 1 Notes, surrender of the Global Note to the order of the Paying Agents. A record of each payment will be endorsed on the appropriate part of the schedule to the Global Note by or on behalf of the Paying Agents, which endorsement shall be prima facie evidence that such payment has been made in respect of the Tier 1 Notes.
- (ii) The names of the initial Paying Agents and their initial specified offices are set out below. The Issuer reserves the right at any time to vary or terminate the appointment of any Paying Agent and to appoint additional or other Paying Agents provided that it will at all times maintain (aa) a Paying Agent having a specified office in The Netherlands (bb) for so long as the Tier 1 Notes are listed on Euronext Amsterdam by NYSE Euronext, or any other stock exchange or regulated securities market and the rules of such exchange or securities market so require, a Paying Agent having a specified office in such location as the rules of such exchange or securities market may require and (cc) a Paying Agent in a Member State of the European Union that will not be obliged to withhold or deduct tax pursuant to the European Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to, such Directive. Notice of any such termination or appointment and of any change in the specified offices of the Paying Agents will be given to the Holders in accordance with Condition 15.

### **(b) Payments subject to fiscal laws**

All payments made in accordance with these Terms and Conditions will be subject in all cases to any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 11.

### **(c) Payments on Business Days**

A Global Note may only be presented for payment on a Business Day, unless specified otherwise in the Final Terms.

No further interest or other payment will be made as a consequence of the day on which a Global Note may be presented for payment under this paragraph falling after the due date.



## 10 NON-PAYMENT WHEN DUE

*Notwithstanding any of the provisions below in this Condition 10, the right to institute Winding-Up proceedings is limited to circumstances where payment has become due.*

*Pursuant to Condition 2(b) and subject as provided in the next sentence no principal or Payment will be due by the Issuer if the Issuer is not Solvent or would not be Solvent if payment of such principal or Payment was made. Also, in the case of any Payment, such Payment will not be due if such Payment is deferred pursuant to Condition 4(a) or 4(b).*

- (a) If the Issuer shall not make a payment in respect of the Tier 1 Notes for a period of 14 days or more after the date on which such payment is due, the Issuer shall be deemed to be in default under the Tier 1 Notes, and any Holder may, notwithstanding the provisions of paragraph (b) of this Condition 10, institute proceedings in The Netherlands (but not elsewhere) for the Winding-Up of the Issuer.
- (b) Subject as provided in this Condition 10, any Holder may at its discretion and without further notice institute such proceedings against the Issuer as it may think fit to enforce any term or condition binding on the Issuer under the Agency Agreement or the Tier 1 Notes provided that the Issuer shall not by virtue of the institution of any such proceedings be obliged to pay any sum or sums, in cash or otherwise, sooner than the same would otherwise have been payable by it.

## 11 TAXATION

All payments by the Issuer of principal, a Coupon Amount, a Mandatory Partial Payment and a Winding-Up Claim in respect of the Tier 1 Notes will be made without withholding or deduction for, or on any account of, any present or future taxes, duties, assessments or governmental charges of whatsoever nature imposed or levied by or on behalf of The Netherlands or any political subdivision thereof or by any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law. In that event the Issuer will pay such additional amounts as may be necessary in order that the net amounts receivable by Holders after such withholding or deduction shall equal the respective amounts of principal and interest which would have been received in respect of the Tier 1 Notes in the absence of such withholding or deduction, except that no such additional amounts shall be payable in relation to any payment with respect to any Tier 1 Note:

- (i) to, or to a third party on behalf of, a Holder who is liable to such taxes, duties, assessments or governmental charges in respect of such Tier 1 Note by reason of such Holder or, as the case may be, such third party having some connection with The Netherlands other than the mere holding of such Tier 1 Note; or
- (ii) to, or to a third party on behalf of, a Holder if such withholding or deduction may be avoided by complying with any statutory requirement or by making a declaration of non-residence or other similar claim for exemption to the relevant tax authority; or

- (iii) to, or to a third party on behalf of, a Holder, that is a partnership, or a Holder, that is not the sole beneficial owner of the Tier 1 Note or which holds the Tier 1 Note in a fiduciary capacity, to the extent that any of the members of the partnership, the beneficial owner or the settlor or beneficiary with respect to the fiduciary would not have been entitled to the payment of an additional amount had each of the members of the partnership, the beneficial owner, settlor or beneficiary (as the case may be) received directly his beneficial or distributive share of the payment; or
- (iv) presented for payment more than 30 days after the Relevant Date except to the extent that the Holder would have been entitled to such additional amounts on presenting the same for payment on the last day of such period of 30 days; or
- (v) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to, such Directive.

References in these Terms and Conditions to principal, a Coupon Amount, a Mandatory Partial Payment and/or a Winding-Up Claim shall be deemed to include any additional amounts which may become payable pursuant to the foregoing provisions.

## **12 PRESCRIPTION**

Claims for payment in relation to Tier 1 Notes will become void unless exercised within a period of 5 years from the due date for payment thereof.

## **13 MEETINGS OF HOLDERS, MODIFICATION, WAIVER**

The Agency Agreement contains provisions for convening meetings of the Holders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Tier 1 Notes or certain provisions of the Agency Agreement. Such meetings may be convened by the Issuer or Holders holding not less than 5% in a nominal amount of the Tier 1 Notes for the time being remaining "outstanding" (as defined in the Agency Agreement). The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding or representing not less than 50% in nominal amount of the Tier 1 Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Holders whatever the nominal amount of the Tier 1 Notes so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Tier 1 Notes (including modifying any date for payment of interest thereof, reducing or cancelling the amount of principal or the rate of interest payable in respect of the Tier 1 Notes or altering the currency of payment of the Tier 1 Notes), the necessary quorum for passing an Extraordinary Resolution will be one or more persons holding or representing not less than two-thirds, or at any adjourned such meeting not less than one-third, in nominal amount of the Tier 1 Notes for the time being outstanding. An Extraordinary Resolution passed at any meeting of the Holders shall be binding on all the Holders, whether or not they are present at the meeting.

The Agent and the Issuer may agree, without the consent of the Holders to:

- (i) any modification (except as mentioned above) of the Tier 1 Notes or the Agency Agreement which is not materially prejudicial to the interests of the Holders; or
- (ii) any modification of the Tier 1 Notes or the Agency Agreement which is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of the law of the jurisdiction in which the Issuer is incorporated.

Any such modification shall be binding on the Holders and any such modification shall be notified to the Holders in accordance with Condition 15 as soon as practicable thereafter.

#### **14 REPLACEMENT OF THE TIER 1 NOTES**

Should the Global Note, be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Agent (or such other place of which notice shall have been given in accordance with Condition 15) upon payment by the claimant of the expenses incurred in connection therewith and on such terms as to evidence and indemnity and/or as the Issuer may reasonably require. The mutilated or defaced Global Note must be surrendered before any replacement Global Note will be issued.

#### **15 NOTICES**

Notices to Holders may be given by the delivery of the relevant notice to Euroclear Nederland except (i) for so long as the Tier 1 Notes are listed on Euronext Amsterdam by NYSE Euronext and the rules of Euronext Amsterdam so require, notices shall also be published in the Euronext Amsterdam Daily Official List (*Officiële Prijscourant*) and in a newspaper having general circulation in The Netherlands and (ii) for so long as the Notes are listed on the Luxembourg Stock Exchange, on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)). It is expected that such publication in a daily newspaper will be made in *Het Financieele Dagblad*. Any such notice will be deemed to have been given on the date of the first publication in all the newspapers in which such publication is required to be made or on the date of publication on the website of the Luxembourg Stock Exchange. Any Notice delivered to Euroclear Nederland shall be deemed to have been given to the Holders on the day on which such notice is so delivered.

Until such time as any definitive Notes are issued (if applicable), there may (provided that, in the case of any publication required by a stock exchange, the rules of the stock exchange so permit), so long as the global Note(s) is or are held in its or their entirety with a depositary or a common depositary on behalf of Euroclear and Clearstream, Luxembourg and/or any other relevant clearing system be substituted for publication in some or all of the newspapers referred to above, the delivery of the relevant notice to Euroclear and Clearstream, Luxembourg and/or any other relevant clearing system for communication by them to the holders of the Notes. Any such notice shall be deemed to have been given to the holders of the Notes on the day on which the said notice was given to Euroclear and Clearstream, Luxembourg and/or any other relevant clearing system, except that, for so long as such Notes are admitted to trading on the Luxembourg Stock Exchange and it is a requirement of applicable law or regulations, such notices shall be published on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)).

Where the identity of all the holders of the Notes is known to the Issuer, the Issuer may (after consultation with the relevant Stock Exchange (where relevant)) give notice individually to such holders in lieu of publication as provided above, except that, so long as the Notes are listed on Euronext Amsterdam by NYSE Euronext and the rules of such stock exchange so require, such notices will also be published in a daily newspaper of general circulation in The Netherlands. Notices to be given by any holder of the Notes shall be in writing and given by lodging the same, together with the relative Note or Notes, with the Agent. Whilst any of the Notes are represented by a global Note, such notice may be given by any holder of a Note to the Agent via Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system as the case may be, in such manner as the Agent and Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system as the case may be, may approve for this purpose. Such notice shall be deemed to have been given on the day on which the said notice was given to the relevant clearing system.

## 16 FURTHER ISSUES

The Issuer is at liberty from time to time without the consent of the Holders to create and issue further Tier 1 Notes ranking *pari passu* in all respects (or in all respects save for the date from which interest thereon accrues and the amount of the first payment of interest on such further Tier 1 Notes) and so that the same shall be consolidated and form a single series with the outstanding Tier 1 Notes.

## 17 SUBSTITUTION OF THE ISSUER

- (a) The Issuer may, with the consent of the Holders which will be deemed to have been given in respect of each issue of Tier 1 Notes on which no payment of principal of or Interest on any of the Tier 1 Notes is in default and after written approval of the Dutch Central Bank, be replaced and substituted by Holding, or any directly or indirectly wholly owned Subsidiary or any directly or indirectly wholly owned subsidiary of Holding (such Subsidiary, subsidiary of Holding or Holding: the "**Substituted Debtor**") as principal debtor in respect of the Tier 1 Notes provided that:
  - (i) such documents shall be executed by the Substituted Debtor and the Issuer as may be necessary to give full effect to the substitution (the "**Documents**") and (without limiting the generality of the foregoing) pursuant to which the Substituted Debtor shall undertake in favour of each Holder to be bound by the Terms and Conditions of the Tier 1 Notes and the provisions of the Agency Agreement as fully as if the Substituted Debtor had been named in the Tier 1 Notes and the Agency Agreement as the principal debtor in respect of the Tier 1 Notes in place of the Issuer and pursuant to which the Issuer shall guarantee, which guarantee shall be unconditional and irrevocable, (the "**Guarantee**") in favour of each Holder (including any additional amounts payable pursuant to Condition 11) payable in respect of the Tier 1 Notes;

- (ii) where the Substituted Debtor is incorporated, domiciled or resident for taxation purposes in a territory other than The Netherlands, the Documents shall contain a covenant and/or such other provisions as may be necessary to ensure that each Holder has the benefit of a covenant in terms corresponding to the provisions of Condition 11 with the substitution for the references to The Netherlands of references to the territory in which the Substituted Debtor is incorporated, domiciled and/or resident for taxation purposes. The Documents shall also contain a covenant by the Substituted Debtor and the Issuer to indemnify and hold harmless each Holder against all liabilities, costs, charges and expenses, which may be incurred by or levied against such holder as a result of any substitution pursuant to this Condition and which would not have been so incurred or levied had such substitution not been made (and, without limiting the foregoing, such liabilities, costs, charges and expenses shall include any and all taxes or duties which are imposed on any such Holder by any political sub-division or taxing authority of any country in which such Holder resides or is subject to any such tax or duty and which would not have been so imposed had such substitution not been made);
- (iii) the Documents shall contain a warranty and representation by the Substituted Debtor and the Issuer (a) that each of the Substituted Debtor and the Issuer has obtained all necessary governmental and regulatory approvals and consents for such substitution and the performance of its obligations under the Documents, and that all such approvals and consents are in full force and effect and (b) that the obligations assumed by each of the Substituted Debtor and the Issuer under the Documents are all valid and binding in accordance with their respective terms and enforceable by each Holder;
- (iv) each stock exchange which has Tier 1 Notes listed thereon shall have confirmed that following the proposed substitution of the Substituted Debtor such Tier 1 Notes would continue to be listed on such stock exchange;
- (v) the Substituted Debtor shall have delivered to the Agent or procured the delivery to the Agent of a legal opinion from a leading firm of lawyers in the jurisdiction in which the Substituted Debtor is situated to the effect that the Documents and the Substituted Debtor's obligations under the Tier 1 Notes will constitute legal, valid and binding obligations of the Substituted Debtor, such opinion to be dated not more than 3 days prior to the date of substitution of the Substituted Debtor for the Issuer and to be available for inspection by Holders at the specified office of the Agent;
- (vi) the Issuer shall have delivered to the Agent or procured the delivery to the Agent of a legal opinion from a leading firm of Dutch lawyers to the effect that the Documents (including the Guarantee) will constitute legal,

valid and binding obligations of the Issuer, such opinion to be dated not more than 3 days prior to the date of substitution of the Substituted Debtor for the Issuer and to be available for inspection by Holders at the specified office of the Agent;

- (vii) the Issuer shall have delivered to the Agent or procured the delivery to the Agent of a legal opinion from a leading firm of Dutch lawyers to the effect that the Documents (including the Guarantee) constitute legal, valid and binding obligations of the Substituted Debtor and the Issuer under Dutch law, such opinion to be dated not more than 3 days prior to the date of substitution of the Substituted Debtor for the Issuer and to be available for inspection by Holders at the specified office of the Agent; and
  - (viii) in case it is envisaged to obtain a rating for the Tier 1 Notes, the Issuer shall have delivered to the Agent or procured the delivery to the Agent of a rating confirmation letter from each relevant assigning rating agency confirming their rating of the Tier 1 Notes;
- (b) In connection with any substitution effected pursuant to this Condition, neither the Issuer nor the Substituted Debtor need have any regard to the consequences of any such substitution for individual Holders resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory and no Holders, except as provided in Condition 17(a)(ii), shall be entitled to claim from the Issuer or any Substituted Debtor under the Tier 1 Notes any indemnification or payment in respect of any tax or other consequences arising from such substitution.
- (c) Furthermore, the Documents shall provide for such further amendment of the Terms and Conditions as shall be necessary to ensure that the Tier 1 Notes of such Series constitute subordinated obligations of the Substituted Debtor and that the Guarantee constitutes a subordinated obligation of the Issuer, in each case subordinated to no greater than the same extent as the Issuer's obligations prior to its substitution to make payments of principal in respect of the Tier 1 Notes of such Series under the Terms and Conditions.
- (d) The Issuer shall be entitled, after written approval of Dutch Central Bank by notice to the Holders given in accordance with Condition 15, at any time either to effect a substitution which does not comply with paragraph (c) above provided that the terms of such substitution have been approved by an Extraordinary Resolution of the Holders or to waive all and any rights to effect a substitution of the principal debtor pursuant to this Condition. Any such notice of waiver shall be irrevocable.
- (e) Upon the execution of the Documents as referred to in paragraph (a) above, the Substituted Debtor shall be deemed to be named in the Tier 1 Notes as the principal debtor in place of the Issuer and the Tier 1 Notes shall thereupon be deemed to be amended to give effect to the substitution. The execution of the Documents shall operate to release the Issuer as issuer from all of its obligations as principal debtor in respect of

the Tier 1 Notes save that any claims under the Tier 1 Notes prior to release shall endure for the benefit of Holders.

- (f) The Documents shall be deposited with and held by the Agent for so long as any Tier 1 Notes remain outstanding and for so long as any claim made against the Substituted Debtor by any Holder in relation to the Tier 1 Notes or the Documents shall not have been finally adjudicated, settled or discharged. The Substituted Debtor and the Issuer shall acknowledge in the Documents the right of every Holder to the production of the Documents for the enforcement of any of the Tier 1 Notes or the Documents.
- (g) Not later than 15 business days after the execution of the Documents, the Substituted Debtor shall give notice thereof to the Holders in accordance with Condition 15.

## **18 AGENTS**

The Issuer will procure that there shall at all times be a Calculation Agent and an Agent so long as any Tier 1 Note is outstanding. If either the Calculation Agent or the Agent is unable or unwilling to act as such or if it fails to make a determination or calculation or otherwise fails to perform its duties under these Terms and Conditions or the Agency Agreement, as appropriate, the Issuer shall appoint an independent investment bank to act as such in its place. Neither the termination of the appointment of a Calculation Agent or the Agent nor the resignation of either will be effective without a successor having been appointed.

All calculations and determinations made by the Calculation Agent or the Agent in relation to the Tier 1 Notes shall (save in the case of manifest error) be final and binding on the Issuer, the Paying Agents and the Holders.

The Issuer nor any of the Paying Agents shall have any responsibility to any person for any errors or omissions in any calculation by the Calculation Agent.

## **19 GOVERNING LAW AND JURISDICTION**

- (a) The Agency Agreement (including its jurisdiction clause) and the Tier 1 Notes (including Condition 19 (b)), are governed by, and shall be construed in accordance with, the laws of The Netherlands.
- (b) The Issuer submits for the exclusive benefit of the Holders to the jurisdiction of the courts of Amsterdam, The Netherlands, judging in first instance, and in its appellate courts. Without prejudice to the foregoing, the Issuer further irrevocably agrees that any suit, action or proceedings arising out of or in connection with the Agency Agreement or the Securities may be brought in any other court of competent jurisdiction.

## **20 DEFINITIONS**

In these Terms and Conditions:

**"Agency Agreement"** means the Agency Agreement dated on or about 11 November 2009 between the Issuer, Holding and the Paying Agents relating to the Tier 1 Notes

under which the Paying Agents agree to perform the duties required of them under these Terms and Conditions;

**"Assets"** means the non-consolidated gross assets of the Issuer as shown by the then latest published audited balance sheet of the Issuer but adjusted for contingencies and for subsequent events and to such extent as the directors or, as the case may be, the liquidator may determine to be appropriate;

**"Business Day"** means a day which is both:

- (i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in any Additional Business Centre specified in the applicable Final Terms and, if applicable, the relevant place of presentation of a Global Note; and
- (ii) either (1) in relation to any sum payable in a Specified Currency (as specified in the applicable Final Terms) other than euro, a day on which commercial banks and foreign exchange markets settle payments in London and the principal financial centre of the country of the relevant Specified Currency (if other than London) and any Additional Business Centre and which if the Specified Currency (a) Australian dollars, shall be Sydney, (b) New Zealand dollars, shall be Wellington, (c) Hong Kong dollars, shall be Hong Kong and (d) Japanese yen, shall be Tokyo or (2) in relation to any sum payable in euro, a TARGET Settlement Date;

**"Calculation Agent"** means the calculation agent in relation to the Tier 1 Notes, or its successor or successors for the time being appointed under the Agency Agreement;

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

**"Capital Adequacy Regulations"** means at any time the regulations, requirements, guidelines, policies, decrees imposing obligations on the Issuer with respect to the maintenance of minimum levels of solvency margins and/or capital adequacy ratios and /or comparable margins or ratios, as well as regarding the supervision thereof by any existing or future regulator having primary supervisory authority with respect to the Issuer (currently the Dutch Central Bank);

**"Capital Disqualification Event"** means a change in any applicable law or regulation or in the official interpretation or application thereof, as a result of which, for the purposes of the Capital Adequacy Regulations, the Tier 1 Notes no longer qualify as regulatory capital resources of the Issuer (except where such non-qualification is only as a result of any applicable limitation on the amount of such capital);

**"Capital Securities"** means the EUR 350,000,000 fixed/floating rate hybrid capital securities issued by SNS REAAL N.V. on 17 July 2007 under its EUR 2,000,000,000 debt issuance programme (which programme was updated and integrated with the Issuer's debt issuance programme on 8 June 2009);



**"Conditional Call Exercise Date"** means the first Coupon Payment Date specified as such in the Final Terms or any Coupon Payment Date thereafter on which all of the Conditional Call Exercise Requirements are satisfied;

**"Conditional Call Exercise Requirements"** shall be deemed to be satisfied as at the Coupon Payment Date as specified as such in the Final Terms or any Coupon Payment Date thereafter if (a) Interest on such date is Required Interest and (b) the Issuer or any Subsidiary has raised the Replacement Capital Amount, if any, in accordance with Condition 7(b);

**"Coupon Amount"** means in respect of a Coupon Payment, the amount of interest payable on a Tier 1 Note for the relevant Coupon Period in accordance with Condition 5;

**"Coupon Payment"** means, in respect of a Coupon Payment Date, the aggregate Coupon Amounts for the Coupon Period ending on such Coupon Payment Date;

**"Coupon Payment Date"** means the date(s) specified as such in the Final Terms;

**"Coupon Period"** means the period commencing on (and including) the Issue Date and ending on (but excluding) the first Coupon Payment Date and each successive period commencing on (and including) a Coupon Payment Date and ending on (but excluding) the next succeeding Coupon Payment Date;

**"Coupon Rate"** has the meaning ascribed to that term in Condition 5(b) (Fixed Coupon Rate) and 5(c) (Floating or Variable Coupon Rate);

**"Dutch Central Bank"** means De Nederlandsche Bank N.V.;

**"Holder"** means the holder of any Tier 1 Note, collectively the **"Holders"**;

**"Holding"** means, for the purposes of this Chapter 9 only, SNS REAAL N.V.;

**"Interest"** means any interest accrued on Tier 1 Notes and shall, where appropriate, include any Coupon Amount;

**"Issue Date"** means the date of initial issue of the Tier 1 Notes as specified in the Final Terms;

**"Issuer"** means SNS Bank N.V.;

**"Junior Guarantee"** means any guarantee, indemnity or other contractual support arrangement entered into by the Issuer in respect of securities (regardless of name or designation) issued by a Subsidiary or Undertaking and ranking on a Winding-Up of the Issuer or in respect of distributions or payment of dividends or any other payment thereon, after the Tier 1 Notes;

**"Junior Securities"** means any Ordinary Shares, preference shares of the Issuer or any other securities of the Issuer which rank as regards distributions on a return of assets on a Winding-Up of the Issuer or in respect of distributions or payment of dividends or any other payments thereon, after the Tier 1 Notes;

**"Liabilities"** means the non-consolidated gross liabilities of the Issuer as shown by the then latest published audited balance sheet of the Issuer, but adjusted for contingencies and for subsequent events and to such extent as the directors, the auditors or, as the case may be, the liquidator may determine;

**"Mandatory Partial Payment"** payable on any Coupon Payment Date means a payment in respect of each Tier 1 Note in an amount that results in payment of a proportion of a full Coupon Payment on the Tier 1 Note on such Coupon Payment Date equal to the proportion of a full dividend on the relevant Parity Securities and/or payment on the relevant Parity Guarantee paid on the dividend or payment date in respect of the relevant Parity Securities and/or Parity Guarantee immediately preceding;

A **"Mandatory Partial Payment Event"** shall occur if any of the following occurs:

- (i) the Issuer declares, pays or distributes a dividend or makes a payment on any of its Parity Securities (other than (a) interest or dividend or other payment declared, paid or distributed by the Issuer in cash or in kind to Holding or a wholly owned subsidiary of Holding, or (b) in the form of Ordinary Shares) or makes any payment on a Parity Guarantee (except where (a) it concerns a payment, purchase or redemption which the Issuer is obliged to make pursuant to its articles of association as they read prior to the relevant deferral or equity swap, forward, repo or equity derivative transactions concluded by the Issuer prior to the relevant deferral, or (b) the terms of which do not provide for the ability of the Issuer to defer or cancel such payment at its discretion);
- (ii) Holding declares, pays or distributes a dividend or makes a payment on any of its Parent Parity Securities (except where (a) it concerns a payment, purchase or redemption which Holding is obliged to make pursuant to its articles of association as they read prior to the relevant deferral or equity swap, forward, repo or equity derivative transactions concluded by Holding prior to the relevant deferral, or (b) the terms of which do not provide for the ability of Holding to defer or cancel such payment at its discretion) or;
- (iii) any Subsidiary or Undertaking declares, pays or distributes a dividend on any security issued by it benefiting from a Parity Guarantee or makes a payment on any security issued by it benefiting from a Parity Guarantee;

except that any payment or repayment on the State Capital Securities shall not constitute a Mandatory Partial Payment Event;

**"Mandatory Payment Event"** shall occur if any of the following occurs:

- (i) the Issuer declares, pays or distributes a dividend or makes a payment (other than (a) interest or a dividend or other payment declared, paid or distributed by the Issuer in cash or in kind to Holding or a wholly owned subsidiary of Holding, or (b) in the form of Ordinary Shares) on any of its Junior Securities or makes any payment on a Junior Guarantee;
- (ii) Holding declares, pays or distributes a dividend or makes a payment on any of its Parent Junior Securities;
- (iii) any Subsidiary or Undertaking declares, pays or distributes a dividend on any security issued by it benefiting from a Junior Guarantee or makes a payment on any security issued by it benefiting from a Junior Guarantee;
- (iv) the Issuer or any Subsidiary or Undertaking redeems, purchases or otherwise acquires any of the Issuer's Junior Securities, any Parity Securities or any securities issued by any Subsidiary or Undertaking benefiting from a Junior Guarantee or Parity Guarantee (other than (1) by conversion into or in exchange for Ordinary Shares, (2) in connection with transactions effected by or for the account of customers of the Issuer or any Subsidiary or in connection with the distribution, trading or market making in respect of those securities, (3) in connection with the satisfaction by the Issuer or any Subsidiary of its obligations under any employee benefit plans or similar arrangements with or for the benefit of employees, officers, directors or consultants, (4) as a result of a reclassification of the Issuer or any Subsidiary or the exchange or conversion of one class or series of capital stock for another class or series of capital stock, or (5) the purchase of fractional interests in shares of the capital stock of the Issuer or any Subsidiary pursuant to the conversion or exchange provisions of that capital stock or the security being converted or exchanged for any consideration, or any moneys are paid to or made available for a sinking fund or for redemption of any Junior Securities, Parity Securities or any securities issued by any Subsidiary or Undertaking benefiting from a Junior Guarantee or Parity Guarantee; in all such cases, except where it concerns a payment, purchase or redemption which the Issuer is obliged to make pursuant to its articles of association as they read prior to the relevant deferral or equity swap, forward, repo or equity derivative transactions concluded by the Issuer prior to the relevant deferral;
- (v) Holding redeems, purchases or otherwise acquires any Parent Junior Securities, any Parent Parity Securities (other than (1) by conversion into or in exchange for ordinary shares of Holding, (2) in connection with transactions effected by or for the account of customers of Holding or in connection with the distribution, trading or market making in respect of those securities, (3) in connection with the satisfaction by Holding of its obligations under any employee benefit plans or similar arrangements with or for the benefit of employees, officers, directors or consultants, (4) as a result of a reclassification of Holding or the exchange or conversion of one class or series of capital stock for another class or series of capital stock, or (5) the purchase of fractional interests in shares of the capital stock of the Holding pursuant to the conversion or exchange provisions of that

capital stock or the security being converted or exchanged) for any consideration, or any moneys are paid to or made available for a sinking fund or for redemption of any Parent Junior Securities or Parent Parity Securities; in all such cases, except where it concerns a payment, purchase or redemption which Holding is obliged to make pursuant to its articles of association as they read prior to the relevant deferral or equity swap, forward, repo or equity derivative transactions concluded by Holding prior to the relevant deferral;

except that any payment or repayment on the State Capital Securities shall not constitute a Mandatory Payment Event;

**"Market Disruption Event"** means the occurrence or existence of any of the following events or circumstances:

- (i) trading in securities on any national securities exchange or over-the-counter market on which securities and instruments of the Issuer which effectively rank *pari passu* with or junior to the Tier 1 Notes aggregated then listed shall have been suspended or their settlement generally shall have been materially disrupted;
- (ii) a banking moratorium shall have been declared by the relevant authorities in the Netherlands; or
- (iii) the Issuer would be required to obtain the consent or approval of its shareholders or a regulatory body or governmental authority to issue Qualifying Securities and the Issuer fails, notwithstanding its commercially reasonable efforts, to obtain that consent or approval;

provided that a "Market Disruption Event" will not have occurred nor be deemed to have occurred if the Issuer determines not to pursue or complete the issuance of Qualifying Securities due to pricing, distribution rate or dilution considerations;

**"Ordinary Shares"** means ordinary shares of the Issuer;

**"Outstanding Payment"** means, in relation to any amounts payable on redemption or repayment of the Tier 1 Notes, an amount representing accrued and unpaid Interest for the Coupon Period during which redemption or repayment occurs to the date of redemption or repayment plus additional amounts thereon as provided or referred to in Condition 11, if any;

**"Parity Guarantee"** means any guarantee, indemnity or other contractual support arrangement entered into by the Issuer in respect of securities (regardless of name or designation) issued by a Subsidiary or an Undertaking or other securities (regardless of name or designation) of the Issuer, or such Subsidiary or Undertaking, which rank on a Winding-Up of the Issuer or in respect of distributions or payments thereon *pari passu* with the Tier 1 Notes;

**"Parent Junior Securities"** means any ordinary shares, preference shares of Holding or any other securities of Holding which rank, as regards distributions on a return of assets on a Winding-Up of Holding or in respect of distributions or payment of dividends or any

other payments thereon, after the Capital Securities, or, in the event that the Capital Securities have been redeemed, would have so ranked had the Capital Securities still been outstanding at such time;

**"Parent Parity Securities"** means, in respect of Holding, any securities which rank, as regards distributions on a return of assets on a Winding-Up of Holding or in respect of distributions or payment of any amounts thereunder by Holding, *pari passu* with the Capital Securities, or, in the event that the Capital Securities have been redeemed, would have so ranked had the Capital Securities still been outstanding at such time;

**"Parity Securities"** means, in respect of the Issuer, any securities which rank *pari passu* with the Tier 1 Notes as regards distributions on a return of assets on a Winding-Up of the Issuer or in respect of distribution or payment of any amounts thereunder by the Issuer;

**"Payment"** means any Coupon Payment or Coupon Amount not falling within the definition of Coupon Payment;

**"Qualifying Securities"** means securities of the Issuer or any Subsidiary that qualify as consolidated tier 1 capital of the Issuer and the Subsidiaries under the Capital Adequacy Regulations;

**"Regulatory Event"** means that the minimum capital adequacy required by the *Wet op het financieel toezicht*, the *Besluit prudentiële regels Wft* and any rules or policy guidelines provided pursuant thereto or such other capital adequacy ratios or other comparable margins or ratios under the Capital Adequacy Regulations, if any, are or as a result of a Payment would become less than the relevant minimum requirements as applied and enforced by the promulgated Dutch Central Bank or such other applicable regulator;

**"Relevant Date"** means (i) in respect of any payment other than a Winding-Up Claim, the date on which such payment first becomes due and payable but, if the full amount of the moneys payable on such date has not been received by the Agent on or prior to such date, the "Relevant Date" means the date on which such moneys shall have been so received and notice to that effect shall have been given to the Holders in accordance with Condition 15, and (ii) in respect of a Winding-Up Claim, the date which is one day prior to the commencement of the Winding-Up;

**"Replacement Capital Amount"** means the amount of net proceeds, between zero and the Optional Redemption Amount as specified in the Final Terms together with any Outstanding Payments of the Tier 1 Notes (both inclusive), which the Issuer determines (at any time prior to a Conditional Call Exercise Date in its sole discretion but in consultation with the Dutch Central Bank as necessary) is the minimum amount required by the Issuer and the Subsidiaries to be raised through the issuance of Qualifying Securities to replace Tier 1 Notes on or prior to their redemption;

the **"Required Deferral Condition"** means any of the following:

- (a) the Issuer determines that it is not or, on the relevant date on which a Payment would be made after taking into account amounts payable on that date on the Tier 1 Notes, will not be Solvent;
- (b) a Regulatory Event has occurred and continues to exist; or
- (c) the Dutch Central Bank has requested or required the Issuer not to make any Payments on the Tier 1 Notes;

**"Required Interest"** means any Payment to the extent it is required to be paid by the Issuer in accordance with Condition 4(c);

**"Senior Creditors"** means present and future creditors of the Issuer (a) who are unsubordinated creditors of the Issuer, or (b) whose claims are, or are expressed to be, subordinated (whether only in the event of the Winding-Up of the Issuer or otherwise) to the claims of unsubordinated creditors of the Issuer, but not further or otherwise, or (c) who are subordinated creditors of the Issuer other than those whose claims are, or are expressed to rank, *pari passu* with, or junior to, the claims of the Holders;

**"Solvent"** means that the Issuer is (a) able to pay its debts to Senior Creditors as they fall due and (b) its Assets exceed its Liabilities (other than its liabilities to persons who are not Senior Creditors);

**"Specified Currency"** means the currency as specified in the Final Terms;

**"Specified Denomination"** means the denomination as specified in the Final Terms;

**"State Capital Securities"** means the capital securities issued by SNS REAAL N.V. to the State of the Netherlands and Stichting Beheer SNS REAAL on 11 December 2008;

**"Subsidiary"** means a subsidiary of the Issuer within the meaning of Section 2:24a of the Dutch Civil Code;

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

**"successor in business"** means, in relation to the Issuer:

- (a) a company or other entity to whom the Issuer validly and effectually, in accordance with all enactments, orders and regulations in force for the time being and from time to time, transfers the whole or a substantial part of its business, or assets for the purpose of assuming and conducting the business of the Issuer in its place; or
- (b) any other entity which acquires in any other manner all or substantially all the property and/or assets of the Issuer or carries on as a successor to the Issuer

the whole or substantially the whole of the business carried on by the Issuer prior thereto,

where in each of the cases in paragraphs (a) and (b) above the terms of the proposed transaction have previously been approved by an Extraordinary Resolution of the Holders;

**"TARGET"** means the Trans-European Automated Real-time Gross Settlement Express Transfer payment system which utilises interlinked national real time gross settlement systems and the European Central Bank's payment mechanism and which began operations on 4 January 1999;

**"TARGET2"** means the Trans-European Automated Real-time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007;

**"TARGET Settlement Date"** means:

- (a) until such time as TARGET is permanently closed down and ceases operations any day on which both TARGET and TARGET2 are; and
- (b) following such time as TARGET is permanently closed down and ceased operations, any day on which TARGET2 is,

open for the settlement of payment in euro.

**"Tier 1 Notes"** means the Tier 1 Notes specified in the relevant Final Terms and, unless the context otherwise requires, any further Tier 1 Notes issued pursuant to Condition 16 and forming a single series with the Tier 1 Notes;

**"Undertaking"** means a body corporate, partnership, limited partnership, cooperative or an incorporated association carrying on a trade or business with or without a view to profit in which the Issuer has a direct or indirect financial, commercial or contractual majority interest;

**"Winding-Up"** has the meaning ascribed to it in Condition 2(c); and

**"Winding-Up Claim"** has the meaning ascribed to it in Condition 2(c).

## PART 2: FORM OF FINAL TERMS FOR THE TIER 1 NOTES

*Set out below is the form of Final Terms which will be completed for each Tranche of Tier 1 Notes issued under the Programme.*

### Final Terms

SNS Bank N.V. (the "**Issuer**")

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

Issue of [up to] [Aggregate Nominal Amount of Tranche] [Title of Tier 1 Notes]

issued under the Debt Issuance Programme of SNS Bank N.V. and SNS REAAL N.V.

dated [•]

This document constitutes the Final Terms of the issue of Tier 1 Notes under the Debt Issuance Programme (the "**Programme**") of SNS Bank N.V. and SNS REAAL N.V., described herein for the purposes of article 5.4 of Directive 2003/71/EC (the "**Prospectus Directive**"). It must be read in conjunction with the base prospectus pertaining to the Programme, dated 8 June 2009 (the "**Prospectus**") and any amendments or supplements thereto, which together constitute a base prospectus for the purposes of the Prospectus Directive. Full information on the Issuer and the offer of the Tier 1 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](http://www.snsreaal.com) as well as at the Amsterdam office of the Issuers at Nieuwezijds Voorburgwal 162, 1012 SJ, Amsterdam, The Netherlands, where copies may also be obtained. Any supplements to the Prospectus will in any case be available at this office and copies thereof may be obtained there.

These Final Terms are to be read in conjunction with the Terms and Conditions of the Tier 1 Notes (the "**Terms and Conditions**") set forth in Chapter 9, 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 Tier 1 Notes. Capitalised terms not defined herein have the same meaning as in the Terms and Conditions. Certain capitalised terms in the Terms and Conditions which are not defined therein have the meaning set forth in these Final Terms. All references to numbered Conditions and sections are to Conditions and sections of the Terms and Conditions set forth in the Prospectus.

*[Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or subparagraphs. Italics denote directions for completing the Final Terms.]*

*[When adding any other final terms or information consideration should be given as to whether such terms or information constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive, the*



*publication of which would in turn trigger the investors" right to withdraw their acceptances within a period of 2 business days.]*

1. Issuer: SNS Bank N.V.
2. (a) Series Number: [   ]  
  
(b) Tranche Number: [   ]  
*(If fungible with an existing Series, details of that Series, including the date on which the Tier 1 Notes become fungible)*
3. Specified Currency or Currencies: [   ]
4. Aggregate Nominal Amount:  
  
(a) Series: [   ]  
  
(b) Tranche: [   ]
5. Issue Price: [   ] per cent. of the Aggregate Nominal Amount [plus accrued interest from *[insert date]* (if applicable)]
6. (i) Specified Denominations: [Note - where multiple denominations above [€50,000] or equivalent are being used the following sample wording should be followed:  
*"[€ 50,000] and integral multiples of [€ 1,000] in excess thereof up to and including [€ 99,000].  
No notes in definitive form will be issued with a denomination above [€ 99,000].*  
  
*(If only one Specified Denomination, insert the Specified Denomination. If more than one Specified Denomination, insert the highest common factor. Note: There must be one common factor in the case of two or more Specified Denominations.)*
- (ii) Calculation Amount [   ]

7. (a) Issue Date: [     ]
- (b) Interest Commencement Date: [     ]
8. Interest Basis: [[     ] per cent. Fixed Rate per annum]  
[[LIBOR/EURIBOR] +/- [     ] per cent. Floating Rate]  
[Zero Coupon]  
  
[Dual Currency Interest]  
[specify other]  
(further particulars specified below)
9. Redemption/Payment Basis: [Redemption at par]  
  
[Dual Currency Redemption]  
  
[specify other]  
  
*(N.B. If the Final Redemption Amount is less than 100% of the nominal value the Tier 1 Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply.)*
10. Change of Interest Basis or Redemption/Payment Basis [Specify details of any provision for change of Tier 1 Notes into another Interest Basis or Redemption/Payment Basis]
11. Call Option: [Issuer Call]  
[(further particulars specified below)]
12. Date [Board] approval for issuance of Tier 1 Notes obtained: [     ] [and [     ], respectively]  
*(N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Tier 1 Notes)*
13. Method of distribution: [Syndicated/Non-syndicated]

#### PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14. Fixed Rate Tier 1 Note Provisions

[Applicable/Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*

- (a) Rate(s) of Interest: [ ] per cent. per annum [payable [annually/semi-annually/quarterly] in arrear]
- (b) Coupon Payment Date(s): [[ ] in each year up to and including the redemption date]/[specify other]  
*(N.B. This will need to be amended in the case of long or short coupons) (payments will be postponed if a Coupon Payment Date is not a Business Day, unless specified otherwise here)*
- (c) Fixed Coupon Amount(s): [ ] per Calculation Amount
- (d) Broken Amount(s): [ ] per Calculation Amount, payable on the Coupon Payment Date falling [in/on] [ ]
- (e) - Business Day Convention: [Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention/No Adjustment/[specify other]]
- Adjustment or Unadjustment for Coupon Period [Adjusted] or [Unadjusted]
- (f) Fixed Day Count Fraction: [30/360 or Actual/Actual (ICMA) or [specify other]]
- (g) Determination Date(s): [ ] in each year  
*[Insert regular Coupon Payment Dates, ignoring issue date or maturity date in the case of a long or short first or last coupon N.B. This will need to be amended in the case of regular Coupon Payment Dates which are not of equal duration]*

*N.B. Only relevant where Day Count Fraction is Actual/Actual (ICMA)]*

- (h) Other terms relating to the method of calculating interest for Fixed Rate Tier 1 Notes: [None/Give details]
- (i) Number of required Coupon Payments Dates following a Junior Coupon Pusher Event and/or a Parity Coupon Pusher Event pursuant to Condition 4(c): [ ]
- (j) Capital Disqualification Event: [Applicable/Not Applicable]
15. Floating or Variable Rate Tier 1 Note Provisions: [Applicable/Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*
- (a) Specified Period(s)/Specified Coupon Payment Dates: [ ]
- (b) - Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/ No adjustment/[specify other]]
- Adjustment or Unadjustment for Interest Period [Adjusted] or [Unadjusted]
- (c) Additional Business Centre(s): [ ]
- (d) Manner in which the Rate of Interest and Interest Amount is to be determined: [Screen Rate Determination/ISDA Determination/Variable Rate/specify other]
- (e) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Agent): [please insert name + address + contact]
- (f) Screen Rate Determination:  
• Reference Rate: [ ].  
*(Either LIBOR, EURIBOR or other, although additional information is required if other - including fallback*

*provisions in the Agency Agreement)*

- Interest Determination Date(s): [    ]  
*(Second London business day prior to the start of each Interest Period if LIBOR (other than Sterling or euro LIBOR), first day of each Interest Period if Sterling LIBOR and the second day on which the TARGET System is open prior to the start of each Interest Period if EURIBOR or euro LIBOR)*
  
- Relevant Screen Page: [    ]  
*(In the case of EURIBOR, if not Reuters EURIBOR 01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)*
  
- (g) ISDA Determination:
  - Floating Rate Option: [    ]
  - Designated Maturity: [    ]
  - Reset Date: [    ]
  
- (h) Margin(s): [ +/- ] [    ] per cent. per annum
  
- (i) Minimum Rate of Interest: [    ] per cent. per annum
  
- (j) Maximum Rate of Interest: [    ] per cent. per annum
  
- (k) Floating Day Count Fraction: [Actual/365  
Actual/365 (Fixed)  
Actual/360  
30/360  
30E/360  
Other]
  
- (l) Fallback provisions, rounding provisions and any other terms relating to the method of calculating interest on Floating Rate Tier 1 Notes, if different from those set out in the Conditions: [    ]
  
- (m) Number of required Coupon Payments Dates following a Junior [    ]

Coupon Pusher Event and/or a  
Parity Coupon Pusher Event  
pursuant to Condition 4(c):

(n) Capital Disqualification Event

[Applicable/Not Applicable]

## PROVISIONS RELATING TO REDEMPTION

16. Issuer Call:

[Applicable/Not Applicable]  
*(If not applicable, delete the  
remaining subparagraphs of this  
paragraph)*

(a) Optional Redemption Date(s):

[ ]

(b) Conditional Call Exercise Date:

[ ]

(c) Optional Redemption Amount of  
each Tier 1 Note and method,  
if any, of calculation of such  
amount(s):

[ ] per Calculation Amount  
[details of Optional Redemption  
Amount]

(d) If redeemable in part:

(a) Minimum Redemption Amount:

[ ] per Calculation Amount

(b) Higher Redemption Amount:

[ ] per Calculation Amount

(e) Notice period (if other than as set  
out in the Conditions):

[ ]

17. Early Redemption Amount of each Tier 1 Note  
payable on redemption for taxation or  
regulatory reasons and/or the method of  
calculating the same

[details of Early Redemption  
Amount]

## GENERAL PROVISIONS APPLICABLE TO THE TIER 1 NOTES

18. Form of Tier 1 Notes:

[Temporary Global Tier 1 Note  
exchangeable for a Permanent  
Global Tier 1 Note, which is  
exchangeable for Definitive Notes  
only if specified herein.]

[other]

19. Additional Financial Centre(s) or other

[Not Applicable/*give details*]

special provisions relating to Payment Days:

*(Note that this paragraph relates to the place of payment and not Interest Period end dates to which subparagraph 15(c) relates)*

20. Other final terms:

[Not Applicable/give details]

[Number of Coupon Payments specified in Condition 4(c)(ii)]

*(When adding any other final terms consideration should be given as to whether such terms constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.)*

## DISTRIBUTION

21. (a) If syndicated, names [and addresses]\*\* of Managers [and underwriting commitments]\*\*:

[Not Applicable/give names [and addresses and underwriting commitments]\*\*]

*(Include names and addresses of entities agreeing to underwrite the issue on a firm commitment basis and names and addresses of the entities agreeing to place the issue without a firm commitment or on a "best efforts" basis if such entities are not the same as the Managers)*

**\*\***

*[Please note that the process for notification to potential investors of the amount allotted and an indication whether the dealing may begin before notification is made will be provided for by the Manager(s) to potential investors]*

(b) Date of Syndication Agreement:\*\*

[ ]\*\*

(c) Stabilising Manager (if any):

[Not Applicable/give name]

22. If non-syndicated, name [and address]\*\* of relevant Dealer:

[Name [and address]\*\*]

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

## OTHER PROVISIONS

24. Whether TEFRA D or TEFRA C rules applicable or TEFRA rules not applicable: [ *TEFRA D/TEFRA C/TEFRA not applicable* ]

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

26. (i) Listing: [ *Amsterdam/other (specify)/None* ]

(ii) Admission to trading: [ *Application has been made for the Tier 1 Notes to be admitted to trading on [     ] with effect from [     ].] [Not Applicable.]* ]

(iii) Estimate of total expenses related to admission to trading:\* [     ]\*

27. Ratings: The Tier 1 Notes to be issued have been rated:

[S & P: [     ]]  
[Moody's: [     ]]  
[Fitch: [     ]]  
[[Other]: [     ]]

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

28. Transfer of interests [interests in a Global Note will be transferable only in accordance with the provisions of the WGE and the rules and procedures of Euroclear Nederland and its participants and all transactions in (including transfer of) Tier 1 Notes, in the open market or otherwise must be effected through participants of Euroclear Nederland/*Other*].

29. [Notification]



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

30. Interests of Natural and Legal Persons involved in the Issue

[Save for any fees payable to the Dealers, so far as the Issuer is aware, no person involved in the issue of the Tier 1 Notes has an interest material to the offer. - Amend as appropriate if there are other interests]

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

32. Estimated net proceeds and total expenses

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

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

33. Yield (Fixed Rate Tier 1 Notes only)

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

34. Performance of Rate[s] of Exchange and Explanation of Effect on Value of Investment (Dual Currency Tier 1 Notes only)

[Need to include details of where past and future performance and volatility of the relevant rates can be obtained.]

35. Operational Information

(i) ISIN Code: [ ]

- (ii) Common Code: [     ]
- (iii) Any clearing system(s) other than Euroclear Bank S.A./N.V., Clearstream Banking, société anonyme and Euroclear Nederland and the relevant identification number(s): [Not Applicable/give *name(s)* and *number(s)*]
- (iv) Delivery: Delivery [against/free of] payment
- (v) Names and addresses of additional Paying Agent(s) (if any): [     ]
- (vi) Offer Period: [[The offer of the Tier 1 Notes is expected to open at [●] hours([●] time) on [●] and close at [●] hours ([●] time) on [●] or such earlier or later date or time as the Issuer may determine and will be announced in [●].]
- [The Issuer reserves the right to withdraw the offer of the Tier 1 Notes until [●] at the latest. Such withdrawal will be announced in the fore mentioned publications.]
- [The aggregate principal amount of the Tier 1 Notes to be issued and allotted will be announced by the Issuer at [●] hours ([●] time) on [●] or such earlier or later date or time as the Issuer may determine and will be announced in the aforementioned publications.]
- [The Issuer reserves the right to increase the aggregate principal amount of the Tier 1 Notes to be issued. Such increase will be announced in the aforementioned publications]
- [[No]/[D/d]ealing in the Tier 1 Notes will be possible before the aggregate principal amount of the Tier 1 Notes is announced as set out above.]

[Not Applicable]

(vii) Reduction of subscriptions:

[[Subscriptions in excess. If the Issuer determines to increase the aggregate principal amount of the Tier 1 Notes to be issued this will be announced by the Issuer at [●] hours ([●] time) on [●] or such earlier or later date or time as the Issuer may determine and will be announced in the aforementioned publications.]

[in [ ] Not Applicable]

(viii) Maximum and minimum subscription amount:

[[●] and [●].

36. [Additional information]

[The following information should be consulted in connection with the offer of the Tier 1 Notes:

*[- insert relevant information which does not necessitate a Supplement to the Prospectus].*

37. [Other]

*[insert any other relevant information]*

38. [Listing and Admission to Trading Application]

These Final Terms comprise the final terms required to list and have admitted to trading the issue of Tier 1 Notes described herein pursuant to the Programme for the issuance of Notes of the Issuer and SNS REAAL N.V.]

## Responsibility

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

Signed on behalf of the Issuer:

By:

By:

Duly authorised

Duly authorised

**Notes:**

\* ***Delete if the minimum denomination is less than € 50,000***

\*\* ***Delete if the minimum denomination is equal to or higher than € 50,000***

## **ANNEX 2 – RISKS RELATED TO THE TIER 1 NOTES ISSUED BY SNS BANK**

### **Risks related to the Tier 1 Notes issued by SNS Bank**

#### *Optional deferral*

SNS Bank may at its discretion elect to defer any Payment (as defined in 'Terms and Conditions of the Tier 1 Notes' under Condition 20, 'Definitions') (such term does not include principal) on the Tier 1 Notes for any period of time for so long as there has not been either a Mandatory Payment Event or a Mandatory Partial Payment Event (each as defined in 'Terms and Conditions of the Tier 1 Notes' under Condition 20, 'Definitions').

Any payment deferred pursuant to SNS Bank's optional right to defer will be non-cumulative. See more particularly described in 'Terms and Conditions of the Tier 1 Notes' under Condition 4, Deferrals - (b) 'Optional Deferral of Payments' below.

#### *Required deferral*

If and when the Required Deferral Condition (as defined in 'Terms and Conditions of the Tier 1 Notes' under Condition 20, 'Definitions') is met and during the period such Required Deferral Condition is continuing, SNS Bank will defer further Payments (such term does not include principal) on the Tier 1 Notes for any period of time subject to SNS Bank no longer being subject to a Required Deferral Condition. See more particularly described in 'Terms and Conditions of the Tier 1 Notes' under Condition 4, Deferrals – (a) 'Required Deferral of Payment'.

#### *Perpetual securities*

SNS Bank is under no obligation to redeem the Tier 1 Notes at any time and the Holders (as defined in 'Terms and Conditions of the Tier 1 Notes' under Condition 20, 'Definitions') have no right to call for their redemption.

#### *Status, Subordination and Ranking*

The Tier 1 Notes constitute direct, unsecured, subordinated obligations of SNS Bank and rank *pari passu* without any preference among themselves. The rights and claims of the Holders under the Tier 1 Notes are subordinated to the claims of Senior Creditors (as defined below) of SNS Bank, present and future. On a winding-up (*faillissement of vereffening na ontbinding*) of SNS Bank, the Tier 1 Notes will rank in priority to distributions on all classes of share capital of SNS Bank and will rank *pari passu* with each other and among themselves, but will be subordinated in right of payment to the claims of Senior Creditors of SNS Bank, present and future.

**"Senior Creditors"** means present and future creditors of SNS Bank:

- (i) who are unsubordinated creditors of SNS Bank, or

(ii) whose claims are, or are expressed to be, subordinated (whether only in the event of the winding-up (*faillissement of vereffening na ontbinding*) of SNS Bank or otherwise) to the claims of unsubordinated creditors of SNS Bank, but not further or otherwise; or

(iii) who are subordinated creditors of SNS Bank other than those whose claims are, or are expressed to rank, *pari passu* with, or junior to, the claims of the Holders.

#### *Variation, Redemption or Conversion risk*

Upon the occurrence of certain specified tax or regulatory events, or the exercise of a call by SNS Bank, the Tier 1 Notes may be redeemed at their principal amount together with any Outstanding Payments (as defined in 'Terms and Conditions of the Tier 1 Notes' under Condition 20, 'Definitions'), subject as provided in 'Terms and Conditions of the Tier 1 Notes' under Condition 7, 'Redemption and Purchases'. In the case of regulatory events, SNS Bank may, with the prior consent of the Dutch Central Bank and in compliance with applicable regulatory requirements, convert or exchange the Tier 1 Notes to another series of securities of SNS Bank or alter the terms of the existing securities so that they are no less favourable to the holders, but are in compliance with the then applicable requirements of the Dutch Central Bank.

SNS Bank has undertaken, subject as provided in 'Terms and Conditions of the Tier 1 Notes', under Condition 7 'Redemption and Purchase', to exercise the issuer call on the Conditional Call Exercise Date (as defined in 'Terms and Conditions of the Tier 1 Notes' under Condition 20, 'Definitions' and as specified in the relevant final terms).

#### *Alteration of terms upon a Regulatory Event*

Upon the occurrence of a Regulatory Event (as defined in 'Terms and Conditions of the Tier 1 Notes' under Condition 20, 'Definitions'), the terms of the Tier 1 Notes will be automatically altered so to reflect that they have become Altered Tier 1 Notes (as defined in 'Terms and Conditions of the Tier 1 Notes' under Condition 8 'Alteration of Terms') which for International Financial Reporting Standards ("**IFRS**") purposes are classified as equity applying the current IFRS standards. See 'Terms and Conditions of the Tier 1 Notes' – Condition 8, 'Alteration of Terms'. If the terms of the Tier 1 Notes are so altered, the Altered Tier 1 Notes that a Holder will then hold, will have different rights than those applicable to the Tier 1 Notes and such rights will be less favourable to Holders than those that apply to the Tier 1 Notes, provided that in a winding-up of SNS Bank the Altered Tier 1 Notes will in any case have the same ranking as the Tier 1 Notes.

#### *No limitation on issuing debt*

There is no restriction on the amount of debt which SNS Bank may issue which ranks senior to the Tier 1 Notes or on the amount of securities which SNS Bank may issue which ranks *pari passu* with the Tier 1 Notes. The issue of any such debt or securities may reduce the amount recoverable by Holders on a winding-up (*faillissement of vereffening na ontbinding*) of SNS Bank and may increase the likelihood of a deferral of Payments under the Tier 1 Notes.

#### *Restricted remedy for non-payment*

The sole remedy against SNS Bank available to any Holder for recovery of amounts owing in respect of any Payment or principal in respect of the Tier 1 Notes will be the institution of proceedings in the Netherlands for the winding-up (*faillissementsprocedure*) of SNS Bank and/or proving in such winding-up.

#### *Set-off*

Subject to applicable law, no Holder may exercise or claim any right of set-off in respect of any amount owed to it by SNS Bank arising under or in connection with the Tier 1 Notes and each Holder shall, by virtue of being the holder of any Tier 1 Note, be deemed to have waived all such rights of set-off.

#### *Uncertainty as to the trading market for the Tier 1 Notes*

SNS Bank may apply for listing of the Tier 1 Notes on the Luxembourg Stock Exchange or on any other stock exchange specified in the final terms. The Tier 1 Notes are securities for which there is currently no trading market and for which there can be no assurance of future liquidity. In addition, to the extent that the Tier 1 Notes are traded, prices of the Tier 1 Notes may fluctuate greatly depending on the trading volume and the balance between buy and sell orders. Holders of Tier 1 Notes are urged to contact their brokers to obtain the best available information as to the potential market price of the Tier 1 Notes.